

Annual Report

2024

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Equipped with state-of-the-art pump performance testing labs, Sulzer's Suzhou pump factory in China offers a complete service offering for all types of pumps regardless of the manufacturer.

Letter to the Shareholders

Dear Shareholders,

Sulzer serves essential markets contributing to global economic prosperity and sustainable societies. Whereas safe, affordable and clean are some of the keywords associated with these markets, we refer to them as essential, because they help improve and sustain life.

As an increasing percentage of people around the world have thankfully moved into the middle classes, the markets in which we operate – energy and energy transition, natural resources and the process industries – also continue to grow. Thus energy efficiency, emissions and pollution reduction, careful management of natural resources, infrastructure lifecycle expansion, and better quality and yields enable sustainable growth and improvements in the standard of living.

Adding meaningful value

Sulzer's products, services and solutions ensure our customers and their customers can produce more and at better quality. We work hard to support our customers' goals and ambitions. At the same time, we diligently strive to make our own systems and processes more effective and efficient.

Reducing internal complexities, redesigning processes and fostering a culture of systematic value creation are some of the milestones on our path to becoming an even better company. Sulzer excellence across and throughout our operations is how we describe the many initiatives that we launched in 2024 and will continue to develop in the coming years."



"Reducing internal complexities, redesigning processes and fostering a culture of systematic value creation are some of the milestones on our path to becoming an even better company."

Suzanne Thoma
Executive Chair

Continuously improved performance in all divisions

Profitable growth and excellence along the value chain are the pillars of our strategy, the implementation of which is well underway. In 2024, Sulzer's order intake grew 10.8% and sales increased 10.8% – and this on the back of strong growth in 2023. Profitability reached new heights of 12.4%, 130 basis points higher than 2023.

Outlook for 2025 - resiliently positioned

In light of our successful financial year and anticipated ongoing growth performance, we are proposing a dividend of CHF 4.25 per share to the Annual General Meeting.

As for 2025, we are focused on the path to become a top industrial company that truly creates value. We will continue to invest in key areas across the company and execute on our excellence and growth initiatives. Due to the limited visibility of the market developments and the unpredictable timing of expected large orders, the year-on-year growth of order intake is difficult to forecast, especially on a quarterly basis. However, we are confident in our strategy and position in essential markets. The company expects another year of good performance with year-on-year organic growth for order intake of 2% to 5% and for sales of 5% to 8%. The EBITDA margin is expected to further increase to above 15% of sales.

Finally, the most important thing: Your support and loyalty, valued stakeholders, are important cornerstones of our success. I would like to express my sincere thanks for this. I would also like to take this opportunity to thank our customers, partners and employees around the world for their ongoing good work and efforts.

Yours sincerely,

Suzanne Thoma
Executive Chair

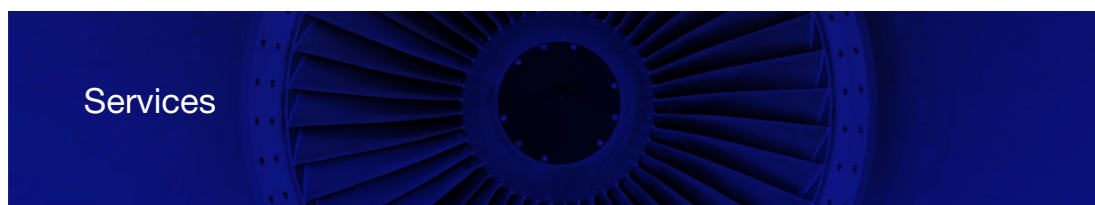
Serving essential markets

Sulzer serves essential markets, supporting economic prosperity and sustainability for society. Important global trends make our products, services and technologies more relevant than ever.

As the world population grows, there is a greater need for products and services, particularly in emerging industrial markets. In turn, this leads to greater demand for access to energy, more and cleaner water, and the production of important chemicals for agriculture and industry. This increasing demand underscores the need to balance a prosperous future with a resilient and sustainable global society.

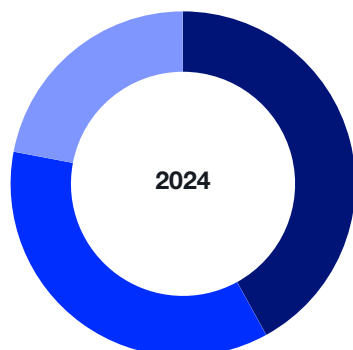
Sulzer is well-positioned to offer products, services and technologies to essential markets like energy, natural resources and process industries to increasingly enable both prosperity and sustainability. Our three divisions – Flow, Services and Chemtech – serve the same important growing markets that are ensuring the security and quality of critical goods and services, as well as the transition to a more sustainable future. Connected through large, global and many small and medium-sized customers, our divisions enhance their products and technologies, enabling efficiency improvements and circular economies.

Sulzer is committed to becoming a top industrial company, creating ever more value for shareholders, customers, employees and society, as an integral contributor to global prosperity and sustainability.



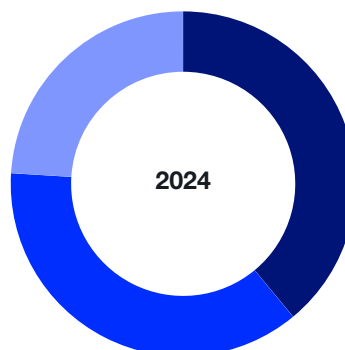
Our key figures

Order intake by division



- 42% Flow
- 36% Services
- 22% Chemtech

Order intake by region



- 39% Europe, the Middle East and Africa
- 37% Americas
- 24% Asia-Pacific

Key figures

millions of CHF	2024	2023	Change in +/-%	+/-% adjusted ¹⁾	+/-% organic ²⁾
Order intake	3'848.6	3'580.3	7.5	10.9	10.8
Order intake gross margin	35.0%	33.9%			
Order backlog as of December 31	2'300.0	1'946.8	18.1		
Sales	3'530.6	3'281.7	7.6	10.9	10.8
EBIT	382.5	329.7	16.0		
EBITDA	502.7	437.9	14.8		
Operational profit	436.2	365.6	19.3	24.9	24.7
Operational profitability	12.4%	11.1%			
Core net income	307.2	257.9	19.1		
Net income	265.4	230.5	15.1		
Basic earnings per share (in CHF)	7.73	6.76	14.4		
Free cash flow (FCF)	234.9	301.3	-22.1		
Net debt as of December 31	100.4	172.3	-41.7		
Employees (number of full-time equivalents) as of December 31	13'455	13'130	2.5		

1) Adjusted for currency effects.

2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Stock market information

	2024	2023	2022	2021	2020
Registered share price (in CHF)					
– high	145.60	91.70	93.50	143.10	110.50
– low	82.45	71.10	56.10	82.45	40.12
– year-end	131.00	85.90	72.00	89.85	93.10
Market capitalization as of December 31					
– number of shares outstanding	33'752'915	33'811'296	33'738'515	33'727'637	33'835'903
– in millions of CHF	4'422	2'904	2'429	3'030	3'150
– in percentage of equity	361%	265%	237%	238%	224%
P/E ratio as of December 31	16.9x	12.7x	85.2x	2.1x	37.8x
Dividend yield as of December 31	3.2%	4.4%	4.9%	3.9%	4.3%


Data per share

CHF	2024	2023	2022	2021	2020
Net income attributable to a shareholder of Sulzer Ltd	7.73	6.76	0.85	41.93	2.46
Change from prior year	14%	700%	–98%	1'603%	–46%
Equity attributable to a shareholder of Sulzer Ltd	36.30	32.40	30.40	37.80	41.50
Ordinary dividend	4.25 ¹⁾	3.75	3.50	3.50	4.00
Payout ratio	55%	55%	414%	8%	163%
Average number of shares outstanding	33'855'876	33'884'651	33'825'814	33'788'006	33'970'141

1) Proposal to the Annual General Meeting.

Shareholder structure as of December 31, 2024

Number of shares	Number of shareholders	Shareholding
1–100	4'701	1.0%
101–1'000	5'140	6.6%
1'001–10'000	555	5.7%
10'001–100'000	91	10.6%
More than 100'000	12	76.1%
Total registered shareholders and shares (excluding treasury shares Sulzer Ltd)	10'499	100.0%



Business review

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Continuously improved profitability

Note: If not otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

Performance continued to improve in all three divisions, with order intake and sales increasing by 10.8% year-on-year. Operational profitability further improved by 130 basis points, reaching 12.4%, with all divisions achieving new heights. Free cash flow totaled CHF 234.9 million, down CHF 66.4 million from the previous year. The decrease was mainly impacted by higher CAPEX investments and net working capital requirements to support the backlog increase of 14.9%.

Continued double-digit growth in orders and sales

Order intake rose by 10.8% compared with 2023, reaching CHF 3'848.6 million. Excluding currency conversion impacts, order intake would have amounted to CHF 3'969.0 million. The impact from divestitures, deconsolidations and acquisitions totaled CHF 3.5 million. Order intake gross margin¹ further increased significantly by 110 basis points to 35.0%, as a result of improved pricing and execution of our excellence initiatives supported by portfolio optimization.

Order intake growth in the Flow division reached 12.3%, driven by large orders in the energy transition and security markets and rising demand in the “green minerals” and wastewater sectors. The Services division also experienced continued growth in order intake with a 12.5% increase, particularly in the Americas and Asia-Pacific. Chemtech’s order intake grew by 5.4% after a double-digit growth the past two years, supported by a strong performance in both the Mass Transfer Components & Services business and the System Solutions business.

As of the end of 2024, the order backlog amounted to CHF 2'300.0 million (2023: CHF 1'946.8 million), an increase of 14.9%. Excluding currency conversion impacts, the order backlog would be CHF 2'236.8 million.

1) Order intake gross margin is defined as the expected gross profit of order intake divided by order intake.

millions of CHF	2024	2023	+/-% organic ¹⁾
Order intake	3'848.6	3'580.3	10.8
Order intake gross margin	35.0%	33.9%	1.1
Order backlog as of December 31	2'300.0	1'946.8	14.9

1) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Sales increased by 10.8% compared with the previous year reaching CHF 3'530.6 million in 2024. Excluding currency conversion impacts, sales would be CHF 3'639.4 million. The net effect from divestitures, deconsolidations and acquisitions amounted to CHF 3.8 million.

The Flow division contributed with strong sales growth of 9.4%. This was mainly driven by the Energy and Infrastructure business benefiting from a solid order backlog entering the year. For the second consecutive year, the Services division reported double-digit sales growth, achieving 12.3%, with all regions contributing. The Chemtech division achieved double-digit sales growth for the third

consecutive year, increasing by 10.9%, largely due to the solid execution of large orders from the backlog.



“Sulzer’s continued strong financial performance in 2024 highlights our strategic position in key markets experiencing favorable momentum and the impact of our commitment to operational excellence.”

Thomas Zickler
Chief Financial Officer



Sustainable growth in profit margins

Gross profit margin increased to 33.5% (2023: 33.0%), supported by a larger share of high-margin business and continued impact from operational excellence. Coupled with increased sales volume, gross profit reached CHF 1'183.2 million (2023: CHF 1'084.6 million). Excluding currency conversion impacts, the gross profit would be CHF 1'218.8 million.

Operational profitability at 12.4%

Operational profit amounted to CHF 436.2 million compared with CHF 365.6 million in 2023, an increase of 24.7%. Higher sales volumes and better margins, supported by the execution of operational excellence initiatives, resulted in operational profitability of 12.4%, 130 basis points higher than 2023. All divisions successfully increased operational profitability led by Flow and Chemtech.

In the Flow division, operational profitability increased to 9.5% (2023: 8.0%), supported by manufacturing improvements and structural cost optimization. Services reached 15.0% (2023: 14.8%) in operational profitability as a result of higher sales offset by one-off investments in excellence initiatives and footprint expansion. Chemtech achieved strong operational profitability of 14.1% (2023: 12.3%) benefiting from the execution of projects with favorable margins and continued focus on excellence measures.

Bridge from operational profit to EBIT

millions of CHF	2024	2023	Change in +/-
Operational profit	436.2	365.6	70.6
Amortization	-38.5	-36.6	-1.9
Impairments on tangible and intangible assets	-4.5	-0.2	-4.3
Restructuring expenses	-3.7	-3.0	-0.7
Non-operational items ¹⁾	-7.0	3.8	-10.8
EBIT	382.5	329.7	52.9

1) Non-operational items include significant acquisition related expenses, gains and losses from the sale or closure of businesses and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Return on sales of 10.8%

EBIT for 2024 increased 21.8% to CHF 382.5 million from CHF 329.7 million in 2023. Excluding currency conversion impacts, EBIT would be CHF 402.4 million. Return on sales (ROS) grew by 80 basis points to 10.8%.

Calculation of return on sales (ROS) and operational profitability

millions of CHF	2024	2023	+/-% organic ¹⁾
EBIT	382.5	329.7	21.8
Sales	3'530.6	3'281.7	10.8
Return on sales (ROS)	10.8%	10.0%	0.8
Operational profit	436.2	365.6	24.7
Sales	3'530.6	3'281.7	10.8
Operational profitability	12.4%	11.1%	1.3

1) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Financial result

Total net financial expenses amounted to CHF 25.2 million compared with CHF 22.2 million in 2023.

Net interest expenses decreased to CHF 9.7 million compared with CHF 11.9 million in 2023 as a result of higher interest income on defined benefit plans. Fair value changes on financial assets and liabilities had a negative impact of CHF 12.7 million (2023: CHF +5.1 million). Currency exchange losses and other financial expenses amounted to CHF 2.8 million (2023: CHF 15.4 million).

Effective tax rate of 24.9%

Income tax expenses increased by 22.5%, reaching CHF 88.2 million in 2024 (2023: CHF 73.8 million), primarily due to higher taxable income. The effective tax rate (ETR) increased to 24.9% in 2024, compared with 24.2% in 2023, largely because of increased profits in countries with higher taxes.

Higher net income and core net income

Net income increased to CHF 265.4 million compared with CHF 230.5 million in the previous year. Core net income, excluding the tax-adjusted effects of non-operational items, totaled CHF 307.2 million compared with CHF 257.9 million in 2023. Basic earnings per share increased by 18.8%, reaching CHF 7.73 million in 2024 (2023: CHF 6.76 million).

Bridge from net income to core net income

millions of CHF	2024	2023	Change in +/-
Net income	265.4	230.5	34.9
Amortization	38.5	36.6	1.9
Impairments on tangible and intangible assets	4.5	0.2	4.3
Restructuring expenses	3.7	3.0	0.7
Non-operational items ¹⁾	7.0	-3.8	10.8
Tax impact on above items	-11.8	-8.5	-3.3
Core net income	307.2	257.9	49.3

1) Non-operational items include significant acquisition related expenses, gains and losses from the sale or closure of businesses and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Key balance sheet positions

Note: If not otherwise indicated, balance sheet movements from the previous year are based on nominal figures.

As of December 31, 2024, total assets amounted to CHF 4'714.3 million (2023: CHF 4'369.5 million), reflecting a year-over-year increase of CHF 344.8 million. Non-current assets increased by CHF 29.6 million to CHF 1'715.5 million, mainly coming from an increase of CHF 51.5 million in property, plant and equipment and leased assets, together with a goodwill increase of CHF 23.5 million (CHF 12.6 million related to currency translation and CHF 10.8 million from acquisitions). Current assets increased by CHF 315.2 million to 2'998.8 million, relating to higher balances in trade accounts receivables, contract assets, inventories and supplier advances. In addition, cash and cash equivalents increased by CHF 85.9 million to CHF 1'060.6 million.

Total liabilities increased by CHF 208.3 million to CHF 3'479.1 million as of December 31, 2024. The increase was primarily driven by higher accrued liabilities, contract liabilities and trade accounts payables.

Equity increased by CHF 136.5 million to CHF 1'235.1 million. This was driven by net income (CHF 265.4 million), partly offset by dividend distribution (CHF 127.6 million).

Net debt decreased from CHF 172.3 million in 2023 to CHF 100.4 million in 2024, mainly driven by an increase in cash and cash equivalents. Net debt to EBITDA improved to 0.20 from 0.39 in 2023 due to the increase in EBITDA and decrease in net debt.

Free cash flow impacted by CAPEX investments and net working capital

At CHF 234.9 million (2023: CHF 301.3 million), free cash flow decreased mainly due to higher requirements on net working capital, driven by higher inventories to support backlog execution and higher receivables. Additional impacts resulted from CHF 27.9 million higher CAPEX investments aimed at meeting growing demand and executing operational excellence, as well as increased tax payments of CHF 30.0 million. All these factors resulted in a CHF 38.4 million decrease in cash flow from operating activities to CHF 323.8 million (2023: CHF 362.2 million).

Bridge from cash flow from operating activities to free cash flow

millions of CHF	2024	2023	Change in +/-
Cash flow from operating activities	323.8	362.2	-38.4
Purchase of intangible assets	-9.7	-6.1	-3.7
Proceeds from the sale of intangible assets	0.0	0.0	-0.0
Purchase of property, plant and equipment	-82.7	-59.5	-23.2
Proceeds from the sale of property, plant and equipment	3.5	4.6	-1.2
Free cash flow (FCF)	234.9	301.3	-66.4

Cash outflow from investing activities totaled CHF 98.2 million compared with CHF 104.8 million in 2023. At CHF 88.9 million, the net cash outflow for purchases and sales of property, plant and equipment and intangible assets was CHF 28.0 million higher (2023: CHF 61.0 million). In addition, acquisitions, divestitures and deconsolidation-related outflows amounted to CHF 13.1 million versus CHF 45.8 million.

Cash outflow from financing activities amounted to CHF 151.6 million compared with CHF 448.6 million in 2023 when a maturing bond of CHF 290 million was not refinanced. This outflow primarily consisted of CHF 86.5 million in dividend payments and CHF 33.2 million for the acquisition of treasury shares.

Overall, the positive net change in cash since January 1, 2024, amounted to CHF 85.9 million, including exchange gains on cash and cash equivalents of CHF 11.9 million.

Outlook for 2025

As for 2025, we are focused on the path to become a top industrial company that truly creates value. We will continue to invest in key areas across the company and execute on our excellence and growth initiatives. Due to the limited visibility of the market developments and the unpredictable timing of expected large orders, the year-on-year growth of order intake is difficult to forecast, especially on a quarterly basis. However, we are confident in our strategy and position in essential markets. The company expects another year of good performance with year-on-year organic growth for order intake of 2% to 5% and for sales of 5% to 8%. The EBITDA margin is expected to further increase to above 15% of sales.

Abbreviations

EBIT: Earnings before interest and taxes

ROS: Return on sales

EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment

FCF: Free cash flow

For the definition of the alternative performance measures, please refer to the ["Supplementary information."](#)

Continued growth, strong order intake

Note: If not otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

The Flow division achieved a strong order intake increase of 12.3% in 2024. Thanks to rising demand in the wastewater and the “green minerals” sectors, the Water and Industrial business order intake increased by 10.6%, while order intake for the Energy and Infrastructure business saw an increase of 14.7%. Overall sales for the Flow division increased by 9.4% to CHF 1'444.3 million. Operational profitability rose by 150 basis points year-on-year, reflecting an ongoing focus on commercial and operational excellence, and cost discipline.

Focus on growth and excellence

The Energy and Infrastructure business profited from a good market momentum in the second half of 2024. Sales in the Water and Industrial business continued to grow profitably. The water business delivered double-digit order intake growth in 2024. The division is also placing greater emphasis on aftermarket services, expanding beyond spare parts to offer comprehensive lifecycle solutions, including the servicing of non-Sulzer equipment.

Flow concluded a number of strategic growth investments in 2024, including the expansion of Sulzer's plant in Easley, USA, where new assembly lines and testing facilities were installed. Also, the manufacturing plant near Mexico City has been updated with a state-of-the-art assembly and test center for vertical turbines.

In 2024, two major projects highlighted the know-how and industry leadership of Flow: in [collaboration with TechnipFMC, the division developed a new subsea CO₂ pump solution](#). Used in technology leveraging the HISEP® process, it is an enabler of the separation of CO₂-rich natural gas from oil at the seabed, resulting in significant energy efficiency gains. Flow was also the chosen partner for one of the [world's largest water treatment projects in Egypt](#). With a daily capacity of 7.5 million cubic meters, the New Delta Treatment Plant is using individualized Sulzer technology to treat wastewater.

Flow pump solutions have also been the choice of one of China's production sites for [Sustainable Aviation Fuels \(SAF\)](#). This facility in Shandong will produce more than 500'000 metric tons of SAF per year. The SAF meets rigorous aviation performance standards and is made from renewable feedstocks.

The Flow division introduced several product innovations in 2024 to expand its range of water solutions, underscoring its leading position in the water business. It also completed the multi-year modernization project of its desalination pump portfolio, further optimizing efficiency.

Key figures for Flow

millions of CHF	2024	2023	Change in +/-%	+/-% adjusted ¹⁾	+/-% organic ²⁾
Order intake	1'603.3	1'466.5	9.3	12.4	12.3
Order intake gross margin	31.3%	30.2%			
Order backlog as of December 31	1'053.5	878.3	20.0		
Sales	1'444.3	1'354.4	6.6	9.7	9.4
EBIT	111.8	74.1	50.9		
EBITDA	169.6	128.4	32.1		
Operational profit	137.4	108.2	27.0	32.2	31.4
Operational profitability	9.5%	8.0%			
Employees (number of full-time equivalents) as of December 31	5'492	5'465	0.5		

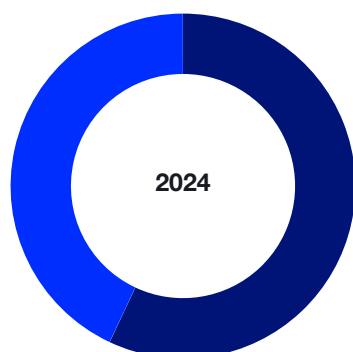
1) Adjusted for currency effects.

2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Continued strong order intake

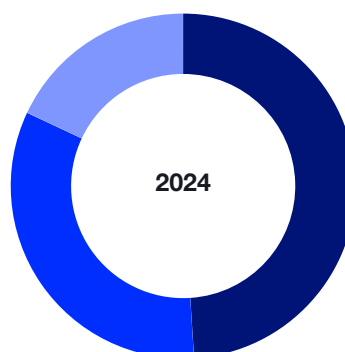
After a strong order intake in 2023, the Flow division once again demonstrated continued strong growth, with a 12.3% increase in order intake in 2024. This was supported by large one-time orders in Energy and Infrastructure and a number of larger orders in Water and Industrial.

Order intake by market segment



- 57% Water and Industrial
- 43% Energy and Infrastructure

Order intake by region



- 49% Europe, the Middle East and Africa
- 33% Americas
- 18% Asia-Pacific

Improved profitability

All business units contributed to the overall strong sales growth (+9.4%) of the Flow division. Operational profitability increased by 150 basis points from 8.0% to 9.5%, mainly driven by an increased focus on disciplined control of operational expenditures and improved commercial and operational excellence. By merging the two business units of Water and Industry, further improvements in profitability were achieved.

Safety performance in 2024

Flow's accident frequency rate (AFR) increased from a multi-year low of 0.95 cases per million working hours in 2023 to 1.4 in 2024. This is above the target of 1.0 cases per million working hours, and concerted efforts will be undertaken in 2025 to decrease the division's AFR through strengthened safety measures and communications. The division's accident severity rate (ASR) also increased to 29.5 lost days per million working hours, up from 16.9 the previous year.

In 2024, Sulzer continued to reinforce its commitment to workplace safety through its "Stop Work for Safety" campaign across the three divisions. Aimed at improving risk assessments and promoting work interventions where unsafe practices are observed, the 2024 campaign targeted the critical area of mechanical handling. Sulzer further prioritized its company-wide accident investigation capabilities, conducting comprehensive Accident Investigation Trainings, incorporating principles from the Human and Organizational Performance (HOP) and Learning from Normal Work concepts. These training efforts will continue throughout 2025, with a focus on equipping Sulzer's global ESH management teams with the skills and insights needed to identify root causes, understand human error traps and implement effective corrective actions.

Abbreviations

EBIT: Earnings before interest and taxes

EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment

For the definition of the alternative performance measures, please refer to "[Supplementary information](#)."

Double-digit growth

Note: If not otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions and divestitures / deconsolidations).

The Services division experienced strong demand in all regions, driven by the Americas and Asia, resulting in an increase in order intake of 12.5% (2023: 19.8%). Following record growth performance in 2023, the division achieved another year of double-digit growth in sales, up to 12.3% (2023: 14.5%). Operational profitability increased only slightly to a high 15.0% (2023: 14.8%), due to the division's investment in future growth and excellence initiatives.

Multi-product focus and regional expertise

In 2024, the Services division expanded its global footprint with new service facilities in India, Thailand, Malaysia, and Kuwait, while further strengthening its presence in North America through the acquisition of Texas Electrical Equipment Company (TEECO). It also continued meeting increasing customer demand for energy efficiency, technical upgrades and on-site improvements with its expanding portfolio of products and solutions.

The division provides a multi-faceted approach for high-value solutions across Turbomachinery, Electromechanical and Pump equipment, reinforcing its leadership in industrial services and long-term value creation. In 2024, Sulzer Services signed a five-year service agreement with [PT Pertamina Geothermal Energy Tbk \(PGE\)](#), underscoring its commitment to energy efficiency and operational excellence while contributing to Indonesia's energy transition and security goals.

Services has been continuously developing advanced additive manufacturing technology to improve operational efficiencies, enabling reproduction of parts and components that may otherwise be unavailable or irreparable. In 2024, the division enhanced pump efficiency at a nuclear facility for a multinational electric utility company in Europe. This innovative approach reduced component production time by 75%, allowing for faster repairs and minimizing downtime. At the same time, the enhanced design extended the component's lifetime by 33%, reducing the need for frequent replacements and supporting long-term reliability.

The division's comprehensive multi-product portfolio is also serving growing demand for broad industrial service capabilities. Services was initially awarded a large power generation steam turbine repair, paving the way for the customer to entrust Sulzer with a significant generator service project. By handling both critical repairs under a single vendor, the customer's downtime was held to a minimum and accelerated their return to full operations.

As the division reinforces its leadership by providing long-term value creation, it has also benefitted from market trends in energy efficiency and carbon neutrality giving rise to higher demand for technical upgrades and improvements at customers' sites.

Key figures Services

millions of CHF	2024	2023	Change in +/-%	+/-% adjusted ¹⁾	+/-% organic ²⁾
Order intake	1'378.3	1'271.3	8.4	12.8	12.5
Order intake gross margin	39.0%	38.7%			
Order backlog as of December 31	689.7	547.3	26.0		
Sales	1'249.1	1'154.8	8.2	12.4	12.3
EBIT	171.5	179.6	-4.5		
EBITDA	209.6	210.6	-0.5		
Operational profit	186.7	171.3	9.0	15.2	15.1
Operational profitability	15.0%	14.8%			
Employees (number of full-time equivalents) as of December 31	4'832	4'630	4.4		

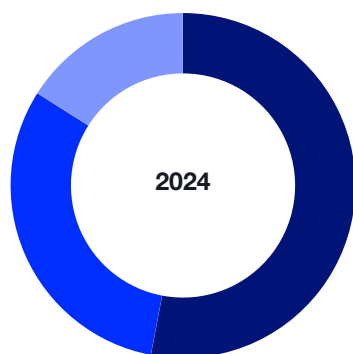
1) Adjusted for currency effects.

2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Strong order intake growth across product lines

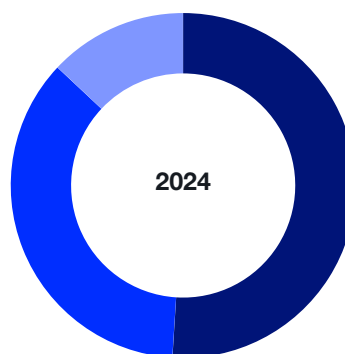
In 2024, all product lines recorded strong growth across regions, driving overall division growth of 12.5%. As a result of strong demand, the Americas and Asia-Pacific achieved double digit increases of 15.8% and 14.1%, respectively, closely followed by Europe, the Middle East and Africa (EMEA) which achieved 8.0% growth with a strengthened position in the market.

Order intake by market segment



- 53% Pump Services
- 31% Turbo Services
- 16% Electromechanical Services

Order intake by region



- 51% Americas
- 36% Europe, the Middle East and Africa
- 13% Asia-Pacific

Improved operating margins

Sales grew to CHF 1'249.1 million in 2024 (up by 12.3%), driven by contributions from all regions.

Retrofits and upgrades in the Pumps Services business played a pivotal role in this growth.

Profitability rose marginally by 20 basis points to reach 15.0% as a result of investments in excellence initiatives and footprint expansion.

New division president

Ravin Pillay-Ramsamy was appointed President of the Services division and became a member of the Sulzer Executive Committee on October 1, 2024. With over nine years at Sulzer, Ravin Pillay-Ramsamy has held various leadership roles with increasing responsibilities across the globe. For more information, read his full biography in the [Executive Committee](#) chapter of the Corporate Governance report.

Safety performance in 2024

Sulzer Services' accident frequency rate (AFR) was even lower in 2024 than in 2023 – with 0.4 cases per million working hours (2023: 0.9), half the industry standard of 1.0. The accident severity rate (ASR) also improved significantly to 6.6 lost days per million working hours (2023: 19.0). Building on the success of its “Stop Work for Safety” campaign, the division strengthened its proactive safety culture through a range of initiatives, including comprehensive training of ESH teams with a focus on root cause analysis and human error prevention. This initiative yielded remarkable results, with over 1'800 potential incidents prevented during the year.

In 2024, Sulzer continued to reinforce its commitment to workplace safety through its “Stop Work for Safety” campaign across the three divisions. Aimed at improving risk assessments and promoting work interventions where unsafe practices are observed, the 2024 campaign targeted the critical area of mechanical handling. Sulzer further prioritized its company-wide accident investigation capabilities, conducting comprehensive Accident Investigation Trainings, incorporating principles from the Human and Organizational Performance (HOP) and Learning from Normal Work concepts. These training efforts will continue throughout 2025, with a focus on equipping Sulzer's global ESH management teams with the skills and insights needed to identify root causes, understand human error traps and implement effective corrective actions.

Abbreviations

EBIT: Earnings before interest and taxes

EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment

For the definition of the alternative performance measures, please refer to “[Supplementary information](#).”

Strong results with increased profitability

Note: If not otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

Order intake for the Chemtech division increased by 5.4%, with solid demand in EMEA. Driven by its innovative offering in biopolymers and carbon capture, the division achieved strong growth in sales of 10.9% on the back of an exceptionally strong year (2023: 15.5%). Operational profitability rose by 180 basis points year-on-year to a new high of 14.1% (2023: 12.3%).

Unique position with market-leading technologies

The Chemtech division is pioneering the markets with products and services that enable customers to work on their energy efficiency and process performance at the same time. The launch of the signature product [MellapakEvo™](#) marked another milestone in Chemtech's history. The structured packing product significantly boosts the efficiency and capacity of distillation columns used in process industries to maximize performance while minimizing energy consumption. Another example of continuous innovation is [VoltaSplit™](#), the division's new electrified distillation solution that improves the efficiency of traditional, energy-intensive steam boilers.

Chemtech continues to invest in research and development (R&D) to drive technical innovation and maintain its market leadership. As the global leader in separation and mixing technologies, the division's mass transfer equipment has been capturing hundreds of thousands of tonnes of carbon dioxide (CO₂) emissions per year at the world's first large-scale, coal-fueled power plant to use CCUS technology. Based in Saskatchewan, Canada, the plant celebrated its 10th anniversary in 2024, effectively demonstrating long-term capacity at scale. Also in 2024, the division customized a solution to support the [decarbonization of a leading chemical manufacturer in Japan](#).

Early in 2024, Chemtech's cutting-edge lactic acid to polylactic acid (PLA) technology was selected by [Balrampur Chini Mills Limited \(BCML\)](#) for India's first bioplastics plant. It was again selected in December, this time by [Emirates Biotech](#), to help build an upcoming PLA production plant in the United Arab Emirates that projects a first production line of 80'000 tonnes per annum. With a total production capacity of 160'000 tonnes per annum in the next phase, it will be the largest PLA production facility once completed. In addition, Chemtech celebrated the opening of a new service center for Mass Transfer Components and Services in Essen, Germany, in 2024. The new facility provides components and services to ensure quick turnaround time to our clients in the region's chemical and process industries.

Key figures Chemtech

millions of CHF	2024	2023	Change in +/-%	+/-% adjusted ¹⁾	+/-% organic ²⁾
Order intake	866.9	842.5	2.9	5.2	5.4
Order intake gross margin	35.8%	33.2%			
Order backlog as of December 31	556.8	521.2	6.8		
Sales	837.1	772.5	8.4	10.8	10.9
EBIT	110.9	84.9	30.6		
EBITDA	131.6	104.6	25.8		
Operational profit	118.0	95.0	24.2	28.9	29.0
Operational profitability	14.1%	12.3%			
Employees (number of full-time equivalents) as of December 31	2'934	2'849	3.0		

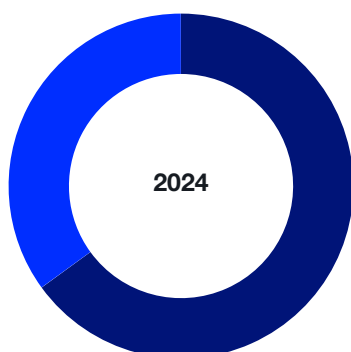
1) Adjusted for currency effects.

2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Solid order intake

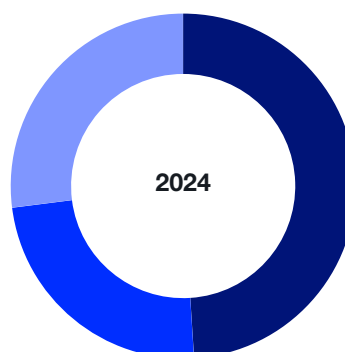
The Chemtech division demonstrated solid growth in order intake, increasing 5.4% in 2024 (compared to 10.5% in 2023). The increase was driven by the division's innovative offering in biopolymers and carbon capture as well as the growth of the core business.

Order intake by market segment



- 65% Mass Transfer Components & Services
- 35% System Solutions

Order intake by region



- 49% Asia-Pacific
- 24% Americas
- 27% Europe, the Middle East and Africa

Rising sales and profitability

As for Sales, the results show double-digit growth of 10.9%, driven by a good performance of all units of Chemtech's business. Profitability rose by 180 basis points to a new high of 14.1%.

New division president

Tim Schulten assumed leadership of the Chemtech division as its new Division President on October 1, 2024. Having joined the Sulzer Executive Committee as Division President Services in 2022 and served as the Group Head for Marketing, Strategy and Digital prior to that, Tim Schulten brings broad company knowledge and extensive experience to his new role. For more information, read his full biography in the [Executive Committee](#) chapter of the Corporate Governance report.

Safety performance in 2024

Chemtech's accident frequency rate (AFR) increased from an all-time low of 0.34 cases per million working hours in 2023 to 1.5 in 2024. This is above the target of 1.0 cases per million working hours, and concerted efforts will be undertaken in 2025 to decrease the division's AFR through strengthened safety measures and communications. The division's accident severity rate (ASR) also increased to 21.3 lost days per million working hours, up from 3.2 the previous year.


In 2024, Sulzer continued to reinforce its commitment to workplace safety through its "Stop Work for Safety" campaign across the three divisions. Aimed at improving risk assessments and promoting work interventions where unsafe practices are observed, the 2024 campaign targeted the critical area of mechanical handling. Sulzer further prioritized its company-wide accident investigation capabilities, conducting comprehensive Accident Investigation Trainings, incorporating principles from the Human and Organizational Performance (HOP) and Learning from Normal Work concepts. These training efforts will continue throughout 2025, with a focus on equipping Sulzer's global ESH management teams with the skills and insights needed to identify root causes, understand human error traps and implement effective corrective actions.

Abbreviations

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Corporate governance

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Corporate structure and shareholders

Sulzer is subject to Swiss corporate and stock exchange laws and applies the Swiss Code of Best Practice for Corporate Governance.

Sulzer Ltd (the company) is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance. The information in the following sections is set out in the order defined by the SIX Swiss Exchange Directive on Information relating to Corporate Governance (DCG), with subsections summarized as far as possible. Sulzer's consolidated financial statements comply with IFRS Accounting Standards, and in certain sections, readers are referred to the financial reporting section of the Sulzer Annual Report 2024. Sulzer reports the compensation of the Board of Directors and the Executive Committee in the [compensation report](#). Unless otherwise indicated, the following information refers to the situation on December 31, 2024. Further information on corporate governance is published at www.sulzer.com/governance.

Corporate structure

The company's business is managed on a divisional basis, and the organizational Group structure corresponds to these reporting segments, which consist of the Flow division, the Services division and the Chemtech division. The operational corporate structure is shown under [note 2](#) to the consolidated financial statements in the financial reporting section. Sulzer Ltd is the only Group company listed on a stock exchange. It is based in Winterthur, Switzerland. Its shares are listed and traded on the SIX Swiss Exchange in Zurich (Securities No. 3838891/ISIN CH0038388911). On December 31, 2024, the market capitalization of all issued shares of Sulzer Ltd was CHF 4'488'370'470.00. Information on the subsidiaries included in the consolidation can be found under [note 35](#) to the consolidated financial statements. The list comprises all consolidated direct subsidiaries of Sulzer Ltd as well as all further consolidated subsidiaries.

Significant shareholders

According to notifications of the company's shareholders, two shareholders held more than 3% of Sulzer Ltd's share capital on December 31, 2024. As published on the SIX disclosure platform on May 29, 2018, Tiwel Holding AG held 48.82% of the company's shares. The beneficial owner of these shares is Viktor Vekselberg. Furthermore, UBS Fund Management (Switzerland) AG announced a stake of 3.431% as published on the SIX disclosure platform on May 7, 2024. For information on shareholders of Sulzer Ltd that have reported shareholdings of over 3% or a reduction of shareholdings below 3%, please refer to the website of the Disclosure Office of [SIX Swiss Exchange](#). For the positions held by the company and information on shareholders, see [note 23](#) to the consolidated financial statements. There are no cross-shareholdings where the capital or voting stakes on either side exceed the threshold of 5%. For information on transactions with related parties, see [note 31](#) to the consolidated financial statements.

Capital structure

Share capital

The fully paid-up share capital of Sulzer Ltd amounts to CHF 342'623.70 and is divided into 34'262'370 registered shares with a par value of CHF 0.01 per share. The shares are issued in the form of uncertificated securities within the meaning of art. 973c of the Swiss Code of Obligations (CO) and are held as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities of October 3, 2008. Each registered share entitles the holder to one vote at the Shareholders' Meeting and all shares have equal dividend rights. The company's [Articles of Association](#) provide for the possibility of a share capital increase in a maximum amount of CHF 17'000 through the issuance of up to 1'700'000 registered shares with a par value of CHF 0.01 per share (corresponding to 4.96% of the current share capital) through the voluntary or mandatory exercise of certain conversion, option or similar rights for the subscription of shares granted to shareholders or third parties in connection with bonds, loans or other financial market instruments of Sulzer Ltd or any of the subsidiaries controlled by it (for more details, see § 3a of the Articles of Association). The introduction of this conditional capital was approved by Sulzer Ltd's shareholders at the AGM on April 14, 2021. There is no capital band, nor are there any participation or dividend certificates.

Restrictions on transferability and nominee registrations

The company's shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account; that there is no agreement on the redemption of the relevant shares; and that they bear the economic risk associated with the shares. Nominees shall only be entered in the share register with the right to vote if they meet the following conditions: The nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into a written agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register if the above-mentioned conditions are not met (see also § 6a of the [Articles of Association](#)). No exceptions were granted in the reporting year. Other than these restrictions on nominee voting, there are no transfer restrictions and no privileges under the Articles of Association. A removal or amendment of the nominee voting restrictions requires a shareholders' resolution with a majority of at least two-thirds of the votes represented.

Convertible bonds and options

No convertible bonds or warrants are currently outstanding. Details of the restricted share units (RSUs) issued to the members of the Board of Directors, as well as performance share units (PSUs) and RSUs issued to the members of the Executive Committee, are set out under [note 30](#) to the consolidated financial statements and under [note 12](#) to the financial statements of Sulzer Ltd.

Board of Directors

Members of the Board of Directors are elected individually for a term until the end of the next AGM. At the AGM of April 16, 2024, all members of the Board were re-elected. Furthermore, Suzanne Thoma was re-elected as Chair of the Board of Directors. The Board consists of seven members. Except for Suzanne Thoma, who was also appointed the company's CEO as of November 1, 2022, and became the Executive Chair, none of the members of the Board of Directors has ever held an executive position at Sulzer.

Apart from Executive Chair Suzanne Thoma, all members of the Board of Directors are non-executive. None of the non-executive members of the Board of Directors have ever belonged to the management of a Sulzer company or to the Executive Committee, nor do any significant business relationships exist between members of the Board of Directors and Sulzer Ltd or any subsidiary of Sulzer Ltd.

Elections and terms of office

The Articles of Association stipulate that the Board of Directors of Sulzer Ltd shall comprise five to nine members. Each member is elected individually. The term of office for members of the Board of Directors lasts until the next AGM. At the AGM of April 16, 2024, seven Board members were re-elected to the Board of Directors. The Board consists of seven members: one from Cyprus / Israel, one from Norway, one from Austria, one from Germany, one from France / Switzerland and two from Switzerland. Professional expertise and international experience played a key role in the selection of the members. The members of the Board of Directors and their CVs can be viewed below. Details of the former members of the Board of Directors can be found in the Corporate Governance chapter of the company's [Annual Report 2023](#).

According to the Board of Directors and Organization Regulations, no Board member may serve for more than twelve consecutive terms of office. In exceptional circumstances, the Board can extend this limit.

Internal organization

The Board of Directors constitutes itself, except for the Chair of the Board of Directors who is elected by the Shareholders' Meeting. The Board of Directors appoints from among its members the Vice-Chair of the Board of Directors, the Lead Independent Director and the members and the chairs of the board committees, except for the members of the Remuneration Committee, who are elected by the Shareholders' Meeting. There are currently five standing board committees (for their constitution, see below):

- The Audit Committee (AC)
- The Governance Committee (GC)
- The Nomination Committee (NC)
- The Remuneration Committee (RC)
- The Strategy and Sustainability Committee (SSC)

The [Board of Directors and Organization Regulations](#) and the relevant Committee Regulations, which are published under [corporate governance](#) (see “Regulations”), define the division of responsibilities between the Board of Directors and the Executive Committee. They also define the authorities and responsibilities of the Chair of the Board of Directors and of the five standing board committees.

Executive Chair and Lead Independent Director

The Board of Directors appointed its Chair, Suzanne Thoma, as Executive Chair of Sulzer as of November 1, 2022. In this role, she assumed operational management of the company and also took over the responsibilities of the CEO.

Following the 2023 AGM, Markus Kammüller was appointed as Lead Independent Director. The Lead Independent Director ensures, on behalf of the Board of Directors, that the rules of good corporate governance are adhered to in the decision-making of the Board. In this context, the Lead Independent Director may call for and chair meetings of the non-executive Board members whenever required. He also acts as a point of contact for members of the Board to discuss matters regarding the company’s corporate governance that they would like to raise in the absence of the Executive Chair.

The Board of Directors and its committees



Board of Directors

Suzanne Thoma Chair	Markus Kammüller Vice-Chair Lead Independent Director	David Metzger	Alexey Moskov
Prisca Havranek-Kosicek	Hariolf Kottmann	Per Utnegaard	

Audit Committee	Nomination Committee	Strategy and Sustainability Committee	Remuneration Committee	Governance Committee
Prisca Havranek-Kosicek Chair	Per Utnegaard Chair	Suzanne Thoma Chair	Hariolf Kottmann Chair	Markus Kammüller Chair
David Metzger	Suzanne Thoma	David Metzger	Alexey Moskov	Prisca Havranek-Kosicek
Markus Kammüller	Prisca Havranek-Kosicek	Hariolf Kottmann	Markus Kammüller	Hariolf Kottmann
		Per Utnegaard		

CVs of members of the Board of Directors

Dr. Suzanne Thoma
 Executive Chair
 Chair of the Strategy and Sustainability Committee
 Member of the Nomination Committee

Educational background

- Ph.D. in Technical Sciences, ETH Zurich, Switzerland
- Master of Science in Chemical Engineering, ETH Zurich, Switzerland
- Bachelor of Business Administration, Graduate School of Business Administration (GSBA), Zurich, Switzerland

Other listed company mandates

- None

Other activities and vested interests

- Non-executive member of the Board of Directors, Beckers Group, Germany
- Non-executive member of the Board of Directors, BayWa r.e., Germany
- Vice-Chair of the Board of Trustees, Avenir Suisse Foundation, Switzerland
- Member of the Board of Trustees of the ETH Foundation, Switzerland
- Member of the Executive Board, Swissmem Association, Switzerland

Professional background

Suzanne Thoma (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2021 and as Chair in 2022. In addition, she was appointed Executive Chair of Sulzer Ltd as of November 1, 2022. Before joining Sulzer, Suzanne Thoma served as CEO at the international Energy, Engineering and Service company BKW AG in Bern, Switzerland, from 2013 to 2022. Prior to her appointment as CEO of BKW, she was a member of BKW's Group Executive Committee, responsible for the Networks division. Before that, she was Head of the Automotive business for the WICOR Group in Rapperswil-Jona, Switzerland, and CEO of Rolic Technologies Ltd., Allschwil, Switzerland. Earlier in her career, Suzanne Thoma held various management roles in a number of countries at Ciba Specialty Chemicals Ltd. (now BASF).

Markus Kammüller
 Vice-Chair of the Board
 Lead Independent Director
 Chair of the Governance Committee
 Member of the Remuneration Committee
 Member of the Audit Committee

Educational background

- Degree in Business Administration, University of Applied Sciences, Lucerne, Switzerland

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Markus Kammüller (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2022 and was appointed Lead Independent Director in 2023. Mr. Kammüller has more than 40 years of experience in various industries and professional services through which he developed a reputation as a strong leader for organizational and technological change across different cultures. He is the Founder and Owner of ExecDelta GmbH, a company specializing in transformation and change-management consulting. Prior to establishing his own business in 2019,

he held the position of Global Head of Transformation at BDO International, Brussels (2016 to 2019). Before that, he was a Partner at PwC in the role of EMEA Chief Operating Officer and Global Change Management Leader (2006 to 2016). He also held various managerial positions at IBM Switzerland (2002 to 2006) and PwC Consulting (1996 to 2002), where he was a Partner and acted as Senior Advisor for large listed international corporations. From 1985 to 1996 he held various roles in finance, treasury and risk management at Dow Chemical. From 1978 to 1982 he worked in the credit department of Swiss Volksbank.

David Metzger

Member of the Board

Member of the Audit Committee

Member of the Strategy and Sustainability Committee

Educational background

- MBA, INSEAD, Fontainebleau, France
- Master of Finance (lic. oec. publ.), University of Zurich, Switzerland

Other listed company mandates

- Non-executive member of the Board of Directors, Swiss Steel Holding AG, Switzerland
- Non-executive member of the Board of Directors, medmix AG, Switzerland

Other activities and vested interests

- None

Professional background

David Metzger (Swiss / French) was elected as a member of Sulzer Ltd's Board of Directors in 2021. He is an experienced investment professional serving a range of international companies in the areas of investment, M&A and portfolio strategy. David Metzger is currently with Liwet Holding AG. Previously, he was Investment Director at the renewable energy fund Good Energies AG (now Bregal Energy, part of COFRA Holding, 2007 to 2011), Senior Manager at Bain & Company (2000 to 2007) and has also worked at Novartis and Morgan Stanley. David Metzger was also a member of the Board of Directors of publicly listed OC Oerlikon from 2016 to 2021, from Italian tech company Octo Telematics SpA from 2014 to (early) 2023, and from Norwegian Solar Energy Company Norsun from 2008 to 2009.

Alexey Moskov

Member of the Board

Member of the Remuneration Committee

Educational background

- Master's degree in Software Engineering / Developing, Moscow State University of Railway Engineering, Russia

Other listed company mandates

- Non-executive member of the Board of Directors, OC Oerlikon Corporation AG, Switzerland

Other activities and vested interests

- None

Professional background

Alexey Moskov (Cypriot / Israeli) was elected as a member of Sulzer Ltd's Board of Directors in 2020. Since 2022, he has been the President of the Board of Directors of Liwet Holding AG in Zurich, Switzerland. He is also a member of the Board of Directors of Witel AG in Zurich, Switzerland. Since 2021, he has been the CEO of A2-Link AG, a private investment company in Zurich, Switzerland. He has been a member of the Board of Directors of OC Oerlikon since 2016. From 2019 to 2020, Alexey Moskov was a member of the Board of Directors of

SCHMOLZ+BICKENBACH AG (now Swiss Steel Holding AG). From 2004 to 2022, he served as Chief Operating Officer and later as the Executive Chairman of Witel AG. Previously, he served as Vice-President and member of the Executive Board at Tyumen Oil company (TNK-BP), Russia.

Dr. Prisca Havranek-Kosicek

Member of the Board

Chair of the Audit Committee

Member of the Nomination Committee

Member of the Governance Committee

Educational background

- Ph.D. in Business Administration, Vienna University of Economics and Business, Austria
- Master of Business Administration, Vienna University of Economics and Business, Austria

Other listed company mandates

- CFO, Jenoptik AG, Germany

Other activities and vested interests

- None

Professional background

Prisca Havranek-Kosicek (Austrian) was elected as a member of Sulzer Ltd's Board of Directors in 2023. She has more than 20 years of experience in the finance sector, focusing on finance management in large international companies. She has been the CFO of Jenoptik AG since April 2023. Until June 2023, she was a member of the Supervisory Board and member of the Audit Committee for Allianz-Elementar Versicherungs-AG, Austria. In 2021 she co-founded Arcadia eFuels, a start-up supporting decarbonization of the aviation industry. In 2019, she joined the industrial goods manufacturer Nilfisk A/S, which she left in 2021 after completing the restructuring. From 2018 to 2019, Prisca Havranek-Kosicek was CFO of Novozymes A/S in Denmark, a listed biotech company. There she was instrumental in repositioning the company's portfolio towards stronger, performance-driven growth. Between 2016 and 2018, Prisca Havranek-Kosicek served as CFO at Kuoni Group in Switzerland. From 2011 to 2016, she worked at the life science company Royal DSM as CFO for the pharma contract manufacturing division in the U.S., as well as the Group Treasurer. She held various positions in leading strategy consulting and M&A assignments, Investor Relations and Finance Planning before that.

Dr. Hariolf Kottmann

Member of the Board

Chair of the Remuneration Committee

Member of the Strategy and Sustainability Committee

Member of the Governance Committee

Educational background

- Ph.D. in Chemistry, University of Stuttgart, Germany

Other listed company mandates

- None

Other activities and vested interests

- Member of the Supervisory Board, Plansee Holding, Austria

Professional background

Hariolf Kottmann (German) was elected as a member of Sulzer Ltd's Board of Directors in 2023, bringing broad leadership experience in the roles of CEO and Chairman. As CEO of Clariant International Ltd. (Clariant) from 2008 through 2018, he led the company through highly demanding restructuring phases. Following that, he served as

Executive President and later as Chairman of the Board of Directors at Clariant from 2019 until 2021. Before joining Clariant, Hariolf Kottmann was a member of the Executive Committee at SGL Carbon AG (Wiesbaden, Germany) from 2001 to 2008. At SGL Carbon, he held responsibilities for Asia, Eastern Europe, Technology & Innovation, the Graphite Specialties as well as the Carbon Fibers and Composites businesses. From 1997 to 2001, he ran various businesses as a member of the Executive Committee at Celanese Chemicals Ltd at Summit (NJ), Dallas (TX), USA and Singapore. After completing his Ph.D. in Chemistry at the University of Stuttgart, Hariolf Kottmann began his career at Hoechst AG, (Frankfurt, Germany) in 1985, where he held several positions of increasing seniority in R&D, technology and production, marketing, finance and corporate functions.

Per Utnegaard**Member of the Board****Chair of the Nomination Committee****Member of the Strategy and Sustainability Committee****Educational background**

- Bachelor of Science, Business Administration and Marketing, Northern Michigan University, Marquette, USA

Other listed company mandates

- Non-executive member of the Board of Directors, Executive Committee and Risk Management Committee, Saudi Ground Services, Saudi Arabia

Other activities and vested interests

- Non-executive Director, Alvest Holding, France

Professional background

Per Utnegaard (Norwegian) was elected as a member of Sulzer Ltd's Board of Directors in 2023. He has over 30 years of experience in strategic management consulting and 20 years of experience as a board member of publicly listed companies. Per Utnegaard has held several international leadership positions in logistics and transportation. Since 2016 he has been focusing on board of director roles in companies such as Alvest (Paris) and Saudi Ground Services (Jeddah). From 2015 to 2016 he served as CEO and Chairman of the Executive Board for Bilfinger SE. He ran Swissport International as CEO and President from 2007 to 2015, where he gained in-depth services experience on a global scale. Before that (2002 to 2005), Per Utnegaard was in charge of the Wholesale division of the pharma and beauty group Alliance Boots Plc. Additionally, he is an acting senior advisor for several stock-listed private equity companies.

Operating principles of the Board of Directors and its committees

All decisions are made by the full Board of Directors. For each application, written documentation is distributed to the members of the Board of Directors prior to the meeting. The Board of Directors and the committees meet as often as required by the circumstances. The Board of Directors meets at least five times per year; the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and Sustainability Committee meet at least twice per year and the Governance Committee meets at least once a year. In 2024, the Board held eight ordinary meetings and one extraordinary meeting, lasting an average of two and a half hours. The Board held physical, virtual and hybrid meetings, with participants joining in person whenever possible. For further details, see the table below. The CFO and the Group General Counsel or the Secretary of the Board of Directors also generally attend the Board meetings in an advisory role. Other members of the Executive Committee are invited to attend Board meetings as required to discuss the midterm planning, the strategy and the budget, as well as division-specific items (such as large investments and acquisitions). In exceptional cases, external consultants (e.g., legal advisors, management consultants or executive compensation experts) are also invited for the presentation or discussion of specific agenda items in meetings of the Board of Directors or any of its committees.

The committees do not make any decisions, but rather review and discuss the matters assigned to them and submit the required proposals to the full Board of Directors for a decision. At the next full Board meeting following the committee meeting, the chairs of the committees report to the full Board of Directors on all matters discussed, including key findings, opinions and recommendations.

Board of Directors

Name	Nationality	Position	Entry	Elected until	Attending meetings of the					
					Board	AC	NC	SSC	RC	GC
Suzanne Thoma	Switzerland	Chair of the Board, Chair SSC, member NC	April 2021	2024	9	-	5	3	-	-
Markus Kammüller	Switzerland	Vice-Chair of the Board, Lead Independent Director, Chair GC, member RC, member AC	April 2022	2024	9	5	-	-	4	1
David Metzger	Switzerland / France	Member AC, member SSC	April 2021	2024	8	5	-	3	-	-
Alexey Moskov	Cyprus / Israel	Member RC	April 2020	2024	8	-	-	-	3	-
Prisca Havranek-Kosicek	Austria	Chair AC, member NC, member GC	April 2023	2024	9	5	5	-	-	1
Per Utnegaard	Norway	Chair NC, member SSC	April 2023	2024	9	-	5	3	-	-
Hariolf Kottmann	Germany	Chair RC, member SSC, member GC	April 2023	2024	9	-	-	3	4	1

AC = Audit Committee; NC = Nomination Committee; SSC = Strategy and Sustainability Committee; RC = Remuneration Committee; GC = Governance Committee

Additional mandates of members of the Board of Directors outside the Sulzer Group

According to Sulzer's [Articles of Association](#), the maximum number of additional mandates held by members of the Board of Directors outside the Sulzer Group is ten (of which a maximum of four mandates may be with listed companies, § 33). Exceptions (e.g., for mandates held at the request of Sulzer Ltd or a group company or mandates in associations) are defined in the Articles of Association (§ 33, paragraphs a, b and c). All members of the Board of Directors are within the limits of external mandates prescribed by the company's Articles of Association.

Audit Committee

The Audit Committee (members listed above) assesses the midyear and annual consolidated financial statements and activities of the internal and statutory auditor, including effectiveness and independence, as well as the cooperation between the two bodies. It also assesses the Internal Control System (ICS), risk management and compliance; at least one meeting per year is dedicated to risk management and compliance. The Audit Committee is also charged with discussing the report on non-financial matters, or any other similar report that the Board or the company's management chooses to establish. The CFO, the Group General Counsel, the Head of Group Internal Audit (who is also the Secretary of this committee) and the external auditor-in-charge attend the meetings of the Audit Committee. The Executive Chair may attend the meeting unless advised otherwise by the Head of Internal Audit. In 2024, the Audit Committee held five ordinary meetings: one in February, two in July, one in September and one in December. The meetings lasted, on average, two hours. The statutory auditor attended all of these meetings. Internal experts, such as the Group General Counsel and the Heads of Group Internal Audit, Group Accounting, Group IT, Group Compliance and Risk Management, and Group Treasury & Tax, gave presentations to the Audit Committee in 2024.

In February, the Audit Committee is informed of compliance exposures as a result of periodic risk assessments, and it receives an overview of compliance cases under investigation. In September, the Audit Committee is briefed on the present state of risk management within the company and on the results of the risk management process – a process to systematically identify and evaluate significant risks and introduce countermeasures. In the same meeting, an update on Sulzer's compliance approach, including the respective ongoing – and planned – activities, is provided. The major current compliance cases (if any) are reported to and discussed by the Audit Committee regularly. The regulations of the Audit Committee can be viewed at www.sulzer.com/ac-regulations.

Nomination Committee

The Nomination Committee (members listed above) assesses the criteria for the election and re-election of Board members and the nomination of candidates for the top two management levels and deals with succession planning. The Executive Chair and the Chief Human Resources Officer attend the meetings of the Nomination Committee. In 2024, five ordinary meetings and one extraordinary meeting were held in January, July, September and December, lasting an average of 50 minutes. The regulations of the Nomination Committee are available at www.sulzer.com/nc-regulations.

Remuneration Committee

The Remuneration Committee (members listed above) assesses the compensation systems and recommends compensation for the members of the Board of Directors and the Executive Committee (including bonus targets for the latter) on behalf of the Board of Directors and in accordance with its specifications. It carries out broad-based compensation benchmarks with an international comparison group, supported by studies of consulting firms such as Mercer and Willis Towers Watson, and it scrutinizes the work of internal and external consultants. The members of the Remuneration Committee are elected by the Shareholders' Meeting. In 2024, four ordinary meetings were held in January, July, September and December, lasting an average of one hour. The regulations of the Remuneration Committee can be viewed at www.sulzer.com/rc-regulations.

Strategy and Sustainability Committee

The Strategy and Sustainability Committee (members listed above) advises the Board of Directors on strategic matters (such as material acquisitions, divestitures, alliances and joint ventures), strategic planning, definition of development priorities, and the company's sustainability initiatives and objectives as well as on other relevant public policy matters. In 2024, three regular meetings took place in February, May and October, lasting an average of one hour. The regulations of the Strategy and Sustainability Committee can be viewed at www.sulzer.com/ssc-regulations.

Governance Committee

The Governance Committee (members listed above) advises the Board of Directors with respect to checks and balances in the executive chair model, oversees compliance with the Swiss Code of Best Practice for Corporate Governance as well as legal and regulatory requirements, and periodically reviews the principles of corporate governance. In 2024, one meeting took place in December, lasting one hour. The regulations of the Governance Committee can be viewed at www.sulzer.com/gc-regulations.

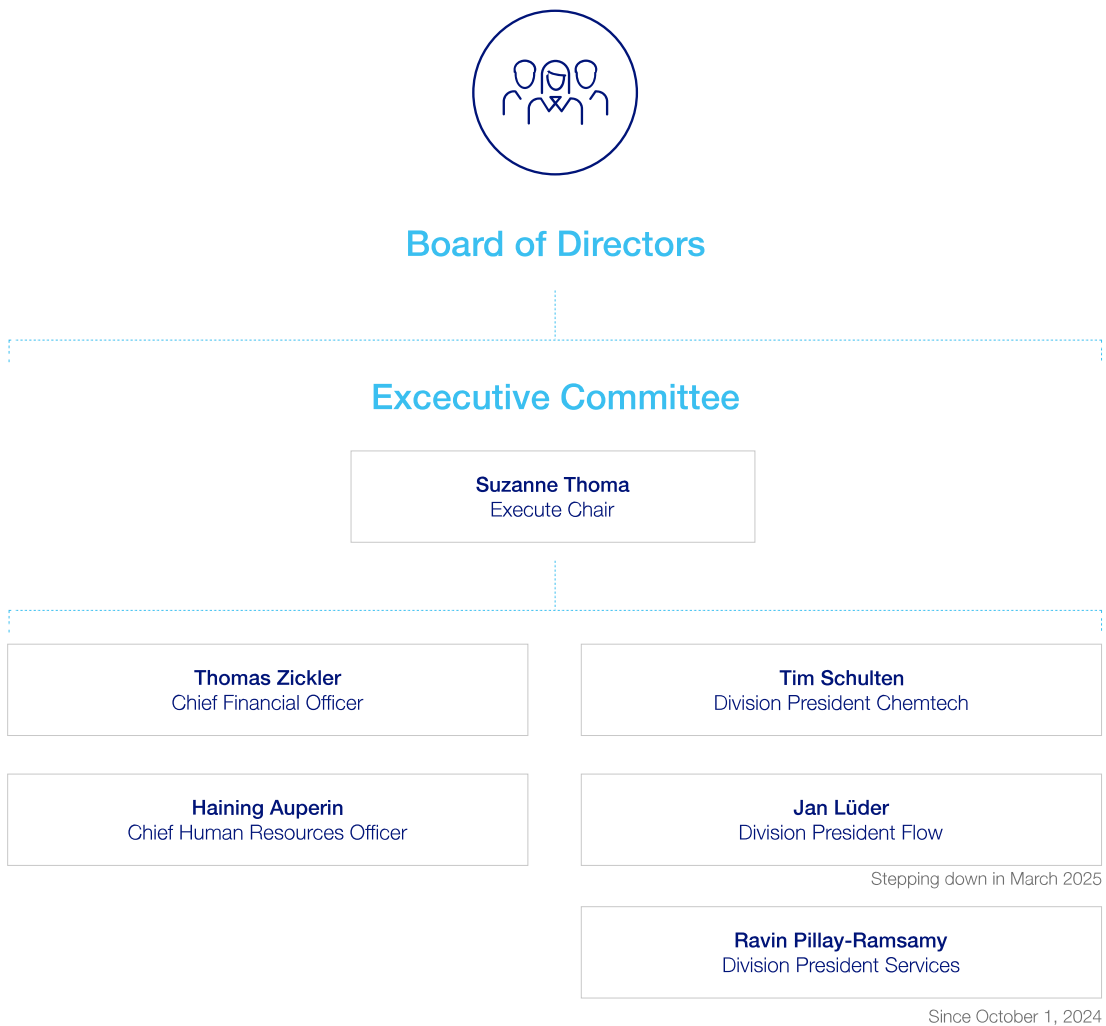
Division of powers between the Board of Directors and the Executive Committee

The Board of Directors has largely delegated executive management powers to the Executive Committee. However, it is still responsible for matters that cannot be delegated in accordance with art. 716a CO. These matters include corporate strategy, the approval of midterm planning and the annual budget, as well as key personnel decisions and the preparation of the annual report and the compensation report. The Board of Directors is also responsible for the report on non-financial matters pursuant to art. 964a et seqq. CO. Furthermore, the Board of Directors remains responsible for acquisition and divestiture decisions involving a transaction value exceeding CHF 30 million; investments in fixed assets exceeding CHF 15 million; major corporate restructurings; approval of dispute settlements with an impact on operating income of more than CHF 20 million; approval of research and development projects exceeding CHF 10 million, as well as other matters relevant to the company; and decisions that must be made by the Board of Directors by law. The competency regulations and the nature of the collaboration between the Board of Directors and the Executive Committee can be viewed in the Board of Directors and Organization Regulations at www.sulzer.com/BoD-organizational-regulations.

Self-assessment

The Board of Directors regularly reviews its performance as well as that of its committees. Such review focuses on the composition, engagement at the meetings and availability of the members of the Board of Directors, as well as on processes, culture and meeting conduct. Furthermore, it reviews the interaction of the Board of Directors' members with the members of the Executive Committee to assess the need for collective or individual training of members of the Board of Directors, always with the goal of validating the Board of Directors' and the standing committees' work in an efficient and diligent manner. The results of the review performed in 2024 has been discussed in order to determine concrete actions for improvement.

Management Structure



Information and control instruments

Each member of the Board of Directors receives financial information in advance of the Board meetings, in addition to the midyear and annual financial statements. These updates include information about the balance sheet, the income and cash flow statements, and key figures for the company and its divisions. They incorporate comments on the respective business results and a rolling forecast for the current business year. The Executive Chair and the CFO report at every Board

meeting on business developments and all matters relevant to the company; once each year, the Board receives the forecasted annual results. During these Board meetings, the Chairs of the committees also report on all matters discussed by their committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year and the midterm plan, which is also subject to periodic review. In addition, the Board of Directors receives a status update on investor relations on a regular basis.

Group Internal Audit

Group Internal Audit reports functionally directly to the Chair of the Audit Committee, but administratively to the CFO. Meetings between Group Internal Audit and the statutory auditor take place regularly. They are used to prepare for the meetings of the Audit Committee, to review the interim and final reports of the statutory auditor, and to plan and coordinate internal and external audits. Group companies are audited by Group Internal Audit based on an audit plan that is approved by the Audit Committee. Depending on the risk category, such audits are carried out on a rotational basis either annually or every second, third or fourth year. Group Internal Audit carried out 46 audit assignments (including audit follow-up reviews and internal controls testing) in the year under review. One of the focal points is the internal control system (ICS). The results of each audit are discussed in detail with the entities and (where necessary) the divisions concerned, and key measures are agreed upon. The Executive Chair, the members of the Audit Committee, the CFO, the Group General Counsel as well as the respective Division President and other line managers of the audited entity receive a copy of the audit report. Significant findings and recommendations are also presented to and discussed with the Executive Committee and the Group General Counsel. A follow-up process is in place for all Group internal audits, which allows efficient and effective monitoring of how the improvement measures are being implemented. Each year, the Head of Group Internal Audit compiles a report summarizing activities and results. This report is distributed to members of the Board of Directors and the members of the Executive Committee, and it is presented to the Executive Committee and the Audit Committee. It is discussed in both committees and, thereafter, reported to the Board of Directors.

Risk management and compliance

Sulzer has established and implemented a comprehensive, value- and risk-based compliance program that focuses on prevention, detection and response. It consists of the following main elements:

Strong values and building up a strong ethical and compliance culture

Sulzer puts a high priority on conducting its business with integrity, in compliance with all applicable laws and internal rules (“a clean deal or no deal”), and on accepting only reasonable risks. Sulzer follows a zero-tolerance compliance approach. The Board of Directors and the Executive Committee firmly believe that compliant and ethical behavior in all aspects and on all levels is a precondition for successful and sustainable business. The ethical tone is set at the top, carried through to the middle and transmitted throughout the entire organization. Sulzer also fosters a speak-up culture and encourages employees to address potentially non-compliant behaviors. Retaliation against whistleblowers acting in good faith is not tolerated.

Risk assessment

As part of Sulzer's integrated risk management process, compliance risks are assessed regularly and mitigated with appropriate and risk-based actions. The results are discussed both with the company's management and with the Audit Committee. The Audit Committee dedicates at least one full meeting per year to risk management and compliance. An overview of the main risks and corresponding mitigation measures is provided in the chapter "[Risk management](#)" of this corporate governance report.

Internal rules and tools

Sulzer has a Code of Business Conduct, which can be viewed in 18 languages at www.sulzer.com/governance (under "Code of Business Conduct"). Every employee of the company (including employees of newly acquired businesses) has to confirm in writing that he or she has read and understood this code, and will comply with it. Every member of the Sulzer Management Team (75 managers), the heads of the operating companies, the headquarters, regional and local compliance officers as well as the legal entity finance heads must reconfirm this compliance commitment in writing annually.

Rules

Although Sulzer follows a behavior- and principle-based approach, compliance directives and processes have been implemented as elements of the governance framework. Sulzer focuses on the major compliance risks. For example:

- Bribery and corruption risks: Sulzer has had a group-wide anti-bribery and anti-corruption program in place since 2010. This program includes a web-based process that addresses the due diligence of intermediaries, a company-wide directive for offering and receiving gifts and hospitalities, and an e-training module (in 13 languages) to familiarize Sulzer employees with the requirements of the directive.
- Antitrust and anticompetition risks: Sulzer has an antitrust directive addressing behaviors in trade associations in place.
- Export control risks: Employees involved in export activities have to comply with all applicable export and re-export laws and regulations. Sulzer rolled out and implemented its global Trade Control Directive in all legal entities concerned. Every exporting legal entity has an internal control program (ICP) in place that includes processes and defines responsibilities on export control matters and other important requirements to comply with export compliance laws and regulations.
- Further risks (e.g., non-compliance with stock exchange laws and regulations; human resource-related issues; insufficient protection of intellectual property and know-how; violations of privacy and data protection laws; product liability; risk related to environment, quality, safety and health, etc.): Focused rules and processes address these and many other potential risks. Sulzer has processes that ensure compliance with insider laws as well as stock exchange reporting and notification duties. A total of 10 compliance webinars were conducted by Group Compliance, covering 2'798 employees; 16 export control webinars were conducted covering 354 employees.

Tools

Sulzer has a compliance hotline and an incident reporting system that provides employees with one of many options for reporting (potential) violations of laws or internal rules. Reports can be made anonymously or openly via a free hotline or a dedicated website. The company has a directive that sets clear rules for internal investigations. Further tools are available to all employees on Sulzer's intranet (e.g., presentations addressing the major exposures, draft agreements, sales and procurement handbooks with compliance-specific explanations and standard clauses). Sulzer has a compliance risk assessment process in place to identify and assess potential compliance risks on a local entity level and to define appropriate measures. For newly acquired companies, Sulzer sets up a post-merger integration process consisting of a systematic post-merger compliance risk analysis, which provides the foundation for risk-based mitigation actions.

Organization

Since 2013, Sulzer has had a Legal, Compliance and Risk Management Group function (headed by the Group General Counsel). Within this organization, a line reporting structure is in place for the three regions: Americas (AME); Europe, the Middle East and Africa (EMEA); and Asia-Pacific (APAC). The local Compliance Officers ultimately report – via Regional Compliance Officers – to the Group General Counsel and Chief Compliance Officer. In addition, the headquartered Compliance and Risk Management team steers and runs the group-wide compliance program and all compliance investigations. To ensure the consistent rollout of Group Compliance initiatives, the compliance organization uses direct reporting lines. The Group General Counsel informs the Board of Directors and the Executive Committee regularly about legal matters and key changes in legislation that may affect Sulzer, as well as on important litigation. Twice a year, the Audit Committee receives a report about any pending or threatened litigation with worst-case exposure exceeding CHF 0.5 million. Further information on reports to the Audit Committee is provided in the “Audit Committee” section above.

Awareness building and trainings

Sulzer puts substantial effort into training its employees. Training is carried out through e-learning programs (new programs are rolled out and existing programs are updated every year), in person or through web conferences. In 2024, Sulzer employees completed 17'920 compliance e-learning courses.

Controls and sanctions

The Group Function Legal supports the audits done by Group Internal Audit following the same audit process. The Group Function Environment, Safety and Health (ESH) collaborates with Group Internal Audit, Division ESH heads and site representatives to ensure comprehensive governance oversight and organizes annual ESH compliance audits, conducted by external experts, to ensure adherence to applicable regulations. Five such audits were conducted in the reporting year. The results of each of these audits were discussed directly with the responsible managers, and an agreement was reached on any improvements required. The findings are tracked and monitored using a centralized tool, with significant risks escalated to the Audit Committee as part of Group Internal Audit's reporting. Risks relating to environment, safety and health form part of the annual ESH audit plan, which is reported to the Audit Committee once a year. Apart from these formal audits, internal investigations (triggered by reports from the compliance hotlines, e-mails, telephone calls or other avenues of communication) were carried out during 2024 and at least nine employees had to leave Sulzer because of violations of

Sulzer's Code of Business Conduct. Others received warnings or faced other disciplinary measures. However, most of the reports received concerned non-material issues.

Continuous improvement

It is Sulzer's goal to constantly improve its compliance and risk management approach. Findings of audits and internal investigations are assessed, internal processes and rules are adjusted, and training modules are improved. Sulzer always reviews compliance violations to determine whether they are rooted in a process weakness. If that is found to be the case, the process will be improved and risk-mitigating measures will be taken.

Executive Committee

The Executive Committee consists of the Executive Chair, the Chief Financial Officer (CFO), the Chief Human Resources Officer, the Division President Services, the Division President Flow and the Division President Chemtech.

The Board of Directors delegates executive management powers to the Executive Chair. The Executive Chair delegates the appropriate powers to the members of the Executive Committee (EC). The Division Presidents define and attain business targets for their respective divisions in accordance with group-wide goals. The [Board of Directors and Organization Regulations](#) govern, among other things, the transfer of responsibilities from the Board of Directors to the Executive Chair and the EC. There are no management contracts with third parties. None of the Executive Committee members has a contract with a notice period exceeding 12 months. The members of the Executive Committee and their CVs can be viewed below. Effective October 1, 2024, Uwe Boltersdorf, who served as the President of the Chemtech Division stepped down from his role. He was succeeded by Tim Schulten, previously President of the Services Division. In turn, Ravin Pillay-Ramsamy succeeded Tim Schulten as Division President Services.¹ Details on the former members of the Executive Committee can be found in the Corporate Governance chapter of the company's [Annual Report 2023](#).

1) Furthermore, Jan Lüder will be stepping down as member of the Executive Committee in March 2025.

CVs of Executive Committee members

Dr. Suzanne Thoma
Executive Chair
Chair of the Strategy and Sustainability Committee
Member of the Nomination Committee

Educational background

- Ph.D. in Technical Sciences, ETH Zurich, Switzerland
- Master of Science in Chemical Engineering, ETH Zurich, Switzerland
- Bachelor of Business Administration, Graduate School of Business Administration (GSBA), Zurich, Switzerland

Other listed company mandates

- None

Other activities and vested interests

- Non-executive member of the Board of Directors, Beckers Group, Germany
- Non-executive member of the Board of Directors, BayWa r.e., Germany
- Vice-Chair of the Board of Trustees, Avenir Suisse Foundation, Switzerland
- Member of the Board of Trustees of the ETH Foundation, Switzerland
- Member of the Executive Board, Swissmem Association, Switzerland

Professional background

Suzanne Thoma (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2021 and as Chair in 2022. In addition, she was appointed Executive Chair of Sulzer Ltd as of November 1, 2022. Before joining Sulzer, Suzanne Thoma served as CEO at the international Energy, Engineering and Service company BKW AG in Bern, Switzerland, from 2013 to 2022. Prior to her appointment as CEO of BKW, she was a member of BKW's Group Executive Committee, responsible for the Networks division. Before that, she was Head of the Automotive business for the WICOR Group in Rapperswil-Jona, Switzerland, and CEO of Rolic Technologies Ltd., Allschwil,

Switzerland. Earlier in her career, Suzanne Thoma held various management roles in a number of countries at Ciba Specialty Chemicals Ltd. (now BASF).

Thomas Zickler
Chief Financial Officer

Educational background

- Studies in Economics (1988-1994), Johann Wolfgang Goethe-University, Faculty of Economic Science, Frankfurt on Main, Frankfurt, Germany

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Thomas Zickler (German/Swiss) was appointed Chief Financial Officer and member of the Executive Committee on May 1, 2022. He joined Sulzer as Head of Group Treasury in 2015 and most recently served as Head of Group Corporate Finance & Shared Services. Since 2016, Thomas Zickler has been a Member of the Board of Trustees for the company's pension plans, the Sulzer Vorsorgeeinrichtung (SVE) and Johann Jakob Sulzer-Stiftung (JJS). Before joining Sulzer, he worked as Country Treasurer for ABB Switzerland in Baden (2010 to 2015). From 2006 until 2009, he was Vice President and Head of the External Financial Reporting & Technical Accounting Policies department for ABB Group in Zurich. Prior to that, from 1996 until 2006, he held various positions within Finance (controlling, accounting, treasury, IT consulting) at DaimlerChrysler in Stuttgart and Berlin. Thomas Zickler began his career in 1995 within the controlling department at Sherwood Medical and Metallgesellschaft in Frankfurt on Main. During his studies, he worked for Siemens AG in the Central Finance Department and Siemens Capital Corporation, in Munich and New York City. He was also an analyst at Georg Hauck & Son Bankiers in the equity research department in Frankfurt.

Haining Auperin
Chief Human Resources Officer

Educational background

- Master in Management and Company Policy, Human Resources, Social Development and Employment, Sciences-Po, Paris, France
- Master in Business Management, Capital University of Economics and Business, Beijing, China

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Haining Auperin (French) was appointed Chief Human Resources Officer and member of the Executive Committee on January 1, 2023. She joined Sulzer in 2016 as Division Head of HR for Flow and most recently served as Head of Group Human Resources Operations. Before joining Sulzer, Haining Auperin was the Senior Vice President Human Resources Boiler Business for GE Power from 2014 to 2016. Prior to that, she held various senior HR leader positions in different areas within GE, AREVA and Ansaldo.

Tim Schulten²

Division President Chemtech

Educational background

- Master of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
- Master of Business Administration, Harvard Business School, Boston, USA

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Tim Schulten (Swiss) joined the Sulzer Executive Committee as Division President Services in 2022. Prior to that he was the Group Head for Marketing, Strategy and Digital. Tim Schulten relinquished his role as Division President Services to assume the position of Division President Chemtech in October 2024. Before joining Sulzer, Tim Schulten was the General Manager and responsible for global Product Support & Marketing for Caterpillar's Electric Power Business. From 2012 to 2015 he was General Manager for Sales & Distribution for Caterpillar's global gas engine business, responsible for building and leading the organization during the post-acquisition integration of MWM. From 2007 to 2012, he was a Division Manager responsible for Caterpillar's Electric Power Retail business in Europe, Africa and the Middle East. Prior to that he held various positions in sales, marketing and product support with Caterpillar and he spent several years in California working in technology start-ups.

2) Appointed on October 1, 2024 (previously served as Division President Services from January 1, 2022)

Jan Lueder³

Division President Flow

Educational background

- Master's Degree in Electrical Engineering, Technical University of Berlin, Germany

Other listed company mandates

- Advisory Board Member, Wealth Minerals Ltd., Vancouver, Canada

Other activities and vested interests

- None

Professional background

Jan Lueder (German) joined the Sulzer Executive Committee as Division President Flow on January 1, 2023. Before joining Sulzer, Jan Lueder served since 2019 as CEO of the Mining Technologies business unit for thyssenkrupp, which was acquired by FLSmidth in August 2022. Prior to this assignment, he held the position of CEO of thyssenkrupp Industrial Solutions South East Asia in Singapore. In parallel, he held the position of CEO of thyssenkrupp South East Asia (since 2018). Previously, Jan Lueder worked for almost 20 years, from 1995 to 2015, for Siemens in the Power Plant and Industrial Solutions business in several long-term assignments in Asia, including Malaysia, from 1997 to 2000, and China, from 2011 to 2015, and within Europe (Finland from 2002 to 2004 and Austria from 2008 to 2011).

3) Stepping down as of March 1, 2025

Ravin Pillay-Ramsamy⁴
Division President Services

Educational background

- Master of Business Administration, Columbia Business School, New York, USA, and London Business School, London, England
- Master of Management in Finance, Rensselaer Polytechnic Institute, New York, USA
- Bachelor of Science, Electrical & Computer Engineering, The Ohio State University, Columbus, Ohio, USA

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Ravin Pillay-Ramsamy (Mauritian/American) joined the Sulzer Executive Committee as Division President Services on October 1, 2024. He has held several key positions at Sulzer since joining the company in 2015. Prior to his current appointment, he led Sulzer Services' EMEA region (Europe, Middle East and Africa) from 2021, expanding his role in March 2023 to Deputy Division President of the Services Division. From 2018 to 2020, Ravin Pillay-Ramsamy was based in Singapore as President of the Asia-Pacific region. Prior to that, he spent two years between the USA and Switzerland as Head of Business Development & Strategy for the Services division. Before joining Sulzer, he worked at Turbine Services Ltd. from 2005 to 2015, most recently serving as Business Development Director and Vice President Engineering in Saratoga Springs, New York.

4) Appointed on October 1, 2024

Additional mandates of members of the Executive Committee outside the Sulzer Group

No member of the Executive Committee may hold more than five mandates, of which no more than one may be in listed companies ([Articles of Association](#), § 33). Exceptions (e.g., for mandates held at the request of Sulzer Ltd or a Group company or mandates in associations) are defined in the Articles of Association (§ 33, paragraphs a, b and c). All members of the Executive Committee are within the limits for external mandates prescribed by the company's Articles of Association.

Shareholder participation rights

Restrictions and representation of voting rights

Only nominees are subject to restrictions (see “[Capital structure](#)” section of this corporate governance report). No exceptions were granted during the reporting year, and no measures to remove these restrictions are planned. According to the Articles of Association, a shareholder may be represented at a Shareholders’ Meeting by a legal representative, through a written power of attorney to any other proxy, who does not need to be a shareholder or the independent proxy. Shares held by a shareholder may be represented by only one person.

Statutory quorum

Changes to the Articles of Association may only be approved by a majority of at least two-thirds of the voting rights represented at the Shareholders’ Meeting, other than ordinary share capital increases (against payment in cash and without the exclusion of shareholders’ preemptive rights), which are decided by a majority of the votes represented. The dissolution or a merger of the company can only be decided upon if at least half the shares issued are represented at the Shareholders’ Meeting and two-thirds thereof vote in favor of the corresponding proposal (see also § 16 of the [Articles of Association](#)).

Convocation of the Shareholders’ Meeting and submission of agenda items

The applicable regulations regarding requests for the convocation of an extraordinary Shareholders’ Meeting are in line with the applicable law regarding the convocation of a Shareholders’ Meeting. Shareholders representing at least 0.5% of the share capital may submit items for inclusion on the agenda of a Shareholders’ Meeting. Such submissions must be requested in writing at least two months prior to the meeting and must specify the agenda items and proposals of the shareholder concerned (see also § 12 of the [Articles of Association](#)).

Entry in the share register

Voting rights may be exercised by shareholders who are registered in the share register on the record date stated in the invitation to the respective Shareholders’ Meeting.

Independent proxy

At the AGM of April 16, 2024, Proxy Voting Services GmbH was elected as the independent proxy for a term of office extending until completion of the next AGM. The Articles of Association do not contain rules on the granting of instructions to the independent proxy and the electronic participation in the Shareholders’ Meeting which deviate from the default Swiss law.

Takeover and defense measures

The Articles of Association contain no opting-out or opting-up clauses. If there is a change of control, all restricted share units (RSUs) allocated to Board members as well as the performance share units (PSUs) allocated to members of the Executive Committee are automatically vested. In case of the PSUs, they vest subject to the Board of Directors' performance assessment, without being subject to blocking restrictions. A change of control includes an acquisition of or a public takeover offer in relation to more than 33.33% (RSUs) or 50% or more (PSUs) of the voting rights.

Auditors

The statutory auditor is elected at the AGM for a one-year term of office. KPMG AG has been acting as the statutory auditor since 2013. As of the financial year 2020, the acting external auditor-in-charge is Rolf Hauenstein. The external auditor-in-charge is replaced every seven years. The Audit Committee is in charge of supervising and monitoring the statutory auditor, and it reports to the Board of Directors (see “Audit Committee” section in the chapter “[Board of Directors](#)” of this corporate governance report). The members of the Audit Committee receive summaries of audit findings and improvement proposals at least once a year. The external auditor-in-charge and his deputy were invited to attend meetings of the Audit Committee.

In 2024, the statutory auditor was present at all five Audit Committee meetings. The Audit Committee or its Chair meets separately with the Head of Group Internal Audit and the statutory auditor at least once a year to assess (among other things) the independence of the internal and statutory auditors. The Audit Committee evaluates the work done by the statutory auditor based on the documents, reports and presentations provided by the statutory auditor, as well as on the materiality and objectivity of their statements. To do so, the Audit Committee gathers the opinion of the CFO. The Audit Committee reviews the fee paid to the auditor regularly and compares it with the auditing fees paid by other internationally active Swiss industrial companies. Said fee is negotiated by the CFO and approved by the Board of Directors. Further information on the auditor, in particular the auditor’s fees and any additional fees received by the auditor for advisory services outside its statutory audit mandate, is listed under [note 32](#) to the consolidated financial statements. All advisory services provided outside the statutory audit mandate (essentially, consulting services related to audit and accounting as well as legal and tax advisory services) are compliant with the applicable independence rules.

Risk management

At Sulzer, risks are assessed regularly as part of the company's integrated risk management process. The results are discussed with the management and the Audit Committee.

Risk	Risk exposure	Main loss controls
External and markets		
Market assessment	Market developments that are assessed inappropriately could lead to missed business opportunities or losses.	<ul style="list-style-type: none"> – Continuous monitoring and assessment of market developments – Systematic midrange planning based on market developments and expectations
Geopolitical shocks	<p>A geopolitical shock event could have an impact on operations and travel. Also, it could imply currency risks and default risks of countries and banks.</p> <p>48.82% of Sulzer's shares are beneficially owned by Viktor F. Vekselberg, who is listed as a Specially Designated National by the US Office of Foreign Assets Control and subject to sanctions in other jurisdictions including Ukraine, Japan, the UK, Australia, New Zealand, Canada and Poland. These sanctions and possible future sanctions in further countries could result in negative media coverage, damage to Sulzer's reputation and impair existing business relationships with customers, suppliers, banks or other business partners as well as Sulzer's ability to win future business.</p>	<ul style="list-style-type: none"> – Monitoring of exposure in critical countries – Monitoring of debt situation of countries and banks – Continuous monitoring of raw material prices and inflation indicators – Monitoring of custom tariffs and implementing mitigation actions by adapting value chains and contractual conditions – Sulzer's global presence mitigates the effect of geopolitical shocks – Continuous monitoring of international sanctions environment and seeking of advice by reputable sanctions law firms – Maintaining and enhancing a robust sanctions compliance program
Strategic		
Innovation	Failure in R&D and innovation activities could negatively impact the ability to operate and to grow the business. Insufficient investments in innovation to maintain technology leadership and develop innovative products.	<ul style="list-style-type: none"> – A phased process, technical risk manageability assessments and key performance indicators to ensure quality of the development – Product development council with strong focus on strategic plans and digitalization – Prototypes and own test beds to test and validate products before market release – Core technology council for research of basic technology – Focus on innovation with strategic customers – Innovation and ideation projects – Implementation of an expert development program for key critical resources
Environment, Social and Governance (ESG)	ESG-related regulations could change. Stakeholder expectations related to ESG commitments could change. Not meeting regulatory requirements could result in fines, limit access to financing, impact banking channels and result in loss of business and reputational damages.	<ul style="list-style-type: none"> – Board Strategy and Sustainability Committee extended to cover ESG and sustainability – Setting of clear ESG-related objectives and progress tracking – ESG initiatives driven by EC including different group and business functions covering regulatory requirements and supply chain due diligence – ESG assessments in business projects
Operational		
Attraction and retention	Failure to attract, retain and develop people could lead to a lack of critical skills and knowledge, which hinders both daily operations and growth potential.	<ul style="list-style-type: none"> – Ensuring that Sulzer's people and performance efforts are anchored to the company's values and behaviors – Ongoing feedback through employee opinion survey "Voice of Sulzer" – Robust internal communications strategy – Ongoing engagement in workshops and collaborative activities – Visibility and access to creating development experiences and opportunities – Consistent approach to salary grading and benchmarking
Health and safety	An unsafe working environment could lead to harm to people, reputational damage, fines and liability claims, and could have a serious economic impact.	<ul style="list-style-type: none"> – Health and safety directives, guidelines, programs (e.g. Safe Behavior Program) and training – ISO 45001 certifications – Monthly health and safety controlling and regular audits, systematic risk assessments – Global network of health and safety officers

Environmental	Environmental damage could lead to harm to people and nature, reputational damage, fines and liability claims, and could have a serious economic impact.	<ul style="list-style-type: none"> – Mitigation in comprehensive environmental due diligence (EDD) projects for acquisitions and divestitures – Elimination of environmentally damaging substances through Prohibited Substances List – Sulzer sustainability strategy that defines key targets in view of climate change
Compliance	Non-compliant or unethical behavior could lead to reputational damage, fines and liability claims.	<ul style="list-style-type: none"> – Active fostering of high ethical standards by tone from the top and middle management – Continuous monitoring and assessment of potential exposures – Continuous monitoring of regulatory environment – Sulzer Code of Business Conduct and a number of supporting regulations (e.g. anticorruption, antitrust, trade control) – Third-party due diligence process – Global and centrally led organization of compliance and trade compliance officers – Compliance training (incl. e-learning) and audits – Sensitive country list with escalation process and project-specific compliance assessments in high-risk countries – Speak-up culture, compliance hotline and sanction checks
Quality of products and services	Failure of high-quality products and services could lead to repeated work, reputational damage or liability claims.	<ul style="list-style-type: none"> – Quality management and assurance systems tailored to specific businesses – Third-party accreditation – Competence development programs and training of employees – Test centers
Business interruptions	Business interruption, such as a fire, could cause damage to people, property and equipment. It could have a negative effect on the ability to operate at the affected site. Security incidents could impact the IT infrastructure or systems, which could result in a business interruption. Business interruption caused by pandemic-related lockdowns or bottlenecks in logistics centers, lack of transport capacities, lack of raw materials or electronic parts or increased demand could have an impact on operations and supply chains and thus could lead to serious economic impact.	<ul style="list-style-type: none"> – Crisis and emergency management systems (at global and local level) including close monitoring of incidents which could impact supply chains – Risk management policy and guidelines – Global manufacturing footprint and global procurement – IT security standards, measures and incident response team – Disaster recovery plans in IT – Enhancement of IT infrastructure to cope with higher data volumes during extended remote work
Financial		
Financial markets	The unpredictability of financial markets may have a negative effect on Sulzer's financial performance and its ability to raise or access capital.	<ul style="list-style-type: none"> – Group financial policy – Foreign exchange risk policy – Trading loss limits for financial instruments
Credit	Credit risks arising from financial institutions and from customers could have a negative effect on Sulzer's financial performance and ability to operate.	<ul style="list-style-type: none"> – For financial institutions, only parties with a strong credit quality are accepted (third-party rated) – Individual risk assessment of customers with large order volumes – Continuous monitoring of country risks
Liquidity	Failure in liquidity risk management may have a negative effect on Sulzer's financial performance and its ability to operate.	<ul style="list-style-type: none"> – Continuous liquidity monitoring – Management of liquidity reserves at group level – Cash flow program to optimize liquidity and cash flow management – Efficient use of available cash through cash pooling

Information policy

Sulzer Ltd reports on its order intake every quarter (media releases) and on its financial results every half-year. In each case, it also comments on the business performance and outlook. In addition, the company reports on important events on an ongoing basis (ad hoc publications). The reporting referred to in the [compensation report](#) (including the respective references to the financial reporting section) complies with the recommendations on the content of the compensation report as laid out in section 42 of the Swiss Code of Best Practice for Corporate Governance.

The official means of publication of the company is the Swiss Official Journal of Commerce. In accordance with § 38 of the [Articles of Association](#), the Board of Directors is at any time authorized to designate further publication organs. Notices by the company to the shareholders may, at the election of the Board of Directors, be validly published in the Swiss Official Journal of Commerce or in a form that can be evidenced by text. The address of the company's main registered office is Neuwiesenstrasse 15, 8401 Winterthur, Switzerland.

Key dates in 2025

- February 27: Annual results 2024
- April 15: Order intake Q1 2025
- April 23: AGM 2025
- July 24: Midyear results 2025
- October 15: Order intake Q3 2025

These dates and any changes can be viewed at www.sulzer.com/events. Media releases (sent via email) can be subscribed to at www.sulzer.com/subscribe. Other information is available on the Sulzer website <https://www.sulzer.com>, or by contacting Investor Relations: <https://www.sulzer.com/en/about-us/investors> – Thomas Zickler, Chief Financial Officer, +41 52 262 33 15, investor.relations@sulzer.com.

General blackout periods

Generally, and regardless of whether any inside information exists or not, pursuant to Sulzer Ltd's Securities Trading Regulation, the trading of Sulzer Ltd securities is prohibited for (a) the members of the Board of Directors and the Executive Committee, (b) any staff reporting to any member of the Executive Committee that have access to inside information, (c) members of Group Finance, Group Mergers and Acquisitions, Group Legal, Corporate Communications and Investor Relations and any relevant staff with access to inside information, including members of the Sulzer Management Team, and (d) any external advisors having access to inside information in connection with Sulzer Ltd's financial reporting or the preparation of an offering memorandum during the following periods: (i) the periods starting on January 1 and July 1 until and including the trading day of the public releases of the respective full-year or half-year reports (if published prior to 7:30 a.m.) or the following trading day (if published between 5:40 p.m. and midnight) and (ii) the periods starting on April 1 and October 1 until and including the trading day of the public releases of the respective quarterly results (if published prior to 7:30 a.m.) or the following trading day (if published between 5:40 p.m. and midnight). Under certain circumstances (in particular in case of personal hardship), the company may

allow exceptions to a blackout period upon reasoned request by an employee or concerned Board member, provided that such employee is not in possession of any inside information. Such exceptions must be issued in writing with a copy to the employee's or Board member's file. No such exceptions were granted in 2024.

Material changes between December 31, 2024, and the publication of this report

Jan Lüder will be stepping down as member of the Executive Committee effective as of March 1, 2025. He will be succeeded by Mathias Prüssing.

An abstract graphic at the top of the page consists of overlapping, flowing shapes in shades of blue and purple, creating a sense of movement and depth.

Compensation report

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Paying for sustainable performance

Winterthur, February 27, 2025

Dear Shareholder,

On behalf of the Board of Directors and of the Remuneration Committee (RC), I am pleased to present the 2024 Compensation Report.

This past year marked the inaugural phase of our strategic implementation following the strategy review conducted in 2023.

I am delighted to report that the company's continued excellent performance has exceeded the strong growth in 2023 and reached our ambitious, increased goal. In 2024, we set a record for profitability and increased the value created for our customers and society. We are pleased to have been recognized by the capital markets and to have been able to deliver impressive value to our esteemed shareholders.

In 2024, our board members formed a cohesive and impactful team to accompany and guide the implementation of the Sulzer 2028 strategy. Our Executive Committee was further developed and strengthened by capable global leaders who were internally tested.

The compensation paid to the Board of Directors in 2024 was below the amounts previously approved by the AGM for the period in question. The total compensation paid to the Executive Committee for 2024 was entirely within the maximum compensation approved by the AGM 2023.

Given our continued excellent performance in 2024, fueled by our ambition for growth and excellence in challenging market conditions, we must ensure that our Board and Executive Committee are compensated consistently with company performance, evolving market practices, enabling business strategy and shareholder value creation. For this purpose, I led the remuneration committee in conducting a systematic compensation system review with the support of multiple reputable external subject matter experts. The comprehensive review of our compensation system has allowed us to continuously benchmark with relevant peers in our growth journey to strengthen our remuneration framework, ensuring it consistently reflects and upholds our compensation principles detailed in this report.

Another high-performing year has validated our strategy and its execution, pointing Sulzer toward a prosperous future. On behalf of Sulzer, the Board of Directors and the Remuneration Committee, I thank you for your continued trust in our company.

Yours Sincerely,



Dr. Hariolf Kottmann
Chairman
Remuneration Committee

Compensation governance and principles

Compensation policies and plans at Sulzer reward performance, sustainable growth and long-term shareholder value creation. The compensation programs are competitive, internally equitable, straightforward and transparent. The compensation report is prepared in accordance with the Articles 732 et seqq. of the Swiss Code of Obligations (CO), the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG) and the principles of the Swiss Code of Best Practice for Corporate Governance.

Remuneration Committee

The [Articles of Association](#), the [Board of Directors and Organization Regulations](#), and the [Remuneration Committee Regulations](#) define the functions of the Remuneration Committee (RC). The RC supports the Board of Directors in establishing and reviewing the compensation strategy and principles, and in preparing the proposals for the Shareholders' Meeting.

The RC is responsible for the activities outlined below and submits proposals to the Board of Directors, which makes the final decisions. For the CEO, the Lead Independent Director performs these tasks in close consultation with the Chair of the RC.

- Regular review of the compensation policies and programs
- Setting performance targets for Executive Committee members for incentive plans
- Preparing proposals for the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee
- Setting target compensation for Executive Committee members
- Preparing the compensation report

Stakeholder level of authority

	RC	Board	Shareholders Meeting
Compensation policies and programs	proposes	approves	
Maximum aggregate compensation amounts for the Board of Directors and Executive Committee	proposes	reviews	approves (binding vote)
Remuneration system and Board member fees	proposes	approves	
Compensation of the Executive Committee members	reviews	approves	
Performance objectives and assessment for Executive Committee members	reviews	approves	
Compensation report	proposes	approves	consultative (advisory vote)

As stated by Sulzer Ltd's Remuneration Committee Regulations, the RC has at least three members elected annually by the Shareholders' Meeting until the next AGM. Most members are non-executive and independent. At the 2024 AGM, Alexey Moskov, Markus Kammüller and Dr. Hariolf Kottmann were re-elected to the RC.

The RC meets as needed, but at least twice a year. In 2024, it held four meetings. This year's agenda topics are included in the following table.

Meeting Topics Discussed

Meeting	Topics
January	Short Term and Long Term Incentive performance review
	Compensation report
	Max. aggregate Board of Directors and Executive Committee
July & September	Compensation benchmark review
	Compensation policies and programs review
December	Short Term and Long Term Incentive performance forecast
	Compensation report skeleton

The CEO, Chief Human Resources Officer and Secretary of the Board (who also serves as the RC Secretary) usually attend the meetings. The Committee Chair may invite other executives for advisory purposes when needed. However, the CEO and other executives do not participate when their own remuneration or performance is discussed.

The RC Chair reports to the full Board on the Committee's activities and discussions. The Chair also submits proposals for Board approval as necessary. All Board members have access to the RC meeting minutes.

The RC retained HCM International to analyze benchmarks for the Board of Directors and the Executive Committee. They also retained hkp///group for compensation report advice. Neither were awarded additional mandates.

Shareholders' role and engagement

The company values shareholders' feedback on compensation policies and has held advisory votes on the compensation report since 2011. It also regularly meets with shareholders to understand their perspectives. At the 2024 AGM, shareholders approved the maximum aggregate compensation for the Board for the 2024/25 term and for the Executive Committee for 2025.

Additionally, the [Articles of Association](#), approved by shareholders, govern the principles of compensation.

Extract from the Articles of Association related to compensation

Article 31	Non-executive members of the Board of Directors receive only a fixed compensation. Members of the Executive Committee receive both fixed and variable compensation components that are based on their performance. Their compensation can be paid in cash, shares, options or other forms.
Article 29	The Shareholders' Meeting approves the maximum aggregate amount of compensation for the Board of Directors for the next term of office and the maximum aggregate amount of compensation for the Executive Committee for the following financial year. The Board of Directors submits the annual compensation report to an advisory vote at the AGM.
Article 30	In the event that a member of the Executive Committee is appointed after the AGM and the approved maximum compensation is not sufficient for his/her compensation, a supplementary amount of up to 40% of the last approved maximum compensation can be used without further approval by the AGM.
Article 32	Fixed-term employment agreements have a maximum duration of one year and can be renewed. Permanent employment agreements have a maximum termination notice period of twelve months. Non-compete agreements for the period after termination of an employment agreement are permissible. They are limited to one year. The consideration does not exceed the last total annual target compensation to which the member was entitled prior to termination. Furthermore, it should not exceed the average compensation of the last three financial years.
Article 34	The company is not allowed to grant loans or credits to members of the Board of Directors or the Executive Committee.

Activities in other organizations

According to Article 734e of the Swiss Code of Obligations, the compensation report must detail the external mandates of Board of Directors and Executive Committee members in other enterprises with an economic purpose (as defined in Article 626 para. 2 no. 1 of the Swiss Code of Obligations). The table below lists the entities and the functions held.

Other functions of the members of the Board of Directors and the Executive Committee

Member	Name of company	Function	2024	2023
Dr. Suzanne Thoma	Beckers Group, Germany	Non-executive member of the Board of Directors	x	x
	BayWa r.e., Germany	Non-executive member of the Board of Directors	x	x
Markus Kammüller	ExecDelta GmbH, Switzerland	Sole Partner	x	x
	Gonset Holding SA, Switzerland	President of the Board of Directors	x	
	Gonset Immeubles d'Entreprises SA, Switzerland	Vice-Chair of the Board of Directors		x
	Gonset Immeubles d'Entreprises SA, Switzerland	President of the Board of Directors	x	
David Metzger	Swiss Steel Holding AG, Switzerland	Vice-Chair of the Board of Directors		x
	medmix AG, Switzerland	Non-executive member of the Board of Directors	x	x
	Mealda Capital GmbH, Switzerland	Sole Partner	x	x
	Sopeli Capital GmbH, Switzerland	Sole Partner	x	x
Alexey Moskov	OC Oerlikon Corporation AG, Switzerland	Non-executive member of the Board of Directors	x	x
	Witel AG, Switzerland	Member of the Board of Directors	x	x
	Liwet Holding AG, Switzerland	President of the Board of Directors	x	x
Dr. Prisca Havranek-Kosicek	A2-Link AG, Switzerland	Sole Board Member	x	x
	Jenoptik AG, Germany	Chief Financial Officer	x	x
Dr. Hariolf Kottmann	Jenoptik North America Inc., United States of America	Director	x	x
	Plansee Holding, Austria	Member of the Board of Directors	x	x
	HK1 AG, Switzerland	Sole member of the Board of Directors	x	x
Per Utnegaard	Kiingle AG, Switzerland	Member of the Board of Directors	x	
	Saudi Ground Services, Saudi Arabia	Non-executive member of the Board of Directors	x	x
	Alvest Holding, France	Non-executive Director	x	x
	Per Utnegaard & Partners GmbH, Switzerland	Sole Partner	x	x
Tim Schulten	JCB Group Holdings Sàrl, Switzerland	Director	x	x
Jan Lüder	Wealth Minerals Ltd, Canada	Member of the Advisory Board	x	

In each individual case, the number of mandates does not exceed the maximum number of external mandates specified in Article 33 of the Articles of Association.

Compensation architecture for the CEO and members of the Executive Committee

Compensation principles

The Executive Committee's compensation is based on the principle of pay-for-performance. The policy rewards performance, sustainable growth and long-term shareholder value, while offering fair and competitive pay to attract and retain top talent.

Compensation principles

Principle	Description
Pay-for-performance	A substantial portion of the compensation is delivered in the form of variable incentives based on company and individual performance.
Strategy alignment	The performance criteria are selected to create adequate incentives for achieving the operational and strategic objectives.
Ownership	Part of the compensation is delivered in the form of company equity to foster ownership and to align the interests of executives with those of shareholders.
Market competitiveness	Compensation levels are competitive and in line with market practice to attract and retain highly qualified employees.
Internal equity	The internal compensation structure is based on a job-grading methodology applied globally.
Transparency	Compensation programs are straightforward and transparently explained in the compensation report.
Shareholder expectations	Compensation programs are in line with the expectations of shareholders.

Method of determining compensation: benchmarking

To ensure competitive and market-aligned compensation, the compensation for Board and Executive Committee members is benchmarked against similar roles in comparable companies every one to two years.

The RC regularly reviews the composition of the peer group, which is applied for benchmarking purposes. In 2024, the RC revised the approach to get a broader peer group with a focus on governance landscape, industry and size effects to determine a fitting peer group for compensation benchmarks. The process of definition was undertaken in four major steps to narrow down the peer group:

Selection process of peer companies for compensation benchmarks

Step	Action	Description
Step 1:	Check for regulatory and governance landscape	Swiss Performance Index (SPI) companies (excl. Sulzer)
Step 2:	Check for industry affiliation	Industrials and Materials with selected Technology and Equipment industries < Half the size of Sulzer SULZER
Step 3:	Check for size comparability	> 2.5 times the size of Sulzer
Step 4:	Check for business complexity and international footprint	Manual check to exclude companies that are less comparable to Sulzer in terms of business complexity, international footprint and growth ambition.

The revised comparison group reflects Sulzer’s ambitious business strategy.

Benchmarking Peer Group 2024 ¹

ALCON	AMS	Bucher	Clariant	dormakaba
Geberit	Georg Fischer	Givaudan	Implenia	Landis+Gyr
Logitech	Lonza	Oerlikon	SGS	SIG
SIKA	Straumann	Sonova	Swiss Steel	

1) Compared to the previously applicable peer group, ALSO, Forbo, Galenica and Schindler are no longer included as benchmark reference peer companies.

The intention is to pay target compensation in line with the relevant market. Nevertheless, compensation is not granted based on benchmark results alone. The role, responsibility and experience, as well as the difference between a new entrant to a role and someone with experience who has already demonstrated his or her impact in a similar role, are also criteria in determining compensation. A globally applied job-grading methodology fosters internal equity.

Compensation elements for the members of the Executive Committee

The Executive Committee's compensation includes fixed, performance-independent elements to provide secure income and prevent unreasonable risks. The RC reviews this compensation annually and, if needed, proposes adjustments for Board approval. To create reasonable incentives, align interests with shareholders, ensure pay-for-performance, and implement the company's strategy, the compensation also includes short- and long-term performance-dependent elements.

Overview of Compensation Components

Components	Description	Link to principles	Percentage of total compensation of the CEO				
Fixed compensation							
Base Salary	Fixed cash compensation paid in equal monthly installments	Offering a market-compatible compensation	35% of compensation				
Benefits	Pension and social security contributions as well as fringe benefits						
Variable Compensation							
Variable Compensation	Term	Performance Indicators	Target Amount / Grant Value	Maximum amount	Settlement		
Short-term incentive plan (bonus plan)	One year	Operational profit, sales, Operational operating net cash flow	90% of base salary	200% of base salary	In cash	Incentivizing strategic goals and pay-for-performance	32% of compensation
Long-term incentive plan (PSP 2024)	Three years	Operational profit growth, operational return on average capital employed adjusted (ROCEA), Total Shareholder Return	CEO: 1,000,000 CHF, Other members of the Executive Committee: 330,000 to 400,000 CHF	250% of target amount	Performance share units (PSUs) settled in shares	Incentivizing strategic goals, pay-for-performance and company ownership	33% of compensation
Other compensation components							
Share Ownership Guidelines (SOG)	Obligation to privately invest in Sulzer shares and to hold these shares until the end of the service period CEO: 200% of the base salary Other members of the Executive Committee: 100% of the base salary					Ownership	

In line with the pay-for-performance principle, a significant portion of the CEO's compensation (65%) and the Executive Committee's compensation (59%) consists of performance-based variable incentives. The compensation structure also promotes sustainable long-term growth, with long-term variable compensation being the largest portion of the target total compensation

Base salary

The Board of Directors determines the base salary based on the market value of the position and the incumbent’s qualifications, skills and experience. It is paid in cash. An internal job-grading methodology ensures orientation and promotes internal equity.

Benefits

Members of the Executive Committee participate in the regular employee pension fund for all Swiss employees. The retirement plan includes a basic plan covering annual earnings up to CHF 152’868 and a supplementary plan for income above this limit, up to the legal ceiling (including variable cash remuneration). Contributions are age-related and shared between the employer and employee.

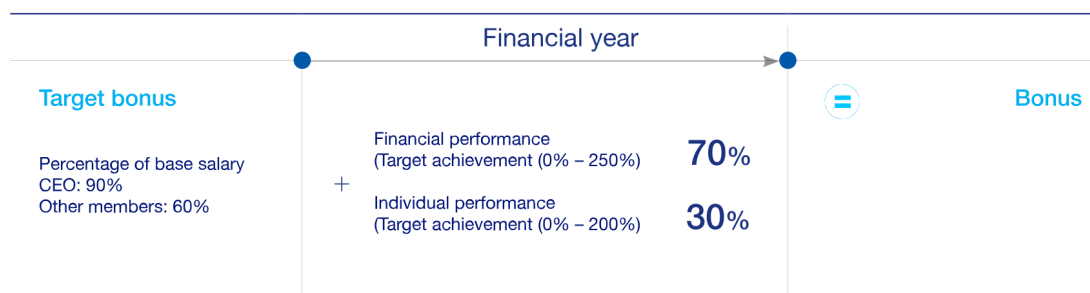
Additionally, each Executive Committee member receives a representation allowance in line with Swiss management expense regulations, approved by tax authorities.

Short-term incentive plan (bonus plan)

The Short-term Incentive Plan (bonus plan) involves a cash payment after the financial year ends, based on predefined objectives. These objectives measure both financial and individual performance for each Executive Committee member. The target bonus is a percentage of the annual base salary: 90% for the CEO and 60% for other members.

In 2024, the financial targets for the bonus plan were further stretched as we embarked on our Sulzer 2028 journey. As a result, achieving these targets became more challenging. To ensure fairness and align with the pay-for-performance principle, the Board approved an increase in the maximum target achievement to 250%.

Functionality of the bonus plan



The performance is assessed based on the following appraisal process:

Performance appraisal

Step	Action	Description
Step 1:	Target setting	Definition of two to four individual performance objectives at the beginning of the year
Step 2:	Performance assessment	Performance assessment at the end of the year
Step 3:	Compensation determination	Determination of incentive payouts on the basis of the company's or division's performance and achievement of the individual objectives

For all Executive Committee members, the bonus plan objectives are divided into two categories: "Financial performance" and "Individual performance." The objectives and targets for 2024 are as follows:

Target Setting

Category	Objectives	Target	Weighting
Financial performance	Operational profitability	Measure of profitability (bottom line)	25%
	Sales	Measure of growth (top line)	25%
	Operational operating net cash flow (operational ONCF)	Measure of cash generated	20%
Individual performance	Sulzer Excellence	Objectives that increase efficiency, reduce unnecessary complexity and drive cross-functional collaboration resulting in advanced competitiveness and profitability.	10%
	Sulzer 2028	Objectives that contribute to the ambition of being a top industrial company with future-proof, differentiated, high-quality businesses.	10%
	Sustainable Sulzer	Objectives linked to harvesting opportunities that promote sustainable resource usage, energy transition and organic growth and/or risk mitigation and compliance. Initiatives related to Safety & Health (well-being self, colleagues and community) and a diverse workplace may also be considered	10%

The objectives for the bonus plan are linked to Sulzer's strategic goal of promoting the sustainable and profitable growth of the company. They are chosen to provide different incentives for growth and shareholder value creation.

Strategic link of bonus plan

Objective	Growth	Profitability	Long-term shareholder-value creation
Bonus plan	✓	✓	✓
Operational profit		✓	
Sales	✓		
Operational ONCF			✓
Sulzer Excellence		✓	
Sulzer 2028	✓	✓	
Sustainable Sulzer	✓	✓	✓

Target achievement under the bonus plan

For each financial objective, parameters are set in advance. An expected performance level (“target”) results in a 100% payout factor. A minimum performance level (“threshold”) is defined, below which the payout factor is zero, and a maximum performance level (“cap”) is set, above which the payout factor is capped. The payout factor is interpolated linearly between the threshold and target, and between the target and cap.

The CEO’s financial objectives are measured 100% based on Sulzer group results. For Division Presidents, 70% is based on Sulzer group results and 30% on their respective divisional results.

Aligned with Sulzer 2028 ambition, each Executive Committee member receives personal objectives in three performance categories: “Sulzer Excellence,” “Sulzer 2028” and “Sustainable Sulzer” at the start of the financial year. The CEO reviews the individual performance of each Executive Committee member based on their personal objectives, and this review is then evaluated by the RC. The Lead Independent Director, in close consultation with the Chair of the RC, assesses the CEO’s individual performance.

A payout factor is determined for each objective based on actual performance. The weighted average of these payout factors is multiplied by the target bonus amount to calculate the actual bonus, which is paid out in March of the following year.

Sulzer strives for transparency in relation to pay-for-performance. To ensure transparency while avoiding competitive risk, Sulzer provides a general performance assessment for each financial objective as well as the aggregated individual performance at the end of the performance cycle.

In 2024, the bonus plan target achievement for the financial performance was as follows:

Bonus plan target achievement

Objectives	Target achievement (Payout factor)
Operational profitability	140%
Sales	145%
Operational operating net cash flow (operational ONCF)	172%

For 2024, the financial component of the bonus averaged at 153% and the individual performance averaged at 144%.

Overall, the combined financial and individual performance resulted in a bonus payout factor ranging from 137% to 166% (average 153%) for Executive Committee members.

Performance share plan (PSP)

The Performance Share Plan (PSP) incentivizes long-term shareholder value by granting performance share units (PSUs) to Executive Committee members. PSUs are conditional rights to company shares, subject to ongoing employment and achieving strategic/financial targets at the Group level over a three-year period.

The PSP aligns participants' interests with shareholders by delivering a substantial portion of compensation as company equity. This supports Sulzer's focus on pay-for-performance, sustainable growth, and employee retention. It is a fair and attractive element of long-term variable remuneration for key management, emphasizing excellent, sustainable performance.

The PSP, with annual grants, is available exclusively to Executive Committee and Sulzer Management Team (SMT) members. The number of PSUs granted is calculated by dividing the grant value by the three-month volume-weighted average share price before the grant date (units prorated based on employment entry date). The grant value is determined by the executive's role level and amounts to:

- Chief Executive Officer: CHF 1'000'000
- Members of the Executive Committee: CHF 330'000 – CHF 400'000 (determined by the Board of Directors)

The following table outlines the performance criteria.

Key performance criteria measured over the three-year performance period of the PSUs

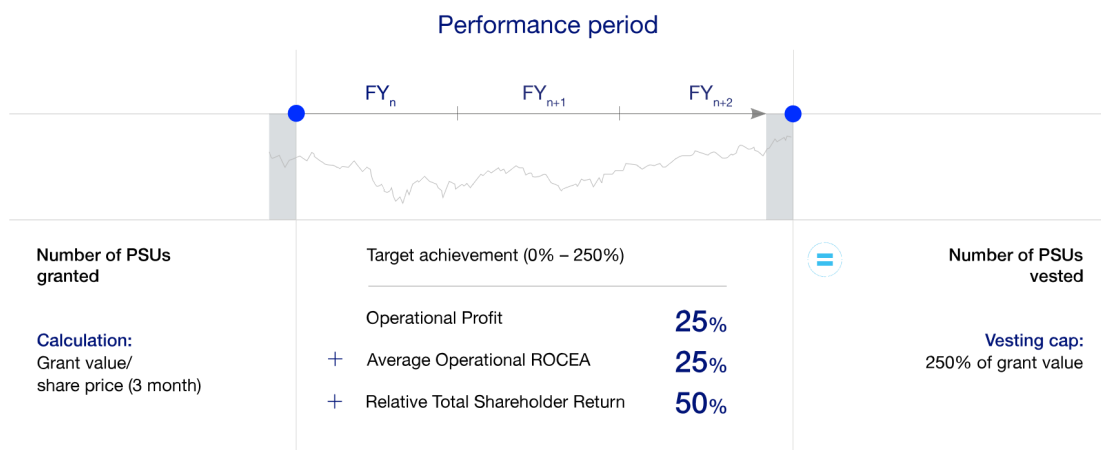
Operational Profit	Absolute Operational Profit growth before restructuring, amortization, impairments and non-operational items is an absolute value reflecting the planned value in the last year of the performance period.
Average Operational ROCEA	Average operational return on capital employed (operational ROCEA) is the sum of adjusted operational return on capital employed (operational ROCE) based on audited figures in each fiscal year of the performance period, divided by the number of such years.
Relative Total Shareholder Return	Relative Total Shareholder Return (TSR) is defined as share price growth plus dividends during the vesting period by the ending share price, measured against peers.

The PSP objectives are aligned with Sulzer’s strategic goal of promoting sustainable and profitable growth. They are designed to incentivize growth and create shareholder value.

Strategic link of PSP

	Growth	Profitability	Long-term shareholder value creation
PSP	✓	✓	✓
Operational profit growth	✓	✓	✓
Operational ROCEA		✓	
Relative TSR	✓	✓	✓

Functioning of the PSP Performance at a glance

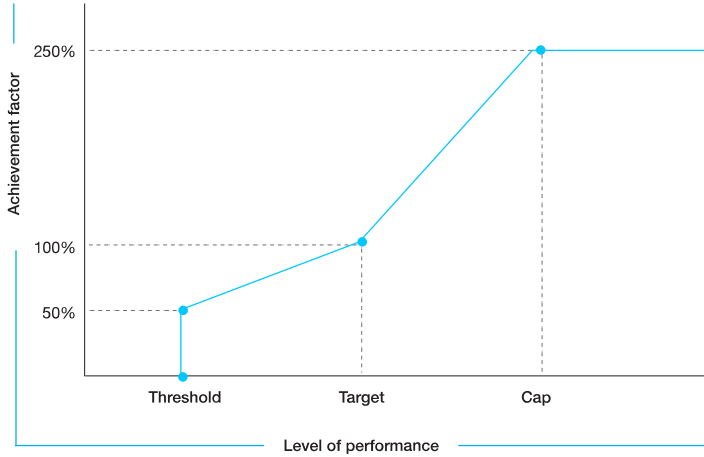


Target achievement under the Performance Share Plan

For each PSP performance condition, an expected performance level (“target”) is defined, resulting in a 100% payout factor. A minimum performance level (“threshold”) is set, below which the payout factor is zero, and a maximum level (“cap”) is set, capping the payout factor at 250%. The payout factor is interpolated linearly between the threshold and target, and between the target and cap.

Sulzer aims for transparency in pay-for-performance and discloses all relevant information that does not pose strategic disadvantages. The target achievement can be illustrated in a target achievement curve as follows:

Target achievement curve of the PSP performance conditions



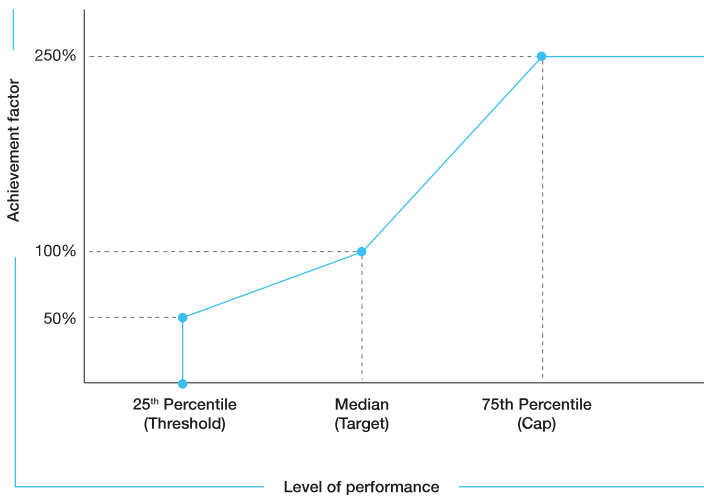
Relative total shareholder return (TSR) target achievement

Relative total shareholder return (TSR) is measured based on the performance against a predefined peer group of international peers, measured as a percentile ranking, aligned with the target achievement curve as follows:

- Threshold: 25th percentile ranking
- Target: median ranking
- Outperformance (cap): 75th percentile ranking

The target achievement curve of the relative TSR can be illustrated as follows:

Target achievement curve of the relative TSR



The current peer group for the measurement of the relative TSR consists of the following companies:

Peer group for relative TSR performance of PSP 2024

Andritz	Burckhardt Compression	Ebara	Flowserve	Georg Fischer
ITT	OC Oerlikon	Pentair	Wood Group	Xylem

The Board of Directors can change the peer group composition if necessary, such as in cases of mergers, acquisitions, delistings or significant business changes in a peer company. In such situations, the Board will select new peer companies from a predefined successor list.

Financial objectives target achievement

To ensure transparency while avoiding competitive risk, Sulzer provides a general performance assessment for each criterion at the end of the performance cycle. The PSP framework, eligibility and grant entitlement remained unchanged in 2024, except for specific performance targets for each grant cycle.

PSP 2022 performance

Over the past three years, Sulzer significantly grew its operational profit through the Sulzer 2028 ambition and leveraged strong market momentum in 2024. This performance resulted in an achievement factor of 250% compared to the original PSP target set by the Board.

Operational ROCEA also achieved a factor of 250%, thanks to continuous profitability improvements and better capital management through the Sulzer 2028 ambition.

With Sulzer's share price in the 75th percentile compared to international peers, the relative TSR achieved a factor of 250%, resulting in a total payout factor of 250% for PSP 2022, subject to the original grant value cap.

PSP target achievement

Objectives	Target achievement (Payout factor)
Operational profit growth	250%
Operational ROCEA	250%
Relative TSR	250%

Overall, the PSP vesting levels accurately reflected operational performance, including against direct peers, over their respective three-year cycles. The success of the Sulzer 2028 ambition ensured a strong link between sustainable company performance and competitive long-term incentive payouts.

Vesting of PSUs under the Performance Share Plan

On the vesting date, the number of vested PSUs is calculated by multiplying the initial PSUs granted by the weighted average achievement factor of each performance condition. Each vested PSU results in one Sulzer share for the participant.

While performance assessment affects the number of vested PSUs and shares delivered, the share value may also increase over the three-year period, impacting the total value delivered. Therefore, the number of vested PSUs is capped at 250% of the original grant value. After applying this cap, the overall payout factor for PSP 2022 is reduced to 147%.

In the event of termination of employment, the following provisions apply:

Provisions by the event of termination

Type of termination	Provision
By the employer for cause	Unvested PSUs are forfeited.
As a result of retirement	Vesting and performance measurement of PSUs continues according to plan, no early allocation of the shares.
Any other reason	The number of unvested PSUs vest on pro rata basis (number of calendar days between grant date and termination date) according to the achievement factor at the end of the vesting period. There is no early allocation of the shares.

In the event of an Executive Committee member's death, pro-rated PSUs will vest immediately, pending a performance assessment by the Board of Directors. If a change of control occurs, PSUs will also vest immediately, subject to the Board's performance assessment. The Board may opt for a cash settlement of the awards in such cases.

Compensation of the Executive Committee for 2024

Compensation of the Executive Committee: overview

As part of the regular review of the Executive Committee's compensation, the compensation levels for all members of the Executive Committee were increased slightly in 2024 to ensure competitiveness of the compensation.

Our excellent performance in 2023, coupled with our ambition for growth and excellence through our Sulzer 2028 strategy, required the Executive Committee to be compensated in a way that both rewards and stimulates growth and value creation for the shareholders. This included reflecting on growing roles and responsibilities and individual performance as well as evolving market trends, consistent with company performance.

In 2024, the Executive Committee received a total compensation of kCHF 12'548 (down from kCHF 13'808 the previous year). This included kCHF 7'086 in base salary and bonus (previous year: kCHF 8'599), kCHF 3'850 in PSUs (previous year: kCHF 3'231), kCHF 1'591 in pension and social security contributions (previous year: kCHF 1'892), and kCHF 21 in other payments (previous year: kCHF 86).

Compensation of the Executive Committee

	2024						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus ¹⁾	Other ²⁾	Pension and social security contributions ³⁾	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) ⁴⁾	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	1'050	1'566	-	427	3'043	1'318	4'361
Total Executive Committee	3'405	3'681	21	1'591	8'698	3'850	12'548

1) Expected bonus for the performance year 2024, to be paid out in the following year (accrual principle).

2) Other consists of tax services and relocation costs.

3) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2024 (PSP).

4) Represents the full fair value of the PSUs granted under the PSP in 2024. PSUs granted in 2024 had a fair value of CHF 125.65 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 95.33 per PSU for 2024 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values.

2023

thousands of CHF	Cash compensation				Deferred compensation based on future performance		
	Base salary	Bonus ²⁾	Other ³⁾	Pension and social security contributions ⁴⁾	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) ⁵⁾	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	950	1'314	-	395	2'659	1'129	3'788
Total Executive Committee ¹⁾	4'201	4'398	86	1'892	10'577	3'231	13'808

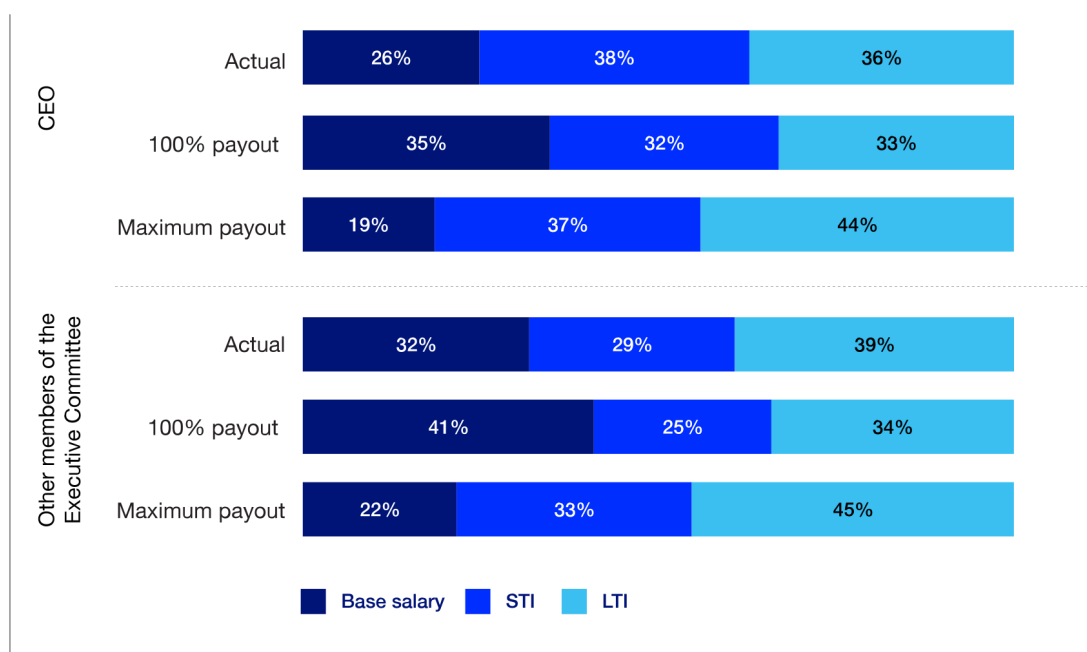
- 1) Out of the total sum, kCHF 1'827 was paid to one former member of the Executive Committee, Frédéric Lalanne, former CEO. In 2023, no other payments to former members of the Executive Committee were made.
- 2) Expected bonus for the performance years 2023, to be paid out in the following year (accrual principle).
- 3) Other consists of schooling allowances and tax services.
- 4) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2023 (PSP).
- 5) Represents the full fair value of the PSUs granted under the PSP in 2023. PSUs granted in 2023 had a fair value of CHF 88.38 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 78.26 per PSU for April 2023 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values.

The Executive Committee’s total compensation in 2024 decreased by 8% from the previous year, primarily due to discontinued payments to former EC members.

The total compensation of kCHF 12'548 awarded to the Executive Committee members for 2024 is within the maximum aggregate amount of kCHF 16'500 approved by shareholders at the 2023 AGM. No severance payments were issued to Executive Committee members in the current or prior year. Additionally, no compensation was granted to any related parties of the Executive Committee members in either year.

As of December 31, 2024, and December 31, 2023, there were no outstanding loans or credits granted to Executive Committee members, former members or related parties.

Compensation for the Executive Committee: pay-for-performance assessment



Over the past three years, Sulzer has enhanced its sales, operational profitability and operational net cash flow through the Sulzer 2028 ambition. In 2024, we stretched our targets and were still able to deliver another high-performing year. In line with our pay-for-performance principle, this resulted in a proportionate variable compensation payout.

This pay-for-performance relationship underscores Sulzer's high-performance orientation and highlights the company's strong emphasis on aligning the interests of the Executive Committee with those of the shareholders to create long-term shareholder value and profitable growth.

Malus and clawback

The Board of Directors may determine that variable compensation is forfeited in full or in part (malus) or that a vested award will be recovered in full or in part (clawback) in situations of material misstatement of the financial results, an error in assessing a performance condition or in the information or assumptions on which the award was granted or vested, serious reputational damage to the company, gross negligence, or willful misconduct on the part of the participant.

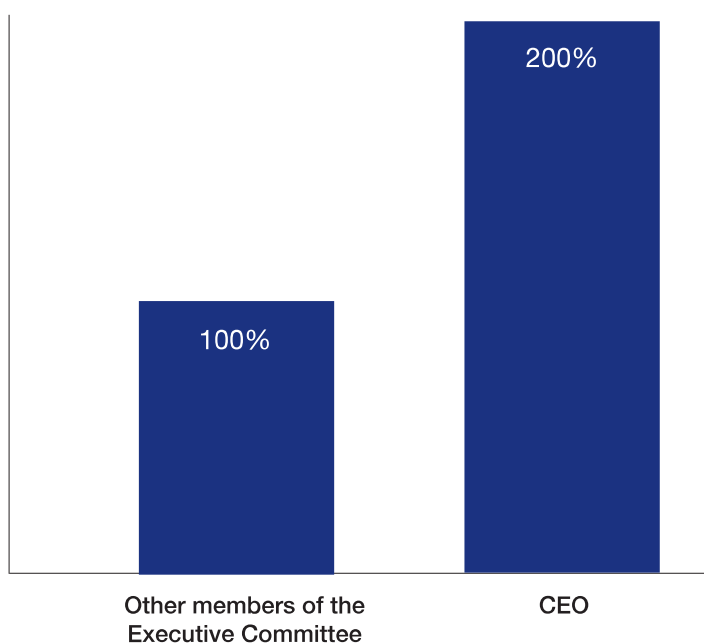
Sulzer may recover in full or in part any variable compensation from Executive Committee members in situations of material misstatement of the financial results, an error in assessing a performance condition or gross misconduct of the participant.

Further information on share-based compensation can be found in [note 31](#) to the consolidated financial statements of Sulzer. In 2024, no malus or clawback were applied.

Shareholding requirements

Shareholding requirements for members of the Executive Committee were introduced with effect from 2020. According to these share ownership guidelines (SOGs), the members of the Executive Committee are obliged to hold part of their shares until the end of their service period. The value of the shares to be held is set at 200% of the annual gross base salary for the CEO and 100% of the annual gross base salary for the other members of the Executive Committee.

Shareholding requirements as a percentage of base salary



Shareholdings of the members of the Executive Committee

As of the end of 2023 and 2024, the members of the Executive Committee held the following shares, share-based instruments or options in the company:

Shareholdings at December 31, 2024

	2024			
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares ¹⁾	Performance share units (PSU) 2022	Performance share units (PSU) 2023	Performance share units (PSU) 2024
Executive Committee	11'171	14'679	33'865	28'437
Suzanne Thoma, CEO	4'374	2'120	12'778	10'490
Thomas Zickler, CFO	5'697	5'074	5'112	4'196
Haining Auperin, CHRO	-	1'142	4'217	3'462
Tim Schulten, Division President Chemtech	1'100	5'074	5'112	4'196
Jan Lüder, Division President Flow	-	-	5'112	4'196
Ravin Ramsamy, Division President Services	-	1'269	1'534	1'897

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No related parties own any shares.

Shareholdings at December 31, 2023

	2023			
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares ¹⁾	Performance share units (PSU) 2021	Performance share units (PSU) 2022	Performance share units (PSU) 2023
Executive Committee	11'114	4'264	14'362	36'548
Suzanne Thoma, CEO	2'559	-	2'120	12'778
Thomas Zickler, CFO	3'402	1'212	5'074	5'112
Haining Auperin, CHRO	5'153	1'364	1'142	4'217
Tim Schulten, Division President Services	-	1'212	5'074	5'112
Jan Lüder, Division President Flow Equipment	-	-	-	5'112
Uwe Boltersdorf, Division President Chemtech	-	476	952	4'217

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No related parties own any shares.

Compensation architecture for the Board of Directors

The compensation of the Board of Directors is fixed and does not contain any performance-based variable component. This ensures that the Board of Directors is truly independent in fulfilling its supervisory duties towards the Executive Committee.

The compensation of the Board of Directors is governed by a compensation regulation, is reviewed by the Remuneration Committee (RC) annually and, if necessary, adjusted by a decision of the full Board of Directors based on a proposal by the RC.

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. Each RSU represents a right to receive a Sulzer share free of charge after a certain period, as further detailed below. Further, Board members are entitled to a lump sum to cover business expenses. The RSU component strengthens the long-term alignment of the interests of the Board members with those of the shareholders. To reinforce the focus of the Board of Directors on the long-term strategy and to strengthen its independence from the Executive Committee, the compensation of the Board of Directors contains no performance-related elements and non-executive Board members are not entitled to pension benefits.

The amount of compensation for the Chairperson and for the other members of the Board of Directors is determined based on the relevant compensation benchmarks. The list of companies is the same peer group as listed under the Compensation benchmark of the members of the Executive Committee (see the Benchmark Peer Group graph in the [Compensation Architecture for the CEO and members of the EC](#) chapter). The compensation reflects the responsibility and complexity of their respective function, the professional and personal requirements placed on them, and the expected time required to fulfill their duties. The ongoing Board compensation structure and amounts are described in the table below:

Annual compensation of the Board of Directors¹

in CHF	Cash component (net of social security contributions)	Grant value of RSUs (net of social security contributions)	Lump-sum expenses
Base fee for Board Chair ²⁾	420'000		10'000
Base fee for Board Vice Chair	100'000	155'000	5'000
Base fee for Board members	70'000	125'000	5'000
Additional committee fees:			
Audit Committee / Strategy and Sustainability Committee Chair	60'000		
Audit Committee / Strategy and Sustainability Committee members	35'000		
Nomination / Remuneration Committee / Governance Committee Chair	35'000		
Nomination / Remuneration / Governance Committee members	20'000		

1) Compensation for the period of service (from AGM to AGM).

2) The Chair of the Board of Directors does not receive additional remuneration for committee activities.

To align with market practices, the cash component for the Chairperson of the Nomination and Remuneration Committees was adjusted to CHF 35'000 to differentiate their responsibilities from those of other committee members.

Board members are compensated for their service from AGM to AGM. Cash compensation is paid quarterly for Board members and monthly for the Chairperson. The expense lump sum is paid in December, and RSUs are granted annually. The number of RSUs is determined by dividing the fixed grant value by the volume-weighted average share price of the last ten trading days before the grant date, which is the AGM date they were elected. One-third of the RSUs vest on March 25 each year following the grant date, or the next weekday if it falls on a weekend.

Upon vesting, each RSU converts into one company share. The vesting period for RSUs ends when the member steps down from the Board. Although the RSU grant value is fixed at the grant, it fluctuates with the share price during the vesting period, so the value at vesting can differ from the grant value.

Compensation of the Board of Directors for 2024

Overview

In 2024, the Board of Directors received total compensation of kCHF 2'349 (up from kCHF 2'283 in the previous year). This included kCHF 1'302 in cash fees (previous year: kCHF 1'231), kCHF 780 in RSUs (same as previous year) and kCHF 267 in social security contributions (previous year: kCHF 272).

The total Board compensation paid in 2024 was 3% higher than in 2023, mainly due to aligning compensation for committee membership. The aggregate Board compensation was below the maximum amount approved at the AGM 2024.

The portion of compensation delivered in RSUs ranged between 74% and 139% of the cash compensation for Board members. The RSUs have a staged three-year vesting period.

Compensation of the Board of Directors

				2024
thousands of CHF	Cash fees ¹⁾	Restricted share unit (RSUs) plan ²⁾	Social security contributions ³⁾	Total
Board of Directors	1'302	780	267	2'349
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	-	53	472
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	190	155	44	389
Alexey Moskov, Member of the Remuneration Committee	90	125	28	243
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	34	299
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee	136	125	34	295
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee	156	125	36	318
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee	170	125	38	333

1) Disclosed gross.

2) RSU awards granted in 2024 had a fair value of CHF 112.58 at grant date. The amount represents the full fair value of grants made in 2024.

3) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) and includes both the employer and employee contributions paid by the company on behalf of the Board members.

	2023			
thousands of CHF	Cash fees ³⁾	Restricted share unit (RSUs) plan ⁴⁾	Social security contributions ⁵⁾	Total
Board of Directors	1'231	780	272	2'283
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	-	55	475
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	174	155	44	373
Alexey Moskov, Member of the Remuneration Committee	90	125	30	245
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	37	302
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee ¹⁾	94	125	30	249
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee ¹⁾	109	125	32	266
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee ¹⁾	128	125	34	287
Hanne Birgitte Breinbjerg Sørensen ²⁾	42	-	6	48
Matthias Bichsel ²⁾	34	-	4	38

1) Member of the Board of Directors since AGM 2023.

2) Member of the Board of Directors until AGM 2023.

3) Disclosed gross.

4) RSU awards granted in 2023 had a fair value of CHF 77.05 at grant date. The amount represents the full fair value of grants made in 2023. Suzanne Thoma will not receive RSUs while participating in the PSP as CEO.

5) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) and includes both the employer and employee contributions paid by the company on behalf of the Board members.

At the 2023 and 2024 AGMs, shareholders approved a maximum aggregate compensation amount of kCHF 2'984 for the Board of Directors. The table below shows the reconciliation between the compensation paid or to be paid for the two periods of office and the maximum amounts approved by the shareholders.

Maximum aggregate for the period from AGM to AGM

thousands of CHF	Total compensation earned for the period from AGM to AGM	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
AGM 2024–AGM 2025	2024 AGM to 2025 AGM	2024 AGM	2024 AGM
Board (total)	2'357	2'984	79.0%
AGM 2023–AGM 2024	2023 AGM to 2024 AGM	2023 AGM	2023 AGM
Board (total)	2'339	2'984	78.4%

Note: The table format has changed in line with market practice to simplify the overview of compensation earned with what has been approved.

As of December 31, 2024, and December 31, 2023, no outstanding loans or credits were granted to current or former Board members or related parties.

In both 2024 and 2023, no compensation was granted to former Board members or related parties.

Shareholdings of the members of the Board of Directors

As of the end of 2024 and 2023, the members of the Board of Directors held the following shares, share-based instruments or options in the company:

Shareholdings at December 31, 2024

	2024		
	Sulzer shares ¹⁾	Restricted share units (RSU)	Total share awards and shares
Board of Directors	15'866	16'373	27'865
Suzanne Thoma	4'374	1'071	1'071
Markus Kammüller	1'743	3'255	4'998
Alexey Moskov	3'791	2'731	6'522
David Metzger	3'413	2'731	6'144
Per Utnegaard	1'375	2'195	3'570
Hariolf Kottmann	1'170	2'195	3'365
Prisca Havranek-Kosicek	-	2'195	2'195

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire.

Shareholdings at December 31, 2023

	2023		
	Sulzer shares ¹⁾	Restricted share units (RSU)	Total share awards and shares
Board of Directors	9'320	17'430	26'750
Suzanne Thoma	2'559	2'886	5'445
Markus Kammüller	536	3'085	3'621
Alexey Moskov ²⁾	2'114	3'295	5'409
David Metzger	1'736	3'295	5'031
Per Utnegaard	1'375	1'623	2'998
Hariolf Kottmann	1'000	1'623	2'623
Prisca Havranek-Kosicek	-	1'623	1'623

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire.

2) In addition, as collected through the Corporate Governance Questionnaire, Mr. Moskov's related parties own 2'217 Sulzer shares.



Report of the Statutory Auditor

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Sulzer Ltd (the Company) for the year ended December 31, 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in the sections "[Activities in other organizations](#)", "[Compensation of the Executive Committee](#)", "[Shareholdings of the members of the Executive Committee](#)", "[Compensation of the Board of Directors](#)", "[Maximum aggregate for the period from AGM to AGM](#)" and "[Shareholdings of the members of the Board of Directors](#)" of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections “Activities in other organizations”, “Compensation of the Executive Committee: overview”, “Shareholdings of the members of the Executive Committee”, “Compensation of the Board of Directors: overview”, and “Shareholdings of the members of the Board of Directors” in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG



Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 26, 2025

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Consolidated income statement

January 1 – December 31

millions of CHF	Notes	2024	2023
Sales	2, 19	3'530.6	3'281.7
Cost of goods sold		-2'347.4	-2'197.1
Gross profit		1'183.2	1'084.6
Selling and distribution expenses		-335.2	-323.7
General and administrative expenses		-382.5	-370.6
Research and development expenses	9	-76.4	-70.8
Net impairment release / (loss) on contract assets and trade accounts receivable		-0.6	0.9
Other operating income / (expenses), net	10	-6.0	9.2
Operating income (EBIT)		382.5	329.7
Interest and securities income	11	19.6	18.3
Interest expenses	11	-29.3	-30.3
Other financial income / (expenses), net	11	-15.5	-10.3
Share of profit / (loss) of associates and joint ventures	16	-3.8	-3.2
Income before income tax expenses		353.5	304.3
Income tax expenses	12	-88.2	-73.8
Net income		265.4	230.5
- thereof attributable to shareholders of Sulzer Ltd		261.9	229.1
- thereof attributable to non-controlling interests		3.5	1.3
Earnings per share (in CHF)			
Basic earnings per share	24	7.73	6.76
Diluted earnings per share	24	7.64	6.67

Consolidated statement of comprehensive income

January 1 – December 31

millions of CHF	Notes	2024	2023
Net income		265.4	230.5
Items that may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax	28	-7.5	8.3
Currency translation differences		30.7	-146.0
Total of items that may be reclassified subsequently to the income statement		23.2	-137.7
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit plans, net of tax	8	0.8	128.8
Equity investments at FVOCI – net change in fair value, net of tax	17	-4.9	0.6
Total of items that will not be reclassified to the income statement		-4.0	129.3
Total other comprehensive income		19.1	-8.3
Total comprehensive income for the period		284.5	222.1
- thereof attributable to shareholders of Sulzer Ltd		280.6	221.6
- thereof attributable to non-controlling interests		3.9	0.6

Consolidated balance sheet

December 31

millions of CHF	Notes	December 31, 2024	December 31, 2023
Non-current assets			
Goodwill	13	661.4	637.9
Other intangible assets	13	178.5	196.8
Property, plant and equipment	14	387.8	348.2
Lease assets	15	105.2	93.2
Associates and joint ventures	16	53.0	54.7
Other non-current financial assets	17	30.2	38.4
Defined benefit assets	8	144.0	170.5
Non-current receivables		1.9	1.2
Deferred income tax assets	12	153.6	144.9
Total non-current assets		1'715.5	1'685.9
Current assets			
Inventories	18	515.1	495.1
Current income tax receivables		28.4	30.4
Advance payments to suppliers		94.7	86.8
Contract assets	19	500.1	430.1
Trade accounts receivables	20	680.2	540.8
Other current receivables and prepaid expenses	21	118.8	123.4
Current financial assets	17	1.0	2.3
Cash and cash equivalents	22	1'060.6	974.7
Total current assets		2'998.8	2'683.5
Total assets		4'714.3	4'369.5
Equity			
Share capital	23	0.3	0.3
Reserves		1'223.3	1'095.0
Equity attributable to shareholders of Sulzer Ltd		1'223.6	1'095.4
Non-controlling interests		11.5	3.2
Total equity		1'235.1	1'098.6
Non-current liabilities			
Non-current borrowings	25	745.0	795.2
Non-current lease liabilities	15	78.3	69.0
Deferred income tax liabilities	12	67.9	83.2
Non-current income tax liabilities	12	8.1	2.7
Defined benefit obligations	8	106.1	127.3
Non-current provisions	26	46.2	46.7
Other non-current liabilities		7.3	1.2
Total non-current liabilities		1'058.9	1'125.3
Current liabilities			
Current borrowings	25	312.0	261.1
Current lease liabilities	15	26.6	23.9
Current income tax liabilities		43.1	44.1
Current provisions	26	143.8	145.3
Contract liabilities	19	531.3	451.0
Trade accounts payable		388.2	367.7
Other current and accrued liabilities	27	975.2	852.4
Total current liabilities		2'420.3	2'145.6
Total liabilities		3'479.1	3'270.8
Total equity and liabilities		4'714.3	4'369.5

Consolidated statement of changes in equity

January 1 – December 31

millions of CHF	Notes	Attributable to shareholders of Sulzer Ltd					Total	Non-controlling interests	Total equity
		Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment			
Equity as of January 1, 2024		0.3	1'979.5	-36.7	4.2	-852.0	1'095.4	3.2	1'098.6
Comprehensive income for the period:									
Net income			261.9				261.9	3.5	265.4
- Cash flow hedges, net of tax	28	-	-	-	-7.5	-	-7.5	-	-7.5
- Remeasurements of defined benefit plans, net of tax	8	-	0.8	-	-	-	0.8	-	0.8
- Equity investments at FVOCI – net change in fair value, net of tax	17	-	-4.9	-	-	-	-4.9	-	-4.9
- Currency translation differences		-	-	-	-	30.3	30.3	0.4	30.7
Other comprehensive income		-	-4.0	-	-7.5	30.3	18.7	0.4	19.1
Total comprehensive income for the period		-	257.8	-	-7.5	30.3	280.6	3.9	284.5
Transactions with owners of the company:									
Changes in non-controlling interests		-	-3.2	-	-	-	-3.2	3.2	0.0
Transactions with non-controlling interests	3	-	-6.1	-	-	4.6	-1.5	1.5	0.0
Contribution from medmix	23	-	0.1	-	-	-	0.1		0.1
Allocation of treasury shares to share plan participants		-	-18.3	18.3	-	-	-		-
Purchase of treasury shares	23	-	-	-33.2	-	-	-33.2		-33.2
Share-based payments	30	-	12.7	-	-	-	12.7		12.7
Dividends	23	-	-127.3	-	-	-	-127.3	-0.3	-127.6
Equity as of December 31, 2024	23	0.3	2'095.2	-51.6	-3.2	-817.2	1'223.6	11.5	1'235.1

January 1 – December 31

millions of CHF	Notes	Attributable to shareholders of Sulzer Ltd					Total	Non-controlling interests	Total equity
		Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment			
Equity as of January 1, 2023		0.3	1'777.7	-42.9	-4.1	-706.7	1'024.3	4.4	1'028.6
Comprehensive income for the period:									
Net income			229.1				229.1	1.3	230.5
- Cash flow hedges, net of tax	28	-	-	-	8.3	-	8.3	-	8.3
- Remeasurements of defined benefit plans, net of tax	8	-	128.8	-	-	-	128.8	-	128.8
- Equity investments at FVOCI – net change in fair value, net of tax	17	-	0.6	-	-	-	0.6	-	0.6
- Currency translation differences		-	-	-	-	-145.3	-145.3	-0.7	-146.0
Other comprehensive income		-	129.3	-	8.3	-145.3	-7.6	-0.7	-8.3
Total comprehensive income for the period		-	358.5	-	8.3	-145.3	221.6	0.6	222.1
Transactions with owners of the company:									
Acquisition of non-controlling interests without a change in control	3	-	-22.4			0.0	-22.4	-0.4	-22.8
Transactions with non-controlling interests	23							-1.1	-1.1
Contribution from medmix	23	-	0.3	-	-	-	0.3		0.3
Allocation of treasury shares to share plan participants		-	-27.2	27.2	-	-		-	-
Purchase of treasury shares	23	-		-20.9	-	-	-20.9		-20.9
Share-based payments	30	-	11.6	-	-	-	11.6		11.6
Dividends	23	-	-118.9	-	-	-	-118.9	-0.3	-119.2
Equity as of December 31, 2023	23	0.3	1'979.5	-36.7	4.2	-852.0	1'095.4	3.2	1'098.6

Consolidated statement of cash flows

January 1 – December 31

millions of CHF	Notes	2024	2023
Cash and cash equivalents as of January 1, as per balance sheet		974.7	1'196.3
Cash and cash equivalents classified as held for sale		–	28.6
Cash and cash equivalents as of January 1		974.7	1'224.9
Net income		265.4	230.5
Interest and securities income	11	–19.6	–18.3
Interest expenses	11	29.3	30.3
Income tax expenses	12	88.2	73.8
Depreciation, amortization and impairments	13, 14, 15	120.2	108.2
Loss / (gain) from disposals of tangible and intangible assets, net	10	–0.3	–0.5
Changes in inventories		–7.0	–17.0
Changes in advance payments to suppliers		–5.9	–19.6
Changes in contract assets		–55.6	–11.4
Changes in trade accounts receivable		–124.7	15.8
Changes in contract liabilities		66.6	100.9
Changes in trade accounts payable		14.4	–46.1
Changes in employee benefit plans		–2.1	–4.1
Changes in provisions		–6.3	–4.7
Changes in other net current assets		51.9	–22.7
Other non-cash items		11.4	20.4
Interest received		17.3	18.3
Interest paid		–23.7	–25.9
Income tax paid		–95.6	–65.6
Total cash flow from operating activities		323.8	362.2
Purchase of intangible assets	13	–9.7	–6.1
Proceeds from the sale of intangible assets	13	0.0	–
Purchase of property, plant and equipment	14	–82.7	–59.5
Proceeds from the sale of property, plant and equipment	14	3.5	4.6
Acquisitions of subsidiaries, net of cash acquired	3	–13.1	–1.3
Divestitures and deconsolidation of subsidiaries, net of cash derecognized	4	–	–26.6
Acquisitions of associates and joint ventures	16	–	–17.8
Dividends from associates	16	0.1	0.2
Purchase of other non-current financial assets	17	–1.7	–0.6
Purchase of current financial assets	17	–0.4	–0.7
Repayments of financial assets	17	5.8	2.9
Total cash flow from investing activities		–98.2	–104.8

Dividends paid to shareholders of Sulzer Ltd	23	-86.5	-80.9
Dividends paid to non-controlling interests in subsidiaries		-0.3	-0.3
Purchase of treasury shares	23	-33.2	-20.9
Payments of lease liabilities	15	-29.7	-28.3
Divestiture (Acquisition) of non-controlling interests	3	-0.3	-19.4
Proceeds from non-current borrowings	25	249.3	-
Proceeds from current borrowings	25	42.3	26.0
Repayments of current borrowings	25	-293.3	-324.9
Total cash flow from financing activities		-151.6	-448.6
Exchange gains / (losses) on cash and cash equivalents		11.9	-59.0
Net change in cash and cash equivalents		85.9	-250.3
Cash and cash equivalents as of December 31	22	1'060.6	974.7

As of December 31, 2024, cash related to an overdue advance payments from a customer in the amount of CHF 30.4 million was held in an agent account and was fully received on January 7, 2025. The amount was not included in cash and cash equivalents as at December 31, 2024.

For the calculation of free cash flow (FCF), reference is made to the section "[Financial review](#)".

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Notes to the consolidated financial statements

1 General information

Sulzer Ltd (the “company”) is a company domiciled in Switzerland. The address of the company’s registered office is Neuwiesenstrasse 15 in Winterthur, Switzerland. The consolidated financial statements for the year ended December 31, 2024, comprise the company and its subsidiaries (together referred to as the “group” and individually as the “subsidiaries”) and the group’s interest in associates and joint ventures. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs 13’455 people. The company serves clients in 160 production and service sites around the world. Sulzer Ltd is listed on SIX Swiss Exchange in Zurich, Switzerland (symbol: SUN).

Sulzer is a global leader in fluid engineering and chemical processing applications, developing innovative products and services that drive sustainable progress.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorized for issue by the Board of Directors on February 26, 2025.

Details of the group’s accounting policies are included in [note 33](#).

2 Segment information

Segment information by division

millions of CHF	Flow		Services		Chemtech	
	2024	2023	2024	2023	2024	2023
Order intake (unaudited) ¹⁾	1'603.3	1'466.5	1'378.3	1'271.3	866.9	842.5
Sales ²⁾	1'444.3	1'354.4	1'249.1	1'154.8	837.1	772.5
Operational profit (unaudited)	137.4	108.2	186.7	171.3	118.0	95.0
Operational profitability (unaudited)	9.5%	8.0%	15.0%	14.8%	14.1%	12.3%
Restructuring expenses	-1.2	-2.1	-2.3	-0.7	-0.2	-0.3
Amortization	-25.8	-25.4	-4.6	-3.7	-6.9	-6.8
Impairments on tangible and intangible assets ³⁾	-	-0.1	-4.5	-0.0	-	-0.1
Non-operational items (unaudited) ⁴⁾	1.5	-6.5	-3.8	12.7	0.0	-2.9
EBIT	111.8	74.1	171.5	179.6	110.9	84.9
EBITDA	169.6	128.4	209.6	210.6	131.6	104.6
EBITDA as % of sales	11.7%	9.5%	16.8%	18.2%	15.7%	13.5%
Depreciation	-31.9	-28.8	-29.0	-27.3	-13.8	-12.8
Total assets as of December 31	1'495.9	1'427.7	1'078.1	944.4	633.1	533.2
Total liabilities as of December 31	750.3	718.6	488.8	411.2	473.6	409.1
Capital expenditure (incl. lease assets)	-44.5	-37.7	-46.0	-33.4	-38.6	-27.8
Employees (number of full-time equivalents) as of December 31	5'492	5'465	4'832	4'630	2'934	2'849

1) Order intake from external customers.

2) Sales from external customers.

3) An impairment of tangible assets is reported in the consolidated income statement in the line cost of goods sold.

4) The amounts reported in 2023 mainly consist of a gain on deconsolidation related to the Russian business of CHF 8.0 million, including the reclassification of the accumulated currency translation adjustments being allocated to the divisions.

Segment information by division

millions of CHF	Total divisions		Others ⁵⁾		Total Sulzer	
	2024	2023	2024	2023	2024	2023
Order intake (unaudited) ¹⁾	3'848.6	3'580.3	–	–	3'848.6	3'580.3
Sales ²⁾	3'530.6	3'281.7	–	–	3'530.6	3'281.7
Operational profit (unaudited)	442.1	374.5	–5.9	–8.9	436.2	365.6
Operational profitability (unaudited)	12.5%	11.4%	n/a	n/a	12.4%	11.1%
Restructuring expenses	–3.7	–3.1	0.0	0.1	–3.7	–3.0
Amortization	–37.4	–35.9	–1.1	–0.7	–38.5	–36.6
Impairments on tangible and intangible assets ³⁾	–4.5	–0.2	–	–	–4.5	–0.2
Non-operational items (unaudited) ⁴⁾	–2.3	3.3	–4.7	0.5	–7.0	3.8
EBIT	394.2	338.6	–11.7	–9.0	382.5	329.7
EBITDA	510.9	443.6	–8.1	–5.7	502.7	437.9
EBITDA as % of sales	14.5%	13.5%	n/a	n/a	14.2%	13.3%
Depreciation	–74.7	–68.9	–2.4	–2.6	–77.1	–71.4
Total assets as of December 31	3'207.1	2'905.3	1'507.2	1'464.2	4'714.3	4'369.5
Total liabilities as of December 31	1'712.7	1'538.9	1'766.4	1'731.9	3'479.1	3'270.8
Capital expenditure (incl. lease assets)	–129.1	–98.9	–1.8	–4.1	–130.9	–103.1
Employees (number of full-time equivalents) as of December 31	13'257	12'944	198	186	13'455	13'130

1) Order intake from external customers.

2) Sales from external customers.

3) An impairment of tangible assets is reported in the consolidated income statement in the line cost of goods sold.

4) The amounts reported in 2023 mainly consist of a gain on deconsolidation related to the Russian business of CHF 8.0 million, including the reclassification of the accumulated currency translation adjustments being allocated to the divisions.

5) The most significant activities under "Others" relate to Corporate Center.

For the definition of operational profit, operational profitability, EBITDA, reference is made to the section "[Supplementary information](#)" and for the reconciliation statements to the section "[Financial review](#)".

Information about reportable segments

Operating segments are determined based on the reports reviewed by the Chief Executive Officer that are used to measure performance, make strategic decisions and allocate resources to the segments. The business is managed on a divisional basis and the reported segments have been identified as follows:

Flow

The Flow division (renamed in 2024 from Flow Equipment) specializes in pumping solutions specifically engineered for the processes of its customers. The division provides pumps, agitators, compressors, grinders, screens and filters developed through intensive research and development in fluid dynamics and advanced materials. The focus is on pumping solutions for water, oil and gas, power, chemicals and most industrial segments.

Services

The Services division provides cutting-edge parts as well as maintenance and repair solutions for pumps, turbines, compressors, motors and generators through a network of over 100 service sites around the world. The division services Sulzer original equipment, but also all associated third-party rotating equipment run by customers, maximizing its sustainability and life cycle cost-effectiveness. The division's technology-based solutions, fast execution and expertise in complex maintenance projects are available at its customers' doorsteps.

Chemtech

The Chemtech division focuses on innovative mass transfer, static mixing and polymer solutions for chemicals, petrochemicals, refining and LNG. Chemtech also provides ecological solutions such as bio-based chemicals, polymers and fuels, recycling technologies for plastic as well as carbon capture and utilization / storage, contributing to a circular and sustainable economy. The division's product offering ranges from process components to complete process plants and technology licensing.

Others

Certain expenses related to the Corporate Center are not attributable to a particular segment and are assessed as a whole across the group. Also included are the eliminations for total assets and liabilities.

The Chief Executive Officer primarily uses operational profit to assess the performance of the operating segments. However, the Chief Executive Officer also receives information about the segments' order intake, sales, capital expenditures, EBIT and EBITDA on a monthly basis.

Sales from external customers reported to the Chief Executive Officer are measured in a manner consistent with the measurement in the income statement. There are no significant sales between the segments. No individual customer represents a significant portion of the group's sales.

Segment information by region

The allocation of assets is based on their geographical location. Non-current assets exclude deferred income tax assets, non-current receivables, defined benefit assets and other non-current financial assets. The allocation of sales from external customers is based on the location of the customer.

Non-current assets by region

millions of CHF	2024	2023
Europe, the Middle East and Africa	842.9	831.5
– thereof Switzerland	222.2	227.0
– thereof United Kingdom	181.9	175.5
– thereof Finland	128.2	111.3
– thereof Sweden	100.2	112.4
– thereof the Netherlands	76.0	79.7
Americas	409.3	375.8
– thereof USA	367.3	335.5
Asia-Pacific	133.7	123.6
– thereof China	46.1	47.1
Total	1'385.8	1'330.9

Sales by region

millions of CHF	2024			
	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	624.6	460.3	188.2	1'273.1
– thereof United Kingdom	30.3	110.7	20.4	161.4
– thereof Saudi Arabia	83.4	31.6	27.8	142.9
– thereof Germany	63.9	48.0	29.7	141.5
– thereof France	35.6	30.5	5.0	71.0
– thereof United Arab Emirates	21.8	25.0	13.2	60.1
– thereof Switzerland	5.8	1.7	3.1	10.6
Americas	500.4	619.5	213.6	1'333.5
– thereof USA	314.8	483.7	157.4	955.9
Asia-Pacific	319.3	169.3	435.3	924.0
– thereof China	196.9	34.0	271.9	502.7
Total	1'444.3	1'249.1	837.1	3'530.6

millions of CHF	2023			
	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	607.7	446.5	191.8	1'246.0
– thereof United Kingdom	36.7	123.0	15.7	175.5
– thereof Saudi Arabia	91.1	32.4	30.7	154.2
– thereof Germany	60.6	46.1	39.3	145.9
– thereof France	34.7	36.4	8.2	79.3
– thereof Spain	43.1	5.9	5.4	54.5
– thereof Switzerland	1.4	2.0	2.7	6.0
Americas	452.8	561.2	185.8	1'199.8
– thereof USA	261.7	435.3	130.7	827.7
Asia-Pacific	293.9	147.2	394.9	836.0
– thereof China	177.7	24.7	266.7	469.1
Total	1'354.4	1'154.8	772.5	3'281.7

Segment information by market segment

The following table shows the allocation of sales from external customers by market segment.

Sales by market segment – Flow

millions of CHF	2024	2023 ¹⁾
Water & Industrial	873.6	867.4
Energy & Infrastructure	570.7	486.9
Total Flow	1'444.3	1'354.4

1) The comparative amounts for 2023 were restated and aligned with the market segment definition in 2024. The former market segments "Water" and "Industry" were combined to "Water & Industrial", with Desalination now included in "Energy & Infrastructure".

Sales by market segment – Services

millions of CHF	2024	2023 ¹⁾
Pumps Services	670.9	629.3
Turbo Services	366.7	324.2
Electromechanical Services	211.5	201.3
Total Services	1'249.1	1'154.8

1) The comparative amounts for 2023 were restated and aligned with the market segment definition in 2024 with the split of former market segment "Other Equipment" into two separate market segments named "Turbo Services" and "Electro-Mechanical Services".

Sales by market segment – Chemtech

millions of CHF	2024	2023 ¹⁾
Mass Transfer Components & Services	558.5	552.0
System Solutions	278.6	220.6
Total Chemtech	837.1	772.5

1) The comparative figures for 2023 have been restated and aligned with the updated market segment definitions for 2024. Previous market segments "Water", "Chemicals", "Gas and Refining", and "Renewables" were consolidated into two broader categories: "Mass Transfer Components & Services" (MTCS) and "System Solutions," based on a defined allocation method. Additionally, the previous "Services" segment was exclusively allocated to MTCS.

3 Acquisitions of subsidiaries and transactions with non-controlling interests

Acquisitions in 2024

The table below presents the amounts of the assets acquired, the liabilities assumed, the goodwill recorded and the consideration transferred on the date of acquisition.

millions of CHF	Owatec Group Oy	Other	Total
Other Intangible assets	5.5	1.5	7.0
Property, plant and equipment	0.9	4.0	4.8
Other non-current assets	0.7	–	0.7
Other current assets	2.3	0.3	2.6
Cash and cash equivalents	0.5	–	0.5
Non-current borrowings	–1.6	–	–1.6
Non-current liabilities (excluding borrowings)	–1.4	–	–1.4
Current borrowings	–1.3	–	–1.3
Current liabilities (excluding borrowings)	–1.0	–0.1	–1.1
Net identifiable assets	4.6	5.7	10.3
Non-controlling interests	0.0	–	0.0
Goodwill	10.7	0.1	10.8
Total consideration	15.4	5.8	21.1
Purchase price paid in cash	6.9	5.8	12.7
Purchase price not yet paid	5.6	–	5.6
Contingent consideration	2.9	–	2.9
Total consideration	15.4	5.8	21.1

Owatec Group Oy

On April 3, 2024, Sulzer acquired a controlling stake in Owatec Group Oy (“Owatec”), a provider of mobile water treatment solutions headquartered in Finland. Sulzer acquired shares representing an ownership of 60 percent in Owatec and entered into a binding agreement to acquire the remaining 40 percent of the shares over the next five years. The total consideration amounted to CHF 15.4 million, of which CHF 6.9 million was paid in cash, CHF 2.9 million resulted from a contingent consideration agreement and CHF 5.6 million relate to the purchase price not yet paid. The purchase price not yet paid represents a liability for the estimated payments for the remaining 40 percent shares not yet transferred.

The goodwill is attributable to the skills and knowledge of the workforce and favorable synergies. The goodwill is not expected to be deductible for tax purposes. The fair value of the trade accounts receivable amounts to CHF 0.4 million, which is equal to the gross contractual amount.

The contingent consideration was mainly depending on the achievement of an operating income (EBIT) target for 2024. At the acquisition date, the contingent consideration was estimated based on the most likely amount and the recognized liability reflected the maximum amount payable as it was expected at that time that all targets could be achieved. As of year end 2024, the targets were only partially met and a contingent consideration liability in the amount of CHF 2.0 million was derecognized, with a corresponding income recorded in other operating income (see [note 10](#)).

The liability for the purchase price not yet paid was recorded in other non-current liabilities. The shares were agreed to be transferred in four tranches, with payments expected each year in the years 2026 to 2029. The payments depend on the achieved average operating income (EBIT) in the two years before the payment, with an agreed minimum and maximum payment amount for each tranche. The recorded liability consists of the discounted expected payments estimated with the expected value method.

Cash flow from acquisition of subsidiaries

millions of CHF	2024	2023
Cash consideration paid	-12.7	-
Cash acquired	0.5	-
Contingent consideration paid	-0.9	-1.3
Total cash flow from acquisitions, net of cash acquired	-13.1	-1.3

Contingent consideration for acquisitions

millions of CHF	2024	2023
Balance as of January 1	-	1.9
Assumed in a business combination	2.9	-
Payment of contingent consideration ¹⁾	-0.9	-1.3
Release to other operating income	-2.0	-0.5
Currency translation differences	-	-0.1
Total contingent consideration as of December 31	-	-

1) The payments are presented in the cash flow statement in "Acquisitions of subsidiaries, net of cash acquired".

Transactions with non-controlling interests

millions of CHF	2024	2023
Carrying amount of non-controlling interests acquired (disposed)	-1.5	0.4
Consideration received (paid) in cash	0.0	-19.4
Non-cash consideration	-	-2.8
Consideration payable	-	-0.6
Decrease in equity attributable to owners of Sulzer Ltd	-1.5	-22.4

After entering into a collaboration with a local partner, the group's ownership in Sulzer Pumps (Nigeria) Ltd. decreased in the second half of 2024. The group continues to exercise strategic and management control over the subsidiary following the group's reduction in ownership.

In the first half of 2024, a payment of CHF 0.3 million in connection with the acquisition of the remaining 25 percent ownership in Sulzer Saudi Pumps Company in 2023 is reported in the cash flow statement in divestiture (acquisition) of non-controlling interests.

In January 2023, the group acquired the remaining 25% ownership in Sulzer Saudi Pump Company Limited for a total consideration of CHF 22.8 million, of which CHF 19.4 million were paid in cash.

4 Disposals, loss of control

Disposals and loss of control in 2023

In February 2023, the group entered into an agreement with a third party for the sale of four legal entities in Russia (AO Sulzer Pumps, Sulzer Pumps Rus LLC, Sulzer Turbo Services Rus LLC and Sulzer Chemtech LLC). From the date of the sales agreement, the group lost power over the relevant activities of these entities due to the contractual requirements and legal environment. Consequently, these four entities were deconsolidated in 2023, resulting in the derecognition of the assets and liabilities previously classified as held for sale. The deconsolidation resulted in a gain on deconsolidation amounting to CHF 8.0 million, of which CHF 11.2 million resulted from the reclassification of accumulated currency translation differences and CHF 0.6 million from the reclassification of cash flow hedge reserves, net of tax. The gain on deconsolidation is recorded in other operating income / (expenses), net. A loan with one of the former subsidiaries was measured at a fair value and recognized as a current financial asset at the time control was lost. The payment received on the financial asset exceeded the estimated fair value, the income from the impairment release was recorded in other financial income.

Including other minor disposals in 2023, a net gain on disposal (pre-tax) of CHF 7.2 million was recorded in other operating income / (expenses), net, of which CHF 10.9 million pertains to the reclassification of accumulated currency translation differences and CHF 0.6 million to the reclassification of cash flow hedge reserves, net of tax (see [note 10](#)).

The aggregated assets and liabilities derecognized in the year 2023 as part of the disposals are presented in the below table.

millions of CHF	2023 ¹⁾
Property, plant and equipment	0.2
Deferred income tax assets	0.6
Inventories and advance payments to suppliers	0.1
Trade accounts receivable	0.4
Cash and cash equivalents	32.6
Non-current liabilities	-0.3
Trade accounts payable	-0.6
Contract liabilities	-13.3
Current lease liabilities	-0.2
Current provisions	-0.4
Other current and accrued liabilities	-10.7
Net assets derecognized	8.5

1) Assets and liabilities classified as assets and liabilities of disposal groups held for sale prior to the disposal are presented as per their initial classification prior to the classification as held for sale.

Cash flow from divestments

millions of CHF	2024	2023
Cash consideration received	-	5.8
Cash disposed of	-	-32.6
Cash consideration received for divestments in prior years	-	0.3
Total cash flow from divestitures, net of cash derecognized	-	-26.6

5 Critical accounting estimates and judgments

All estimates and assessments are continually reviewed and are based on historical experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances. The group makes estimates and assumptions that relate to the future. By their nature, these estimates will only rarely correspond to actual subsequent events. The estimates and assumptions that carry a significant risk, in the form of a substantial adjustment to the measurement of assets and liabilities within the next financial year, are set out below.

Employee benefit plans

Assets, liabilities and costs for defined benefit pension plans and other post-employment plans are determined on an actuarial basis using a number of assumptions. Assumptions used in determining the defined benefit assets / obligations include the discount rate, future salary and pension increases, and mortality rates. The assumptions are reviewed and reassessed at the end of each year based on observable market data, i.e., market yields of high-quality corporate bonds denominated in the corresponding currency and asset management studies. In case a defined benefit plan results in a surplus, the group needs to calculate the asset ceiling and the present value of the economic benefits available in the form of refunds or reductions in future contributions to the plan. For the calculation of the economic benefits, the future benefits are discounted with the applicable discount rate, adjusted for estimated future salary increases. These estimates might significantly impact the balance sheet. Further details on the defined benefit plans are provided in [note 8](#) and [note 33](#).

Income taxes

The group is subject to income taxes in numerous jurisdictions. Assumptions are required in order to determine income tax provisions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Management believes that the estimates are reasonable, and that the recognized liabilities for income tax-related uncertainties are adequate. Further details are disclosed in [note 12](#).

Goodwill and other intangible assets

The group carries out an annual impairment test on goodwill in the first quarter of the year (after the budget and the strategic plan have been approved by the Board of Directors), or when indications of a potential impairment exist. The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations, with the terminal growth rate, the discount rate, and the projected cash flows as the main variables. Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment are disclosed in [note 13](#). The accounting policies are disclosed in [note 33](#).

Lease assets and lease liabilities

The group has applied judgment to determine the lease term for lease contracts that include renewal and termination options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and lease assets recognized. This assessment depends on economic incentives, such as removal and relocation costs. Further details are disclosed in [note 15](#) and [note 33](#).

Sales

At contract inception, the group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation. The group considers the terms of the contract and all other relevant facts, including the economic substance of the transaction. Judgment is needed to determine whether there is a single performance obligation or multiple separate performance obligations.

If the consideration promised in a contract includes a variable amount (e.g., expected liquidated damages, early payment discounts, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects to better predict the amount of consideration to which it will be entitled: the expected value or the most likely amount. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled. Depending on the outcome of the respective transactions, actual payments may differ from these estimates.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

The group recognizes sales either over time or at a point in time. Sales are recognized over time if any of the conditions described in [note 33](#) are met. The most critical estimate in determining whether sales should be recorded over time or at a point in time is the existence of a right to payment. The group estimates if an enforceable right to payment (including reasonable profit margin) for performance to date exists in case the customer terminates the contract for convenience. For this estimate, the group reviews the contracts and considers relevant laws, legal precedents and customary business practice.

Applying the over time method requires the group to estimate the proportional sales and costs. To measure the stage of completion, generally, the cost-to-cost method is applied. Work progress of sub-suppliers is considered in determining the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Further details are disclosed in [note 19](#) and [note 33](#).

Provisions

Provisions are made, among other reasons, for warranties, disputes, litigation and restructuring. A provision is recognized in the balance sheet when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The nature of these costs is such that judgment has to be applied to estimate the timing and amount of cash outflows. Depending on the outcome of the respective transactions, actual payments may differ from these estimates. Further details are disclosed in [note 26](#) and [note 33](#).

Financial assets

The fair value needs to be measured for the financial assets measured at fair value through P&L. If there is no observable fair value, valuation approaches relying on unobservable inputs are used. These inputs inherently require a higher level of judgement. Assumptions and estimates of unobservable market inputs in the fair valuation of financial assets require significant judgment and could affect amounts recognized in the statement of income.

6 Financial risk management

6.1 Financial risk factors

The group's activities expose it to market, credit and liquidity risks. The group's overall risk management program focuses on the mitigation of such risks to minimize potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's subsidiaries. Principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity exist in writing.

a) Market risk

(I) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The group is exposed to transactional foreign currency risk to the extent that sales, purchases, license fees, borrowings and other balance sheet items are denominated in currencies other than the functional currencies of group companies. The exposure originates mainly from group companies with the functional currencies CHF, EUR, CNY, USD and BRL. Management has set up a policy to require subsidiaries to manage their foreign exchange risk against their functional currency. The subsidiaries are required to hedge their major foreign exchange risk exposure using forward contracts or other standard instruments, usually transacted with Group Treasury. The group's management policy is to hedge 90% to 100% of the contractual FX exposures.

The group uses forward exchange contracts to hedge its currency risk, all of them with a maturity of less than one year from the reporting date. The contracts are generally designated for hedge accounting as cash flow hedges. The group determines the existence of an economic relationship between the hedging instruments and the hedged item based on the currency, amount and timing of the respective cash flows. For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated.

External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis. The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. If required, currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The Group considers derivative financial instruments on an ad hoc basis to manage foreign currency translation risk.

The following tables show the hypothetical influence on the income statement for 2024 and 2023 related to foreign exchange risk of financial instruments. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. For 2024, the currency pair with the most significant exposure and inherent risk was the CHF versus the CNY. If, on December 31, 2024, the CHF had increased by 6.6% against the CNY with all other variables held

constant, profit after tax for the year would have been CHF 0.9 million lower due to foreign exchange losses. A decrease of the rate would have caused a profit of the same amount.

Hypothetical impact of foreign exchange risk on income statement

millions of CHF	2024			
	CHF/CNY	GBP/USD	EUR/ZMK	EUR/BRL
Currency pair				
Exposure	-17.8	17.1	-3.0	-3.8
Volatility	6.6%	6.2%	18.4%	11.6%
Effect on profit after tax (rate increase)	-0.9	0.8	-0.4	-0.3
Effect on profit after tax (rate decrease)	0.9	-0.8	0.4	0.3

millions of CHF	2023			
	EUR/BRL	EUR/CNY	EUR/INR	USD/MXN
Currency pair				
Exposure	-6.7	6.5	-5.8	3.3
Volatility	12.0%	6.7%	7.2%	11.4%
Effect on profit after tax (rate increase)	-0.6	0.3	-0.3	0.3
Effect on profit after tax (rate decrease)	0.6	-0.3	0.3	-0.3

The following tables show the hypothetical influence on equity for 2024 and 2023 related to foreign exchange risk of financial instruments for the most important currency pairs as of December 31 of the respective year. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. Most of the hypothetical effect on equity is a result of fair value changes of derivative financial instruments designated as cash flow hedges.

Hypothetical impact of foreign exchange risk on equity

millions of CHF	2024						
	USD/MXN	GBP/USD	USD/BRL	EUR/CHF	EUR/BRL	EUR/USD	EUR/SEK
Currency pair							
Exposure	-50.7	96.5	-34.8	-66.2	22.7	34.6	-27.2
Volatility	13.1%	6.2%	12.5%	5.3%	11.6%	5.9%	5.7%
Effect on equity, net of taxes (rate increase)	-5.0	4.5	-3.0	-2.6	2.0	1.5	-1.2
Effect on equity, net of taxes (rate decrease)	5.0	-4.5	3.0	2.6	-2.0	-1.5	1.2

millions of CHF	2023						
	GBP/USD	USD/MXN	EUR/USD	EUR/CHF	USD/INR	EUR/BRL	USD/CAD
Currency pair							
Exposure	116.1	-57.2	52.5	-60.9	-59.9	15.7	-26.4
Volatility	8.3%	11.4%	7.6%	5.1%	3.2%	12.0%	6.1%
Effect on equity, net of taxes (rate increase)	7.3	-4.9	3.0	-2.4	-1.5	1.4	-1.2
Effect on equity, net of taxes (rate decrease)	-7.3	4.9	-3.0	2.4	1.5	-1.4	1.2

(II) Price risk

As of December 31, 2024, and 2023, the group was not exposed to significant price risk related to investments in equity securities.

(III) Interest rate risk

The group's interest rate risk arises from interest-bearing assets and liabilities. Financial assets and liabilities at variable rates expose the group to cash flow interest rate risk. The group analyzes its interest rate exposure on a net basis, and if required, enters into derivative instruments in order to keep the volatility of net interest income or expense limited. The group's non-current interest-bearing liabilities mainly comprise of bonds with a fixed interest rate.

The following table shows the hypothetical influence on the income statement for variable interest-bearing assets net of liabilities at variable interest rates, assuming market interest rate levels would have increased / decreased by 100 basis points. For the most significant currencies, CHF, EUR, CNY, USD and INR, increasing interest rates would have had a positive impact on the income statement, since the value of variable interest-bearing assets (comprising mainly cash and cash equivalents) exceed the value of variable interest-bearing liabilities.

Hypothetical impact of interest rate risk on income statement

millions of CHF		2024		
Variable interest-bearing assets (net)	Amount	Sensitivity in basis points	Impact on post-tax profit	
			rate increase	rate decrease
CHF	373.0	100	2.8	-2.8
EUR	227.3	100	1.7	-1.7
CNY	145.1	100	1.1	-1.1
USD	127.6	100	1.0	-1.0
INR	40.5	100	0.3	-0.3

millions of CHF		2023		
Variable interest-bearing assets (net)	Amount	Sensitivity in basis points	Impact on post-tax profit	
			rate increase	rate decrease
CHF	282.2	100	2.1	-2.1
USD	180.1	100	1.4	-1.4
EUR	172.1	100	1.3	-1.3
CNY	144.1	100	1.1	-1.1
INR	39.2	100	0.3	-0.3

On December 31, 2024, if the interest rates on CHF-denominated assets net of liabilities had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 2.8 million higher, as a result of higher interest income on CHF-denominated assets. A decrease of interest rates on CHF-denominated assets net of liabilities would have caused a loss of the same amount. As of December 31, 2023, if the interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 2.1 million higher, as a result of higher interest income on CHF-denominated assets.

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions or corporates and credit exposures to customers, including outstanding trade receivables, and contract assets. The maximum exposure to credit risk per class of financial asset is disclosed by carrying amounts in the fair value table. Equity instruments are not exposed to credit risks. The carrying amounts of financial assets and contract assets represent the maximum credit risk exposure.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

For every customer with a large order volume, an individual risk assessment of the credit quality of the customer is performed that considers independent ratings, financial position, past experience and other factors. Additionally, bank guarantees and letters of credit are requested. For more details on the credit risk of contract assets, please refer to [note 19](#), and on the credit risk of trade accounts receivable, please refer to [note 20](#).

c) Liquidity risk

Prudent liquidity risk management includes the maintenance of sufficient cash and marketable securities, the availability of funding from an adequate number of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding through committed and uncommitted credit lines.

Management anticipates the future development of the group's liquidity reserve on the basis of expected cash flows by performing regular group-wide cash forecasts. As of December 2024, Sulzer had access to a syndicated credit facility of CHF 500 million maturing on December 31, 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028.

The following table analyzes the group's financial liabilities in relevant maturity groupings based on the remaining period from the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows translated at year-end closing rates, if not denominated in CHF. Borrowings include the notional amount and interest payments.

Maturity profile of financial liabilities

	2024				
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	1'057.1	327.0	767.3	–	1'094.3
Lease liabilities	104.9	27.0	58.2	31.6	116.9
Trade accounts payable	388.2	388.2	–	–	388.2
Other current and non-current liabilities (excluding derivative liabilities)	473.0	465.7	7.3	1.0	474.0
Total non-derivative financial liabilities	2'023.2	1'208.0	832.8	32.6	2'073.4
Derivative liabilities	10.3	10.3	–	–	10.3
– thereof outflow	–	761.0	–	–	761.0
– thereof inflow	–	750.7	–	–	750.7

	2023				
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	1'056.3	279.3	816.8	0.6	1'096.7
Lease liabilities	93.0	24.7	53.4	24.6	102.7
Trade accounts payable	367.7	367.7	–	–	367.7
Other current and non-current liabilities (excluding derivative liabilities)	405.5	404.3	1.2	–	405.5
Total non-derivative financial liabilities	1'922.4	1'076.1	871.4	25.2	1'972.7
Derivative liabilities	3.2	3.2	–	–	3.2
– thereof outflow	–	279.3	–	–	279.3
– thereof inflow	–	276.1	–	–	276.1

6.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In this respect, the group aims at maintaining an investment-grade credit rating, either as a perceived rating or an external rating issued by a credit rating agency.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The following table shows the net debt / EBITDA ratio as of December 31, 2024, and 2023.

Net debt / EBITDA ratio

millions of CHF	2024	2023
Cash and cash equivalents	-1'060.6	-974.7
Current financial assets	-1.0	-2.3
Non-current borrowings	745.0	795.2
Non-current lease liabilities	78.3	69.0
Current borrowings	312.0	261.1
Current lease liabilities	26.6	23.9
Net debt as of December 31	100.4	172.3
Operating income (EBIT)	382.5	329.7
Depreciation	77.1	71.4
Impairments on tangible and intangible assets	4.5	0.2
Amortization	38.5	36.6
EBITDA	502.7	437.9
Net debt	100.4	172.3
EBITDA	502.7	437.9
Net debt / EBITDA ratio	0.20	0.39

Another important ratio for the group is the gearing ratio (borrowings-to-equity ratio), which is calculated as total borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

As of December 31, 2024, and 2023, the gearing ratio was as follows:

Gearing ratio (borrowings-to-equity ratio)

millions of CHF	2024	2023
Non-current borrowings	745.0	795.2
Non-current lease liabilities	78.3	69.0
Current borrowings	312.0	261.1
Current lease liabilities	26.6	23.9
Total borrowings and lease liabilities	1'161.9	1'149.2
Equity attributable to shareholders of Sulzer Ltd	1'223.6	1'095.4
Gearing ratio (borrowings-to-equity ratio)	0.95	1.05

For the definition of net debt, EBITDA and gearing ratio, please refer to the section [“Supplementary information”](#).

6.3 Fair value estimation

The following tables present the carrying amounts and fair values of financial assets and liabilities as of December 31, 2024, and 2023, including their levels in the fair value hierarchy. For financial assets and financial liabilities not measured at fair value in the balance sheet, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into the following three different levels in a fair value hierarchy based on the inputs used in the valuation techniques:

The fair value of financial instruments traded in active markets, including the outstanding bonds, is based on quoted market prices at the balance sheet date. Such instruments are included in level 1.

The fair values included in level 2 are based on valuation techniques using observable market input data. This may include discounted cash flow analysis, option pricing models or reference to other instruments that are substantially the same, while always making maximum use of market inputs and relying as little as possible on entity-specific inputs. The fair values of forward contracts are measured based on broker quotes for foreign exchange rates and interest rates.

Fair values determined using unobservable inputs are categorized within level 3 of the fair value hierarchy. Level 3 instruments consist of non-current financial assets at fair value through profit or loss. Non-current financial assets at fair value through profit or loss consist of unquoted equity or debt instruments including private equity or fund investments. Fair values are mainly determined based on external valuations. Unrealized fair value gains are recorded in other financial income / (expenses), net. For the partial release of a contingent consideration, an income of CHF 2.0 million (2023: CHF 0.5 million) was recorded in other operating income. For more information, please refer to [note 3](#).

Level 3 financial assets at fair value through profit or loss

millions of CHF	2024	2023
Balance as of January 1	22.0	22.6
Additions	0.4	0.6
Reclassification	–	–3.0
Divestments	–0.0	–
Realized fair value gain / (loss), net	–0.2	–
Unrealized fair value gain / (loss), net	0.0	1.9
Total level 3 financial assets at fair value through profit or loss as of December 31	22.2	22.0

Fair value table

		December 31, 2024									
		Carrying amount					Fair value				
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value											
Other non-current financial assets (at fair value)	17		22.4	4.7			27.1	4.9	–	22.2	27.1
Derivative assets – current	21,28	3.0					3.0	–	3.0	–	3.0
Current financial assets (at fair value)	17		0.6				0.6	0.6	–	–	0.6
Total financial assets measured at fair value		3.0	23.0	4.7	–	–	30.7	5.5	3.0	22.2	30.7
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	17				3.2		3.2				
Non-current receivables (excluding non-current derivative assets)					1.9		1.9				
Trade accounts receivable	20				680.2		680.2				
Other current receivables (excluding current derivative assets and other taxes)	21				18.2		18.2				
Current financial assets (at amortized cost)	17				0.4		0.4				
Cash and cash equivalents	22				1'060.6		1'060.6				
Total financial assets not measured at fair value		–	–	–	1'764.5	–	1'764.5				
Financial liabilities measured at fair value											
Derivative liabilities – current	27,28	10.3					10.3	–	10.3	–	10.3
Contingent considerations	3		–				–	–	–	–	–
Total financial liabilities measured at fair value		10.3	–	–	–	–	10.3	–	10.3	–	10.3
Financial liabilities not measured at fair value											
Outstanding non-current bonds	25					744.0	744.0	759.5	–	–	759.5
Other non-current borrowings	25					1.0	1.0				
Other non-current liabilities (excluding non-current derivative liabilities)						7.3	7.3				
Outstanding current bonds	25					299.9	299.9	299.7	–	–	299.7
Other current borrowings and bank loans	25					12.1	12.1				
Trade accounts payable						388.2	388.2				
Other current liabilities (excluding current derivative liabilities and other taxes)	27					465.8	465.8				
Total financial liabilities not measured at fair value		–	–	–	–	1'918.4	1'918.4	1'059.2			1'059.2

Fair value table

December 31, 2023											
millions of CHF	Notes	Carrying amount					Fair value				
		Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value											
Other non-current financial assets (at fair value)	17		22.2	9.5			31.7	9.7	–	22.0	31.7
Derivative assets – current	21,28	13.9					13.9	–	13.9	–	13.9
Current financial assets (at fair value)	17		1.6				1.6	1.6	–	–	1.6
Total financial assets measured at fair value		13.9	23.8	9.5	–	–	47.2	11.3	13.9	22.0	47.2
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	17				6.7		6.7				
Non-current receivables (excluding non-current derivative assets)					1.2		1.2				
Trade accounts receivable	20				540.8		540.8				
Other current receivables (excluding current derivative assets and other taxes)	21				22.6		22.6				
Current financial assets (at amortized cost)	17				0.7		0.7				
Cash and cash equivalents	22				974.7		974.7				
Total financial assets not measured at fair value		–	–	–	1'546.7	–	1'546.7				
Financial liabilities measured at fair value											
Derivative liabilities – current	27,28	3.2					3.2	–	3.2	–	3.2
Total financial liabilities measured at fair value		3.2	–	–	–	–	3.2	–	3.2	–	3.2
Financial liabilities not measured at fair value											
Outstanding non-current bonds	25					794.3	794.3	786.2	–	–	786.2
Other non-current borrowings	25					0.9	0.9				
Other non-current liabilities (excluding non-current derivative liabilities)						1.2	1.2				
Outstanding current bonds	25					250.0	250.0	250.0	–	–	250.0
Other current borrowings and bank loans	25					11.1	11.1				
Trade accounts payable						367.7	367.7				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	27					404.3	404.3				
Total financial liabilities not measured at fair value		–	–	–	–	1'829.5	1'829.5				

7 Personnel expenses

millions of CHF	2024	2023
Salaries and wages	889.3	822.6
Defined contribution plan expenses	33.5	29.9
Defined benefit plan expenses	21.1	14.4
Cost of share-based payment transactions	13.4	12.6
Social benefit costs	123.8	119.5
Other personnel costs	36.7	31.7
Total personnel expenses	1'117.9	1'030.8

8 Employee benefit plans

The present value of the defined benefit obligations and costs of the defined benefits are calculated using the projected unit credit method. For active members the calculation considers future salary increases, future pension increases as well as the probability of departures, and for retirees, current and future pension benefits considering future pension increases.

Reconciliation of the amount recognized in the balance sheet as of December 31

						2024
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	Total
Present value of funded defined benefit obligation	-759.7	-323.9	-46.7	-81.6	-	-1'211.9
Fair value of plan assets (funded plans)	899.9	258.9	44.5	56.9	-	1'260.2
Overfunding / (underfunding)	140.2	-65.0	-2.2	-24.7	-	48.3
Present value of unfunded defined benefit obligation	-	-	-	-	-10.4	-10.4
Adjustment to asset ceiling	-	-	-	-0.0	-	-0.0
Net asset / (liability) recognized in the balance sheet	140.2	-65.0	-2.2	-24.7	-10.4	37.9
- thereof defined benefit obligations	-	-65.0	-2.3	-28.4	-10.4	-106.1
- thereof defined benefit assets	140.2	-	0.1	3.7	-	144.0

						2023
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	Total
Present value of funded defined benefit obligation	-731.2	-346.1	-48.6	-83.1	-	-1'209.0
Fair value of plan assets (funded plans)	899.9	268.5	38.6	56.2	-	1'263.2
Overfunding / (underfunding)	168.8	-77.6	-10.0	-27.0	-	54.2
Present value of unfunded defined benefit obligation	-	-	-	-	-10.9	-10.9
Adjustment to asset ceiling	-	-	-	-	-	-
Net asset / (liability) recognized in the balance sheet	168.8	-77.6	-10.0	-27.0	-10.9	43.2
- thereof defined benefit obligations	-	-77.6	-10.0	-28.7	-10.9	-127.3
- thereof defined benefit assets	168.8	-	-	1.7	-	170.5

The group operates major funded defined benefit pension plans in Switzerland, the UK and the USA. The main unfunded defined benefit plan is a German pension benefit plan. The plans are exposed to actuarial risks, e.g., longevity risk, currency risk and interest rate risk, and the funded plans additionally to market (investment) risk.

In Switzerland, the group contributes to two pension plans funded via two different pension funds, i.e., a base plan for all employees and a supplementary plan for employees with salaries exceeding a certain limit. Both plans provide benefits depending on the pension savings at retirement. They include certain legal minimum interest credits to the pension savings (i.e., investment return) and guaranteed rates of conversion of pension savings into an annuity at retirement. In addition, the plans offer death in service and disability benefits. The two pension funds are collective funds administrating pension plans of group companies and also unrelated companies. In case of a material underfunding of the pension plans, the regulations include predefined steps, such as higher contributions by employer and employees or lower interest on pension savings, to eliminate the underfunding. The pension funds are legally separated from the group. The vast majority of the active participants in the two pension funds are employed by companies not belonging to the group. The Board of Trustees for the base plan comprises nine employee representatives and nine employer representatives. The discount rate in 2024 decreased compared to 2023 (from 1.5% to 1.0% for active employees and from 1.5% to 0.9% for pensioners). In 2024, there was no gain or loss from the change in effect of asset ceiling recorded in other comprehensive income (OCI) related to the Swiss pension plans (2023: gain of CHF 202.3 million). The net pension asset decreased from CHF 168.8 million to CHF 140.2 million. The total expenses recognized in the income statement in 2024 amounted to CHF 15.7 million (2023: CHF 11.3 million) and includes past service costs amounting to CHF 4.7 million (2023: CHF 1.3 million). The past service costs were recorded for a plan amendment to both of the pension plans, which consisted of an increase in the conversion rate.

In the UK, the plan is a final salary plan and provides benefits linked to salary at closure to future accrual adjusted for inflation to retirement or earlier date of leaving service. The scheme is fully closed to new entrants and future accruals. The scheme is managed by eight trustees forming the Board. The plan is a multiemployer scheme with Sulzer (UK) Holding being the principal sponsor. The discount rate increased in 2024 by 0.9 percentage points to 5.6% (2023: 4.7%). The net pension liability decreased from CHF 77.6 million in 2023 to CHF 65.0 million in 2024, with a gain recognized in OCI amounting to CHF 11.8 million (2023: loss of CHF 6.6 million). In 2024, the total expenses recognized in the income statement amounted to CHF 3.7 million (2023: CHF 3.8 million).

In the USA, the group operates non-contributory defined benefit retirement plans. The salaried plans provide benefits that are based on years of service and the employee's compensation, averaged over the five highest consecutive years preceding retirement. The hourly plans' benefits are based on years of service and a flat dollar benefit multiplier. All plans are closed to new entrants. The discount rate increased in 2024 to 5.4% (2023: 4.7%). The net pension liability decreased from CHF 10.0 million in 2023 to CHF 2.2 million in 2024 with a gain recognized in OCI amounting to CHF 8.0 million (2023: loss of CHF 0.4 million). The total expenses recognized in 2024 amounted to CHF 0.9 million (2023: CHF 1.1 million).

In Germany, the group operates a range of different defined benefit pension plans, with one unfunded plan and two funded plans. All defined benefit plans are closed for new entrants and a new defined contribution plan for all employees was introduced in 2007. Existing employees who participated in the defined benefit plans continued to be eligible for these defined benefit pensions but also became eligible for the new defined contribution pensions. However, benefits received under the defined contribution plan are offset against the benefits under the defined benefit plans. The different defined benefit plans offer retirement pension, disability pension and survivor's pension benefits.

Employee benefit plans

millions of CHF	2024	2023
Reconciliation of effect of asset ceiling		
Adjustment to asset ceiling at January 1	–	–197.9
Interest (expenses) / income on effect of asset ceiling	–	–4.4
Change in effect of asset ceiling excl. interest (expenses) / income	–0.0	202.3
Currency translation differences	0.0	–0.0
Adjustment to asset ceiling at December 31	–	–
Reconciliation of net asset / (liability) recognized in the balance sheet		
Net asset / (liability) recognized at January 1	43.2	–121.0
Defined benefit income / (expenses) recognized in the income statement	–24.3	–20.1
Defined benefit income / (expenses) recognized in OCI	–2.4	160.3
Employer contributions	26.3	24.1
Divestitures of subsidiaries	–	–
Reclassification ¹⁾	–0.0	–6.0
Currency translation differences	–4.9	5.9
Net asset / (liability) recognized at December 31	37.9	43.2
Components of defined benefit income / (expenses) in the income statement		
Current service costs (employer)	–15.8	–12.1
Past service costs	–4.7	–1.5
Gains and (losses) on settlement	–0.2	0.1
Interest expenses	–32.2	–38.5
Interest income on plan assets	29.0	37.2
Interest expenses / (income) on effect of asset ceiling	–	–4.4
Other administrative costs	–0.4	–0.9
Income / (expenses) recognized in the income statement	–24.3	–20.1
– thereof charged to personnel expenses	–21.1	–14.4
– thereof charged to interest income / (expenses), net	–3.2	–5.7
Components of defined benefit gains / (losses) in OCI		
Actuarial gains / (losses) on defined benefit obligation	–19.5	–64.6
Returns on plan assets excl. interest income	17.0	22.4
Changes in effect of asset ceiling excl. interest expenses / (income)	–0.0	202.3
Returns on reimbursement right excl. interest income / (expenses)	0.1	0.2
Defined benefit gains / (losses) recognized in OCI ²⁾	–2.4	160.3

1) Defined benefit plans reclassified in 2023 from provisions to defined benefit obligation.

2) The tax effect on defined benefit cost recognized in OCI amounted to CHF 3.3 million (2023: CHF -31.5 million).

Employee benefit plans

millions of CHF	2024	2023
Reconciliation of defined benefit obligation (funded and unfunded plans)		
Defined benefit obligation as of January 1	-1'220.0	-1'215.6
Interest expenses	-32.2	-38.5
Current service costs (employer)	-15.8	-12.1
Past service costs	-4.7	-1.5
Contributions by plan participants	-8.5	-8.1
Benefits paid / (deposited)	100.9	105.1
Gains and (losses) on settlement	-0.2	0.1
Other administrative costs	-0.4	-0.9
Actuarial gains / (losses)	-19.5	-64.6
Divestitures of subsidiaries	-	-
Reclassification ¹⁾	-0.0	-6.0
Currency translation differences	-22.0	22.1
Defined benefit obligation as of December 31	-1'222.3	-1'220.0
Reconciliation of the fair value of plan assets		
Fair value of plan assets as of January 1	1'263.2	1'292.5
Interest income on plan assets	29.0	37.2
Employer contributions	26.3	24.1
Contributions by plan participants	8.5	8.1
Benefits (paid) / deposited	-100.8	-104.9
Returns on plan assets excl. interest income	17.0	22.4
Currency translation differences	17.0	-16.3
Fair value of plan assets as of December 31	1'260.2	1'263.2
Total plan assets at fair value – quoted market price		
Cash and cash equivalents	45.4	52.3
Equity instruments	261.1	242.4
Debt instruments	275.8	272.5
Real estate funds	18.7	29.4
Investment funds	5.5	5.0
Others	74.3	72.5
Total assets at fair value – quoted market price as of December 31	680.7	674.1
Total plan assets at fair value – non-quoted market price		
Properties occupied by or used by third parties (real estate)	275.6	271.3
Others	303.9	317.7
Total assets at fair value – non-quoted market price as of December 31	579.5	589.0
Best estimate of contributions for upcoming financial year		
Contributions by the employer	27.0	25.3

1) Defined benefit plans reclassified in 2023 from provisions to defined benefit obligation.

Employee benefit plans

millions of CHF	2024	2023
Components of defined benefit obligation, split		
Defined benefit obligation for active members	-278.1	-238.5
Defined benefit obligation for pensioners	-753.9	-777.4
Defined benefit obligation for deferred members	-190.3	-204.1
Total defined benefit obligation as of December 31	-1'222.3	-1'220.0
Components of actuarial gains / (losses) on obligations		
Actuarial gains / (losses) arising from changes in financial assumptions	-4.7	-55.3
Actuarial gains / (losses) arising from changes in demographic assumptions	5.6	12.8
Actuarial gains / (losses) arising from experience adjustments	-20.4	-22.1
Total actuarial gains / (losses) on defined benefit obligation	-19.5	-64.6
Maturity profile of defined benefit obligation		
Weighted average duration of defined benefit obligation in years	10.6	10.8

The defined benefit obligations for the Swiss and UK pension plans represent 89% (2023: 88%) of the group. The following significant actuarial assumptions were used for these two countries:

Principal actuarial assumptions as of December 31

	2024		2023	
	Funded plans Switzerland	Funded plans United Kingdom	Funded plans Switzerland	Funded plans United Kingdom
Discount rate for active employees	1.0%	n/a	1.5%	n/a
Discount rate for pensioners	0.9%	5.6%	1.5%	4.7%
Future salary increases	2.3%	n/a	2.3%	n/a
Future pension increases	0.0%	2.7%	0.0%	2.7%
Life expectancy at retirement age (male / female) in years	22/24	21/24	22/23	21/24

Sensitivity analysis of defined benefit obligations

millions of CHF	2024	2023
Discount rate (decrease 0.25 percentage points)	-32.7	-32.1
Discount rate (increase 0.25 percentage points)	31.0	30.4
Future salary growth (decrease 0.25 percentage points)	2.2	2.1
Future salary growth (increase 0.25 percentage points)	-2.8	-2.0
Life expectancy (decrease 1 year)	65.3	66.6
Life expectancy (increase 1 year)	-64.4	-64.9

Negative amounts in the above table indicate an increase in defined benefit obligations, positive amounts indicate a decrease in defined benefit obligations. The sensitivity analysis is based on reasonably possible changes of the significant actuarial assumptions as of year end. The sensitivities provided are based on the change in one assumption while holding the other assumptions unchanged. Interdependencies were not considered.

9 Research and development expenses

A breakdown of the research and development expenses per division is shown in the table below:

millions of CHF	2024	2023
Flow	39.1	38.6
Services	1.6	1.6
Chemtech	35.7	30.7
Total	76.4	70.8

10 Other operating income and expenses

millions of CHF	2024	2023
Income from release of contingent consideration	2.0	0.5
Gain from sale of property, plant and equipment	1.2	0.6
Gain from deconsolidation of subsidiaries	–	8.3
Other operating income	–0.0	8.3
Total other operating income	3.2	17.7
Other operating expenses ¹⁾	0.0	–3.0
Impairments on tangible and intangible assets	–0.0	–0.2
Cost for mergers and acquisitions	–1.9	–1.8
Loss from sale of property, plant and equipment	–0.9	–0.1
Loss from deconsolidation of subsidiaries	–0.1	–1.1
Operating currency exchange losses, net	–4.4	–2.3
Other operating expenses	–1.9	–0.0
Total other operating expenses	–9.2	–8.4
Total other operating income / (expenses), net	–6.0	9.2

1) The line “other operating expenses” was presented as “restructuring expenses” in the 2023 financial statements. In 2024, restructuring expenses were presented in the income statement on the expense accounts of the respective function. See note 26 for details on restructuring expenses.

In 2024, other operating income includes CHF 1.2 million gain from sale of property, plant and equipment and CHF 2.0 million income from a partial release of a contingent consideration ([see note 3](#)).

In 2023, other operating income included income from charges to the discontinued operation Applicator Systems division (later renamed medmix) for corporate support functions and centrally procured indirect spend utilized by medmix of CHF 1.6 million.

In 2023, the total gain from deconsolidation primarily included a gain of CHF 8.0 million from the deconsolidation of four Russian legal entities. The total gain and loss from deconsolidation includes a net gain from the reclassification of currency translation adjustments of CHF 10.9 million and a gain of CHF 0.6 million from the reclassification of cash flow hedge reserves ([see note 4](#)).

In 2024, other operating expenses includes mainly expenses from litigation cases and other taxes.

In 2023, the group recognized net impairment losses on tangible and intangible assets amounting to CHF 0.2 million consisting of impairment losses of CHF 1.0 million, partially offset with the reversal of impairment losses amounting to CHF 0.8 million.

In 2023, the group recognized restructuring costs of CHF 5.2 million, partially offset with the release of restructuring provisions of CHF 2.2 million. Restructuring costs mainly related to resizing activities in Ireland and Australia.

11 Financial income and expenses

millions of CHF	2024	2023
Interest and securities income	17.3	18.3
Interest income on employee benefit plans	2.4	0.1
Total interest and securities income	19.6	18.3
Interest expenses on borrowings and lease liabilities	-23.8	-24.5
Interest expenses on employee benefit plans	-5.5	-5.7
Total interest expenses	-29.3	-30.3
Total interest income / (expenses), net	-9.7	-11.9
Fair value changes	-12.7	5.1
Other financial income (expenses)	-0.0	2.5
Currency exchange gains / (losses), net	-2.8	-17.9
Total other financial income / (expenses), net	-15.5	-10.3
Total financial income / (expenses), net	-25.2	-22.2
- thereof fair value changes on financial assets at fair value through profit or loss	-12.7	5.1
- thereof interest income on financial assets at amortized costs	17.3	18.3
- thereof other financial expenses	-0.0	2.5
- thereof currency exchange gains / (losses), net	-2.8	-17.9
- thereof interest expenses on borrowings	-20.8	-22.1
- thereof interest expenses on lease liabilities	-3.0	-2.5
- thereof interest expenses on employee benefit plans, net	-3.2	-5.7

In 2024, the total financial expenses, net amounted to CHF 25.2 million, compared with CHF 22.2 million in 2023.

The total interest and securities income amounted to CHF 19.6 million (2023: CHF 18.3 million), including interest income on employee benefit plans of CHF 2.4 million (2023: CHF 0.1 million).

The line "Fair value changes" mainly includes fair value changes of derivative financial instruments used as hedging instruments to hedge foreign exchange risks as well as minor gains from fair value changes of investments in financial instruments classified at fair value through profit or loss amounting to CHF 0.1 million (2023: CHF 2.7 million).

Currency exchange gains / losses are related to foreign currency differences of assets and liabilities that are not directly used for business related activities (financing activities or other support functions) recorded at the prevailing rate at the time of acquisition (or preceding year-end closing rate) as against the current balance sheet rate.

12 Income taxes

millions of CHF	2024	2023
Current income tax expenses	-102.9	-79.1
Deferred income tax (expenses) income	14.7	5.4
Total income tax expenses	-88.2	-73.8

The weighted average tax rate results from applying each subsidiary's statutory income tax rate to the income before taxes. Since the group operates in countries that have differing tax laws and rates, the consolidated weighted average effective tax rate may vary from year to year according to variations in income per country and changes in applicable tax rates.

Reconciliation of income tax expenses

millions of CHF	2024	2023
Income before income tax expenses	353.5	304.3
Weighted average tax rate	22.0%	23.7%
Income taxes at weighted average tax rate	-77.9	-72.1
Income taxed at different tax rates	-25.5	-12.3
Effect of tax loss carryforwards and allowances for deferred income tax assets	4.4	0.9
Expenses not deductible for tax purposes	-1.2	-11.4
Effect of changes in tax rates and legislation	1.0	0.0
Prior year items and others	11.0	21.2
Total income tax expenses	-88.2	-73.8
Effective income tax rate	24.9%	24.2%

The effective income tax rate for 2024 was 24.9% (2023: 24.2%). In 2024, the effective income tax rate was impacted by income taxed at different tax rates in the amount of CHF 25.5 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests.

Expenses not deductible for tax purposes in the amount of CHF 1.2 million mainly relate to disallowances of group charges for services, financing and other expenses in India, Mexico, the UK and the USA.

Effect of tax loss carryforwards and allowances for deferred income tax assets relates to the utilization of tax losses in Germany, Ireland, UK and USA due to the positive business development. Prior year items and others include current tax refunds and receivables from a Mutual Agreement Procedure in Switzerland (CHF 2.3 million), Research and Development super-deduction in China (CHF 1.5 million) and the refunds from Research and Development tax credits in Brazil and USA.

Additionally, a deferred income tax asset of CHF 2.1 million (2023: 4.0 million) was recognized on a step-up in relation to the Swiss Corporate Tax Reform (TRAF) enacted in prior periods.

The effective income tax rate for 2023 was 24.2%. The effective income tax rate was impacted by income taxed at different tax rates in the amount of CHF 12.3 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests. Expenses

not deductible for tax purposes in the amount of CHF 11.4 million mainly related to disallowances of group charges for services, financing and other expenses in India, Mexico, the UK and the USA. Prior year items and others in 2023 include current tax refunds and receivables from Research and Development tax credits in Brazil and the USA. Additionally, a deferred income tax asset of CHF 4.0 million was recognized on a step-up in relation to the Swiss Corporate Tax Reform (TRAF) enacted in prior periods. The deconsolidation of the Russian business positively impacted the reconciliation by CHF 2.3 million.

Summary of deferred income tax assets and liabilities in the balance sheet

millions of CHF	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible assets	20.9	-55.0	-34.2	15.0	-52.4	-37.4
Property, plant and equipment	4.8	-16.2	-11.5	5.2	-13.6	-8.4
Other financial assets	12.6	-0.9	11.7	16.6	-1.1	15.6
Inventories	26.4	-3.8	22.6	27.4	-2.2	25.1
Other assets	15.6	-44.0	-28.4	23.7	-55.9	-32.1
Defined benefit obligations	21.4	-2.6	18.7	21.8	-0.1	21.7
Non-current provisions	6.4	-	6.4	9.6	-0.1	9.5
Current provisions	23.7	-0.7	23.0	23.9	-1.5	22.4
Other liabilities	52.7	-11.5	41.2	44.4	-23.0	21.3
Tax loss carryforwards	35.1	-	35.1	23.1	-	23.1
Elimination of intercompany profits	0.8	-	0.8	1.0	-	1.0
Tax assets / liabilities	220.4	-134.8	85.6	211.7	-149.9	61.8
Offset of assets and liabilities	-66.9	66.9	-	-66.8	66.8	-
Net recorded deferred income tax assets and liabilities	153.6	-67.9	85.6	144.9	-83.2	61.8

Cumulative deferred income taxes recorded in equity as of December 31, 2024, amounted to CHF -4.8 million (2023: CHF -12.5 million). The group does not recognize any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e., the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Movement of deferred income tax assets and liabilities in the balance sheet

	2024					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired through business combination	Currency translation differences	Balance as of December 31
Intangible assets	-37.4	5.3	-	-0.9	-1.2	-34.2
Property, plant and equipment	-8.4	-2.5	-	-	-0.6	-11.5
Other financial assets	15.6	-4.9	-	-	1.0	11.7
Inventories	25.1	-3.3	-	-	0.8	22.6
Other assets	-32.1	-9.5	12.9	-	0.4	-28.4
Defined benefit obligations	21.7	1.2	-5.1	-	0.9	18.7
Non-current provisions	9.5	-3.6	-	-	0.4	6.4
Current provisions	22.4	0.3	-	-	0.3	23.0
Other liabilities	21.3	20.3	-	-	-0.5	41.2
Tax loss carryforwards	23.1	11.4	-	-	0.7	35.1
Elimination of intercompany profits	1.0	-0.2	-	-	-	0.8
Total	61.8	14.7	7.8	-0.9	2.2	85.6

	2023					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Divestment of subsidiaries	Currency translation differences	Balance as of December 31
Intangible assets	-46.1	5.7	-	-	3.0	-37.4
Property, plant and equipment	-13.7	4.5	-	-	0.8	-8.4
Other financial assets	19.7	-2.5	-	-	-1.7	15.6
Inventories	30.3	-3.9	-	-	-1.2	25.1
Other assets	-11.7	17.0	-36.7	-	-0.7	-32.1
Defined benefit obligations	20.7	-0.5	2.3	-	-0.8	21.7
Non-current provisions	8.0	2.2	-	-	-0.7	9.5
Current provisions	28.2	-4.5	-	-	-1.3	22.4
Other liabilities	36.9	-13.8	-	-	-1.7	21.3
Tax loss carryforwards	23.5	1.2	-	-0.6	-1.1	23.1
Elimination of intercompany profits	1.1	-0.1	-	-	-	1.0
Total	96.9	5.4	-34.4	-0.6	-5.5	61.8

Tax loss carryforwards (TLCF)

	2024				
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	0.3	0.0	–	0.0	–
Expiring in 4–7 years	10.6	2.6	–0.0	2.6	0.1
Available without limitation	237.5	43.9	–11.4	32.5	88.7
Total tax loss carryforwards as of December 31	248.3	46.6	–11.4	35.1	88.8

	2023				
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	2.5	0.1	–0.0	0.0	–
Expiring in 4–7 years	3.9	1.0	–0.0	1.0	0.4
Available without limitation	207.6	37.4	–15.4	22.0	90.5
Total tax loss carryforwards as of December 31	213.9	38.5	–15.4	23.1	90.9

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. No deferred income tax assets have been recognized on tax loss carryforwards in the amount of CHF 88.8 million (2023: CHF 90.9 million) or on some step-ups in relation with the Swiss corporate tax reform (TRAF), which entered into effect on January 1, 2020.

Global minimum top-up tax

Sulzer is subject to the global minimum top-up tax under Pillar Two legislation. The domestic top-up tax “QDMTT” legislation was enacted in Switzerland and became applicable from January 1, 2024. The international top-up tax legislation (so called “Income Inclusion Rule (IIR)”) was enacted and became applicable from January 1, 2025. Financial years starting on January 1, 2025, are subject to IIR. No QDMTT was recorded in 2024, as Sulzer benefits from transitional safe harbors.

The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax. The Group recognizes the top-up tax as a current tax when it incurs.

13 Goodwill and other intangible assets

						2024
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	Total
Acquisition cost						
Balance as of January 1	977.9	88.0	18.6	53.4	378.5	1'516.3
Acquired through business combination	10.8	2.4	0.6	–	3.9	17.8
Additions	–	0.1	2.2	6.6	0.9	9.7
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Reclassifications	–	–	–	0.4	–	0.4
Currency translation differences	12.6	3.2	0.1	0.6	4.2	20.8
Balance as of December 31	1'001.4	93.6	21.5	60.6	385.9	1'563.1
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	51.3	10.6	31.5	248.1	681.5
Additions ¹⁾	–	8.1	1.4	4.2	24.8	38.5
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Currency translation differences	–	2.2	0.0	0.3	2.5	5.1
Balance as of December 31	340.0	61.6	12.0	35.7	273.9	723.2
Net book value						
As of January 1	637.9	36.6	8.0	21.8	130.4	834.8
As of December 31	661.4	32.1	9.5	24.9	112.1	839.9

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

						2023
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	Total
Acquisition cost						
Balance as of January 1	1'016.9	92.5	16.1	50.7	399.5	1'575.6
Additions	–	–	0.0	5.1	0.9	6.1
Disposals	–	–	–	–0.7	–3.3	–4.0
Reclassifications	–	–	2.6	0.0	0.5	3.1
Currency translation differences	–38.9	–4.6	–0.1	–1.7	–19.2	–64.5
Balance as of December 31	977.9	88.0	18.6	53.4	378.5	1'516.3
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	45.8	9.3	30.7	238.6	664.5
Additions ¹⁾	–	7.9	1.3	2.8	24.6	36.6
Disposals	–	–	–	–0.7	–3.3	–4.0
Currency translation differences	–	–2.4	–0.0	–1.2	–11.9	–15.5
Balance as of December 31	340.0	51.3	10.6	31.5	248.1	681.5
Net book value						
As of January 1	676.9	46.7	6.7	20.0	160.8	911.2
As of December 31	637.9	36.6	8.0	21.8	130.4	834.8

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

Goodwill impairment test

	2024			
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	375.4	647.7	2.0%	12.7%
Services	202.1	1'087.1	2.0%	14.1%
Chemtech	83.9	1'085.8	2.0%	11.9%
Total as of December 31	661.4	2'820.7		

	2023			
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	362.3	628.5	2.0%	9.9%
Services	193.8	1'620.3	2.0%	10.8%
Chemtech	81.8	830.0	2.0%	10.9%
Total as of December 31	637.9	3'078.8		

Goodwill is allocated to the smallest cash-generating unit (CGU) at which goodwill is monitored for internal management purposes (i.e., division). The recoverable amount has been determined based on a value-in-use calculation. A five-year strategic plan approved by the Board of Directors in February 2024 forms the basis for the projected cash flows. Cash flows beyond the planning period are extrapolated using a terminal value including a growth rate as stated above.

The calculated value-in-use exceeded the carrying amount of the cash-generating unit with a substantial margin (i.e., headroom) and an update of the impairment test at the end of the year would not have resulted in any goodwill impairment. As of December 31, 2024, there is no indication of a goodwill impairment.

Sensitivity analyses

The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations significantly impacted by the terminal growth rate used to determine the residual value, the discount rate and the projected cash flows. The table above shows the amount by which the estimated recoverable amount of the CGU exceeds its carrying amount (headroom).

Sensitivity analyses were performed with regards to key assumptions, that would not change the conclusions of the impairment test. An increase of the discount rate by 5.0 percentage points or a decrease of the terminal growth rate by 5.0 percentage points would still lead to a recoverable amount exceeding the carrying amount for all CGU's.

14 Property, plant and equipment

	2024				
millions of CHF	Land and buildings	Machinery and technical equipment	Other non-current assets	Assets under construction	Total
Acquisition cost					
Balance as of January 1	314.6	459.4	165.6	39.9	979.5
Acquired through business combination	3.5	1.3	0.1	-	4.9
Additions	4.2	18.3	7.8	52.4	82.7
Disposals	-0.8	-11.8	-11.5	-	-24.1
Reclassifications	10.5	16.0	6.8	-34.3	-1.0
Currency translation differences	10.1	11.3	3.1	0.8	25.3
Balance as of December 31	342.1	494.4	172.0	58.8	1'067.3
Accumulated depreciation					
Balance as of January 1	150.4	338.7	139.7	2.4	631.3
Additions	9.5	27.0	11.0	-	47.5
Disposals	-0.3	-10.3	-10.3	-	-20.9
Reclassifications	1.6	-1.6	0.0	-	-0.0
Impairments	-	-	-	4.5	4.5
Currency translation differences	4.8	9.1	3.4	-0.0	17.2
Balance as of December 31	166.0	362.9	143.7	6.9	679.6
Net book value					
As of January 1	164.2	120.6	25.9	37.5	348.2
As of December 31	176.1	131.5	28.2	51.9	387.8

	2023				
millions of CHF	Land and buildings	Machinery and technical equipment	Other non-current assets	Assets under construction	Total
Acquisition cost					
Balance as of January 1	326.8	477.5	172.8	36.1	1'013.2
Divestitures of subsidiaries	-0.3	0.0	-0.1	-0.0	-0.4
Additions	3.0	13.8	7.4	35.3	59.5
Disposals	-1.6	-14.4	-9.4	-	-25.4
Reclassifications	9.6	13.8	6.0	-29.1	0.3
Currency translation differences	-22.9	-31.4	-11.1	-2.3	-67.7
Balance as of December 31	314.6	459.4	165.6	39.9	979.5
Accumulated depreciation					
Balance as of January 1	152.9	350.1	147.1	2.6	652.6
Divestitures of subsidiaries	-0.2	-0.1	-0.1	-	-0.3
Additions	9.7	24.5	9.6	-	43.9
Disposals	-1.0	-11.3	-9.0	-	-21.3
Impairments (Reversal)	-	-0.1	-0.1	-	-0.2
Currency translation differences	-11.1	-24.4	-7.8	-0.1	-43.4
Balance as of December 31	150.4	338.7	139.7	2.4	631.3
Net book value					
As of January 1	173.9	127.4	25.7	33.5	360.5
As of December 31	164.2	120.6	25.9	37.5	348.2

An impairment of machinery and equipment under construction amounting to CHF 4.5 million was booked in one of the service centers as of December 31, 2024, and it was recorded within cost of goods sold. In 2023, impairment of CHF 0.6 million and reversal of impairment amounting to CHF 0.8 million were recorded in other operating expenses.

In 2024, the group sold property, plant and equipment with a book value of CHF 3.2 million for CHF 3.5 million resulting in a net gain of CHF 0.3 million (2023: property, plant and equipment with a book value of CHF 4.1 million was sold for CHF 4.6 million, resulting in a net gain of CHF 0.5 million).

The contractual commitments to acquire property, plant and equipment as of December 31, 2024, amounted to CHF 9.8 million (December 31, 2023: CHF 5.1 million).

15 Leases

Lease assets

				2024
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	74.1	5.7	13.4	93.2
Acquired through business combination	0.0	0.4	0.0	0.5
Additions	24.2	3.6	10.6	38.4
Depreciation	-20.0	-2.3	-7.4	-29.7
Remeasurements and contract modifications	0.4	-0.3	0.2	0.4
Currency translation differences	2.2	0.3	0.3	2.8
Total lease assets as of December 31	80.8	7.4	17.1	105.2

				2023
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	73.0	4.5	12.6	90.1
Additions	24.4	3.8	9.3	37.5
Depreciation	-19.1	-2.1	-6.3	-27.5
Impairments	-0.4	-	-	-0.4
Remeasurements and contract modifications	0.5	-0.1	-1.3	-0.8
Currency translation differences	-4.3	-0.4	-0.9	-5.6
Total lease assets as of December 31	74.1	5.7	13.4	93.2

Lease liabilities

	2024	2023
Balance as of January 1	93.0	89.6
Acquired through business combination	0.5	–
Additions	38.4	37.5
Interest expenses	3.0	2.5
Cash flow for repayments – principal portion	–29.7	–28.3
Cash flow for repayments – interest portion	–3.0	–2.5
Remeasurements and contract modifications	0.3	–0.4
Currency translation differences	2.4	–5.4
Total lease liabilities as of December 31	104.9	93.0
- thereof non-current lease liabilities	78.3	69.0
- thereof current lease liabilities	26.6	23.9

The group leases land and buildings used for production, storage or office space. The terms are typically fixed for a period of three to five years. Various lease contracts for buildings contain extension options, providing the group with operational flexibility and planning security. Extension options are included in the measurement of the lease liability and the lease assets only if Management assesses these extension options as reasonably certain to be exercised.

Other leasing disclosures

millions of CHF	2024	2023
Recognized in the income statement		
Expenses relating to short-term leases	–17.1	–15.8
Expenses relating to low-value asset leases, excluding short-term leases of low-value assets	–1.0	–1.5
Expenses relating to variable lease payments not included in the lease liability	–2.9	–2.7
Income from subleasing right-of-use assets	0.4	0.3
Interest expenses on lease liabilities	–3.0	–2.5
Total recognized in the income statement	–23.6	–22.3
Recognized in the statement of cash flows		
Cash flow for short-term, low-value asset and variable leases (included within cash flow from operating activities)	–21.0	–20.1
Cash flow from subleasing right-of-use assets (included within cash flow from operating activities)	0.4	0.3
Cash flow for repayments of interest on lease liabilities (included within cash flow from operating activities)	–3.0	–2.5
Cash flow for repayments of the principal portion on lease liabilities (included within cash flow from financing activities)	–29.7	–28.3
Total cash outflow	–53.2	–50.5

16 Associates and joint ventures

millions of CHF	2024	2023
Balance as of January 1	54.7	41.8
Additions	–	17.8
Reclassifications	–	1.8
Share of profit / (loss) of associates and joint ventures	–3.8	–3.2
Dividend payments received	–0.1	–0.2
Currency translation differences	2.1	–3.2
Total investments in associates and joint ventures as of December 31	53.0	54.7
- thereof investments in associates:	52.8	54.5
- thereof investments in joint ventures:	0.2	0.2

In February 2023, the group acquired a strategic stake in Fuenix Ecology Holding B.V., a circular technology company, for CHF 10.1 million and classified the investment as an investment in associates. In September 2023, the group acquired an additional ownership in Cellicon Holding B.V. for CHF 6.5 million, in addition to an existing ownership of CHF 3.0 million, and the total investment was classified as an investment in associates.

17 Other financial assets

	2024			
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	Total
Balance as of January 1	23.8	9.5	7.4	40.7
Acquired through business combination	–	–	0.2	0.2
Additions	0.8	1.3	0.0	2.1
Repayments	–1.6	–	–4.2	–5.8
Changes in fair value	–0.1	–6.1	–	–6.2
Currency translation differences	0.0	–	0.2	0.2
Balance as of December 31	23.0	4.7	3.5	31.2
– thereof non-current	22.4	4.7	3.2	30.2
– thereof current	0.6	–	0.4	1.0

	2023			
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	Total
Balance as of January 1	24.4	8.8	9.3	42.5
Recognized through deconsolidation	–	–	3.1	3.1
Additions	1.0	–	0.3	1.3
Repayments ¹⁾	–	–	–7.8	–7.8
Changes in fair value	3.3	0.7	–	4.0
Other non-cash items	–	–	2.6	2.6
Reclassifications	–3.0	–	–	–3.0
Currency translation differences	–1.7	–	–0.2	–2.0
Balance as of December 31	23.8	9.5	7.4	40.7
– thereof non-current	22.2	9.5	6.7	38.4
– thereof current	1.6	–	0.7	2.3

1) Repayments in the amount of CHF 4.9 million are presented in the statement of cash flows in “Divestitures and deconsolidation of subsidiaries, net of cash”.

Financial assets that belong to the category “financial assets at fair value through profit or loss” include investments in equity securities.

The financial assets in the category “financial assets at fair value through other comprehensive income” are primarily comprised of medmix shares amounting to CHF 4.4 million (2023: CHF 9.5 million), which were received as part of the Applicator Systems spin-off in 2021. The financial investment in medmix Ltd is recognized at its fair value based on the share price of medmix Ltd (a level 1 hierarchy valuation). Management has designated this investment at fair value through other comprehensive income at initial recognition. In 2024, fair value changes of financial assets at fair value through other comprehensive income amounting to CHF -6.1 million (2023: CHF 0.7 million) were recorded in other comprehensive income, with an associated deferred tax effect of CHF 1.2 million (2023: CHF -0.1 million). The dividend received amounted to CHF 0.2 million (2023: CHF 0.2 million).

18 Inventories

millions of CHF	2024	2023
Raw materials, supplies and consumables	160.7	166.9
Work in progress	282.5	255.4
Finished products and trade merchandise	71.9	72.8
Total inventories as of December 31	515.1	495.1

In 2024, the group recognized write-downs of CHF 19.1 million in the income statement. In 2023, the total write-downs amounted to CHF 16.6 million. The accumulated write-downs on inventories amounted to CHF 77.6 million as of December 31, 2024 (2023: CHF 72.7 million). Material expenses in 2024 amounted to CHF 1'238.8 million (2023: CHF 1'239.4 million).

19 Assets and liabilities related to contracts with customers

millions of CHF	2024	2023
Sales recognized over time related to ongoing performance obligations	870.1	625.2
Sales recognized over time related to satisfied performance obligations	500.3	519.9
Sales recognized over time	1'370.4	1'145.1
Sales recognized at a point in time	2'160.2	2'136.6
Sales	3'530.6	3'281.7
– thereof sales recognized included in the contract liability balance at the beginning of the period	451.0	382.3
– thereof sales recognized from performance obligations satisfied (or partially satisfied) in previous periods	4.9	–0.0
Contract assets from sales recognized over time relating to ongoing performance obligations	1'220.4	1'048.4
Expected loss rate	0.1%	0.1%
Allowance for expected losses	–1.5	–1.3
Reversal of write-offs / (write-offs) on contract assets in the disposal group classified as held for sale (see note 4)	–	2.0
Netting with contract liabilities	–718.8	–619.0
Contract assets	500.1	430.1
Contract liabilities from costs recognized over time relating to ongoing performance obligations	175.8	145.4
Advance payments from customers relating to point in time contracts	248.7	203.7
Advance payments from customers relating to over time contracts	825.7	720.8
Netting with contract assets	–718.8	–619.0
Contract liabilities	531.3	451.0
Order backlog (aggregate amount of transaction price allocated to unsatisfied performance obligations)	2'300.0	1'946.8
– thereof expected to be recognized as revenue within 12 months	2'151.9	1'810.9
– thereof expected to be recognized in more than 12 months	148.1	135.9

20 Trade accounts receivable

Aging structure of trade accounts receivable

millions of CHF	2024				2023			
	Expected loss rate	Gross amount	Allowance	Net book value	Expected loss rate	Gross amount	Allowance	Net book value
Not past due	0.1%	493.8	-0.5	493.3	0.1%	393.1	-0.4	392.7
Past due								
1–30 days	1.7%	76.5	-1.3	75.2	0.7%	61.7	-0.5	61.2
31–60 days	2.2%	30.1	-0.7	29.4	2.6%	29.3	-0.8	28.6
61–120 days	3.6%	35.7	-1.3	34.4	6.4%	24.9	-1.6	23.3
>120 days	45.5%	87.8	-39.9	47.9	53.7%	75.7	-40.6	35.0
Total trade accounts receivable as of December 31		723.8	-43.6	680.2		584.7	-43.8	540.8

Allowance for doubtful trade accounts receivable

millions of CHF	2024	2023
Balance as of January 1	43.8	49.1
Reclassifications	3.1	-
Additions	13.1	9.0
Released as no longer required	-12.7	-7.4
Utilized	-4.9	-3.8
Currency translation differences	1.2	-3.1
Balance as of December 31	43.6	43.8

The recoverability of trade accounts receivable is regularly reviewed, and the credit quality of new customers is thoroughly assessed. Due to the large and heterogeneous customer base, the credit risk from individual customers of the group is limited. The allowance for doubtful trade accounts receivable is based on expected credit losses by country and by division. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP).

Accounts receivable by geographical region

millions of CHF	2024	2023
Europe, the Middle East and Africa	318.1	250.0
– thereof United Kingdom	77.9	52.1
– thereof Saudi Arabia	48.4	32.8
– thereof France	21.4	24.9
– thereof United Arab Emirates	21.2	12.8
– thereof Spain	20.1	20.7
Americas	178.3	131.0
– thereof USA	110.0	79.7
Asia-Pacific	183.8	159.8
– thereof China	114.9	102.8
Total as of December 31	680.2	540.8

21 Other current receivables and prepaid expenses

millions of CHF	2024	2023
Taxes (VAT, withholding tax)	69.4	61.3
Derivative financial instruments	3.0	13.9
Other current receivables	18.2	22.6
Total other current receivables as of December 31	90.7	97.8
Prepaid expenses	28.1	25.6
Total prepaid expenses as of December 31	28.1	25.6
Total other current receivables and prepaid expenses as of December 31	118.8	123.4

For further details on derivative financial instruments, refer to [note 28](#). Other current receivables and prepaid expenses do not include any material positions that are past due or impaired.

22 Cash and cash equivalents

millions of CHF	2024	2023
Cash	871.7	780.8
Cash equivalents	188.9	193.9
Total cash and cash equivalents as of December 31	1'060.6	974.7

As of December 31, 2024, the group held restricted cash and cash equivalents of CHF 10.7 million (2023: CHF 13.5 million).

23 Equity

Share capital

thousands of CHF	2024		2023	
	Number of shares	Share capital	Number of shares	Share capital
Balance as of December 31 (par value CHF 0.01)	34'262'370	342.6	34'262'370	342.6

The share capital amounts to CHF 342'623.70, made up of 34'262'370 shares with dividend entitlement and a par value of CHF 0.01. All shares are fully paid in and registered. On December 31, 2024, conditional share capital amounted to CHF 17'000 (2023: CHF 17'000), consisting of 1'700'000 shares with a par value of CHF 0.01.

Share ownership

Sulzer shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account. Nominees will only be entered in the share register with the right to vote provided that they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into an agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register, provided that the above-mentioned conditions are met (see also paragraph 6a of the Articles of Association at <https://www.sulzer.com/en/shared/about-us/corporate-governance>).

Shareholders holding more than 3%

	Dec 31, 2024		Dec 31, 2023	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16'728'414	48.82	16'728'414	48.82
UBS Fund Management (Switzerland) AG	1'175'624	3.43	-	-
The Capital Group Companies, Inc.	-	-	1'034'950	3.02

Retained earnings

The retained earnings include prior years' undistributed income of consolidated companies and all remeasurements of the net defined benefit assets and liabilities and other transactions recorded directly in retained earnings.

Treasury shares

During 2024, the group acquired 282'500 treasury shares for CHF 33.2 million (2023: 260'000 shares for CHF 20.9 million). The total number of shares held by the group as of December 31, 2024, amounted to 509'455 treasury shares (December 31, 2023: 451'074 shares).

The treasury shares are held for the purpose of issuing shares under the management share-based payment programs.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. Amounts are reclassified to profit or loss when the associated hedged transaction affects the income statement.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of controlled entities, whose functional currency differs from the reporting currency of the group. The cumulative amount is reclassified to profit or loss when the net investment is derecognized.

Acquisition of non-controlling interests without a change of control

Reference is made to [note 3](#).

Transactions with non-controlling interests

In 2024, the group reduced its ownership in Sulzer Pumps (Nigeria) Ltd.; reference is made to [note 3](#).

In 2023, an agreement entered into with non-controlling shareholders of a subsidiary, agreeing on a fixed profit distribution for that subsidiary, resulted in the recognition of liability and a reduction in non-controlling interests.

Contribution from medmix

The contribution relates to vested shares under Sulzer share plans for medmix employees.

Dividends

On April 16, 2024, the Annual General Meeting approved an ordinary dividend of CHF 3.75 (2023: ordinary dividend of CHF 3.50) per share to be paid out of reserves. The dividend was paid to shareholders on April 22, 2024. The total amount of the dividend to shareholders of Sulzer Ltd was CHF 127.3 million (2023: CHF 118.9 million), thereof paid dividends of CHF 86.5 million (2023: CHF 80.9 million), and unpaid dividends of CHF 40.8 million (2023: CHF 38.1 million). The unpaid dividends are reflected in the balance sheet position "Other current and accrued liabilities" (see [note 27](#)).

The Board of Directors decided to propose to the Annual General Meeting 2025 a dividend for the year 2024 of CHF 4.25 per share (2023: CHF 3.75).

24 Earnings per share

	2024	2023
Net income attributable to shareholders of Sulzer Ltd (millions of CHF)	261.9	229.1
Issued number of shares	34'262'370	34'262'370
Adjustment for average treasury shares held	-406'494	-377'719
Average number of shares outstanding as of December 31	33'855'876	33'884'651
Adjustment for share participation plans	411'402	490'686
Average number of shares for calculating diluted earnings per share as of December 31	34'267'278	34'375'337
Earnings per share, attributable to a shareholder of Sulzer Ltd (in CHF) as of December 31		
Basic earnings per share	7.73	6.76
Diluted earnings per share	7.64	6.67

25 Borrowings

millions of CHF	2024		
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	795.2	261.1	1'056.3
Acquired through business combination	1.6	1.3	2.9
Cash flow from proceeds	249.3	42.3	291.6
Cash flow for repayments	–	–293.3	–293.3
Changes in amortized costs	0.3	0.1	0.4
Reclassifications ¹⁾	–301.3	300.2	–1.1
Currency translation differences	–0.0	0.3	0.3
Total borrowings as of December 31	745.0	312.0	1'057.1

1) Including a reclass to other non-current liabilities of CHF -0.9 million and to other current and accrued liabilities of CHF -0.2 million.

millions of CHF	2023		
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	1'043.9	311.4	1'355.3
Cash flow from proceeds	–	26.0	26.0
Cash flow for repayments	–0.0	–324.9	–325.0
Changes in amortized costs	0.3	0.1	0.4
Other non-cash increase	0.9	0.1	1.0
Reclassifications	–249.9	249.9	0.0
Currency translation differences	–0.1	–1.5	–1.6
Total borrowings as of December 31	795.2	261.1	1'056.3

Borrowings by currency

	2024			2023		
	millions of CHF	in %	Interest rate	millions of CHF	in %	Interest rate
CHF	1'043.9	98.8	1.5%	1'044.2	98.9	1.4%
INR	4.7	0.4	7.3%	4.7	0.4	5.6%
IDR	4.3	0.4	8.4%	3.3	0.3	8.7%
USD	2.2	0.2	0.2%	1.5	0.1	3.8%
AED	–	–	–	0.9	0.1	2.8%
EUR	1.6	0.1	6.0%	0.5	0.0	–
Other	0.4	0.0	0.0%	1.2	0.1	–
Total as of December 31	1'057.1	100.0	–	1'056.3	100.0	–

As of December 2024, Sulzer has access to a syndicated credit facility of CHF 500 million maturing in December 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028. The facility is subject to financial covenants based on net financial indebtedness and EBITDA, which were adhered to throughout the reporting period. As of December 31, 2024, and 2023, the syndicated facility was not used.

Outstanding bonds

millions of CHF	2024		2023	
	Amortized costs	Nominal	Amortized costs	Nominal
0.875% 07/2016–07/2026	125.0	125.0	124.9	125.0
1.600% 10/2018–10/2024	-	-	250.0	250.0
0.800% 09/2020–09/2025	299.9	300.0	299.8	300.0
0.875% 11/2020–11/2027	199.8	200.0	199.8	200.0
3.350% 12/2022–11/2026	169.8	170.0	169.7	170.0
1.773% 10/2024–10/2028	249.3	250.0	-	-
Total as of December 31	1'043.9	1'045.0	1'044.1	1'045.0
- thereof non-current	744.0	745.0	794.2	795.0
- thereof current	299.9	300.0	250.0	250.0

On October 22, 2024, Sulzer repaid CHF 250.0 million for the single tranche of a bond issued in 2018. This bond had a term of six years and carried a coupon of 1.600%.

On October 21, 2024, Sulzer issued a CHF 250.0 million single tranche bond. The bond has a term of four years and carries a coupon of 1.7725% at a price of 100.000%.

On July 6, 2023, Sulzer repaid CHF 290.0 million for the second and last tranche of a bond issued in 2018. This second tranche had a term of 5 years and carried a coupon of 1.300%.

All the outstanding bonds are traded on SIX Swiss Exchange.

26 Provisions

	2024					
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	33.2	98.8	5.0	12.4	42.6	192.0
Acquired through business combination	–	0.0	–	–	0.1	0.2
Additions	8.6	39.3	4.6	–	30.5	83.0
Released as no longer required	–1.8	–19.8	–0.9	–0.2	–15.1	–37.8
Utilized	–5.5	–20.7	–5.4	–0.0	–19.8	–51.5
Reclassification	–	–0.8	–	–	0.8	–0.0
Currency translation differences	1.2	1.5	0.1	0.3	1.1	4.1
Total provisions as of December 31	35.7	98.3	3.4	12.4	40.1	189.9
– thereof non-current	20.8	2.7	0.4	12.4	9.9	46.2
– thereof current	14.8	95.6	2.9	0.0	30.3	143.8

	2023					
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	44.5	92.3	8.1	11.4	57.8	214.1
Additions	8.0	41.6	5.2	1.2	35.9	91.9
Released as no longer required	–4.2	–9.6	–2.2	–	–16.5	–32.6
Utilized	–7.1	–19.4	–4.7	–0.1	–32.5	–63.9
Reclassification ¹⁾	–6.0	–	–	–	–	–6.0
Currency translation differences	–1.9	–6.0	–1.3	–0.2	–2.0	–11.4
Total provisions as of December 31	33.2	98.8	5.0	12.4	42.6	192.0
– thereof non-current	22.0	2.8	0.5	12.3	9.1	46.7
– thereof current	11.2	96.0	4.6	0.0	33.4	145.3

1) Includes a reclassification of CHF 6.0 million to the defined benefit obligation, see note 8.

The category “Other employee benefits” includes provisions for jubilee gifts and other obligations to employees.

The category “Warranties / liabilities” includes provisions for warranties, customer claims, penalties, litigation and legal cases relating to goods delivered or services rendered. Warranties that provide customers with assurance that the product complies with the agreed specifications are accounted for as provisions over the agreed warranty period.

In 2024, the group utilized CHF 5.4 million (2023: CHF 4.7 million) of restructuring provisions mainly relating to reorganization in the Flow and Services division. The group recorded restructuring provisions of CHF 4.6 million (2023: CHF 5.2 million), partly offset by released restructuring provisions of CHF 0.9 million (2023: CHF 2.2 million). Restructuring costs mainly relate to reorganization in the Services division. The remaining restructuring provision as of December 31, 2024, is CHF 3.4 million, of which CHF 2.9 million is expected to be utilized within one year.

“Environmental” mainly consists of expected costs related to inherited liabilities.

“Other” includes provisions that do not fit into the aforementioned categories. A large number of these provisions refer to onerous contracts and indemnities, in particular related to divestitures. In addition, provisions for ongoing asbestos lawsuits and other legal claims are included. Based on the currently known facts, the group is of the opinion that the resolution of the open cases will not have material effects on its liquidity or financial condition. Although the group expects a large part of the category “Other” to be realized in 2025, by their nature, the amounts and timing of any cash outflows are difficult to predict.

27 Other current and accrued liabilities

millions of CHF	2024	2023
Liability related to the purchase of treasury shares	90.4	88.1
Outstanding dividend payments	318.0	277.2
Taxes (VAT, withholding tax)	41.9	31.4
Derivative financial instruments	10.3	3.2
Other current liabilities	57.3	38.9
Total other current liabilities as of December 31	518.0	438.9
Contract-related costs	136.3	121.3
Salaries, wages and bonuses	140.1	121.9
Vacation and overtime claims	26.6	23.0
Other accrued liabilities	154.2	147.3
Total accrued liabilities as of December 31	457.2	413.5
Total other current and accrued liabilities as December 31	975.2	852.4

The outstanding dividend payments of CHF 318.0 million (2023: CHF 277.2 million) are explained in [note 23](#).

28 Derivative financial instruments

millions of CHF	2024				2023			
	Derivative assets		Derivative liabilities		Derivative assets		Derivative liabilities	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
Forward exchange rate contracts	376.5	3.0	750.7	10.3	817.6	13.9	276.1	3.2
Total as of December 31	376.5	3.0	750.7	10.3	817.6	13.9	276.1	3.2
– thereof due in <1 year	376.5	3.0	750.7	10.3	817.6	13.9	276.1	3.2
– thereof due in 1–5 years	–	–	–	–	–	–	–	–

In 2024, the notional value and the fair value of derivative assets and liabilities consists of current derivative financial instruments. Some of these derivative assets and liabilities are dedicated as hedging instruments for cash flow hedges. The cash flow hedges of expected future sales were assessed as highly effective. In 2024, the net unrealized losses for cash flow hedges recorded in the cash flow hedge reserves in other comprehensive income amount to CHF -7.5 million (2023: gains of CHF 8.3 million), net of a deferred tax impact of CHF 3.3 million (2023: CHF 2.7 million). As of December 31, 2024, the accumulated cash flow hedge reserve amounts to CHF -5.5 million (2023: CHF 5.3 million) with recognized net deferred tax assets of CHF 2.2 million (2023: deferred tax liabilities of CHF 1.0 million) relating to these cash flow hedges included in the cash flow hedge reserves. In 2024, gains of CHF 3.4 million (2023: gains of CHF 2.6 million) were reclassified from the cash flow hedge reserves to the income statement. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

The hedged, highly probable forecast transactions denominated in foreign currencies are mostly expected to occur at various dates during the next 12 months. Gains and losses recognized in the cash flow hedge reserve in equity on forward foreign exchange contracts as of December 31, 2024, are recognized either in sales, cost of goods sold or other operating income / expenses in the period or periods during which the hedged transaction affects the income statement. This is generally within 12 months from the balance sheet date unless the gain or loss is included in the initial amount recognized for the purchase of fixed assets, in which case recognition is over the lifetime of the asset (5 to 10 years).

The group enters into derivative financial instruments under enforceable master netting arrangements. These agreements do not meet the criteria for offsetting derivative assets and derivative liabilities in the consolidated balance sheet. As of December 31, 2024, the amount subject to such netting arrangements was CHF 2.0 million (2023: CHF 2.1 million). Considering the effect of these agreements, the amount of derivative assets would reduce from CHF 3.0 million to CHF 1.0 million (2023: from CHF 13.9 million to CHF 11.8 million), and the amount of derivative liabilities would reduce from CHF 10.3 million to CHF 8.3 million (2023: from CHF 3.2 million to CHF 1.1 million).

29 Contingent liabilities

millions of CHF	2024	2023
Guarantees in favor of third parties	8.2	9.9
Total contingent liabilities as of December 31	8.2	9.9

As of December 31, 2024, guarantees provided to third parties amounted to CHF 8.2 million (2023: CHF 9.9 million) and relate to disposed businesses.

30 Share participation plans

Share-based payments charged to personnel expenses

millions of CHF	2024	2023
Restricted share unit plan	0.7	0.9
Performance share plan	12.7	11.7
Total charged to personnel expenses	13.4	12.6

The compensation charged to personnel expenses for the services received during the period amounts to CHF 13.4 million including CHF 12.7 million relating to equity-settled plans credited in the retained earnings. The remaining CHF 0.7 million corresponds to cash-settled plans.

Restricted share unit plan settled in Sulzer shares

This long-term incentive plan covers the Board of Directors. Restricted share units (RSU) are granted annually. Awards to members of the Board of Directors automatically vest with the departure from the Board members. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. The fair value of the RSU granted is measured at the grant date closing share price of Sulzer Ltd, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds for the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. Consequently, the grant date fair value of the RSU is reduced by the present value of the dividends expected to be paid during the vesting period.

Given the spin-off of the Applicator Systems division in 2021, the group neutralized the consequences of the demerger for the restricted share plans. The number of originally granted RSU was recalculated to neutralize the effect of the spin-off on the share price, resulting in the same fair value before and after the spin-off, and did not impact the share-based payments expense. In 2024, the last plan impacted by the spin-off vested.

Restricted share units

Grant year	2024	2023	2022	2021	2020	Total
Outstanding as of January 1, 2023	–	–	11'637	6'288	3'170	21'095
Granted	–	10'128	–	–	–	10'128
Exercised	–	–	–6'279	–4'344	–3'170	–13'793
Outstanding as of December 31, 2023	–	10'128	5'358	1'944	–	17'430
Outstanding as of January 1, 2024	–	10'128	5'358	1'944	–	17'430
Granted	6'942	–	–	–	–	6'942
Exercised	–	–3'376	–2'679	–1'944	–	–7'999
Outstanding as of December 31, 2024	6'942	6'752	2'679	–	–	16'373
Average fair value at grant date in CHF	112.58	77.05	77.82	106.32	65.22	

Performance share plan settled in Sulzer shares

This long-term incentive plan covers the members of the Executive Committee and the members of the Sulzer Management Group. Performance share units (PSU) are granted annually, depending on the organizational position of the employee.

Vesting of the PSUs is subject to continuous employment and to the achievement of performance conditions over the performance period. Participants are not entitled to dividends declared during the vesting period. Vesting of the performance share plans (PSP) is based on three performance conditions: operational income before restructuring, amortization, impairments and non-operational items (operational profit) in the last year of the performance period (weighted 25%), average operational return on capital employed (operational ROCEA) (weighted 25%), and Sulzer's total return to shareholders (TSR), compared to a selected group of peer companies (weighted 50%).

TSR is measured with a starting value of the volume-weighted average share price (VWAP) over the last three months prior to the first year, and an ending value of the VWAP over the last three months of the vesting period. The rank of Sulzer's TSR at the end of the performance period determines the effective number of total shares.

The group neutralized the consequences of the spin-off of the Applicator Systems division in 2021. The number of originally granted PSUs was recalculated to neutralize the effect of the spin-off on share price, resulting in the same fair value before and after the spin-off. The target values of the Applicator Systems business for the PSP 2020 and PSP 2021, as derived from their respective three-year financial plans, are deducted for the Sulzer group. As a result, the target values for the group comprise only what remain as continuing businesses within the group. Furthermore, for each non-market performance condition (i.e., operational profit and operational ROCEA) of PSP 2020 and PSP 2021, the performance curve depicting the gradient formed from the threshold and cap performance level remains unchanged.

The following inputs were used to determine the fair value of the PSUs at grant date using a Monte Carlo simulation:

Grant year	2024	2023	2022	2021	2020
Fair value at grant date	125.65	88.38	84.69	124.95	78.18
Share price at grant date	109.70	77.45	76.35	101.12	76.05
Expected volatility	27.50%	28.76%	35.59%	34.68%	37.45%
Risk-free interest rate	1.03%	1.96%	0.39%	-0.58%	-0.64%

The expected volatility of the Sulzer share and the peer group companies is determined by the historical volatility. The zero-yield curves of those countries in which the companies and indices are listed were used as the relevant risk-free rates. Historical data was used to arrive at an estimate for the correlation between Sulzer and the peer companies. For the TSR calculation, all dividends paid during the vesting period are added to the closing share price.

Performance share units – terms of awards

Grant year	2024	2023	2022	2021	2020
Number of awards granted	77'697	99'244	97'930	90'527	151'422
Grant date	April 1, 2024	April 1, 2023	April 1, 2022	April 1, 2021	June 1, 2020
Performance period for cumulative operational profit	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23	01/20–12/22
Performance period for TSR	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23	01/20–12/22
Fair value at grant date in CHF	125.65	88.38	84.69	124.95	78.18

Performance share units

Grant year	2024	2023	2022	2021	2020	Total
Initially granted	77'697	99'244	97'930	90'527	151'422	516'820
APS division spin-off restatement	–	–	–	44'801	74'680	119'481
Outstanding as of January 1, 2023	–	–	94'186	117'069	199'164	410'419
Granted	–	99'244	–	–	–	99'244
Exercised	–	–1'576	–6'666	–6'470	–199'164	–213'876
Forfeited	–	–3'386	–10'587	–1'867	–	–15'840
Outstanding as of December 31, 2023	–	94'282	76'933	108'732	–	279'947
Outstanding as of January 1, 2024	–	94'282	76'933	108'732	–	279'947
Granted	77'697	–	–	–	–	77'697
Exercised	–27	–3'778	–5'526	–108'732	–	–118'063
Forfeited	–131	–4'664	–1'900	–	–	–6'695
Outstanding as of December 31, 2024	77'539	85'840	69'507	–	–	232'886

31 Transactions with members of the Board of Directors, Executive Committee and related parties

Key management compensation

thousands of CHF	2024				2023			
	Short-term benefits	Equity-based compensation	Pension and social security contributions	Total	Short-term benefits	Equity-based compensation	Pension and social security contributions	Total
Board of Directors	1'302	780	267	2'349	1'231	780	272	2'283
Executive Committee	7'107	3'850	1'591	12'548	8'681	3'231	1'892	13'804

As of December 31, 2024, there are no outstanding loans with members of the Board of Directors or the Executive Committee. No shares have been granted to members of the Board of Directors, the Executive Committee, or related persons, with the exception of shares granted in connection with equity-settled plans and service awards.

Transactions and balances with associates and joint ventures

In 2024, the group recorded transactions and balances with associates and joint ventures. Sales with associates amounted to zero (2023: CHF 0.5 million), other operating income amounted to CHF 0.3 million (2023: zero), the operating expenses amounted to CHF 0.2 million (2023: CHF 1.5 million), and as of December 31, 2024, trade receivables with associates amounted to CHF 0.3 million (2023: zero), and trade payables amounted to CHF 0.0 million (2023: zero). The operating expenses with joint ventures amounted to CHF 4.3 million (2023: zero), and interest income to CHF 0.1 million (2023: zero). As of December 31, 2024, loan receivables amounted to CHF 1.7 million (2023: CHF 2.0 million), other receivables amounted to CHF 0.1 million (2023: zero), and payables amounted to CHF 0.6 million (2023: CHF 0.1 million). See [note 16](#) for details on the investments in associates and joint ventures.

Transactions and balances with other related parties

In 2024, open payables with related parties amounted to CHF 408.4 million (2023: CHF 365.4 million), of which CHF 90.4 million (2023: CHF 88.1 million) related to the purchase of treasury shares (see [note 27](#)) and CHF 318.0 million (2023: CHF 277.2 million) related to outstanding dividend payments (see [note 23](#) and [note 27](#)).

All related party transactions are priced on an arm's-length basis.

32 Auditor remuneration

Fees for the audit services by KPMG as the appointed group auditor amounted to CHF 4.1 million (2023: CHF 3.7 million). Additional services provided by the group auditor amounted to a total of CHF 2.0 million (2023: CHF 0.6 million). This amount includes CHF 0.3 million (2023: CHF 0.2 million) for tax services and CHF 1.7 million (2023: CHF 0.4 million) for other services.

33 Key accounting policies and valuation methods

33.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards using the historical cost convention except for:

- financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income; and
- net position from defined benefit plans, where plan assets are measured at fair value and the plan liabilities are measured at the present value of the defined benefit obligations (see note 33.18 a).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in [note 5](#).

Rounding

Due to rounding, numbers presented throughout the consolidated financial statements may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

33.2 Change in accounting policies

a) Standards, amendments and interpretations which were effective for 2024

Starting from January 1, 2024, the group applied changes in standards, amendments and interpretations that became effective January 1, 2024. None of these changes had a material effect on the financial statements of the group.

The group has adopted the following amendments for the first time from January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of liabilities as current or non-current and non-current liabilities with covenants. The amendments provide clarification when an entity should classify liabilities as current or non-current and introduce new disclosure requirements for non-current liabilities that are subject to future covenants.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Disclosure of supplier finance arrangements. The amendments introduce new disclosure

requirements for supplier finance arrangements that should allow users to assess the impact of such agreements on an entity's liabilities, cash flows and liquidity risk.

- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback. The amendments provide further clarification how the lease liability should be measured by a seller-lessee.

b) Standards, amendments and interpretations issued but not yet effective, which the group decided not to adopt early in 2024

The following amended standards will become effective from January 1, 2025. The group does not expect these to have a material impact on the consolidated financial statements:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability. The amendments provide guidance for the assessment if a currency is exchangeable into another currency and how to determine the spot exchange rate in case a currency is not exchangeable.

The following amended or new standards will become effective from January 1, 2026 or later. The group is in the process of assessing the below amendments:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure – Classification and measurement of financial instruments. The amendments include clarification about the date on which a financial liability is derecognized in case of a settlement via electronic cash transfers, as well as clarification about the classification of financial assets with features linked to environmental, social and corporate governance (ESG). The amendments will become effective from January 1, 2026.
- Annual Improvements to IFRS Accounting Standards: Volume 11 - The objective is to enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for minor unintended consequences, conflicts or oversights. The amendments will become effective from January 1, 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements - The new standard introduces new requirements to the presentation structure of the financial statements as well as additional disclosure requirements. The new standard will become effective from January 1, 2027.

33.3 Consolidation

a) Business combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at the fair value of the assets given, the liabilities incurred to the former owner of the acquiree and the equity interest issued by the group. Any goodwill arising is tested annually for impairment. Any gain on a bargain purchase is recognized in the income statement immediately. Acquisition-related costs are expensed as incurred, except if related to the issue of debt or equity securities. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

b) Subsidiaries

Subsidiaries are all entities controlled by the group. The group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

According to the full consolidation method, all assets and liabilities and income and expenses of the subsidiaries are included in the consolidated financial statements. The share of non-controlling interests in the net assets and results is presented separately as non-controlling interests in the consolidated balance sheet and income statement, respectively.

c) Non-controlling interests

The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions.

d) Loss of control

When the group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

e) Associates and joint ventures

Associates are those entities in which the group has significant influence, but no control, over the financial and operating policies. Significant influence is presumed to exist when the group holds, directly or indirectly, between 20% and 50% of the voting rights. Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

f) Transactions eliminated on consolidation

All material intercompany transactions and balances and any unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

33.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance (e.g., operating income) of the operating segments, has been identified as chief operating decision maker.

33.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swiss francs (CHF).

The following table shows the major currency exchange rates for the reporting periods 2024 and 2023:

CHF	2024		2023	
	Average rate	Year-end rate	Average rate	Year-end rate
EUR 1	0.95	0.94	0.97	0.93
GBP 1	1.12	1.13	1.12	1.08
USD 1	0.88	0.90	0.90	0.84
CNY 100	12.23	12.38	12.68	11.89
INR 100	1.05	1.05	1.09	1.01

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

c) Subsidiaries

The results and balance sheet positions of subsidiaries that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates.

Translation differences resulting from consolidation are taken to other comprehensive income. In the event of a sale or liquidation of foreign subsidiaries, exchange differences that were recorded in other comprehensive income are recognized in the income statement as part of the gain or loss on sale or liquidation.

If a loan is made to a group company, and the loan in substance forms part of the group's investment in the group company, translation differences arising from the loan are recognized directly in other comprehensive income as foreign currency translation differences. When the group company is sold or partially disposed of, and control no longer exists, gains and losses accumulated in equity are reclassified to the income statement as part of the gain or loss on disposal.

33.6 Intangible assets

Intangible assets with finite useful life are amortized in line with the expected useful life, usually on a straight-line basis. The period of useful life is to be assessed according to business rather than legal criteria. This assessment is made at least once a year. An impairment might be required in the event of sudden or unforeseen value changes.

a) Goodwill

Goodwill represents the difference between the consideration transferred and the fair value of the group's share in the identifiable net asset value of the acquired business at the time of acquisition. Any goodwill arising as a result of a business combination is included within intangible assets.

Goodwill is subject to an annual impairment test and valued at its original acquisition cost less accumulated impairment losses. In cases where circumstances indicate a potential impairment, impairment tests are conducted more frequently. Profits and losses arising from the sale of a business include the book value of the goodwill assigned to the business being sold.

For impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill originating from the acquisition of an associate or joint venture is included in the book value of the investment.

b) Trademarks and licenses

Trademarks, licenses and similar rights acquired from third parties are stated at acquisition cost. Such assets are amortized over their expected useful life, generally not exceeding 10 years.

c) Computer software

Acquired computer software licenses in control of the group are capitalized on the basis of the cost incurred to acquire the specific software and bring to use. These costs are amortized over their estimated useful lives (three to max. five years).

d) Customer relationships

As part of a business combination, acquired customer rights are recorded at fair value (cost at the time of acquisition). These costs are amortized over their estimated useful lives, generally not exceeding 15 years.

33.7 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less depreciation and impairments. Acquisition cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the estimated useful life. Land is stated at cost and is not depreciated.

The useful lives are as follows:

Buildings: 20–50 years

Machinery: 5–15 years

Technical equipment: 5–10 years

Other non-current assets: max. 5 years

33.8 Impairment of property, plant and equipment and intangible assets

Assets with a finite useful life are only tested for impairment if relevant events or changes in circumstances indicate that the book value is no longer recoverable. An impairment loss is recorded equal to the excess of the carrying value over the recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and its value in use. The value in use is based on the estimated cash flow over a five-year period and the extrapolated projections for subsequent years. The results are discounted using an appropriate pretax, long-term interest rate. For the purposes of the impairment test, assets are grouped together at the lowest level for which separate cash flows can be identified (cash-generating units).

33.9 Lease assets and lease liabilities

The group recognizes lease assets and lease liabilities for most leases (these leases are on-balance-sheet). However, the group has elected not to recognize lease assets and lease liabilities for leases of low-value assets and short-term leases. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group presents lease assets and lease liabilities as separate line items on the balance sheet.

The group recognizes lease assets and lease liabilities at the lease commencement date. The lease asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements. The lease liability is initially measured at the present value of the lease payments that are not paid on commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses currency and duration-specific incremental borrowing rates for the discounting.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised.

33.10 Financial assets

Financial assets are classified into the following three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

Debt instruments

Financial assets measured at amortized cost

Initially, financial assets are recognized at fair value. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement and presented in other financial income / (expenses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the income statement.

Equity instruments

The group measures all equity investments at fair value. Where the group is holding equity instruments not for trading and group's management has elected to present fair value gains and losses on equity investments in other comprehensive income (OCI), there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognized in the income statement as other income when the group's right to receive payments is established. A gain or loss on an equity investment that is subsequently measured at FVTPL is recognized in the income statement and presented within other operating income and expenses or other financial income and expenses, depending on the nature of the investment, in the period in which it arises.

33.11 Derivative financial instruments and hedging activities

The group uses derivative financial instruments, such as forward currency contracts and other forward contracts, to hedge its risks associated with fluctuations in foreign currencies arising from operational and financing activities. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on the derivatives during the year that do not qualify for hedge accounting are taken directly into profit or loss.

The group applies hedge accounting to secure the foreign currency risks of future cash flows that have a high probability of occurrence. These hedges are classified as “cash flow hedges”, whereas the hedge instrument is recorded on the balance sheet at fair value and the effective portions are booked against “Other comprehensive income” in the column “Cash flow hedge reserve”. If the hedge relates to a non-financial transaction that will subsequently be recorded on the balance sheet, the adjustments accumulated under “Other comprehensive income” at that time will be included in the initial book value of the asset or liability. In all other cases, the cumulative changes of fair value of the hedging instrument that have been recorded in other comprehensive income are included as a charge or credit to income when the forecasted transaction is recognized or when hedge accounting is discontinued as the criteria are no longer met. In general, the fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

At the inception of the transaction, the group documents the relationship between hedging instruments and hedged items and its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

33.12 Inventories

Raw materials, supplies and consumables are stated at the lower of cost or net realizable value. Finished products and work in progress are stated at the lower of production cost or net realizable value. Production cost includes the costs of materials, direct and indirect manufacturing costs, and contract-related costs of construction. Inventories are valued by reference to weighted average costs. Provisions are made for slow-moving and excess inventories and are recognized in the income statement in Costs of goods sold.

33.13 Trade receivables

Trade and other accounts receivable are recognized initially at their transaction price and subsequently measured at amortized cost, less allowances for doubtful trade accounts receivable.

The allowance for doubtful trade accounts receivable is based on expected credit losses. The group applies the simplified approach, measuring the loss amount based on lifetime expected credit losses. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP) and oil price development.

33.14 Cash and cash equivalents

Cash and cash equivalents comprise bills, postal giro and bank accounts, together with other short-term highly liquid investments with a maturity of three months or less from the date of acquisition. Bank overdrafts are reported within borrowings in the current liabilities.

33.15 Trade payables

Trade payables and other payables are stated at face value. The respective value corresponds approximately to the amortized cost.

33.16 Borrowings

Financial debt is stated at fair value when initially recognized, after recognition of transaction costs. In subsequent periods, it is valued at amortized cost. Any difference between the amount borrowed (after deduction of transaction costs) and the repayment amount is reported in the income statement over the duration of the loan using the effective interest method. Borrowings are classified as current liabilities unless the group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

33.17 Current and deferred income taxes

The current income tax charge comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group's subsidiaries operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The liability method is used to provide deferred taxes on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are valued by applying tax rates (and regulations) substantially enacted on the balance sheet date or any that have essentially been legally approved and are expected to apply at the time when the deferred tax asset is realized or the deferred tax liability is settled.

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that a taxable profit will be available against which they can be used.

Deferred tax liabilities arising as a result of temporary differences relating to investments in subsidiaries, associates and joint venture are applied, unless the group can control when temporary differences are reversed and it is unlikely that they will be reversed in the foreseeable future.

33.18 Employee benefits

a) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan. The calculation of defined benefit assets / obligations is performed annually by a qualified actuary using the projected unit credit method. The net obligation is estimated based on the discounted future benefit that employees have earned in the current and prior periods, deducting the fair value of any plan assets. The discount rate is determined with reference to the interest rates on high-quality corporate bonds denominated in the currency of the expected cash flows and aligned with the estimated term.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income on plan assets), and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

Defined contribution plans are defined as pure savings plans, under which the employer makes certain contributions into a separate legal entity (fund) and does not have a legal or an extendible (constructive) liability to contribute any additional amounts in the event this entity does not have enough funds to pay out benefits. A “constructive” commitment exists when it can be assumed that the employer will voluntarily make additional contributions in order not to endanger the relationship with its employees. Company contributions to such plans are considered in the income statement as personnel expenses.

c) Other employee benefits

Some subsidiaries provide other employee benefits such as jubilee gifts to their employees. Jubilee gifts are other long-term benefits. For example, in Switzerland, the group makes provisions for jubilee benefits based on a Swiss local directive. The provisions are reported in the category “Other employee benefits”.

Short-term benefits are payable within 12 months after the end of the period in which the employees render the related employee service. In the case of liabilities of a long-term nature, the discounting effects and employee turnover are to be taken into consideration.

Obligations to employees arising from restructuring measures are included under the category “Restructuring provisions”.

33.19 Share-based compensation

The group operates two equity-settled share-based payment plans. A performance share plan (PSP) covers the members of the Executive Committee and the members of the Sulzer Management Group. A restricted share plan (RSP) covers the members of the Board of Directors.

a) Performance share plan (PSP)

The fair value of the employee services received in exchange for the grant of the performance share units (PSU) is recognized as a personnel expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share units granted, excluding the impact of any non-market vesting conditions (e.g., target profit levels). At each balance sheet date, the group reassesses its estimates of the number of share units that are expected to vest. It recognizes the impact of the reassessment of original estimates, if any, in the income statement, and a corresponding adjustment to equity. The fair value of PSUs granted is measured by external valuation specialists based on a Monte Carlo simulation.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the PSP. The dilution effect of the share-based awards is considered when calculating diluted earnings per share.

b) Restricted share plan (RSP)

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which the specified service conditions are expected to be met.

The fair value of the restricted share units (RSU) granted for services rendered is measured at the Sulzer closing share price at grant date, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds with maturities matching the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. The grant date fair value of the RSUs is consequently reduced by the present value of dividends expected to be paid during the vesting period.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the RSP. The dilutive effect of the share-based awards is considered when calculating diluted earnings per share.

33.20 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to a single item included in the class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

33.21 Sales

Sales comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the group's activities. This includes standard products (off the rack) and configured and engineered or tailor-made products. Sales are shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The core principle is that sales are recognized at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring goods or services to a customer.

Sales are recognized when (or as) the group satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

A customer obtains control of a good or service if it has the ability to direct the use of, and obtain substantially all of the remaining benefits from, that good or service (e.g., use, consume, sale, hold). A customer could have the future right to direct the use of the asset and obtain substantially all of the benefits from it (i.e., upon making a prepayment for a specified product).

There are two methods to recognize sales:

- **Over time method (OT):** sales, costs and profit margin recognition in line with the progress of the project
- **Point in time method (PIT):** sales recognition when the performance obligation is satisfied at a certain point in time

The group determines at contract inception whether control of each performance obligation transfers to a customer over time or at a point in time. Arrangements where the performance obligations are satisfied over time are not limited to services arrangements. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition.

Over time method (OT)

Sales are recognized over time if any of the following is met:

- The customer simultaneously receives / consumes as the group performs.
- The group creates / enhances an asset and the customer controls it during this process.
- The created asset has no alternative use for the group and the group has an enforceable right to payment (including reasonable profit margin) for performance completed to date if the customer terminates the contract for convenience.

The over time method is based on the percentage of costs to date compared with the total estimated contract costs (cost-to-cost method). In rare cases, other methods, such as a milestones method, may be used for a particular project, assuming that the stage of completion can be better estimated than by applying the cost-to-cost method. Work progress of sub-suppliers is considered to determine the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs, and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

The income statement contains a share of sales, including an estimated share of profit. The balance sheet includes the corresponding contract assets if the assets exceed the advance payments from the customer of the project. When it appears probable that the total costs of an order will exceed the expected income, the total amount of expected loss is recognized immediately in the income statement.

Point in time method (PIT)

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time is met. Sales are recognized when (or as) the customer obtains control of that asset (depending on international commercial terms). The following points indicate that a customer has obtained control of an asset:

- The entity has a present right to payment
- The customer has legal title
- The customer has physical possession
- The customer has the significant risks and rewards of ownership
- The customer has accepted the asset

For contracts applying the point in time method, the transfer of risks and rewards of ownership (depending on international commercial terms) typically depicts the transfer of control most appropriately.

Disaggregation of sales

In the segment information ([note 2](#)), sales are disaggregated by:

- Divisions (group's reportable segments)
- Timing of sales recognition (sales recognition method: over time, point in time) and divisions
- Market segments and divisions
- Geographical regions and divisions

Payment terms

The group's general terms and conditions of supply require payments within 30 days after the invoice date.

If the group's general terms and conditions apply for a contract, the group is entitled to issue the invoices as follows: for one-third of the contract value within five days after effective date (date when the purchase order has been accepted by the supplier, or the date of the latest signing), for one-third after expiration of half of the delivery time, and for one-third within 45 days prior to delivery. Payments for prices calculated on a time basis are invoiced on a biweekly basis or after completion of the scope of supply, whichever occurs first.

Other payment terms may apply if otherwise defined in the customer contract, the purchase order, the respective change order or the quotation.

Variable considerations

If the consideration promised in a contract includes a variable amount (e.g., liquidated damages, early payment discount, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects will better predict the amount of consideration to which it will be entitled: the expected value method or the most likely amount method. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled.

If the group fails to meet the delivery date and a purchase order expressly provides liquidated damages for such failure, the purchaser is entitled to demand that the group pay liquidated damages at the rate stated in the purchase order. The group's obligation for estimated liquidated damages are recorded as a reduction in revenue.

Allocation of the transaction price

To allocate the transaction price to each performance obligation on a relative stand-alone, selling-price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

34 Subsequent events after the balance sheet date

On January 30, 2025, the Group acquired 100% of the shares of DAVIES & MILLS CO. W.L.L, a services business in Bahrain. The consideration paid is CHF 12.0 million and is subject to change due to variable price components.

The Board of Directors authorized these consolidated financial statements for issue on February 26, 2025. They are subject to approval at the Annual General Meeting, which will be held on April 23, 2025. At the time when these consolidated financial statements were authorized for issue, the Board of Directors and the Executive Committee were not aware of any events that would materially affect these financial statements.

35 Major subsidiaries

December 31, 2024

	Subsidiary	Sulzer ownership and voting rights	Registered capital (including paid-in capital in the USA and Canada)	Direct participation by Sulzer Ltd	Research and development	Production and engineering	Sales	Service
Europe								
Switzerland	Sulzer Chemtech AG, Winterthur	100%	CHF 10'000'000	•	•	•	•	•
	Sulzer Markets and Technology AG, Winterthur	100%	CHF 4'000'000	•				
	Sulzer Management AG, Winterthur	100%	CHF 500'000	•				
	Tefag AG, Winterthur	100%	CHF 500'000	•				
	Sulzer International AG, Winterthur	100%	CHF 100'000	•				
Belgium	Sulzer Pumps Wastewater Belgium N.V., Anderlecht	100%	EUR 123'947	•			•	•
	Ensival Moret Belgium SA, Thimister-Clermont	100%	EUR 7'400'000	•				
Germany	Sulzer Pumpen (Deutschland) GmbH, Bruchsal	100%	EUR 3'000'000	•	•	•	•	•
	Sulzer Flow Germany GmbH, Bonn ¹⁾	100%	EUR 300'000	•			•	•
	Sulzer Chemtech GmbH, Krefeld	100%	EUR 300'000	•			•	•
	Sulzer Pumps Denmark A/S, Farum	100%	DKK 501'000	•			•	•
Finland	Sulzer Pumps Finland Oy, Kotka	100%	EUR 16'000'000	•	•	•	•	•
France	Sulzer Pompes France SASU, Buchelay	100%	EUR 6'600'000	•	•	•	•	•
	Sulzer Ensival Moret France SASU, Saint-Quentin	100%	EUR 10'000'000	•		•	•	•
UK	Sulzer Pumps (UK) Ltd., Leeds	100%	GBP 9'610'000		•	•	•	•
	Sulzer Chemtech (UK) Ltd., Stockton on Tees	100%	GBP 100'000				•	•
	Sulzer Services (UK) Ltd., Birmingham	100%	GBP 48'756			•	•	•
	Sulzer (UK) Holdings Ltd., Leeds	100%	GBP 6'100'000	•				
	Sulzer GT Aero Services Ltd., Aberdeen ²⁾	100%	GBP 1		•	•	•	•
	Sulzer (Aberdeen) Ltd.	100%	GBP 198'000			•	•	•
Ireland	Sulzer Pump Solutions Ireland Ltd., Wexford	100%	EUR 2'222'500	•	•	•	•	•
	Sulzer Finance (Ireland) Limited, Wexford	100%	EUR 100					
Italy	Sulzer Italy S.r.l., Casalecchio di Reno	100%	EUR 600'000	•			•	
Norway	Sulzer Pumps Wastewater Norway A/S, Sandvika	100%	NOK 502'000	•			•	•
	Sulzer Services Norway A/S, Klepp Stasjon ³⁾	100%	NOK 500'000	•			•	•
	Nordic Water Products A/S, Straume	100%	NOK 150'000				•	•
The Netherlands	Sulzer Pumps Wastewater Netherlands B.V., Maastricht-Airport	100%	EUR 45'378				•	•
	Sulzer Chemtech Nederland B.V., Breda	100%	EUR 1'134'451				•	•
	Sulzer Turbo Services Venlo B.V., Lomm	100%	EUR 443'940		•	•	•	•
	Sulzer Netherlands Holding B.V., Lomm	100%	EUR 10'010'260	•				
	Sulzer Capital B.V., Lomm	100%	EUR 50'000					
Austria	Sulzer Austria GmbH, Wiener Neudorf	100%	EUR 350'000	•			•	•
Romania	Sulzer GTC Technology Romania S.R.L., Bucharest	100%	RON 1'345'070	•		•		
Sweden	Sulzer Pumps Sweden AB, Vadstena	100%	SEK 3'000'000	•	•	•	•	•
	Nordic Water Products AB, Mölndal	100%	SEK 200'000		•	•	•	•
Spain	Sulzer Pumps Spain S.A., Madrid	100%	EUR 1'750'497	•		•	•	•

	Sulzer Pumps Wastewater Spain S.A.U., Rivas Vaciamadrid	100%	EUR 2'000'000					•	•
North America									
Canada	Sulzer Pumps (Canada) Inc., Burnaby	100%	CAD 2'771'588					•	•
	Sulzer Chemtech Canada Inc., Edmonton	100%	CAD 1'000'000	•				•	•
	Sulzer Rotating Equipment Services (Canada) Ltd., Edmonton	100%	CAD 7'000'000	•				•	•
	JWC Environmental Canada ULC, Burnaby	100%	CAD 1'832'816					•	•
USA	Sulzer Pumps (US) Inc., Houston, Texas	100%	USD 40'381'108			•		•	•
	Sulzer Pumps Solutions Inc., Easley, South Carolina	100%	USD 25'589'260					•	•
	Sulzer Pump Services (US) Inc., Houston, Texas	100%	USD 1'000					•	•
	Sulzer Chemtech USA, Inc., Tulsa, Oklahoma	100%	USD 47'895'000			•		•	•
	Sulzer Turbo Services Houston Inc., La Porte, Texas	100%	USD 18'840'000					•	•
	Sulzer Turbo Services New Orleans Inc., Belle Chasse, Louisiana	100%	USD 4'006'122					•	•
	Sulzer Electro-Mechanical Services (US) Inc., Pasadena, Texas	100%	USD 12'461'286					•	•
	Sulzer US Holding Inc., Houston, Texas	100%	USD 310'335'340	•					
	JWC Environmental Inc., Santa Ana, California	100%	USD 220'818'520			•		•	•
Mexico	Sulzer Pumps México, S.A. de C.V., Cuautitlán Izcalli	100%	MXN 4'887'413	•				•	•
	Sulzer Chemtech, S. de R.L. de C.V., Cuautitlán Izcalli	100%	MXN 231'345'500	•				•	•
Central and South America									
Argentina	Sulzer Turbo Services Argentina S.A., Buenos Aires	100%	ARS 9'730'091	•				•	•
Brazil	Sulzer Brasil S.A., Jundiaí	100%	BRL 81'789'432	•				•	•
	Sulzer Pumps Wastewater Brasil Ltda., Jundiaí	100%	BRL 37'966'785	•				•	•
Chile	Sulzer Bombas Chile Ltda., Vitacura	100%	CLP 46'400'000	•				•	
Colombia	Sulzer Pumps Colombia S.A.S., Cota	100%	COP 7'142'000'000	•				•	•
Africa									
South Africa	Sulzer Pumps (South Africa) (Pty) Ltd., Elandsfontein	75%	ZAR 100'450'000			•		•	•
	Sulzer (South Africa) Holdings (Pty) Ltd., Elandsfontein	100%	ZAR 16'476	•				•	•
Morocco	Sulzer Maroc S.A.R.L. A.U., Nouaceur	100%	MAD 3'380'000	•					•
Nigeria	Sulzer Pumps (Nigeria) Ltd., Lagos	49%	NGN 10'000'000	•				•	•
Zambia	Sulzer Zambia Ltd., Chingola	100%	ZMK 15'000'000	•				•	•
Middle East									
United Arab Emirates	Sulzer Pumps Middle East FZCO, Dubai	100%	AED 500'000	•				•	•
Saudi Arabia	Sulzer Saudi Pump Company Limited, Riyadh	100%	SAR 44'617'000	•				•	•
Bahrain	Sulzer Chemtech Middle East W.L.L., Al Seef	100%	BHD 50'000	•				•	
Asia									
India	Sulzer Pumps India Pvt. Ltd., Navi Mumbai	100%	INR 24'893'500	•				•	•
	Sulzer India Pvt. Ltd., Pune	100%	INR 34'500'000	•				•	•
	Sulzer Tech India Pvt. Ltd., Navi Mumbai	100%	INR 100'000	•				•	
Indonesia	PT. Sulzer Indonesia, Purwakarta	95%	IDR 28'234'800'000	•				•	•
Japan	Sulzer Daiichi K.K., Tokyo	60%	JPY 30'000'000	•				•	
	Sulzer Japan Ltd., Tokyo	100%	JPY 30'000'000	•				•	•

Malaysia	Sulzer Pumps Wastewater Malaysia Sdn. Bhd., Selangor Darul Ehsan	100%	MYR 1'000'000	•			•	
Singapore	Sulzer Singapore Pte. Ltd., Singapore	100%	SGD 1'000'000	•		•	•	•
South Korea	Sulzer Korea Ltd., Seoul	100%	KRW 222'440'000	•			•	
	Sulzer GTC Technology Korea Co. Ltd., Seoul	100%	KRW 4'870'000'000	•		•	•	•
Thailand	Sulzer (Thailand) Co., Ltd., Rayong	100%	THB 25'000'000	•				•
People's Republic of China	Sulzer Dalian Pumps & Compressors Ltd., Dalian	100%	CHF 21'290'000	•	•	•	•	•
	Sulzer Pumps Suzhou Ltd., Suzhou	100%	CNY 282'069'324	•	•	•	•	•
	Sulzer Pump Solutions (Kunshan) Co., Ltd., Kunshan	100%	USD 5'760'000	•	•	•		
	Sulzer Chemtech (Shanghai) Co., Ltd., Shanghai ⁴⁾	100%	CNY 54'267'608	•	•	•	•	•
	Sulzer Pumps Wastewater Shanghai Co. Ltd., Shanghai	100%	USD 1'550'000	•	•		•	•
	Sulzer GTC (Beijing) Technology Inc., Beijing	100%	USD 150'000	•	•	•	•	•
	Nordic Water Products (Beijing) Co., Ltd., Beijing	100%	USD 800'000				•	•
Australia								
	Sulzer Australia Pty Ltd., Brisbane	100%	AUD 5'308'890				•	•
	Sulzer Australia Holding Pty Ltd., Brendale	100%	AUD 34'820'100	•				

1) Formerly named Sulzer Pumps Wastewater Germany GmbH.

2) Formerly named Alba Power Limited.

3) Formerly named Sulzer Pumps Norway A/S.

4) Formerly named Sulzer Shanghai Eng. & Mach. Works Ltd.



Statutory Auditor’s Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sulzer Ltd and its subsidiaries (the Group), which comprise the “[Consolidated balance sheet](#)” as at December 31, 2024, the “[Consolidated income statement](#)”, the “[Consolidated statement of comprehensive income](#)”, the “[Consolidated statement of changes in equity](#)” and the “[Consolidated statement of cash flows](#)” for the year then ended, and “[Notes to the consolidated financial statements](#)”, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities



Accounting for warranties and other costs to fulfil contract obligations

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP), and accuracy of contract liabilities

Key Audit Matter

As per December 31, 2024, revenue from customer contracts amounts to CHF 3'530.6 million, contract assets amount to CHF 500.1 million, contract liabilities to CHF 531.3 million and the balance of work in progress (WIP) amounts to CHF 282.5 million.

Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.

Revenue and related costs from long-term customer orders (construction and service contracts) are recognized over time (OT), provided they fulfill the criteria of IFRS Accounting Standards, specifically having the right to payment in case of termination for convenience. The OT method allows recognizing revenues by reference to the stage of completion of the contract. The application of the OT method is complex and requires judgments by management when estimating the stage of completion, total project costs and the costs to complete the work. Incorrect assumptions and estimates can lead to revenue being recognized in the wrong reporting period or in amounts inadequate to the actual stage of completion, and therefore to an incorrect result for the period.

During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require write-offs of contract assets, receivables and the immediate recognition of the expected loss as a provision.

Regarding the projects recognized at a point in time (PIT), the risks include inappropriate revenue recognition from revenue being recorded in the wrong accounting period as well as overstated WIP that requires impairment adjustments.

Our response

Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts.

For the revenue recognized throughout the year, we evaluated selected key controls, including results reviews by management, and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.

These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed inquiries with management to understand their project risk assessments and inspected meeting minutes from project reviews performed by management to identify relevant changes in their assessments and estimates. We challenged these assessments and estimates for OT projects including comparing estimated project financials between reporting periods and assessed the historical accuracy of these estimates.

On a sample basis, we reconciled revenue to the supporting documentation, validated estimates of costs to complete, tested the mathematical accuracy of calculations and the adequacy of project accounting. We also examined costs included within contract assets on a sample basis by verifying the amounts back to source documentation and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.

We further performed testing for PIT projects on a sample basis to confirm the appropriate application of revenue recognition policies and to verify valuation of WIP balances. This included reconciling accounting entries to supporting documentation. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.

For further information on Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities refer to the following:

- [Note 18](#) to the consolidated financial statements
- [Note 19](#) to the consolidated financial statements



Accounting for warranties and other costs to fulfil contract obligations

Key Audit Matter

As per December 31, 2024, provisions in the amount of CHF 98.3 million are held on the balance sheet to cover expected costs arising from product warranties. Additional expected costs to fulfil contract obligations from onerous contracts are recorded as other provisions.

Sulzer is exposed to claims from customers for not meeting contractual obligations. Remedying measures, addressing technical shortcomings or settlement negotiations with clients, may take several months and cause additional costs. The assessment of these costs to satisfy order related obligations contains management assumptions with a higher risk of material misjudgment.

Our response

Based on our knowledge gained through contract and project reviews, we assessed the need for and the accuracy of provisions.

We further challenged management’s contract risk assessments by inquiries, inspection of meeting minutes and review of correspondence with customers where available.

Where milestones or contract specifications were not met, we challenged the recognition and appropriateness of provisions by recalculating the amounts, obtaining written management statements and evidence from supporting documents such as correspondence with clients or legal assessments of external counsels where available.

We also evaluated the historical accuracy of estimates made by management through retrospective reviews. In order to gain a complete and clear understanding of legal matters we further performed inquiry procedures with the office of Sulzer’s General Counsel and reviewed relevant documents.

For further information on accounting for warranties and other cost to fulfil contract obligations refer to the following:

- [Note 26](#) to the consolidated financial statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 26, 2025

Supplementary information

Alternative performance measures (APM)

The financial information included in this report includes certain alternative performance measures (APMs), which are not accounting measures as defined by IFRS. These APMs should not be used instead of, or considered as alternatives to, the group's consolidated financial results based on IFRS. These APMs may not be comparable to similarly titled measures disclosed by other companies. All APMs presented relate to the performance of the current reporting period and comparative periods.

Definition of alternative performance measures (APM)

Order intake

Order intake includes all registered orders of the period that will be recorded or have already been recorded as sales. The reported value of an order corresponds to the undiscounted value of sales that the group expects to recognize following delivery of goods or services subject to the order, less any trade discounts and excluding value added or sales tax. Adjustments, corrections and cancellations resulting from updating the order backlog are respectively included in the amount of the order intake.

Order intake gross margin

The order intake gross margin is defined as the expected gross profit of order intake divided by order intake.

Order backlog

Order backlog represents the undiscounted value of sales the group expects to generate from orders on hand at the end of the reporting period.

Return on sales (ROS)

ROS measures the profitability relative to sales. ROS is calculated by dividing EBIT by sales.

Operational profit

Operational profit is used to determine the profitability of the business, without considering impairments, restructuring expenses and other non-operational items and before interest, taxes and amortization. Non-operational items include significant acquisition-related expenses, gains and losses from sale of businesses or real estate, and certain non-operational items that are non-recurring or do not occur in similar magnitude.

Operating income (EBIT)

Operating income (EBIT) as presented in the consolidated income statement is the profit before income tax expenses, interest income and expenses, other financial income and expenses and share of profit / (loss) of associates and joint ventures.

Operational profitability

Operational profitability measures how the group turns sales into operating profits. Operational profitability is calculated by dividing operational profit by sales.

Operational ROCEA (operational return on capital employed)

Operational ROCEA measures how the group generates operational profits from its capital employed. Operational ROCEA is calculated by dividing operational profit by average capital employed.

Capital employed

Capital employed refers to the amount of capital investment the group uses to operate and provides an indication of how the group is investing its money. For the calculation of the capital employed, please refer to the reconciliation statement below.

EBITDA (earnings before interest, taxes, depreciation and amortization)

The group uses EBITDA to determine the net debt / EBITDA ratio. EBITDA is defined as EBIT before depreciation, amortization and impairment.

Core net income

Core net income is used to determine the dividend proposal. Sulzer's long-term target is to maintain a dividend payout ratio of approximately 40% to 70% of core net income with due consideration to liquidity and funding requirements as well as continuity. Core net income is defined as net income before tax-adjusted effects on restructuring, amortization, impairments and non-operational items.

Free cash flow (FCF)

FCF is used to assess the group's ability to generate the cash required to conduct and maintain its operations. It also indicates the group's ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. FCF is calculated based on the IFRS cash flow from operating activities and adjusted for capital expenditures (investments in property, plant and equipment and intangible assets).

Net debt

Net debt is used to monitor the group's overall short- and long-term liquidity. Net debt is calculated as the sum of total current and non-current borrowings and lease liabilities less cash and cash equivalents and current financial assets.

Net debt / EBITDA ratio

Net debt / EBITDA is a ratio measuring the amount of income generated and available to pay down debt before covering interest, taxes, depreciations and amortization expenses. The net debt / EBITDA ratio is used as a measurement of leverage. It is calculated as net debt divided by EBITDA.

Gearing ratio (borrowings-to-equity ratio)

The gearing ratio compares the borrowings and lease liabilities relative to the equity. The gearing ratio represents the group's leverage, comparing how much of the business's funding comes from borrowed funds (lenders) versus company owners (shareholders). The gearing ratio is defined as borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

Currency-adjusted growth

Certain percentage changes in the financial review and the business review divisions have been calculated using constant exchange rates, which allow for an assessment of the group's financial

performance with the effects of exchange rate fluctuations eliminated. The currency-adjusted growth is calculated by applying the previous year's exchange rates for the current year and calculating the growth without currency effects.

Organic growth

Organic growth measures changes with the same period in the previous year after adjusting for effects arising from acquisitions, divestitures / deconsolidations and foreign exchange differences.

The impact of the organic growth is determined as follows:

- Currency-adjusted growth as described above
- For the current-year acquisitions, by deducting the currency-adjusted amount generated during the current-year by the acquired entities
- For prior-year acquisitions, by deducting the currency-adjusted amount generated over the months during which the acquired entities were not consolidated in the previous year
- For current-year disposals, by adding the currency-adjusted amount generated by the divested entities in the previous year over the months during which those entities were no longer consolidated in the current year
- For the prior-year disposals, by adding for the current year the currency-adjusted amount generated in the previous year by the divested entities

Reconciliation statements for alternative performance measures (APM)

For reconciliation statements of operational profit, operational profitability, core net income and free cash flow, please refer to the section "Financial review", for EBITDA, net debt and gearing ratio to [note 6](#) and for operational ROCEA to the table below.

Operational ROCEA reconciliation statement

millions of CHF	2024	2023
Total assets	4'714.3	4'369.5
./. Other intangible assets	-178.5	-196.8
./. Cash and cash equivalents	-1'060.6	-974.7
./. Current financial assets	-1.0	-2.3
./. Total current and non-current income and deferred tax assets and liabilities	-62.8	-45.3
./. Total non-current liabilities	-1'058.9	-1'125.3
./. Total current liabilities	-2'420.3	-2'145.6
Non-current borrowings	745.0	795.2
Current borrowings	312.0	261.1
Liability related to the purchase of treasury shares	90.4	88.1
Outstanding dividend payments	318.0	277.2
Adjustment for average calculation and currency translation differences	-67.8	-12.6
Average capital employed	1'329.9	1'288.6
Operational profit	436.2	365.6
Average capital employed	1'329.9	1'288.6
Operational ROCEA	32.8%	28.4%

Five-year summaries of key financial data

Key figures from consolidated income statement and statement of cash flows¹⁾

millions of CHF	2024	2023	2022	2021	2020 ²⁾
Order intake	3'848.6	3'580.3	3'425.4	3'167.6	3'049.2
Order intake gross margin	35.0%	33.9%	33.5%	33.1%	32.6%
Order backlog	2'300.0	1'946.8	1'844.7	1'724.1	1'676.8
Sales	3'530.6	3'281.7	3'179.9	3'155.3	2'967.8
Operating income (EBIT)	382.5	329.7	111.4	221.8	132.5
EBITDA	502.7	437.9	270.7	441.0	328.1
Operational profit	436.2	365.6	317.6	293.3	255.0
Operational profitability	12.4%	11.1%	10.0%	9.3%	8.6%
Net income attributable to shareholders of Sulzer Ltd	261.9	229.1	28.6	1'416.7	83.6
– in percentage of equity attributable to shareholders of Sulzer Ltd (ROE)	21.4%	20.9%	2.8%	111.2%	6.0%
Basic earnings per share (in CHF)	7.73	6.76	0.85	41.93	2.46
Depreciation	–77.1	–71.4	–76.0	–81.0	–78.3
Amortization	–38.5	–36.6	–38.8	–50.2	–46.7
Impairments of tangible and intangible assets	–4.5	–0.2	–44.5	–4.2	–9.4
Research and development expenses	–76.4	–70.8	–66.4	–64.4	–63.8
Personnel expenses	–1'117.9	–1'030.8	–1'002.4	–1'018.1	–1'014.4
Capital expenditure (incl. lease assets)	–130.9	–103.1	–100.0	–119.4	–88.0
Free cash flow (FCF)	234.9	301.3	58.3	210.5	262.6
FCF conversion (free cash flow / net income)	0.9	1.31	2.08	1.50	3.67
Employees (number of full-time equivalents) as of December 31	13'455	13'130	12'868	13'816	13'197

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

Key figures from consolidated balance sheet¹⁾

millions of CHF	2024	2023	2022	2021	2020 ²⁾
Non-current assets	1'715.5	1'685.9	1'584.2	1'834.2	2'279.9
– thereof property, plant and equipment	387.8	348.2	360.5	394.0	545.3
Current assets	2'998.8	2'683.5	3'036.0	3'176.2	3'087.1
– thereof cash and cash equivalents	1'060.6	974.7	1'196.3	1'505.4	1'123.2
Total assets	4'714.3	4'369.5	4'620.2	5'010.4	5'367.0
Equity attributable to shareholders of Sulzer Ltd	1'223.6	1'095.4	1'024.3	1'273.8	1'404.3
Non-current liabilities	1'058.9	1'125.3	1'348.6	1'568.8	1'976.0
– thereof non-current borrowings	745.0	795.2	1'043.9	1'164.6	1'491.3
– thereof non-current lease liabilities	78.3	69.0	67.2	64.5	90.2
Current liabilities	2'420.3	2'145.6	2'242.9	2'162.3	1'973.8
– thereof current borrowings	312.0	261.1	311.4	345.5	231.8
– thereof current lease liabilities	26.6	23.9	22.4	24.3	29.5
Net debt	100.4	172.3	234.6	66.8	414.5
Net debt / EBITDA ratio	0.20	0.39	0.87	0.15	1.26
Equity ratio ³⁾	26.0%	25.1%	22.2%	25.4%	26.1%

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021. The balance sheet as of December 31, 2020, has been adjusted following the finalization of the purchase price accounting and measurement period adjustments related to acquisitions in 2020. Defined benefit assets are presented as non-current assets and comparative information is re-presented.

3) Equity attributable to shareholders of Sulzer Ltd in relation to total assets.

Five-year summaries by division

millions of CHF	Order intake ¹⁾					Sales ¹⁾				
	2024	2023	2022	2021	2020 ²⁾	2024	2023	2022	2021	2020 ²⁾
Flow	1'603.3	1'466.5	1'419.2	1'324.7	1'297.6	1'444.3	1'354.4	1'323.0	1'389.0	1'296.3
Services	1'378.3	1'271.3	1'171.3	1'163.4	1'130.8	1'249.1	1'154.8	1'117.0	1'117.7	1'078.3
Chemtech	866.9	842.5	834.9	679.5	620.8	837.1	772.5	739.9	648.5	593.1
Total	3'848.6	3'580.3	3'425.4	3'167.6	3'049.2	3'530.6	3'281.7	3'179.9	3'155.3	2'967.8

millions of CHF	Order backlog ¹⁾					Employees ³⁾				
	2024	2023	2022	2021	2020 ²⁾	2024	2023	2022	2021	2020 ²⁾
Flow	1'053.5	878.3	850.1	811.5	845.0	5'492	5'465	5'263	5'325	5'362
Services	689.7	547.3	492.9	479.5	435.0	4'832	4'630	4'559	4'571	4'449
Chemtech	556.8	521.2	501.7	433.2	396.9	2'934	2'849	2'852	3'734	3'221
Divisions	2'300.0	1'946.8	1'844.7	1'724.1	1'676.8	13'257	12'944	12'674	13'631	13'032
Others						198	186	194	185	165
Total	2'300.0	1'946.8	1'844.7	1'724.1	1'676.8	13'455	13'130	12'868	13'816	13'197

millions of CHF	Operational profit ¹⁾					Operational profitability				
	2024	2023	2022	2021	2020 ²⁾	2024	2023	2022	2021	2020 ²⁾
Flow	137.4	108.2	87.4	81.4	55.2	9.5%	8.0%	6.6%	5.9%	4.3%
Services	186.7	171.3	159.0	158.7	150.3	15.0%	14.8%	14.2%	14.2%	13.9%
Chemtech	118.0	95.0	80.0	64.8	56.9	14.1%	12.3%	10.8%	10.0%	9.6%
Divisions	442.1	374.5	326.4	304.9	262.4	12.5%	11.4%	10.3%	9.7%	8.8%
Others	-5.9	-8.9	-8.8	-11.6	-7.4	n/a	n/a	n/a	n/a	n/a
Total	436.2	365.6	317.6	293.3	255.0	12.4%	11.1%	10.0%	9.3%	8.6%

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

3) Number of full-time equivalents as of December 31.

Five-year summaries by region

Order intake by region¹⁾

millions of CHF	2024	2023	2022	2021	2020 ²⁾
Europe, the Middle East and Africa	1'507.5	1'278.3	1'322.9	1'281.2	1'211.6
Americas	1'435.1	1'353.8	1'193.2	1'051.8	1'009.5
Asia-Pacific	906.0	948.2	909.3	834.6	828.2
Total	3'848.6	3'580.3	3'425.4	3'167.6	3'049.2

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

Sales by region¹⁾

millions of CHF	2024	2023	2022	2021	2020 ²⁾
Europe, the Middle East and Africa	1'273.1	1'246.0	1'207.9	1'297.5	1'198.1
Americas	1'333.5	1'199.8	1'142.8	978.1	1'027.1
Asia-Pacific	924.0	836.0	829.2	879.7	742.6
Total	3'530.6	3'281.7	3'179.9	3'155.3	2'967.8

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

Employees by company location¹⁾

millions of CHF	2024	2023	2022	2021	2020 ²⁾
Europe, the Middle East and Africa	5'625	5'445	5'602	5'795	5'709
Americas	3'780	3'642	3'422	4'207	3'960
Asia-Pacific	4'050	4'043	3'845	3'815	3'528
Total	13'455	13'130	12'868	13'816	13'197

1) Number of full-time equivalents as of December 31.

2) Comparative information has been re-presented due to discontinued operations in 2021.

Balance sheet of Sulzer Ltd

December 31

millions of CHF	Notes	2024	2023
Current assets			
Cash and cash equivalents	3	259.1	275.7
Accounts receivable from subsidiaries		364.6	207.3
Other current accounts receivable		2.8	1.0
Prepaid expenses and accrued income		1.7	5.3
Total current assets		628.2	489.3
Non-current assets			
Loans to subsidiaries		541.8	621.2
Financial assets		22.4	23.7
Investments in subsidiaries	4	1'546.2	1'545.2
Investments in associates		19.6	22.0
Total non-current assets		2'130.0	2'212.1
Total assets		2'758.2	2'701.4
Current liabilities			
Current interest-bearing liabilities	6	299.9	250.0
Current liabilities with subsidiaries		5.7	6.5
Current liabilities with shareholders		408.7	365.7
Other current liabilities		0.1	0.5
Accrued expenses and deferred income		7.8	7.9
Current provisions		3.6	4.7
Total current liabilities		725.8	635.3
Non-current liabilities			
Non-current interest-bearing liabilities	6	744.0	794.3
Other non-current liabilities		5.2	–
Non-current provisions		33.2	33.1
Total non-current liabilities		782.4	827.4
Total liabilities		1'508.2	1'462.7
Equity			
Registered share capital	5	0.3	0.3
Legal capital reserves			
– Reserves from capital contribution	5	200.7	200.7
– Other legal capital reserve		155.5	155.5
Voluntary retained earnings			
– Free reserve	5	791.5	791.5
Treasury shares	5	–51.6	–36.7
Available earnings			
– Profit brought forward		0.1	31.7
– Net income for the year		153.5	95.7
Total equity		1'250.0	1'238.7
Total equity and liabilities		2'758.2	2'701.4

Income statement of Sulzer Ltd

January 1 – December 31

millions of CHF	Notes	2024	2023
Income			
Investment income	9	204.8	200.6
Financial income	11	44.7	41.9
Other income	10	49.3	44.2
Total income		298.8	286.7
Expenses			
Administrative expenses	8	101.4	100.9
Financial expenses	11	17.2	66.7
Investment and loan expenses	9	18.0	14.1
Other expenses		8.0	8.2
Direct taxes		0.7	1.1
Total expenses		145.3	191.0
Net income for the year		153.5	95.7

Statement of changes in equity of Sulzer Ltd

January 1 – December 31

millions of CHF	Share capital	Reserves from capital contribution	Other legal capital reserve	Free reserve	Treasury shares	Profit brought forward	Net income for the year	Total
Equity as of January 1, 2023	0.3	200.7	155.5	891.5	-42.9	48.8	1.8	1'255.7
Dividend							-118.9	-118.9
Allocation of net income				-100.0		-17.1	117.1	-
Net income for the year							95.7	95.7
Change in treasury shares					6.2			6.2
Equity as of December 31, 2023	0.3	200.7	155.5	791.5	-36.7	31.7	95.7	1'238.7
Dividend							-127.3	-127.3
Allocation of net income						-31.6	31.6	-
Net income for the year							153.5	153.5
Change in treasury shares					-14.9			-14.9
Equity as of December 31, 2024	0.3	200.7	155.5	791.5	-51.6	0.1	153.5	1'250.0

Notes to the financial statements of Sulzer Ltd

1 General information

Sulzer Ltd, Winterthur, Switzerland ("company"), is the parent company of the Sulzer group. Its financial statements are prepared in accordance with Swiss law and serve as complementary information to the consolidated financial statements.

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2 Key accounting policies and principles

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Investments in subsidiaries and third parties

The participations are valued at acquisition cost or if the value is lower, at value in use, using generally accepted valuation principles.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are recognized in the balance sheet at amortized cost. Discounts and issue costs for bonds are amortized on a straight-line basis over the bond's maturity period.

Share-based payments

Sulzer Ltd operates a share-based payment program that covers the Board of Directors. Restricted share units (RSU) are granted annually. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. Awards automatically vest with the departure from the Board. The fair value of the Sulzer share at vesting date is recognized as compensation to the Board of Directors.

Foregoing a cash flow statement and additional disclosures in the notes

As Sulzer Ltd has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on audit fees and interest-bearing liabilities in the notes and a cash flow statement in accordance with the law.

3 Cash and cash equivalents

As of December 2024, Sulzer had access to a syndicated credit facility of CHF 500 million maturing on December 31, 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028.

4 Investments in subsidiaries

A list of the major subsidiaries held directly or indirectly by Sulzer Ltd is included in [note 35](#) to the consolidated financial statements.

5 Equity

Share capital

The share capital amounts to CHF 342'623.70, made up of 34'262'370 shares with dividend entitlement and a par value of CHF 0.01. All shares are fully paid in and registered.

Shareholders holding more than 3%

	Dec 31, 2024		Dec 31, 2023	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16'728'414	48.82	16'728'414	48.82
UBS Fund Management (Switzerland) AG	1'175'624	3.43	-	-
The Capital Group Companies, Inc.	-	-	1'034'950	3.02

Treasury shares held by Sulzer Ltd

millions of CHF	2024		2023	
	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	451'074	36.7	523'855	42.9
Purchase	282'500	33.2	260'000	20.9
Share-based remuneration	-224'119	-18.3	-332'781	-27.1
Balance as of December 31	509'455	51.6	451'074	36.7

The total number of treasury shares held by Sulzer Ltd as of December 31, 2024, amounted to 509'455 (December 31, 2023: 451'074 shares), which are mainly held for the purpose of issuing shares under the management share-based payment programs.

6 Interest-bearing liabilities

millions of CHF	2024		2023	
	Book value	Nominal	Book value	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
1.600% 10/2018–10/2024	–	–	250.0	250.0
0.800% 09/2020–09/2025	299.9	300.0	299.8	300.0
0.875% 11/2020–11/2027	199.8	200.0	199.8	200.0
3.350% 12/2022–12/2026	169.8	170.0	169.7	170.0
1.773% 10/2024–10/2028	249.3	250.0	–	–
Total as of December 31	1'043.9	1'045.0	1'044.3	1'045.0
– thereof non-current	744.0	745.0	794.3	795.0
– thereof current	299.9	300.0	250.0	250.0

All the outstanding bonds are traded on SIX Swiss Exchange.

7 Contingent liabilities

millions of CHF	2024	2023
Guarantees, sureties and comfort letters for subsidiaries		
– to banks and insurance companies	967.7	845.5
– to customers	183.7	216.3
– to others	453.4	399.3
Guarantees for third parties	7.7	9.3
Total contingent liabilities as of December 31	1'612.5	1'470.4

As of December 31, 2024, CHF 397.4 million (2023: CHF 406.3 million) in guarantees, sureties and comfort letters for subsidiaries to banks and insurance companies were utilized.

8 Administrative expenses

millions of CHF	2024	2023
Compensation of Board of Directors	3.1	2.6
Other administrative expenses	98.3	98.3
Total administrative expenses	101.4	100.9

Sulzer Ltd does not have any employees. The compensation of the Board of Directors includes share-based payments and remuneration. Other administrative expenses contain management services and recharges from subsidiaries.

9 Investment income, investment and loan expenses

In 2024, the investment income contains ordinary and extraordinary dividend payments from subsidiaries amounting to CHF 204.7 million (2023: CHF 182.3 million).

The investment and loan expenses contain allowances on investments amounting to CHF 15.3 million (2023: CHF 10.5 million). The share of loss from associates amounts to CHF 2.7 million (2023: CHF 2.9 million).

10 Other income

The income from trademark license amounts to CHF 47.7 million (2023: CHF 44.2 million).

11 Financial income and expenses

The financial income contains interests on loans with subsidiaries amounting to CHF 32.6 million (2023: CHF 35.1 million) and CHF 1.8 million (2023: CHF 2.5 million) with banks. The realized and unrealized gain on marketable securities amounts to CHF 0.4 million (2023: loss of CHF 4.3 million). The foreign currency revaluation on intercompany loans resulted in a gain of CHF 9.7 million (2023: loss of CHF 48.8 million).

The financial expenses contain mainly interest expenses on interest-bearing liabilities of CHF 15.5 million (2023: CHF 17.5 million).

12 Share participation of the Board of Directors, Executive Committee and related parties

Restricted share units for members of the Board

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The number of RSU is determined by dividing the fixed grant value by the volume-weighted share price of the last ten days prior to the grant date. One-third of the RSU each vest after the first, second and third anniversaries of the grant date, respectively. Upon vesting, one vested RSU is converted into one share in Sulzer Ltd. The vesting period for RSU granted to the members of the Board of Directors ends no later than on the date on which the member steps down from the Board.

	2024				
	Sulzer shares	Restricted share units (RSU) ¹⁾	Performance share units (PSU) 2022 ²⁾	Performance share units (PSU) 2023 ³⁾	Performance share units (PSU) 2024 ⁴⁾
Board of Directors	15'866	16'373	–	–	–
Suzanne Thoma	4'374	1'071	–	–	–
Markus Kammüller	1'743	3'255	–	–	–
Alexey Moskov	3'791	2'731	–	–	–
David Metzger	3'413	2'731	–	–	–
Per Utnegaard	1'375	2'195	–	–	–
Hariolf Kottmann	1'170	2'195	–	–	–
Prisca Havranek-Kosicek	–	2'195	–	–	–
Executive Committee	11'171	–	14'679	33'865	28'437
Suzanne Thoma	4'374	–	2'120	12'778	10'490
Thomas Zickler	5'697	–	5'074	5'112	4'196
Haining Auperin	–	–	1'142	4'217	3'462
Tim Schulten	1'100	–	5'074	5'112	4'196
Jan Lüder	–	–	–	5'112	4'196
Ravin Pillay-Ramsamy	–	–	1'269	1'534	1'897

1) Restricted share units assigned by Sulzer.

2) The average fair value of one performance share unit 2022 at grant date amounted to CHF 84.69.

3) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.

4) The average fair value of one performance share unit 2024 at grant date amounted to CHF 125.65

	2023				
	Sulzer shares	Restricted share units (RSU) ¹⁾	Performance share units (PSU) 2021 ²⁾	Performance share units (PSU) 2022 ³⁾	Performance share units (PSU) 2023 ⁴⁾
Board of Directors	9'320	17'430	-	-	-
Suzanne Thoma	2'559	2'886	-	-	-
Markus Kammüller	536	3'085	-	-	-
Alexey Moskov	2'114	3'295	-	-	-
David Metzger	1'736	3'295	-	-	-
Per Utnegaard	1'375	1'623	-	-	-
Hariolf Kottmann	1'000	1'623	-	-	-
Prisca Havranek-Kosicek	-	1'623	-	-	-
Executive Committee	11'114	-	4'264	14'362	36'548
Suzanne Thoma	2'559	-	-	2'120	12'778
Thomas Zickler	3'402	-	1'212	5'074	5'112
Haining Auperin	5'153	-	1'364	1'142	4'217
Tim Schulten	-	-	1'212	5'074	5'112
Jan Lüder	-	-	-	-	5'112
Uwe Boltersdorf	-	-	476	952	4'217

1) Restricted share units assigned by Sulzer.

2) The average fair value of one performance share unit 2021 at grant date amounted to CHF 124.95.

3) The average fair value of one performance share unit 2022 at grant date amounted to CHF 84.69.

4) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.

Granted Sulzer shares to members of the Board of Directors

	2024		2023	
	Quantity	Value in CHF	Quantity	Value in CHF
Allocated to members of the Board of Directors	6'942	780'000	10'128	780'000

13 Subsequent events after the balance sheet date

On January 30, 2025, Sulzer Ltd acquired 100% of the shares of DAVIES & MILLS CO. WL.L, a services business in Bahrain. The consideration paid is CHF 12.0 million and is subject to change due to variable price components.

At the time when these financial statements were authorized for issue, the Board of Directors was not aware of any events that would materially affect these financial statements.

Proposal of the Board of Directors for the appropriation of the available profit

in CHF	2024	2023
Net income for the year	153'530'000	95'734'000
Unallocated profit carried forward from previous year	168'701	31'684'494
Total available profit	153'698'701	127'418'494
Appropriation from free reserves		
Ordinary dividend	-143'449'889	-127'249'793
Balance carried forward	10'248'812	168'701
Dividend distribution per share CHF 0.01		
Gross dividend	4.25	3.75
Withholding tax (35%)	-1.49	-1.31
Net dividend	2.76	2.44

The Board of Directors proposes the payment of a dividend of CHF 4.25 per share to the Annual General Meeting on April 23, 2025. The company will not pay a dividend on treasury shares held by Sulzer Ltd or one of its subsidiaries.



Statutory Auditor’s Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sulzer Ltd (the Company), which comprise the “[Balance sheet of Sulzer Ltd](#)” as at December 31, 2024, the “[Income statement of Sulzer Ltd](#)” and the “[Statement of changes in equity of Sulzer Ltd](#)” for the year then ended, and the “[Notes to the financial statements of Sulzer Ltd](#)”, including a summary of significant accounting policies.

In our opinion, the financial statements for the year ended December 31, 2024, comply with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 26, 2025

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Disclaimer

This report may contain forward-looking statements, including, but not limited to, projections of financial developments and future performance of materials and products, containing risks and uncertainties. These statements are subject to change based on known and unknown risks and various other factors that could cause the actual results or performance to differ materially from the statements made herein.

Rounding

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

Languages

Parts of the Sulzer Annual Report 2024 have been translated into German. Please note that the English-language version of the Sulzer Annual Report is the binding version.