

## MEDIA RELEASE

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April 29, 2021

### Strong start to the year, orders up sequentially in all divisions

#### First Quarter 2021 HIGHLIGHTS

- Orders +9.2% sequentially (+7.1% organic<sup>1</sup>). YoY -9.6% ( -12.1% organic) vs. record Q1 2020. Chemtech and Applicators above pre-pandemic level
- March highest order month in over a year
- Strong backlog of CHF 1'936m, book-to-bill ratio at 1.08
- Sales YoY +10% (+7% organic)
- EBITA, Free Cash Flow and Profitability significantly up YoY in all divisions
- Cost measure ahead of schedule, expect CHF 40m EBITA uplift in 2021
- 2021 guidance confirmed

CEO Gregoire Poux-Guillaume stated: "Orders in Q1 grew 9.2% sequentially, prolonging the strong recovery we have seen in all our divisions since the trough late summer 2020. Applicator orders are already higher than pre-pandemic and Chemtech's strategy in renewable solutions is paying off with growth in biopolymers. Water is now the largest segment in Pumps and aftermarket activities account for almost half of Sulzer. We are tracking ahead of our expectations and will further accelerate in the second half of the year."

#### Order intake

(millions of CHF)	Jan – Mar 2021	Sequential (vs. Q4 2020)		Year-on-Year (vs. Q1 2020)	
		Change nom	Change organic <sup>2</sup>	Change adjusted <sup>3</sup>	Change organic <sup>4</sup>
Pumps Equipment	<b>301.5</b>	8.2%	2.0%	-19.2%	-23.4%
Rotating Equipment Services	<b>275.3</b>	10.4%	10.4%	-13.4%	-13.4%
Chemtech	<b>172.8</b>	7.0%	7.0%	6.5%	6.5%
Applicator Systems	<b>124.0</b>	12.6%	12.6%	9.9%	1.7%
<b>Total Sulzer</b>	<b>873.7</b>	<b>9.2%</b>	<b>7.1%</b>	<b>-9.6%</b>	<b>-12.1%</b>

In Q1 2021, order intake increased by 9.2% (7.1% organic) and was up in all divisions compared to Q4 2020, with March 2021 reaching the highest order level for more than a year. Compared to the record order intake level of Q1 2020, our last pre-pandemic quarter and the highest in over 5 years, orders declined by 9.6% (12.1% organic). Currency translation had a negative impact of CHF 24.7m versus the prior year period and acquisitions contributed positively by CHF 25.4m.

<sup>1</sup> Q1 2021 compared to Q4 2020 (QoQ); organic QoQ comparison: adjusted for acquisition effects.

<sup>2</sup> Adjusted for acquisition effects.

<sup>3</sup> Adjusted for currency effects.

<sup>4</sup> Adjusted for currency and acquisition effects.

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Order intake in Pumps grew sequentially by 2.0% organically and by 8.2% including the acquisition of Nordic Water. Water is now the largest segment within the division, with 40% of total orders. Orders in Water were up 4.3% sequentially and 22.3% including acquisitions, mainly driven by a continued strong performance in the municipal water segment. Orders in Energy were down 47.0% YoY, but sequentially up 2.1%. The resizing of Energy is progressing ahead of schedule. It will deliver structural recurring savings of CHF 70 million, which will positively impact profitability by CHF 40 million in 2021 and CHF 20 million in 2022.

Orders in our Service division grew sequentially by 10.4%, despite continued customer access restrictions on prolonged lockdowns and the impact of winter storm Uri in the US. YoY, order intake was 13.4% below an exceptionally high Q1 2020. Repairs have recovered across product lines and geographies, while Parts and Retrofits are only expected to pick up in the second half of the year.

Chemtech grew orders organically by 7.0% sequentially and 6.5% YoY, mainly driven by strong demand for renewable solutions and by a continued high level of investments in petrochemicals in China. India is still slowed by the pandemic. Larger projects around the world are generally expected to recover later in the year.

Applicator Systems order intake continued its strong rebound and is now above pre-pandemic levels. Orders in Q1 2021 were up sequentially in all segments, for a total of +12.6% organically, and YoY +9.9% including Haselmeier (1.7% organically). Growth was mainly driven by the Industry (adhesives) and Healthcare (drug delivery, surgery, dental) segments. With almost 40% of division orders, Healthcare is now the largest Applicator segment.

Geographically, order intake in Europe, the Middle East and Africa was sequentially up by 16.2% organically (YoY -12.5%) as well as in the Americas by 3.1% (YoY -22.3%). Orders in Asia Pacific grew YoY 7.4% (organic) with China as main growth driver while decreasing sequentially 2.3%.

**Outlook**

With all our divisions back to sequential growth and a Q1 performance significantly ahead of last year on all financial indicators, we leave our 2021 guidance unchanged but will reassess it with our half-year results.

As a reminder, our guidance is for orders to be up 3% to 6% in 2021 and sales to grow by 5% to 7%, all on a currency-adjusted basis. Operational profitability is expected to return to pre-pandemic levels, close to 10%.

Sulzer plans a Capital Markets Day (CMD) on June 15, 2021, with a specific spotlight on the Applicators division and on Chemtech's renewable solutions.

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**Q1 presentation**

*Sulzer will hold a conference call on the occasion of the publication of the first quarter 2021 results today at 9.00 a.m. CEST.*

*The presentation can be followed by webcast (audio slides) or by dialing-in to the conference call. Please note that the moderator can only take questions from dialed-in participants. Please pre-register for the event to receive dedicated dial-in details to access the call easily and quickly:*

**Link:**

<https://services3.choruscall.ch/DiamondPassRegistration/register?confirmationNumber=1779807&linkSecurityString=1db427e80>

**Webcast:** <https://www.sulzer.com/q1-2021-webcast>

**Playback webcast**

*The playback of the webcast will be available shortly after the event under the same link.*

*Sulzer is a global leader in fluid engineering. We specialize in pumping, agitation, mixing, separation and application technologies for fluids of all types. Our customers benefit from our commitment to innovation, performance and quality and from our responsive network of 180 world-class manufacturing facilities and service centers across the globe. Sulzer has been headquartered in Winterthur, Switzerland, since 1834. In 2020, our 15'000 employees delivered revenues of CHF 3.3 billion. Our shares are traded on the SIX Swiss Exchange (SIX: SUN). [www.sulzer.com](http://www.sulzer.com)*

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