

MEDIA RELEASE

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Ad hoc announcement pursuant to Art. 53 LR

July 25, 2023

Robust performance across all businesses

Midyear 2023 HIGHLIGHTS

- Orders CHF 1'992.4m, + 24.1% YOY on robust growth momentum in all divisions
- Sales CHF 1'601.6m, +15.4% in H1 on robust execution
- Operational profit CHF 162.4m, +27.3% YOY, which reflects improvements in operations
- Free Cash Flow amounts to CHF 106.6m compared to CHF -78.2m in H1 2022 primarily as a result of better cash management
- 2023 guidance increased

Executive Chairwoman Suzanne Thoma stated: "Due to favorable market conditions, our good positioning, first operational improvements and growth initiatives, we substantially increased the top and bottom line. Supported by this strong performance and our solid order backlog, we have raised our full year guidance. Our diversified portfolio in attractive markets and geographies lays the basis for a resilient development in the mid- and long-term."

Key figures for the first half of 2023 (January 1 – June 30)

| millions of CHF | 2023 | 2022 | Change in +/-% | +/-% adjusted ¹⁾ | +/-% organic ²⁾ |
|-----------------------------------------------------------|---------|---------|-------------------|--------------------------------|-------------------------------|
| Order intake | 1'992.4 | 1'734.1 | 14.9 | 22.7 | 24.1 |
| Order intake gross margin | 33.0% | 32.8% | | | |
| Order backlog as of June 30 / December 31 | 2'141.7 | 1'844.7 | 16.1 | | |
| Sales | 1'601.6 | 1'516.8 | 5.6 | 12.6 | 15.4 |
| EBIT ³⁾ | 151.5 | -25.5 | n/a | | |
| Operational profit (EBIT without amortization & one-offs) | 162.4 | 135.8 | 19.6 | 26.3 | 27.3 |
| Operational profitability | 10.1% | 9.0% | | | |
| Free Cash Flow (FCF) | 106.6 | -78.2 | n/a | | |

1) Adjusted for currency effects.

2) Adjusted for acquisition, deconsolidation and currency effects.

3) 2022 was impacted by write-offs related to Russia and Poland.

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

Continued growth momentum in all three divisions

Compared to the first half of 2022, Sulzer grew its order intake by 24.1% to CHF 1'992.4 million. This is despite negative currency translation effects on order intake of CHF 136.0 million and a CHF 24.0 million negative impact from divestitures and deconsolidations. Order intake gross margin increased nominally by 20 basis points to 33.0%.

Order intake in Flow Equipment grew by 25.1%, primarily driven by an 84.3% increase in Energy orders. Water orders were stable, whereas order intake in the Industry segment saw a slight decline of 1.2%. In the Services division, orders also grew by a significant 22.1%. From a regional perspective, order intake was particularly strong in the Americas, with a 34.7% increase, and in

MEDIA RELEASE

July 25, 2023

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Page 2 of 3

Europe, the Middle East and Africa (EMEA), with 14.0% growth. This more than offset a 7.6% drop in Asia-Pacific, where a large order had been booked in the first half of 2022.

Chemtech's order intake increased by 25.3%, led by year-on-year increases in Asia-Pacific of 29.7% and the Americas of 25.0%, compensating for a decline in Europe/Rest of Africa (ERA) of 21.8%. Chemtech orders continued to grow strongly across all businesses, particularly in the Renewables segment, increasing by 78.9% to a total of 88.7 million, representing 17.6% of Chemtech's total order intake.

Sulzer enters the second half of 2023 with an order backlog of CHF 2'141.7 million (December 31, 2022: CHF 1'844.7 million). Excluding these negative currency translation effects of CHF 155.3 million order intake would have been correspondingly higher.

Higher sales volume

Sales increased by 15.4% year-on-year to CHF 1'601.6 million despite a negative impact from divestitures of CHF 43.2 million and negative currency translation effects of CHF 105.8 million. Sales in the Flow Equipment division grew by 14.1%. The biggest increase of 19.5% was achieved in Water, followed by Industry which was up 18.4%. Sales in Services grew strongly in all regions leading to an overall increase of 11.3%. Again, growth was highest in the Americas, but Asia-Pacific and EMEA sales also saw strong increases. In Chemtech, sales were up by a significant 24.3% due to a strong focus on executing the high backlog the division entered the year with.

Increased operational profit

Operational profit amounted to CHF 162.4 million compared with CHF 135.8 million in the first half of 2022, an increase of 27.3%. Higher sales volumes, disciplined pricing and a better mix were the main contributors to this increase, resulting in operational profitability of 10.1% (first half of 2022: 9.0%). This is due to the first results of a broadly based business excellence program along the entire value chain.

All divisions contributed to the profitability gains:

- Flow Equipment increased to 7.0%, up 170 basis points compared to 5.3% in the first half of 2022
- Services achieved 14.2%, up 90 basis points from 13.3% in the prior year
- Chemtech improved operational profitability to 11.7%, up 180 basis points compared to 9.9% one year ago

Significantly higher Free Cash Flow

Free cash flow significantly improved and amounted to CHF 106.6 million in the first half of 2023, compared to CHF -78.2 million reported by June 30, 2022. Better cash management and first operational improvements were the main drivers for this result. This reflects the impact of the strong focus of the organization on operational excellence.

Outlook 2023

We have had a very strong year to date and expect demand in our markets to remain robust. Based on our strong position in growing markets, we have increased our guidance and expect organic order growth of 10 to 14% year-on-year, organic sales growth of 11 to 13% and operational profitability around 11% of sales.

More details on the financial performance can be found here: [Midyear Report 2023](#).

MEDIA RELEASE

July 25, 2023

Robust performance across all businesses

Page 3 of 3

Midyear presentation

Sulzer will hold a video webcast on the publication of the midyear results 2023 today at 10.00 a.m. CET.

[Click HERE to join the video webcast.](#)

Please note that the moderator will only take questions from dialed-in participants via phone.

To ask a question via phone, please call +41 (0) 58 310 50 00. Once joined, please press * and 1 to enter the question queue.

Please do not hesitate to contact communications@sulzer.com if you have any further questions.

Sulzer is a global leader in fluid engineering and chemical processing applications. We specialize in energy-efficient pumping, agitation, mixing, separation, purification, crystallization and polymerization technologies for fluids of all types. Our solutions enable carbon emission reductions, development of polymers from biological sources, recycling of plastic waste and textiles, and efficient power storage. Our customers benefit from our commitment to innovation, performance and quality through our responsive network of 160 world-class manufacturing facilities and service centers across the globe. Sulzer has been headquartered in Winterthur, Switzerland, since 1834. In 2022, our 12'900 employees delivered revenues of CHF 3.2 billion. Our shares are traded on the SIX Swiss Exchange (SIX: SUN). www.sulzer.com

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