



Sulzer Executive Committee (at its Biopolymer pilot plant in Winterthur)

From left: Tim Schulten, Division President Services; Thomas Zickler, Chief Financial Officer; Suzanne Thoma, Executive Chair; Jan Lüder, Division President Flow Equipment; Haining Auperin, Chief Human Resources Officer; Uwe Boltersdorf, Division President Chemtech

Dear Shareholders,

As I reflect on the business landscape throughout 2023, I am reminded of the challenges that confront societies worldwide. However, I am heartened to see how well we have withstood these challenges. As we prepare to fully embrace the numerous opportunities ahead, I am pleased to present both our annual results for 2023 and our outlook for 2024.

Global trends and circularity

Like recent past years, there has been much disruption in 2023 – with events triggering or underscoring the energy security challenge, geopolitical unrest, inflation and climate change. At the same time, people increasingly agree that our global society can only meet its key challenges if we work together. Global business has a significant role to play in this regard by offering products,

services and technologies that make a difference. It is also a good role model, demonstrating how people working together find solutions together. Similarly, global business places emphasis on the common ground rather than focusing on differences that can be divisive.

Sulzer is well-positioned for global trends of ever-increasing importance: energy and water security, the energy transition, increased use of natural resources, more stringent regulation of materials and chemicals, as well as emerging circular technologies. As a Group, we enable and service critical infrastructure for our customers, and our technologies help enhance much-needed resilience to external challenges. In the USA, for example, we are currently expanding our water business to support the government's [planned water and wastewater infrastructure development](#), ensuring clean and affordable water for social and industrial use, including agriculture and hydropower generation. Around the world, Sulzer innovation is contributing to circular economies by enabling the development of biofuels, purer chemicals and improved utilization and recycling. We are also providing valuable services and solutions to traditional end markets through energy efficiency and lifespan extension, and we continue to adapt our solutions to deliver ongoing value to our customers.

We are collaborating across our portfolio to push boundaries in [carbon capture](#) and [renewables](#) and are partnering to make processes more efficient and cost-effective. Working with Crosstown H2R, a Swiss technology company, we recently unveiled a revolutionary [hydrogen combustion technology](#) to upgrade gas turbines for hydrogen compatibility. This enables our customers to transition to zero-carbon operations without the need to replace expensive engines and infrastructure.

In 2023, we also considerably strengthened our polylactic acid ([PLA](#)) [value chain](#) in support of the increased adoption of circular manufacturing practices and applications. We have commissioned a new research and development center in Singapore and most recently launched two new bioplastic technologies to help stakeholders leverage their competitive edge in sustainable manufacturing.

Our global markets have demonstrable longevity and, although they will evolve, they will remain essential – even as new ones emerge. To learn more about how Sulzer technologies are creating value for our stakeholders, we invite you to click [here](#) and read our Focus Stories in the Non-Financial Report.

Strong results across all divisions

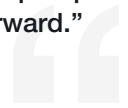
Sulzer delivered strong order growth throughout 2023 across all our divisions and regions, with order intake up organically by 13.9% compared to the same period in 2022.

Sales continued to increase in 2023, with a rise in operational profitability to a record 11.1% in over ten years, up by 110 basis points compared to 2022. Efficient working capital management and improvements in operational excellence supported the increase of free cash flow to CHF 301.3 million, up from CHF 58.3 million in the previous year.



“Our three divisions are connected through our value chain, technologies and key capabilities, and show attractive prospects for development. We have a clear strategy moving forward.”

Suzanne Thoma
Executive Chair



Good Governance

2023 introduced changes to our Board of Directors. The Board extended its members from six to seven and welcomed three new independent Board members at the Annual General Meeting of April 19, 2023. Dr. Prisca Havranek Kosicek (CFO of Jenoptik), Mr. Per Utnegaard (former CEO of Bilfinger and Swissport) and Dr. Hariolf Kottmann (former CEO and Chairman of Clariant) replaced Peter Bichsel and Hanne Birgitte Breinbjerg Sørensen, who did not stand for re-election after long and distinguished tenures at Sulzer. To support corporate governance, the Board created the new function of Lead Independent Director, to which it appointed Markus Kammüller, who is also the Head of the newly created Governance Committee.

Strategy 2028

Together with our new Board of Directors, we have completed our Sulzer 2028 corporate strategy review to ensure we continue to meet customer needs and expectations as we maximize our long-term growth potential. Sulzer operates in essential, growing and evolving markets that are gaining significance thanks to increasing global needs. These markets are fueled by must-haves such as affordable short- and long-term energy security, efficient use of resources and the lifespan extension of our infrastructure. The need for clean water in sufficient supply drives the market for wastewater treatment, while the need for cleaner, purer and more sustainable chemicals and materials is becoming ever more pronounced.

Sulzer’s products, solutions and services are uniquely positioned to meet evolving global needs and pave the way for both prosperity and sustainability for a growing world population. Our innovation and engineering capabilities are critical to enabling new and evolved offerings of products and services in many demanding markets, focusing on efficiency improvements, higher purity requirements and the reduction of emissions and waste. Together with our customers we will lead the transformation to a less carbon-intensive economy and drive sustainable, profitable growth.

We will strengthen our integrated offerings in critical applications at Sulzer, such as the retrofitting of energy infrastructure installations, integrated wastewater treatment plants, small carbon capture units, biopolymer production technology and clean fuel solutions. We will invest in research and development (R&D) for particularly demanding energy/high-pressure applications, recycling technologies, bio-based technologies and carbon capture and storage (CCS) solutions. Our three divisions have the potential to increasingly connect through our value chain, technologies, key capabilities and customers seeking more integrated solutions. In this manner, we will create objective and durable value for our shareholders, employees and global communities alike.

To maximize the value we add, our Sulzer 2028 strategy has two key pillars aimed at growing the company profitably, while making it more resilient, more efficient and more agile: focused profitable organic growth and operational excellence. Sulzer's experienced leadership will empower our teams to drive performance improvements through a step-change in operational excellence, encompassing the entire value-creating process from innovation and sales to supply chain, delivery and service. This will enable us to optimize efficiency, strengthen our customer focus and grow more profitably.

Outlook for 2024

Despite a global environment characterized by uncertainty, Sulzer has delivered strong financial results across all its divisions and is well-positioned for growth in the coming year and beyond. For 2024, Sulzer expects year-on-year organic order intake growth of 2 to 5%. The first half of the year is expected to see a slow development of order intake compared to the very strong first half of 2023, with performance picking up in the second half of the year – this expectation reflects the nature of the project business in Sulzer's markets. Further, Sulzer expects organic sales growth of 6 to 9% and operational profitability to continue its upwards trajectory to around 12% of sales.

As a reflection of our confidence in Sulzer's future performance, we are pleased to propose an ordinary dividend of CHF 3.75 per share for 2023 at the Annual General Meeting.

Once again, I would like to extend great appreciation and thanks to you, our shareholders, for all of your support, and to our employees, customers and partners, without whom none of our achievements would be possible.

Yours sincerely,



Suzanne Thoma
Executive Chair