

# Our company

Sulzer's core is flow control and applicators. We specialize in pumping solutions, services for rotating equipment, and separation, mixing, and application technology. Our customers benefit from a network of over 180 production and service sites in more than 40 countries around the world.

## Pumps Equipment

### Pump technology and solutions

We provide a wide range of pumping solutions, related equipment, and services. Customers benefit from extensive research and development. We supply highly efficient products that help reduce emissions and energy consumption. Our state-of-the-art production and testing facilities around the globe ensure customer proximity.

#### Our market focus is on:

- The production, transport, and processing of crude oil and its derivatives
  - The supply, treatment, and transport of water as well as wastewater treatment
  - Fossil-fired, nuclear, and renewable power generation
  - Specific general industries, such as pulp and paper, fertilizers, and other markets
- 

## Rotating Equipment Services

### Service solutions for rotating equipment

We offer service solutions for rotating equipment such as turbines, pumps, compressors, motors, generators, and other adjacent equipment for Sulzer and third-party equipment. Our services are dedicated to improving customers' processes and business performance. Fast and flexible execution tailored to customers' needs reduces maintenance time and costs. With our global network of service centers, we offer a one-stop shop for all services and solutions close to the customer. These include maintenance, repair, replacement parts, and retrofit/upgrades. As a fully integrated maintenance partner, Sulzer can manage projects from the design stage right through to final installation and commissioning on-site.

#### Our market focus is on:

- Gas and steam turbines
  - Compressors
  - Generators and electrical motors
  - Pumps in the oil and gas markets, power markets, and many other markets
- 

## Chemtech

### Separation and mixing technology and associated services

We offer separation and mixing technology, process solutions, and field services for the oil and gas, hydrocarbon, and chemical processing industry. Our advanced and economical solutions set standards in the field of mass transfer and static mixing.

**Our market focus is on:**

- High-performance tower internals and separators
  - Process engineering and skid solutions
  - Service for towers and static equipment
- 

## Applicator Systems

### Systems for liquid applications

We offer products and services for liquid application and mixing technology. Our customers benefit from advanced solutions in the field of precise applications as well as one- and two-component mixing and dispensing systems. Our global network ensures local knowledge and competence.

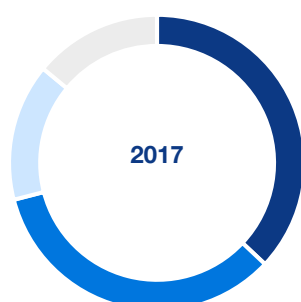
**Our market focus is on:**

- Mixing and dispensing systems for the adhesives and dental markets
- Precise application systems for liquid color cosmetics and beauty accessories
- One- and two-component application systems for healthcare markets

# Our key figures

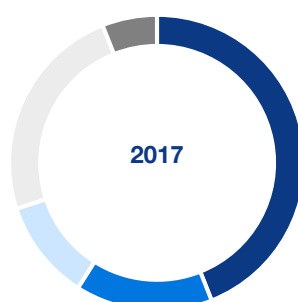
In 2017, Sulzer returned to organic order intake growth. Order intake increased by 11.8% on a currency-adjusted basis and by 2.2% organically. Sales increased by 5.2% on a currency-adjusted basis and decreased by 4.4% organically. Operational EBITA rose compared with the previous year, and the operational EBITA margin increased slightly to 8.4%.

## Sales by division



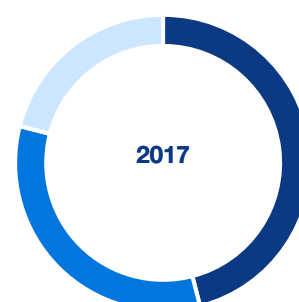
- 37% Pumps Equipment
- 34% Rotating Equipment Services
- 15% Chemtech
- 14% Applicator Systems

## Sales by market segment



- 44% Oil and gas
- 15% Power
- 11% Water
- 24% General industry
- 6% Beauty

## Sales by region



- 46% Europe, Middle East, and Africa
- 33% Americas
- 21% Asia-Pacific

## Key figures

millions of CHF	2017	2016	Change in +/-%	+/-% adjusted <sup>1)</sup>	+/-% organic <sup>2)</sup>
Order intake	3'155.7	2'797.5	12.8	11.8	2.2
Order intake gross margin	34.4%	34.0%			
Order backlog as of December 31	1'593.5	1'439.1	10.7		
Sales	3'049.0	2'876.7	6.0	5.2	-4.4
EBIT	136.5	115.3	18.4		
opEBITA	255.4	238.9	6.9	5.3	-2.9
opROSA	8.4%	8.3%			
opROCEA	15.8%	15.7%			
Net income attributable to shareholders of Sulzer Ltd	83.2	59.0	41.0		
Basic earnings per share	2.44	1.73	41.2		
Free cash flow	127.0	200.5	-36.7		
Net liquidity	-225.0	-35.9			
Employees (number of full-time equivalents) as of December 31	14'732	14'005	5.2		

1) Adjusted for currency effects.

2) Adjusted for acquisition and currency effects.



**15'000**  
Employees

Roughly 15'000 employees from all over the world work at Sulzer.



**180**  
Production and service locations

Sulzer's production and service network spreads across the globe.

**CHF 3.0**  
billion  
Sales in 2017

Sulzer generated sales of CHF 3.0 billion in 2017.

## Data per share

CHF	2017	2016	2015	2014	2013
Net income attributable to a shareholder of Sulzer Ltd	2.44	1.73	2.17	8.09	6.89
Change from prior year	41%	-20%	-73%	17%	-23%
Equity attributable to a shareholder of Sulzer Ltd	49.40	46.40	65.30	71.60	68.70
Ordinary dividend	3.50 <sup>1)</sup>	3.50	3.50	3.50	3.20
Special dividend	-	-	14.60	-	-
Payout ratio	143%	202%	161%	43%	46%
Average number of shares outstanding	34'086'386	34'102'610	34'035'862	34'007'309	33'999'429

1) Proposal to the Annual General Meeting.

## Stock market information

	2017	2016	2015	2014	2013
Registered share (in CHF)					
- high	129.90	107.80	120.10	143.90	171.00
- low	102.30	75.55	88.55	94.95	129.60
- year-end	118.20	105.00	94.35	106.00	143.90
Market capitalization as of December 31					
- number of shares outstanding	34'043'093	34'084'909	34'075'179	34'007'430	33'979'955
- in millions of CHF	4'024	3'579	3'215	3'605	4'890
- in percentage of equity	240%	226%	145%	148%	209%
P/E ratio as of December 31	48.4x	60.6x	43.5x	13.1x	20.9x
Dividend yield as of December 31	3.0%	3.3%	3.7%	3.3%	2.2%

## Shareholder structure as of December 31, 2017

<b>Number of shares</b>	<b>Number of shareholders</b>	<b>Shareholding</b>
1-100	3'391	0.5%
101-1'000	27	2.5%
1'001-10'000	303	2.4%
10'001-100'000	63	5.6%
More than 100'000	8	69.9%

# Our highlights

The year 2017 brought us many highlights. We gained momentum and triggered growth through a series of acquisitions. We reinforced Sulzer's distinguished culture of innovation by launching the group-wide Sulzer Innovation Awards. And we continued to contribute to the communities in which we operate, as we did recently in South Africa.

## Growing through acquisitions throughout our portfolio



In 2017, we continued to expand our portfolio and presence through acquisitions across our product and service offering. We set up a new division called Applicator Systems (APS) as of January 1, 2017. APS specializes in fluid applicators for industries such as dental, healthcare, beauty, construction, and adhesives. With the acquisition of [Transcodent](#) in September, we strengthened the division's dental segment, where Sulzer is already a global market leader.

For our Pumps Equipment division, we closed the acquisition of pumps manufacturer [Ensival Moret \(EM\)](#) at the end of January 2017. EM added axial flow and slurry pump technologies to the Sulzer portfolio. Furthermore, we announced the acquisition of [JWC Environmental, LLC](#) in December 2017 (closed in January 2018). JWC is a leading provider of solids reduction and removal products for the wastewater business. The acquisition improved our access to the key US municipal wastewater treatment market.

In our service division, we closed the acquisition of [Rotec GT](#) at the end of June 2017. The Rotec GT gas turbine service business focuses on the Russian market and significantly increased our presence in an important market for such services.

A smaller but very promising acquisition is the [Vessel Internal Electrostatic Coalescer \(VIEC\)](#) technology, closed in January 2017. We expect this separation technology to be a winning upstream application as soon as the market rebounds.

## Sulzer Innovation Awards: and the winners are ...

Innovation will be key to the success of Sulzer tomorrow. The Sulzer Innovation Awards are about celebrating those innovations that have created the most value for our business. They are also about promoting and strengthening Sulzer's distinguished culture of innovation and recognizing the efforts and essential contributions of our talented employees around the world.



*The proud winners of the first group-wide Sulzer Innovation Awards (from left to right): Chris Langham, Claudia Pudack, Halbe Jansen, Simon Gassmann, Thomas Felix, Marcelo Inforsati, and Matt Bourne.*

In 2017, the Executive Committee selected three winners from 99 nominations:

### Multiblok™ suspension crystallizer

The new Multiblok™ crystallizer is a modular system with standardized alternating scraped crystallization and mixing segments stacked on top of each other. This is a brand-new concept that increases flexibility in plant capacity, optimizes engineering and fabrication costs, and reduces the footprint of the installation, in particular for large plants. Sulzer has protected the unique design of the crystallizer by applying for a patent.

### Advanced ordering service for electromechanical coils

The advanced ordering service for electromechanical coils is a highly detailed online database of 3D designs for high-voltage coils. The database was created to speed up the quotation process for customers and to facilitate the exchange of knowledge within Sulzer. Customers sometimes had to wait days for a quotation in the past. Now, they can go online and access a full suite of drawings as well as a quotation within minutes.

### Subsea pump

The Sulzer subsea pump for multiphase pumping leverages the potential of subsea oil production. New hydraulics, a 2 MW permanent magnet motor, and new control concepts are just some of the innovative features of this product. The subsea pump reduces costs and production downtime and supports the depletion of existing oil fields. We have already sold several pumps with our partner TechnipFMC.

### Donating modular units for a good cause

Shortly after Sulzer had completed major gas turbine overhauls at Eskom's Ankerlig power plant near Cape Town, South Africa, it came to our attention that the non-profit organization Orion was looking for assistance. The organization cares for severely mentally and physically disabled people in South Africa. It creates a future for people with disabilities by providing professional therapeutic and development services. In August 2017, Sulzer donated four movable, modular units that had been used during the Eskom project. The units will be used as a training room, as an art center, as a staff room, and for additional storage.

