

MEDIA RELEASE

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April 27, 2017

First Quarter Order Intake Improved Across All Regions

In the first quarter of 2017, Sulzer achieved an order intake of CHF 757.6 million compared with CHF 684.6 million in the same period of the previous year. Adjusted for currency effects, the growth rate was 11.1%. Adjusted for currency and acquisition effects, orders grew by 2.0%. Order intake increased in all divisions with the exception of Chemtech.

Order intake

(millions of CHF)	Q1 2017	Q1 2016	Δ	Δ adjusted ¹	Δ organic ²
Divisions	771.1	696.0	10.8%	11.3%	2.3%
Pumps Equipment	276.8	255.8	8.2%	9.3%	4.3%
Rotating Equipment Services	271.2	265.5	2.1%	1.7%	1.7%
Chemtech	123.0	124.1	-0.9%	-0.5%	-0.6%
Applicator Systems	100.1	50.6	97.8%	100.4%	2.6%
Others ³	-13.5	-11.4	-	-	-
Total Sulzer	757.6	684.6	10.7%	11.1%	2.0%

In the first quarter 2017, order intake increased by 11.1% on a currency-adjusted basis compared with the same period in 2016. Currency impact was a negative 0.4%. Acquisitions contributed CHF 62.4 million or 8.2% to Sulzer's order intake. Organically, i.e. excluding currency effects and the impact of acquisitions, order intake increased by 2.0%. Organic order intake in the first quarter turned out stronger than expected driven by a higher number of larger orders in Pumps Equipment than in the same period a year ago. Despite a comparably high base in the previous year's quarter, Chemtech achieved an organic order intake at almost the same level this quarter.

Order intake from the oil and gas industry was up 12% in the first quarter 2017 compared with the first quarter 2016, and it was flat sequentially. Sulzer's downstream segment continued to rebound in new equipment and aftermarket services. The upstream segment still suffered from challenging market conditions mainly in the new equipment business, while aftermarket services improved.

¹ Adjusted for currency effects.

² Adjusted for currency and acquisition effects.

³ "Others" consists of the elimination of interdivisional business transactions.

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Orders in the water segment increased significantly. Orders in the power segment declined driven by lower aftermarket business. Including acquisitions, order intake from general industries grew strongly.

Regionally, order intake increased across all regions. Growth was particularly strong in China across all divisions. Supported by acquisitions, Europe increased significantly.

On January 1, 2017, Sulzer changed two aspects of its reporting structure for increased transparency and customer focus: First, the combination of the Sulzer Mixpac Systems (SMS) business unit and the recently acquired Geka and PC Cox businesses are now being reported as the new Applicator Systems division. Second, the pumps spare parts business was shifted from Pumps Equipment to Rotating Equipment Services. This move allows customers to benefit from a single access point for services and parts.

Two acquisitions closed

In the first quarter, Sulzer closed the acquisitions of the company Ensival Moret and of the Vessel Internal Electrostatic Coalescer (VIEC) product line.

The acquisition of Ensival Moret allows Sulzer to close specific product gaps in axial flow pumps and slurry pumps. Ensival Moret offers a wide range of industrial pumps with strong positions in a diverse range of industries including fertilizers, sugar, mining, and chemicals. Combining the complementary product portfolios enables Sulzer to become a full line supplier in a broad range of industrial process applications.

The acquisition of VIEC allows Sulzer to further extend its Chemtech upstream product portfolio for advanced oil and water separation applications. It is a complementary technology to Chemtech's current products.

In the second quarter, Sulzer expects to close its acquisition of a controlling stake in Rotec's gas turbine maintenance business (Rotec GT). Rotec GT, headquartered in Moscow, is mainly active in the Russian market.

Outlook 2017 confirmed

Sulzer confirms its guidance for the full year. Order intake is expected to increase by 5 to 8% and sales by 3 to 5%, both currency-adjusted and including the acquisitions announced in 2016. Supported by the cost savings from the SFP program, the company expects an operational EBITA margin of around 8.5% (opEBITA in percent of sales).

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Sulzer will hold a short **conference call** on the occasion of the publication of first quarter order intake results 2017. Greg Poux-Guillaume, CEO, and Thomas Dittrich, CFO, will review Q1 2017 order intake and answer your questions.

Date: Thursday, April 27, 2017
Time: 09:00 a.m. CET

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Please announce yourself to the operator.	

Participants are requested to dial in 5 minutes prior to the start of the conference call.

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

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