



Financial reporting

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Consolidated income statement

January 1 – December 31

millions of CHF	Notes	2025	2024
Sales	2, 18	3'555.4	3'530.6
Cost of goods sold		-2'332.1	-2'347.4
Gross profit		1'223.2	1'183.2
Selling and distribution expenses		-321.9	-335.2
General and administrative expenses		-372.1	-382.5
Research and development expenses	8	-77.6	-76.4
Net impairment loss on contract assets and trade accounts receivable		-7.0	-0.6
Other operating income / (expenses), net	9	-11.5	-6.0
Operating income (EBIT)		433.1	382.5
Interest and securities income	10	11.6	19.6
Interest expenses	10	-29.5	-29.3
Other financial income / (expenses), net	10	-16.7	-15.5
Share of profit / (loss) of associates and joint ventures	15	-11.4	-3.8
Income before income tax expenses		387.1	353.5
Income tax expenses	11	-92.4	-88.2
Net income		294.7	265.4
- thereof attributable to shareholders of Sulzer Ltd		292.8	261.9
- thereof attributable to non-controlling interests		1.9	3.5
Earnings per share (in CHF)			
Basic earnings per share	23	8.68	7.73
Diluted earnings per share	23	8.57	7.64

Consolidated statement of comprehensive income

January 1 – December 31

millions of CHF	Notes	2025	2024
Net income		294.7	265.4
Items that may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax	27	8.0	-7.5
Currency translation differences		-113.1	30.7
Total of items that may be reclassified subsequently to the income statement		-105.1	23.2
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit plans, net of tax	7	25.9	0.8
Equity investments at FVOCI – net change in fair value, net of tax	16	1.0	-4.9
Total of items that will not be reclassified to the income statement		26.9	-4.0
Total other comprehensive income		-78.1	19.1
Total comprehensive income for the period		216.6	284.5
- thereof attributable to shareholders of Sulzer Ltd		214.8	280.6
- thereof attributable to non-controlling interests		1.8	3.9

Consolidated balance sheet

December 31

millions of CHF	Notes	December 31, 2025	December 31, 2024
Non-current assets			
Goodwill	12	644.1	661.4
Other intangible assets	12	143.4	178.5
Property, plant and equipment	13	398.2	387.8
Lease assets	14	110.3	105.2
Associates and joint ventures	15	37.1	53.0
Other non-current financial assets	16	31.9	30.2
Defined benefit assets	7	176.8	144.0
Non-current receivables		1.2	1.9
Deferred income tax assets	11	132.1	153.6
Total non-current assets		1'675.1	1'715.5
Current assets			
Inventories	17	500.7	515.1
Current income tax receivables		36.1	28.4
Advance payments to suppliers		91.0	94.7
Contract assets	18	572.5	500.1
Trade accounts receivables	19	628.7	680.2
Other current receivables and prepaid expenses	20	131.4	118.8
Current financial assets	16	0.1	1.0
Cash and cash equivalents	21	927.3	1'060.6
Total current assets		2'887.8	2'998.8
Total assets		4'562.9	4'714.3
Equity			
Share capital	22	0.3	0.3
Reserves		1'292.9	1'223.3
Equity attributable to shareholders of Sulzer Ltd		1'293.2	1'223.6
Non-controlling interests		12.1	11.5
Total equity		1'305.4	1'235.1
Non-current liabilities			
Non-current borrowings	24	779.3	745.0
Non-current lease liabilities	14	81.7	78.3
Deferred income tax liabilities	11	69.6	67.9
Non-current income tax liabilities	11	9.4	8.1
Defined benefit obligations	7	93.0	106.1
Non-current provisions	25	51.0	46.2
Other non-current liabilities		2.6	7.3
Total non-current liabilities		1'086.8	1'058.9
Current liabilities			
Current borrowings	24	304.9	312.0
Current lease liabilities	14	28.9	26.6
Current income tax liabilities		31.9	43.1
Current provisions	25	124.8	143.8
Contract liabilities	18	500.8	531.3
Trade accounts payable		386.4	388.2
Other current and accrued liabilities	26	793.1	975.2
Total current liabilities		2'170.8	2'420.3
Total liabilities		3'257.5	3'479.1
Total equity and liabilities		4'562.9	4'714.3

Consolidated statement of changes in equity

January 1 – December 31

millions of CHF	Notes	Attributable to shareholders of Sulzer Ltd					Total	Non-controlling interests	Total equity
		Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment			
Equity as of January 1, 2025		0.3	2'095.2	-51.6	-3.2	-817.2	1'223.6	11.5	1'235.1
Comprehensive income for the period:									
Net income			292.8				292.8	1.9	294.7
- Cash flow hedges, net of tax	27	-	-	-	8.0	-	8.0	-	8.0
- Remeasurements of defined benefit plans, net of tax	7	-	25.9	-	-	-	25.9	-	25.9
- Equity investments at FVOCI – net change in fair value, net of tax	16	-	1.0	-	-	-	1.0	-	1.0
- Currency translation differences		-	-	-	-	-112.9	-112.9	-0.1	-113.1
Other comprehensive income		-	26.9	-	8.0	-112.9	-78.0	-0.1	-78.1
Total comprehensive income for the period		-	319.7	-	8.0	-112.9	214.8	1.8	216.6
Transactions with owners of the company:									
Allocation of treasury shares to share plan participants		-	-11.6	11.6	-	-	-		-
Purchase of treasury shares	22	-	-	-18.9	-	-	-18.9		-18.9
Share-based payments	29	-	17.3	-	-	-	17.3		17.3
Dividends	22	-	-143.6	-	-	-	-143.6	-1.2	-144.7
Equity as of December 31, 2025	22	0.3	2'277.1	-58.6	4.8	-930.4	1'293.2	12.1	1'305.4

January 1 – December 31

millions of CHF	Notes	Attributable to shareholders of Sulzer Ltd					Total	Non-controlling interests	Total equity
		Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment			
Equity as of January 1, 2024		0.3	1'979.5	-36.7	4.2	-852.0	1'095.4	3.2	1'098.6
Comprehensive income for the period:									
Net income			261.9				261.9	3.5	265.4
- Cash flow hedges, net of tax	27	-	-	-	-7.5	-	-7.5	-	-7.5
- Remeasurements of defined benefit plans, net of tax	7	-	0.8	-	-	-	0.8	-	0.8
- Equity investments at FVOCI – net change in fair value, net of tax	16	-	-4.9	-	-	-	-4.9	-	-4.9
- Currency translation differences		-	-	-	-	30.3	30.3	0.4	30.7
Other comprehensive income		-	-4.0	-	-7.5	30.3	18.7	0.4	19.1
Total comprehensive income for the period		-	257.8	-	-7.5	30.3	280.6	3.9	284.5
Transactions with owners of the company:									
Changes in non-controlling interests			-3.2	-	-	-	-3.2	3.2	0.0
Transactions with non-controlling interests	3	-	-6.1	-	-	4.6	-1.5	1.5	0.0
Contribution from medmix		-	0.1	-	-	-	0.1	-	0.1
Allocation of treasury shares to share plan participants		-	-18.3	18.3	-	-	-	-	-
Purchase of treasury shares	22	-	-	-33.2	-	-	-33.2	-	-33.2
Share-based payments	29	-	12.7	-	-	-	12.7	-	12.7
Dividends	22	-	-127.3	-	-	-	-127.3	-0.3	-127.6
Equity as of December 31, 2024	22	0.3	2'095.2	-51.6	-3.2	-817.2	1'223.6	11.5	1'235.1

Consolidated statement of cash flows

January 1 – December 31

millions of CHF	Notes	2025	2024
Cash and cash equivalents as of January 1		1'060.6	974.7
Net income		294.7	265.4
Interest and securities income	10	-11.6	-19.6
Interest expenses	10	29.5	29.3
Income tax expenses	11	92.4	88.2
Depreciation, amortization and impairments	12, 13, 14	123.1	120.2
Gain from disposals of tangible and intangible assets, net	9	-1.9	-0.3
Changes in inventories		-19.2	-7.0
Changes in advance payments to suppliers		-3.2	-5.9
Changes in contract assets		-115.7	-55.6
Changes in trade accounts receivable		2.3	-124.7
Changes in contract liabilities		3.9	66.6
Changes in trade accounts payable		24.3	14.4
Changes in employee benefit plans		-8.5	-2.1
Changes in provisions		-3.3	-6.3
Changes in other net current assets		-34.8	51.9
Other non-cash items		49.3	11.4
Interest received		10.0	17.3
Interest paid		-23.9	-23.7
Income tax paid		-104.5	-95.6
Total cash flow from operating activities		303.0	323.8
Purchase of intangible assets	12	-3.6	-9.7
Proceeds from the sale of intangible assets	12	1.1	0.0
Purchase of property, plant and equipment	13	-90.0	-82.7
Proceeds from the sale of property, plant and equipment	13	2.1	3.5
Acquisitions of subsidiaries, net of cash acquired	3	-16.9	-13.1
Divestitures of associates and joint ventures	15	6.8	-
Dividends from associates	15	-	0.1
Purchase of other non-current financial assets	16	-1.0	-1.7
Purchase of current financial assets	16	-0.0	-0.4
Repayments of financial assets	16	0.6	5.8
Total cash flow from investing activities		-101.0	-98.2

Dividends paid to shareholders of Sulzer Ltd	22	-264.6	-86.5
Dividends paid to non-controlling interests in subsidiaries		-1.2	-0.3
Purchase of treasury shares	22	-18.9	-33.2
Payments of lease liabilities	14	-33.4	-29.7
Divestiture (Acquisition) of non-controlling interests	3	-	-0.3
Proceeds from non-current borrowings	24	329.2	249.3
Proceeds from current borrowings	24	51.4	42.3
Repayments of current borrowings	24	-352.7	-293.3
Total cash flow from financing activities		-290.1	-151.6
Exchange gains / (losses) on cash and cash equivalents		-45.1	11.9
Net change in cash and cash equivalents		-133.3	85.9
Cash and cash equivalents as of December 31	21	927.3	1'060.6

For the calculation of free cash flow (FCF), reference is made to the section “[Financial review](#)”.

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Notes to the consolidated financial statements

1 General information

Sulzer Ltd (the “company”) is a company domiciled in Switzerland. The address of the company’s registered office is Neuwiesenstrasse 15 in Winterthur, Switzerland. The consolidated financial statements for the year ended December 31, 2025, comprise the company and its subsidiaries (together referred to as the “group” and individually as the “subsidiaries”) and the group’s interest in associates and joint ventures. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs 13'526 people. The company serves clients in 160 production and service sites around the world. Sulzer Ltd is listed on SIX Swiss Exchange in Zurich, Switzerland (symbol: SUN).

Sulzer is a global leader in fluid engineering and chemical processing applications, developing innovative products and services that drive sustainable progress.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorized for issue by the Board of Directors on February 25, 2026.

Details of the group’s accounting policies are included in [note 32](#).

2 Segment information

Segment information by division

millions of CHF	Flow		Services		Chemtech	
	2025	2024	2025	2024	2025	2024
Order intake (unaudited) ¹⁾	1'576.3	1'603.3	1'449.8	1'378.3	724.9	866.9
Sales ²⁾	1'551.2	1'444.3	1'312.8	1'249.1	691.3	837.1
EBITDA	206.6	169.6	240.0	209.6	94.4	131.6
EBITDA margin	13.3%	11.7%	18.3%	16.8%	13.7%	15.7%
Amortization	-25.8	-25.8	-4.9	-4.6	-7.2	-6.9
Impairments on tangible and intangible assets ³⁾	-0.0	-	-4.5	-4.5	-	-
Depreciation	-31.1	-31.9	-29.4	-29.0	-14.9	-13.8
EBIT	149.7	111.8	201.3	171.5	72.3	110.9
Restructuring expenses	-3.4	-1.2	-0.9	-2.3	-0.1	-0.2
Total assets as of December 31	1'514.8	1'495.9	1'056.8	1'078.1	595.0	633.1
Total liabilities as of December 31	795.9	750.3	461.0	488.8	374.5	473.6
Capital expenditure (incl. lease assets)	-42.8	-44.5	-51.8	-46.0	-28.1	-38.6
Employees (number of full-time equivalents) as of December 31	5'559	5'492	4'855	4'832	2'781	2'934

1) Order intake from external customers.

2) Sales from external customers.

3) The amounts reported in 2025 mainly consist of an intangible asset impairment and was disclosed in the consolidated income statement in the line research and development expenses. In 2024, an impairment of tangible assets was reported in the consolidated income statement in the line cost of goods sold.

Segment information by division

millions of CHF	Total divisions		Others ⁴⁾		Total Sulzer	
	2025	2024	2025	2024	2025	2024
Order intake (unaudited) ¹⁾	3'751.0	3'848.6	-	-	3'751.0	3'848.6
Sales ²⁾	3'555.4	3'530.6	-	-	3'555.4	3'530.6
EBITDA	541.0	510.9	15.2	-8.1	556.2	502.7
EBITDA margin	15.2%	14.5%	n/a	n/a	15.6%	14.2%
Amortization	-37.9	-37.4	-2.3	-1.1	-40.2	-38.5
Impairments on tangible and intangible assets ³⁾	-4.5	-4.5	-	-	-4.5	-4.5
Depreciation	-75.4	-74.7	-3.1	-2.4	-78.5	-77.1
EBIT	423.3	394.2	9.8	-11.7	433.1	382.5
Restructuring expenses	-4.3	-3.7	-	-	-4.3	-3.7
Total assets as of December 31	3'166.6	3'207.1	1'396.3	1'507.2	4'562.9	4'714.3
Total liabilities as of December 31	1'631.2	1'712.7	1'626.2	1'766.4	3'257.5	3'479.1
Capital expenditure (incl. lease assets)	-122.8	-129.1	-10.0	-1.8	-132.8	-130.9
Employees (number of full-time equivalents) as of December 31	13'195	13'257	330	198	13'526	13'455

1) Order intake from external customers.

2) Sales from external customers.

3) The amounts reported in 2025 mainly consist of an intangible asset impairment and was disclosed in the consolidated income statement in the line research and development expenses. In 2024, an impairment of tangible assets was reported in the consolidated income statement in the line cost of goods sold.

4) The most significant activities under "Others" relate to Corporate Center.

The Group has updated the information disclosed in the "Segment information" to align with current reporting reviewed by the Chief Executive Officer. The modification involves using a different profit measure, EBITDA.

The definitions of the Alternative Performance Measures (APM) remain unchanged (see "Supplementary information" and comparative information has not been changed. For the new APM EBITDA margin, added reference is made to the section "Supplementary information" of this report.

For the reconciliation statements to the section "Financial review".

Information about reportable segments

Operating segments are determined based on the reports reviewed by the Chief Executive Officer that are used to measure performance, make strategic decisions and allocate resources to the segments. The business is managed on a divisional basis and the reported segments have been identified as follows:

Flow

The Flow division specializes in pumping solutions specifically engineered for the processes of its customers. The division provides pumps, agitators, compressors, grinders, screens and filters developed through intensive research and development in fluid dynamics and advanced materials. The focus is on pumping solutions for water, oil and gas, power, chemicals and most industrial segments.

Services

The Services division provides cutting-edge parts as well as maintenance and repair solutions for pumps, turbines, compressors, motors and generators through a network of over 100 service sites around the world. The division services Sulzer original equipment, but also all associated third-party rotating equipment run by customers, maximizing its sustainability and life cycle cost-effectiveness. The division's technology-based solutions, fast execution and expertise in complex maintenance projects are available at its customers' doorsteps.

Chemtech

The Chemtech division focuses on innovative mass transfer, static mixing and polymer solutions for chemicals, petrochemicals, refining and LNG. Chemtech also provides ecological solutions such as bio-based chemicals, polymers and fuels, recycling technologies for plastic as well as carbon capture and utilization / storage, contributing to a circular and sustainable economy. The division's product offering ranges from process components to complete process plants and technology licensing.

Others

Certain expenses related to the Corporate Center are not attributable to a particular segment and are assessed as a whole across the group. Also included are the eliminations for total assets and liabilities.

The Chief Executive Officer primarily uses EBITDA to assess the performance of the operating segments. However, the Chief Executive Officer also receives information about the segments' order intake, sales, capital expenditures and EBIT on a monthly basis.

Sales from external customers reported to the Chief Executive Officer are measured in a manner consistent with the measurement in the income statement. There are no significant sales between the segments. No individual customer represents a significant portion of the group's sales.

Segment information by region

The allocation of assets is based on their geographical location. Non-current assets exclude deferred income tax assets, non-current receivables, defined benefit assets and other non-current financial assets. The allocation of sales from external customers is based on the location of the customer.

Non-current assets by region

millions of CHF	2025	2024
Europe, the Middle East and Africa	828.8	842.9
– thereof Switzerland	206.4	222.2
– thereof United Kingdom	168.9	181.9
– thereof Finland	124.4	128.2
– thereof Sweden	102.7	100.2
– thereof the Netherlands	74.2	76.0
Americas	373.7	409.3
– thereof USA	327.1	367.3
Asia-Pacific	130.6	133.7
– thereof China	43.3	46.1
Total	1'333.1	1'385.8

Sales by region

millions of CHF				2025
	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	732.0	489.8	208.2	1'430.1
– thereof Saudi Arabia	128.5	40.3	33.9	202.7
– thereof United Arab Emirates	94.8	29.3	38.7	162.8
– thereof United Kingdom	31.1	111.6	9.9	152.6
– thereof Germany	60.7	43.9	13.5	118.2
– thereof France	35.8	31.9	16.3	83.9
– thereof Switzerland	4.2	2.1	3.3	9.6
Americas	514.0	652.6	184.9	1'351.5
– thereof USA	277.1	501.5	132.5	911.1
Asia-Pacific	305.2	170.4	298.1	773.8
– thereof China	189.9	31.6	158.4	380.0
Total	1'551.2	1'312.8	691.3	3'555.4

millions of CHF				2024
	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	624.6	460.3	188.2	1'273.1
– thereof United Kingdom	30.3	110.7	20.4	161.4
– thereof Saudi Arabia	83.4	31.6	27.8	142.9
– thereof Germany	63.9	48.0	29.7	141.5
– thereof France	35.6	30.5	5.0	71.0
– thereof United Arab Emirates	21.8	25.0	13.2	60.1
– thereof Switzerland	5.8	1.7	3.1	10.6
Americas	500.4	619.5	213.6	1'333.5
– thereof USA	314.8	483.7	157.4	955.9
Asia-Pacific	319.3	169.3	435.3	924.0
– thereof China	196.9	34.0	271.9	502.7
Total	1'444.3	1'249.1	837.1	3'530.6

Segment information by market segment

The following table shows the allocation of sales from external customers by market segment.

Sales by market segment – Flow

millions of CHF	2025	2024
Water & Industrial	899.7	873.6
Energy & Infrastructure	651.5	570.7
Total Flow	1'551.2	1'444.3

Sales by market segment – Services

millions of CHF	2025	2024
Pumps Services	725.8	670.9
Turbo Services	387.1	366.7
Electro-Mechanical Services	200.0	211.5
Total Services	1'312.8	1'249.1

Sales by market segment – Chemtech

millions of CHF	2025	2024
Mass Transfer Components & Services	440.3	558.5
System Solutions	251.0	278.6
Total Chemtech	691.3	837.1

3 Acquisitions of subsidiaries and transactions with non-controlling interests

Acquisitions in 2025

Davies and Mills Co.W.L.L

On January 30, 2025, Sulzer acquired 100% of Davies & Mills Co.W.L.L. (“Davies and Mills”), a Services business specializing in maintenance and repair for rotating equipment including generators, alternators, motors and pumps headquartered in Ras Zuwayed, Bahrain.

The goodwill is attributable to the know-how of the workforce and favorable synergies. The goodwill is not deductible for tax purposes. The fair value of the trade accounts receivable amounts to CHF 0.9 million, which is equal to the gross contractual amount.

The total consideration amounted to CHF 12.3 million paid in cash at the date of the completion. Additional payments will be transferred upon completion of certain criteria on a yearly basis until 2028. A liability of CHF 0.7 million was recorded as an employee benefit in non-current and current provisions. These payments are not considered as part of the total consideration.

Probig Holding GmbH

On August 27, 2025, Sulzer acquired a controlling stake in Probig Holding GmbH (“Probig”), a provider of water and wastewater treatment solutions headquartered in Austria. Sulzer acquired shares representing an ownership of 70 percent in Probig and entered into a binding agreement to acquire the remaining 30 percent of the shares over the next 3 years. The total consideration amounted to CHF 8.0 million, of which CHF 5.2 million was paid in cash and CHF 2.8 million relate to contingent consideration for the purchase price not yet paid for the remaining 30 percent shares not yet transferred.

The goodwill is attributable to the know-how of the workforce and favorable synergies. The goodwill is not expected to be deductible for tax purposes. The fair value of the trade accounts receivable amounts to CHF 1.3 million, which is equal to the gross contractual amount.

The contingent consideration for the purchase price not yet paid was recorded in other current and non-current liabilities. The shares were agreed to be transferred in three tranches, with payments expected in the years 2026, 2027 and 2028. The payments depend on the achieved operating income (EBIT) in the year preceding each payment, with an agreed payment amount for each tranche. The recorded liability represents the discounted expected payments estimated with the expected value method.

The table below presents the amounts of the assets acquired, the liabilities assumed, the goodwill recorded and the consideration transferred on the date of acquisition.

millions of CHF	Davies and Mills	Probig	Total
Intangible assets	5.7	1.9	7.7
Property, plant and equipment	0.3	0.4	0.7
Other non-current assets	0.1	1.1	1.3
Other current assets	2.8	4.0	6.7
Cash and cash equivalents	1.0	0.5	1.5
Non-current liabilities (excluding borrowings)	-0.4	-1.3	-1.7
Current borrowings	-	-0.3	-0.3
Current liabilities (excluding borrowings)	-0.2	-3.0	-3.3
Net identifiable assets	9.3	3.3	12.7
Goodwill	2.9	4.6	7.6
Total consideration	12.3	8.0	20.3
Purchase price paid in cash	12.3	5.2	17.5
Contingent consideration	-	2.8	2.8
Total consideration	12.3	8.0	20.3

Acquisitions in 2024

Owatec Group Oy

On April 3, 2024, Sulzer acquired a controlling stake in Owatec Group Oy (“Owatec”), a provider of mobile water treatment solutions headquartered in Finland. Sulzer acquired shares representing an ownership of 60 percent in Owatec and entered into a binding agreement to acquire the remaining 40 percent of the shares over the next five years.

On September 23, 2025, an amendment for the settlement to purchase of 35 percent of the shares was concluded leading to a payment of CHF 0.9 million. The liability for the contingent consideration in the amount of CHF 4.9 million was derecognized, with a corresponding income recorded in other operating income (see [note 9](#)). The remaining outstanding shares of 5 percent are subject to an unconditional written put option, granting the seller the right to sell all or part of the shares to the purchaser. In accordance with IAS 32, the liability was initially recognized at the present value of the option's exercise price. As of year end 2025, the put option amounted to CHF 0.2 million and was recorded in other current liabilities.

Cash flow from acquisition of subsidiaries

millions of CHF	2025	2024
Cash consideration paid	-17.5	-12.7
Cash acquired	1.5	0.5
Contingent consideration paid	-0.9	-0.9
Total cash flow from acquisitions, net of cash acquired	-16.9	-13.1

Contingent consideration for acquisitions

millions of CHF	2025	2024 ¹
Balance as of January 1	5.2	
Assumed in a business combination	2.8	8.5
Unrealized fair value gain/(loss), net	0.4	-0.4
Reclassifications	-0.7	-
Payment of contingent consideration ²	-0.9	-0.9
Release to other operating income	-3.9	-2.0
Total contingent consideration as of December 31	2.8	5.2
- thereof non-current	1.8	5.2
- thereof current	1.0	-

1) The liability for the purchase price not yet paid of CHF 5.6m was reclassified as contingent consideration related to a change in accounting policy.

2) The payments are presented in the cash flow statement in "Acquisitions of subsidiaries, net of cash acquired".

Transactions with non-controlling interests

millions of CHF	2025	2024
Carrying amount of non-controlling interests acquired (disposed)	-	-1.5
Consideration received (paid) in cash	-	0.0
Decrease in equity attributable to owners of Sulzer Ltd	-	-1.5

After entering into a collaboration with a local partner, the group's ownership in Sulzer Pumps (Nigeria) Ltd. decreased in the second half of 2024. The group continues to exercise strategic and management control over the subsidiary following the group's reduction in ownership.

As of December 31, 2024, a payment of CHF 0.3 million in connection with the acquisition of the remaining 25 percent ownership in Sulzer Saudi Pumps Company in 2023 is reported in the cash flow statement in divestiture (acquisition) of non-controlling interests.

4 Critical accounting estimates and judgments

All estimates and assessments are continually reviewed and are based on historical experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances. The group makes estimates and assumptions that relate to the future. By their nature, these estimates will only rarely correspond to actual subsequent events. The estimates and assumptions that carry a significant risk, in the form of a substantial adjustment to the measurement of assets and liabilities within the next financial year, are set out below.

Employee benefit plans

Assets, liabilities and costs for defined benefit pension plans and other post-employment plans are determined on an actuarial basis using a number of assumptions. Assumptions used in determining the defined benefit assets / obligations include the discount rate, future salary, pension increases, and mortality rates. The assumptions are reviewed and reassessed at the end of each year based on observable market data, i.e., market yields of high-quality corporate bonds denominated in the corresponding currency and asset management studies. In case a defined benefit plan results in a surplus, the group needs to calculate the asset ceiling and the present value of the economic benefits available in the form of refunds or reductions in future contributions to the plan. For the calculation of the economic benefits, the future benefits are discounted with the applicable discount rate and adjusted for estimated future salary increases. These estimates might significantly impact the balance sheet. Further details on the defined benefit plans are provided in [note 7](#) and [note 32](#).

Income taxes

The group is subject to income taxes in numerous jurisdictions. Assumptions are required in order to determine income tax provisions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Management believes that the estimates are reasonable, and that the recognized liabilities for income tax-related uncertainties are adequate. Further details are disclosed in [note 11](#).

Goodwill and other intangible assets

The group carries out an annual impairment test on goodwill in the first quarter of the year (after the budget and the strategic plan have been approved by the Board of Directors), or when indications of a potential impairment exist. The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations, with the terminal growth rate, the discount rate, and the projected cash flows as the main variables. Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment are disclosed in [note 12](#). The accounting policies are disclosed in [note 32](#).

Lease assets and lease liabilities

The group has applied judgment to determine the lease term for lease contracts that include renewal and termination options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and lease assets recognized. This assessment depends on economic incentives, such as removal and relocation costs. Further details are disclosed in [note 14](#) and [note 32](#).

Sales

At contract inception, the group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation. The group considers the terms of the contract and all other relevant facts, including the economic substance of the transaction. Judgment is needed to determine whether there is a single performance obligation or multiple separate performance obligations.

If the consideration promised in a contract includes a variable amount (e.g., expected liquidated damages, early payment discounts, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects to better predict the amount of consideration to which it will be entitled: the expected value or the most likely amount. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled. Depending on the outcome of the respective transactions, actual payments may differ from these estimates.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

The group recognizes sales either over time or at a point in time. Sales are recognized over time if any of the conditions described in [note 32](#) are met. The most critical estimate in determining whether sales should be recorded over time or at a point in time is the existence of a right to payment. The group estimates if an enforceable right to payment (including reasonable profit margin) for performance to date exists in case the customer terminates the contract for convenience. For this estimate, the group reviews the contracts and considers relevant laws, legal precedents and customary business practice.

Applying the over time method requires the group to estimate the proportional sales and costs. To measure the stage of completion, generally, the cost-to-cost method is applied. Work progress of sub-suppliers is considered in determining the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Further details are disclosed in [note 18](#) and [note 32](#).

Provisions

Provisions are made, among other reasons, for warranties, disputes, litigation and restructuring. A provision is recognized in the balance sheet when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The nature of these costs is such that judgment has to be applied to estimate the timing and amount of cash outflows. Depending on the outcome of the respective transactions, actual payments may differ from these estimates. Further details are disclosed in [note 25](#) and [note 32](#).

Financial assets

The fair value needs to be measured for the financial assets measured at fair value through P&L. If there is no observable fair value, valuation approaches relying on unobservable inputs are used. These inputs inherently require a higher level of judgement. Assumptions and estimates of unobservable market inputs in the fair valuation of financial assets require significant judgment and could affect amounts recognized in the income statement.

5 Financial risk management

5.1 Financial risk factors

The group's activities expose it to market, credit and liquidity risks. The group's overall risk management program focuses on the mitigation of such risks to minimize potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's subsidiaries. Principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity exist in writing.

a) Market risk

(I) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The group is exposed to transactional foreign currency risk to the extent that sales, purchases, license fees, borrowings and other balance sheet items are denominated in currencies other than the functional currencies of group companies. The exposure originates mainly from group companies with the functional currencies CHF, EUR, CNY, USD, GBP and BRL. Management has set up a policy to require subsidiaries to manage their foreign exchange risk against their functional currency. The subsidiaries are required to hedge their major foreign exchange risk exposure using forward contracts or other standard instruments, usually transacted with Group Treasury. The group's management policy is to hedge 90% to 100% of the contractual FX exposures.

The group uses forward exchange contracts to hedge its currency risk, all of them with a maturity of less than one year from the reporting date. The contracts are generally designated for hedge accounting as cash flow hedges. The group determines the existence of an economic relationship between the hedging instruments and the hedged item based on the currency, amount and timing of the respective cash flows. For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated.

External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis. The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. If required, currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The Group considers derivative financial instruments on an ad hoc basis to manage foreign currency translation risk.

The following tables show the hypothetical influence on the income statement for 2025 and 2024 related to foreign exchange risk of financial instruments. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. For 2025, the currency pair with the most significant exposure and inherent risk was the GBP versus the USD. If, on December 31, 2025, the GBP had increased by 7.2% against the USD with all other variables held

constant, profit after tax for the year would have been CHF 1.4 million higher due to foreign exchange gains. A decrease of the rate would have caused a loss of the same amount.

Hypothetical impact of foreign exchange risk on income statement

millions of CHF	2025			
	GBP/USD	EUR/ZAR	USD/INR	EUR/BRL
Currency pair				
Exposure	25.6	13.8	-20.7	-7.1
Volatility	7.2%	10.1%	4.6%	12.8%
Effect on profit after tax (rate increase)	1.4	1.1	-0.7	-0.7
Effect on profit after tax (rate decrease)	-1.4	-1.1	0.7	0.7

millions of CHF	2024			
	CHF/CNY	GBP/USD	EUR/ZMK	EUR/BRL
Currency pair				
Exposure	-17.8	17.1	-3.0	-3.8
Volatility	6.6%	6.2%	18.4%	11.6%
Effect on profit after tax (rate increase)	-0.9	0.8	-0.4	-0.3
Effect on profit after tax (rate decrease)	0.9	-0.8	0.4	0.3

The following tables show the hypothetical influence on equity for 2025 and 2024 related to foreign exchange risk of financial instruments for the most important currency pairs as of December 31 of the respective year. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. Most of the hypothetical effect on equity is a result of fair value changes of derivative financial instruments designated as cash flow hedges.

Hypothetical impact of foreign exchange risk on equity

millions of CHF	2025						
	GBP/USD	USD/MXN	EUR/CHF	USD/BRL	EUR/USD	USD/CAD	USD/INR
Currency pair							
Exposure	131.8	-80.3	-88.7	-26.7	28.9	-37.0	-40.2
Volatility	7.2%	9.2%	5.0%	11.5%	8.6%	5.5%	4.6%
Effect on equity, net of taxes (rate increase)	7.2	-5.6	-3.4	-2.3	1.9	-1.5	-1.4
Effect on equity, net of taxes (rate decrease)	-7.2	5.6	3.4	2.3	-1.9	1.5	1.4

millions of CHF	2024						
	USD/MXN	GBP/USD	USD/BRL	EUR/CHF	EUR/BRL	EUR/USD	EUR/SEK
Currency pair							
Exposure	-50.7	96.5	-34.8	-66.2	22.7	34.6	-27.2
Volatility	13.1%	6.2%	12.5%	5.3%	11.6%	5.9%	5.7%
Effect on equity, net of taxes (rate increase)	-5.0	4.5	-3.0	-2.6	2.0	1.5	-1.2
Effect on equity, net of taxes (rate decrease)	5.0	-4.5	3.0	2.6	-2.0	-1.5	1.2

(II) Price risk

As of December 31, 2025, and 2024, the group was not exposed to significant price risk related to investments in equity securities.

(III) Interest rate risk

The group's interest rate risk arises from interest-bearing assets and liabilities. Financial assets and liabilities at variable rates expose the group to cash flow interest rate risk. The group analyzes its interest rate exposure on a net basis, and if required, enters into derivative instruments in order to keep the volatility of net interest income or expense limited. The group's non-current interest-bearing liabilities mainly comprise of bonds with a fixed interest rate.

The following table shows the hypothetical influence on the income statement for variable interest-bearing assets net of liabilities at variable interest rates, assuming market interest rate levels would have increased / decreased by 100 basis points. For the most significant currencies, CHF, EUR, CNY, USD and INR, increasing interest rates would have had a positive impact on the income statement, since the value of variable interest-bearing assets (comprising mainly cash and cash equivalents) exceed the value of variable interest-bearing liabilities.

Hypothetical impact of interest rate risk on income statement

millions of CHF	2025			
	Amount	Sensitivity in basis points	Impact on post-tax profit	
			rate increase	rate decrease
Variable interest-bearing assets (net)				
EUR	226.9	100	1.7	-1.7
CHF	218.0	100	1.7	-1.7
USD	165.6	100	1.3	-1.3
CNY	144.4	100	1.1	-1.1
INR	37.5	100	0.3	-0.3

millions of CHF	2024			
	Amount	Sensitivity in basis points	Impact on post-tax profit	
			rate increase	rate decrease
Variable interest-bearing assets (net)				
CHF	373.0	100	2.8	-2.8
EUR	227.3	100	1.7	-1.7
CNY	145.1	100	1.1	-1.1
USD	127.6	100	1.0	-1.0
INR	40.5	100	0.3	-0.3

On December 31, 2025, if the interest rates on EUR-denominated assets net of liabilities had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 1.7 million higher, as a result of higher interest income on EUR-denominated assets. A decrease of interest rates on EUR-denominated assets net of liabilities would have caused a loss of the same amount. As of December 31, 2024, if the interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 1.7 million higher, as a result of higher interest income on EUR-denominated assets.

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions or corporates and credit exposures to customers, including outstanding trade receivables and contract assets. The maximum exposure to credit risk per class of financial asset is disclosed by carrying amounts in the fair value table. Equity instruments are not exposed to credit risks. The carrying amounts of financial assets and contract assets represent the maximum credit risk exposure.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

For every customer with a large order volume, an individual risk assessment of the credit quality of the customer is performed that considers independent ratings, financial position, past experience and other factors. Additionally, bank guarantees and letters of credit are requested. For more details on the credit risk of contract assets, please refer to [note 18](#), and on the credit risk of trade accounts receivable, please refer to [note 19](#).

c) Liquidity risk

Prudent liquidity risk management includes the maintenance of sufficient cash and marketable securities, the availability of funding from an adequate number of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding through committed and uncommitted credit lines.

Management anticipates the future development of the group's liquidity reserve on the basis of expected cash flows by performing regular group-wide cash forecasts. As of December 2025, Sulzer had access to a syndicated credit facility of CHF 500 million maturing on December 31, 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028.

The following table analyzes the group's financial liabilities in relevant maturity groupings based on the remaining period from the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows translated at year-end closing rates, if not denominated in CHF. Borrowings include the notional amount and interest payments.

Maturity profile of financial liabilities

	2025				
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	1'084.2	311.1	703.1	102.5	1'116.7
Lease liabilities	110.6	28.4	57.4	37.7	123.5
Trade accounts payable	386.4	386.4	-	-	386.4
Other current and non-current liabilities (excluding derivative liabilities)	339.7	337.1	2.1	0.5	339.8
Total non-derivative financial liabilities	1'921.0	1'063.1	762.6	140.8	1'966.4
Derivative liabilities	4.6	4.6	-	-	4.6
- thereof outflow	-	958.7	-	-	958.7
- thereof inflow	-	954.1	-	-	954.1

	2024				
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	Total
Borrowings	1'057.1	327.0	767.3	-	1'094.3
Lease liabilities	104.9	27.0	58.2	31.6	116.9
Trade accounts payable	388.2	388.2	-	-	388.2
Other current and non-current liabilities (excluding derivative liabilities)	473.0	465.7	7.3	1.0	474.0
Total non-derivative financial liabilities	2'023.2	1'208.0	832.8	32.6	2'073.4
Derivative liabilities	10.3	10.3	-	-	10.3
- thereof outflow	-	761.0	-	-	761.0
- thereof inflow	-	750.7	-	-	750.7

5.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In this respect, the group aims at maintaining an investment-grade credit rating, either as a perceived rating or an external rating issued by a credit rating agency.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The following table shows the net debt / EBITDA ratio as of December 31, 2025, and 2024.

Net debt / EBITDA ratio

millions of CHF	2025	2024
Cash and cash equivalents	-927.3	-1'060.6
Current financial assets	-0.1	-1.0
Non-current borrowings	779.3	745.0
Non-current lease liabilities	81.7	78.3
Current borrowings	304.9	312.0
Current lease liabilities	28.9	26.6
Net debt as of December 31	267.4	100.4
Operating income (EBIT)	433.1	382.5
Depreciation	78.5	77.1
Impairments on tangible and intangible assets	4.5	4.5
Amortization	40.2	38.5
EBITDA	556.2	502.7
Net debt	267.4	100.4
EBITDA	556.2	502.7
Net debt / EBITDA ratio	0.48	0.20

Another important ratio for the group is the gearing ratio (borrowings-to-equity ratio), which is calculated as total borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

As of December 31, 2025, and 2024, the gearing ratio was as follows:

Gearing ratio (borrowings-to-equity ratio)

millions of CHF	2025	2024
Non-current borrowings	779.3	745.0
Non-current lease liabilities	81.7	78.3
Current borrowings	304.9	312.0
Current lease liabilities	28.9	26.6
Total borrowings and lease liabilities	1'194.8	1'161.9
Equity attributable to shareholders of Sulzer Ltd	1'293.2	1'223.6
Gearing ratio (borrowings-to-equity ratio)	0.92	0.95

For the definition of net debt, EBIT, EBITDA and gearing ratio, please refer to the section [“Supplementary information”](#).

5.3 Fair value estimation

The following tables present the carrying amounts and fair values of financial assets and liabilities as of December 31, 2025, and 2024, including their levels in the fair value hierarchy. For financial assets and financial liabilities not measured at fair value in the balance sheet, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into the following three different levels in a fair value hierarchy based on the inputs used in the valuation techniques:

The fair value of financial instruments traded in active markets, including the outstanding bonds, is based on quoted market prices at the balance sheet date. Such instruments are included in level 1.

The fair values included in level 2 are based on valuation techniques using observable market input data. This may include discounted cash flow analysis, option pricing models or reference to other instruments that are substantially the same, while always making maximum use of market inputs and relying as little as possible on entity-specific inputs. The fair values of forward contracts are measured based on broker quotes for foreign exchange rates and interest rates.

Fair values determined using unobservable inputs are categorized within level 3 of the fair value hierarchy. Level 3 instruments consist of non-current financial assets at fair value through profit or loss. Non-current financial assets at fair value through profit or loss consist of unquoted equity or debt instruments including private equity or fund investments. Fair values are mainly determined based on external valuations. Unrealized fair value gains are recorded in other financial income / (expenses), net. For the partial release of a contingent consideration, an income of CHF 3.9 million (2024: CHF 2.0 million) was recorded in other operating income. For more information, please refer to [note 3](#).

Level 3 financial assets at fair value through profit or loss

millions of CHF	2025	2024
Balance as of January 1	22.2	22.0
Additions	0.5	0.4
Divestments	-1.2	-0.0
Realized and unrealized fair value gains / (losses), net	1.4	-0.2
Currency translation differences	-0.5	-
Total level 3 financial assets at fair value through profit or loss as of December 31	22.4	22.2

Fair value table

		December 31, 2025									
		Carrying amount					Fair value				
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value											
Other non-current financial assets (at fair value)	16		22.6	6.0			28.6	6.2	–	22.4	28.6
Derivative assets – current	20,27	5.1					5.1	–	5.1	–	5.1
Current financial assets (at fair value)	16		0.0				0.0	0.0	–	–	0.0
Total financial assets measured at fair value		5.1	22.6	6.0	–	–	33.7	6.2	5.1	22.4	33.7
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	16				3.3		3.3				
Non-current receivables					1.2		1.2				
Trade accounts receivable	19				628.7		628.7				
Other current receivables (excluding current derivative assets and other taxes)	20				9.3		9.3				
Current financial assets (at amortized cost)	16				0.1		0.1				
Cash and cash equivalents	21				927.3		927.3				
Total financial assets not measured at fair value		–	–	–	1'569.9	–	1'569.9				
Financial liabilities measured at fair value											
Derivative liabilities – current	26,27	4.6					4.6	–	4.6	–	4.6
Contingent considerations	3		2.8				2.8	–	–	2.8	2.8
Total financial liabilities measured at fair value		4.6	2.8	–	–	–	7.3	–	4.6	2.8	7.3
Financial liabilities not measured at fair value											
Outstanding non-current bonds	24					778.7	778.7	787.9	–	–	787.9
Other non-current borrowings	24					0.6	0.6				
Other non-current liabilities (excluding non-current derivative liabilities and contingent considerations)						0.9	0.9				
Outstanding current bonds	24					294.9	294.9	298.9	–	–	298.9
Other current borrowings and bank loans	24					10.0	10.0				
Trade accounts payable						386.4	386.4				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	26					336.1	336.1				
Total financial liabilities not measured at fair value		–	–	–	–	1'807.6	1'807.6	1'086.9	–	–	1'086.9

Fair value table

		December 31, 2024									
		Carrying amount						Fair value			
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value											
Other non-current financial assets (at fair value)	16		22.4	4.7			27.1	4.9	–	22.2	27.1
Derivative assets – current	20,27	3.0					3.0	–	3.0	–	3.0
Current financial assets (at fair value)	16		0.6				0.6	0.6	–	–	0.6
Total financial assets measured at fair value		3.0	23.0	4.7	–	–	30.7	5.5	3.0	22.2	30.7
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	16				3.2		3.2				
Non-current receivables					1.9		1.9				
Trade accounts receivable	19				680.2		680.2				
Other current receivables (excluding current derivative assets and other taxes)	20				18.2		18.2				
Current financial assets (at amortized cost)	16				0.4		0.4				
Cash and cash equivalents	21				1'060.6		1'060.6				
Total financial assets not measured at fair value		–	–	–	1'764.5	–	1'764.5				
Financial liabilities measured at fair value											
Derivative liabilities – current	26,27	10.3					10.3	–	10.3	–	10.3
Contingent considerations ¹⁾	3		5.2				5.2	–	–	5.2	5.2
Total financial liabilities measured at fair value		10.3	5.2	–	–	–	15.5	–	10.3	5.2	15.5
Financial liabilities not measured at fair value											
Outstanding non-current bonds	24					744.0	744.0	759.5	–	–	759.5
Other non-current borrowings	24					1.0	1.0				
Other non-current liabilities (excluding non-current derivative liabilities and contingent considerations) ¹⁾						2.1	2.1				
Outstanding current bonds	24					299.9	299.9	299.7	–	–	299.7
Other current borrowings and bank loans	24					12.1	12.1				
Trade accounts payable						388.2	388.2				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	26					465.8	465.8				
Total financial liabilities not measured at fair value		–	–	–	–	1'913.1	1'913.1	1'059.2	–	–	1'059.2

¹⁾ The liability for the purchase price not yet paid of CHF 5.6m was reclassified as contingent consideration related to a change in accounting policy.

6 Personnel expenses

millions of CHF	2025	2024
Salaries and wages	868.0	889.3
Defined contribution plan expenses	32.9	33.5
Defined benefit plan expenses	13.8	21.1
Cost of share-based payment transactions	18.4	13.4
Social benefit costs	127.4	123.8
Other personnel costs	34.1	36.7
Total personnel expenses	1'094.7	1'117.9

7 Employee benefit plans

The present value of the defined benefit obligations and costs of the defined benefits are calculated using the projected unit credit method. For active members the calculation considers future salary increases, future pension increases as well as the probability of departures, and for retirees, current and future pension benefits considering future pension increases.

Reconciliation of the amount recognized in the balance sheet as of December 31

	2025					
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	Total
Present value of funded defined benefit obligation	-707.3	-301.3	-41.0	-76.7	-	-1'126.3
Fair value of plan assets (funded plans)	878.3	245.1	40.7	55.0	-	1'219.2
Overfunding / (underfunding)	171.0	-56.2	-0.3	-21.6	-	92.9
Present value of unfunded defined benefit obligation	-	-	-	-	-9.1	-9.1
Adjustment to asset ceiling	-	-	-	-0.1	-	-0.1
Net asset / (liability) recognized in the balance sheet	171.0	-56.2	-0.3	-21.7	-9.1	83.7
- thereof defined benefit obligations	-	-56.2	-0.8	-27.0	-9.1	-93.0
- thereof defined benefit assets	171.0	-	0.5	5.3	-	176.8

	2024					
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	Total
Present value of funded defined benefit obligation	-759.7	-323.9	-46.7	-81.6	-	-1'211.9
Fair value of plan assets (funded plans)	899.9	258.9	44.5	56.9	-	1'260.2
Overfunding / (underfunding)	140.2	-65.0	-2.2	-24.7	-	48.3
Present value of unfunded defined benefit obligation	-	-	-	-	-10.4	-10.4
Adjustment to asset ceiling	-	-	-	-0.0	-	-0.0
Net asset / (liability) recognized in the balance sheet	140.2	-65.0	-2.2	-24.7	-10.4	37.9
- thereof defined benefit obligations	-	-65.0	-2.3	-28.4	-10.4	-106.1
- thereof defined benefit assets	140.2	-	0.1	3.7	-	144.0

The group operates major funded defined benefit pension plans in Switzerland, the UK and the USA. The main unfunded defined benefit plan is a German pension benefit plan. The plans are exposed to actuarial risks, e.g., longevity risk, currency risk and interest rate risk, and the funded plans additionally to market (investment) risk.

In Switzerland, the group contributes to two pension plans funded via two different pension funds, i.e., a base plan for all employees and a supplementary plan for employees with salaries exceeding a certain limit. Both plans provide benefits depending on the pension savings at retirement. They include certain legal minimum interest credits to the pension savings (i.e., investment return) and guaranteed rates of conversion of pension savings into an annuity at retirement. In addition, the plans offer death in service and disability benefits. The two pension funds are collective funds administrating pension plans of group companies and also unrelated companies. In case of a material underfunding of the pension plans, the regulations include predefined steps, such as higher contributions by employer and employees or lower interest on pension savings, to eliminate the underfunding. The pension funds are legally separated from the group. The vast majority of the active participants in the two pension funds are employed by companies not belonging to the group. The Board of Trustees for the base plan comprises nine employee representatives and nine employer representatives. The discount rate in 2025 increased compared to 2024 (from 1.0% to 1.3% for active employees and from 0.9% to 1.1% for pensioners). In 2025 and 2024, there was no gain or loss from the change in effect of asset ceiling recorded in other comprehensive income (OCI) related to the Swiss pension plans. The net pension asset increased from CHF 140.2 million to CHF 171.0 million. The total expenses recognized in the income statement in 2025 amounted to CHF 9.2 million (2024: CHF 15.7 million). In 2025, the group recognized a curtailment adjustment which arose from a reduction in the number of plan participants eligible for future benefits. This event resulted in a gain of CHF 4.2m within past service costs. In 2024, the past service costs included an expense related to a plan amendment to both of the pension plans, which consisted of an increase in the conversion rate.

In the UK, the plan is a final salary plan and provides benefits linked to salary at closure to future accrual adjusted for inflation to retirement or earlier date of leaving service. The scheme is fully closed to new entrants and future accruals. The scheme is managed by eight trustees forming the Board. The plan is a multiemployer scheme with Sulzer (UK) Holding being the principal sponsor. The discount rate decreased in 2025 by 0.1 percentage points to 5.5% (2024: 5.6%). The net pension liability decreased from CHF 65.0 million in 2024 to CHF 56.2 million in 2025, with a gain recognized in OCI amounting to CHF 0.1 million (2024: gain of CHF 11.8 million). In 2025, the total expenses recognized in the income statement amounted to CHF 3.3 million (2024: CHF 3.7 million).

In the USA, the group operates non-contributory defined benefit retirement plans. The salaried plans provide benefits that are based on years of service and the employee's compensation, averaged over the five highest consecutive years preceding retirement. The hourly plans' benefits are based on years of service and a flat dollar benefit multiplier. All plans are closed to new entrants. The discount rate decreased in 2025 to 5.1% (2024: 5.4%). The net pension liability decreased from CHF 2.2 million in 2024 to CHF 0.3 million in 2025 with a gain recognized in OCI amounting to CHF 1.0 million (2024: gain of CHF 8.0 million). The total expenses recognized in 2025 amounted to CHF 0.2 million (2024: CHF 0.9 million).

In Germany, the group operates a range of different defined benefit pension plans, with one unfunded plan and two funded plans. All defined benefit plans are closed for new entrants and a new defined contribution plan for all employees was introduced in 2007. Existing employees who participated in the defined benefit plans continued to be eligible for these defined benefit pensions but also became eligible for the new defined contribution pensions. However, benefits received under the defined contribution plan are offset against the benefits under the defined benefit plans. The different defined benefit plans offer retirement pension, disability pension and survivor's pension benefits.

Employee benefit plans

millions of CHF	2025	2024
Reconciliation of effect of asset ceiling		
Adjustment to asset ceiling at January 1	–	–
Interest (expenses) / income on effect of asset ceiling	–	–
Change in effect of asset ceiling excl. interest (expenses) / income	–0.1	–0.0
Currency translation differences	0.0	0.0
Adjustment to asset ceiling at December 31	–0.1	–
Reconciliation of net asset / (liability) recognized in the balance sheet		
Net asset / (liability) recognized at January 1	37.9	43.2
Defined benefit income / (expenses) recognized in the income statement	–17.3	–24.3
Defined benefit income / (expenses) recognized in OCI	31.7	–2.4
Employer contributions	25.7	26.3
Reclassification	–	–0.0
Currency translation differences	5.7	–4.9
Net asset / (liability) recognized at December 31	83.7	37.9
Components of defined benefit income / (expenses) in the income statement		
Current service costs (employer)	–17.3	–15.8
Past service costs	3.8	–4.7
Gains and (losses) on settlement	–0.0	–0.2
Interest expenses	–29.3	–32.2
Interest income on plan assets	25.8	29.0
Interest expenses / (income) on effect of asset ceiling	–0.0	–
Other administrative costs	–0.3	–0.4
Income / (expenses) recognized in the income statement	–17.3	–24.3
– thereof charged to personnel expenses	–13.8	–21.1
– thereof charged to interest income / (expenses), net	–3.5	–3.2
Components of defined benefit gains / (losses) in OCI		
Actuarial gains / (losses) on defined benefit obligation	–6.4	–19.5
Returns on plan assets excl. interest income	38.1	17.0
Changes in effect of asset ceiling excl. interest expenses / (income)	–0.1	–0.0
Returns on reimbursement right excl. interest income / (expenses)	0.2	0.1
Others	–0.1	–
Defined benefit gains / (losses) recognized in OCI ¹⁾	31.7	–2.4

1) The tax effect on defined benefit cost recognized in OCI amounted to CHF 5.7 million (2024: CHF 3.3 million).

Employee benefit plans

millions of CHF	2025	2024
Reconciliation of defined benefit obligation (funded and unfunded plans)		
Defined benefit obligation as of January 1	-1'222.3	-1'220.0
Interest expenses	-29.3	-32.2
Current service costs (employer)	-17.3	-15.8
Past service costs	3.8	-4.7
Contributions by plan participants	-8.5	-8.5
Benefits paid / (deposited)	117.3	100.9
Gains and (losses) on settlement	-0.0	-0.2
Other administrative costs	-0.3	-0.4
Actuarial gains / (losses)	-6.4	-19.5
Reclassification	-	-0.0
Currency translation differences	27.7	-22.0
Defined benefit obligation as of December 31	-1'135.4	-1'222.3
Reconciliation of the fair value of plan assets		
Fair value of plan assets as of January 1	1'260.2	1'263.2
Interest income on plan assets	25.8	29.0
Employer contributions	25.7	26.3
Contributions by plan participants	8.5	8.5
Benefits (paid) / deposited	-117.3	-100.8
Returns on plan assets excl. interest income	38.1	17.0
Currency translation differences	-21.9	17.0
Fair value of plan assets as of December 31	1'219.2	1'260.2
Total plan assets at fair value – quoted market price		
Cash and cash equivalents	60.6	45.4
Equity instruments	249.1	261.1
Debt instruments	256.7	275.8
Real estate funds	16.1	18.7
Investment funds	4.8	5.5
Others	70.1	74.3
Total assets at fair value – quoted market price as of December 31	657.4	680.7
Total plan assets at fair value – non-quoted market price		
Properties occupied by or used by third parties (real estate)	275.7	275.6
Others	286.0	303.9
Total assets at fair value – non-quoted market price as of December 31	561.8	579.5
Best estimate of contributions for upcoming financial year		
Contributions by the employer	25.2	27.0

Employee benefit plans

millions of CHF	2025	2024
Components of defined benefit obligation, split		
Defined benefit obligation for active members	-267.0	-278.1
Defined benefit obligation for pensioners	-723.1	-753.9
Defined benefit obligation for deferred members	-145.2	-190.3
Total defined benefit obligation as of December 31	-1'135.4	-1'222.3
Components of actuarial gains / (losses) on obligations		
Actuarial gains / (losses) arising from changes in financial assumptions	16.6	-4.7
Actuarial gains / (losses) arising from changes in demographic assumptions	-0.1	5.6
Actuarial gains / (losses) arising from experience adjustments	-22.9	-20.4
Total actuarial gains / (losses) on defined benefit obligation	-6.4	-19.5
Maturity profile of defined benefit obligation		
Weighted average duration of defined benefit obligation in years	10.1	10.6

The defined benefit obligations for the Swiss and UK pension plans represent 88.8% (2024: 88.6%) of the group. The following significant actuarial assumptions were used for these two countries:

Principal actuarial assumptions as of December 31

	2025		2024	
	Funded plans Switzerland	Funded plans United Kingdom	Funded plans Switzerland	Funded plans United Kingdom
Discount rate for active employees	1.3%	n/a	1.0%	n/a
Discount rate for pensioners	1.1%	5.5%	0.9%	5.6%
Future salary increases	2.3%	n/a	2.3%	n/a
Future pension increases	0.0%	2.6%	0.0%	2.7%
Life expectancy at retirement age (male / female) in years	22/24	21/24	22/24	21/24

Sensitivity analysis of defined benefit obligations

millions of CHF	2025	2024
Discount rate (decrease 0.25 percentage points)	-28.9	-32.7
Discount rate (increase 0.25 percentage points)	27.6	31.0
Future salary growth (decrease 0.25 percentage points)	2.2	2.2
Future salary growth (increase 0.25 percentage points)	-2.2	-2.8
Life expectancy (decrease 1 year)	58.0	65.3
Life expectancy (increase 1 year)	-59.5	-64.4

Negative amounts in the above table indicate an increase in defined benefit obligations, positive amounts indicate a decrease in defined benefit obligations. The sensitivity analysis is based on reasonably possible changes of the significant actuarial assumptions as of year end. The sensitivities provided are based on the change in one assumption while holding the other assumptions unchanged. Interdependencies were not considered.

8 Research and development expenses

A breakdown of the research and development expenses per division is shown in the table below:

millions of CHF	2025	2024
Flow	40.1	39.1
Services	5.9	1.6
Chemtech	31.6	35.7
Total	77.6	76.4

9 Other operating income and expenses

millions of CHF	2025	2024
Income from release of contingent consideration	3.9	2.0
Gain from sale of property, plant and equipment	1.2	1.2
Gain from sale of intangible assets	1.0	–
Gain from disposal of associates	3.7	–
Total other operating income	9.9	3.2
Cost for mergers and acquisitions	–1.0	–1.9
Loss from sale of property, plant and equipment	–0.3	–0.9
Loss from deconsolidation of subsidiaries	–	–0.1
Operating currency exchange losses, net	–16.8	–4.4
Other operating expenses	–3.3	–1.9
Total other operating expenses	–21.4	–9.2
Total other operating income / (expenses), net	–11.5	–6.0

In 2025, other operating income includes CHF 1.2 million gain from sale of property, plant and equipment, CHF 1.0 million gain from sale of intangible assets, CHF 3.9 million income from a release of a contingent consideration (see [note 3](#)) and CHF 3.7 million profit from disposal of Tamturbo Oyi (see [note 15](#)).

In 2024, other operating income includes CHF 1.2 million gain from sale of property, plant and equipment and CHF 2.0 million income from a partial release of a contingent consideration (see [note 3](#)).

In 2025 and 2024 other operating expenses includes mainly currency exchange losses on operating assets and liabilities and expenses from litigation cases and other taxes.

10 Financial income and expenses

millions of CHF	2025	2024
Interest and securities income	10.0	17.3
Interest income on employee benefit plans	1.6	2.4
Total interest and securities income	11.6	19.6
Interest expenses on borrowings and lease liabilities	-24.4	-23.8
Interest expenses on employee benefit plans	-5.1	-5.5
Total interest expenses	-29.5	-29.3
Total interest income / (expenses), net	-17.9	-9.7
Income from investments and other financial assets	0.5	0.0
Fair value changes	-5.4	-12.7
Other financial income / (expenses), net	0.5	-0.0
Currency exchange gains / (losses), net	-12.3	-2.8
Total other financial income / (expenses), net	-16.7	-15.5
Total financial income / (expenses), net	-34.6	-25.2
- thereof fair value changes on financial assets at fair value through profit or loss	-5.4	-12.7
- thereof other income / (expenses) from financial assets at fair value through profit or loss	0.5	0.0
- thereof interest income on financial assets at amortized costs	10.0	17.3
- thereof other financial income / (expenses), net	0.5	-0.0
- thereof currency exchange gains / (losses), net	-12.3	-2.8
- thereof interest expenses on borrowings	-20.8	-20.8
- thereof interest expenses on lease liabilities	-3.6	-3.0
- thereof interest expenses on employee benefit plans, net	-3.5	-3.2

In 2025, the total financial expenses, net amounted to CHF 34.6 million, compared with CHF 25.2 million in 2024.

The total interest and securities income amounted to CHF 11.6 million (2024: CHF 19.6 million), including interest income on employee benefit plans of CHF 1.6 million (2024: CHF 2.4 million).

The line “Fair value changes” mainly includes fair value changes of derivative financial instruments used as hedging instruments to hedge foreign exchange risks amounting to CHF 6.9 million (2024: CHF 13.0 million) as well as gains from fair value changes of investments in financial instruments classified at fair value through profit or loss.

Currency exchange gains / losses are related to foreign currency differences of assets and liabilities that are not directly used for business related activities (financing activities or other support functions) recorded at the prevailing rate at the time of acquisition (or preceding year-end closing rate) as against the current balance sheet rate.

11 Income taxes

millions of CHF	2025	2024
Current income tax expenses	-85.2	-102.9
Deferred income tax (expenses) income	-6.3	14.7
Pillar II tax expenses	-0.9	-
Total income tax expenses	-92.4	-88.2

The weighted average tax rate results from applying each subsidiary's statutory income tax rate to the income before taxes. Since the group operates in countries that have differing tax laws and rates, the consolidated weighted average effective tax rate may vary from year to year according to variations in income per country and changes in applicable tax rates.

Reconciliation of income tax expenses

millions of CHF	2025	2024
Income before income tax expenses	387.1	353.5
Weighted average tax rate	20.6%	22.0%
Income taxes at weighted average tax rate	-79.7	-77.9
Income taxed at different tax rates	-21.5	-25.5
Effect of tax loss carryforwards and allowances for deferred income tax assets	1.5	4.4
Expenses not deductible for tax purposes	-0.6	-1.2
Effect of changes in tax rates and legislation	-0.6	1.0
Prior year items and others	8.4	11.0
Total income tax expenses	-92.4	-88.2
Effective income tax rate	23.9%	24.9%

The effective income tax rate for 2025 was 23.9% (2024: 24.9%). In 2025, the effective income tax rate was impacted by income taxed at different tax rates in the amount of CHF 21.5 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests.

Expenses not deductible for tax purposes in the amount of CHF 0.6 million mainly relate to disallowances of group charges for services, financing and other expenses in Mexico, India and Indonesia.

The effect of tax loss carryforwards and the related allowances for deferred income tax assets amounted to CHF 1.5 million and primarily reflects the utilization of tax losses under the U.S. Consolidated Federal Income Tax regime.

Prior-year items and other reconciling effects include tax benefits of CHF 8.0 million arising from the increased Foreign Tax Credit and the Foreign-Derived Deduction Eligible Income introduced by the U.S. One Big Beautiful Bill Act. In addition, this reconciling item comprises current tax refunds and receivables related to the Research and Development super-deduction in China (CHF 3.0 million), as well as refunds from Research and Development tax credits in Brazil (CHF 2.6 million) and the United Kingdom (CHF 0.7 million).

The effective income tax rate for 2024 was 24.9% impacted by income taxed at different tax rates in the amount of CHF 25.5 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests. Expenses not deductible for tax purposes in the amount of CHF 1.2 million mainly related to disallowances of group charges for services, financing and other expenses in India, Mexico, the UK and the USA. Effect of tax loss carryforwards and allowances for deferred income tax assets related to the utilization of tax losses in Germany, Ireland, UK and the USA due to the positive business development. Prior year items and others include current tax refunds and receivables from a Mutual Agreement Procedure in Switzerland (CHF 2.3 million), Research and Development super-deduction in China (CHF 1.5 million) and the refunds from Research and Development tax credit in Brazil and the USA. Additionally, a deferred income tax asset of CHF 2.1 million was recognized on a step-up in relation to the Swiss Corporate Tax Reform (TRAF) enacted in prior periods.

Summary of deferred income tax assets and liabilities in the balance sheet

millions of CHF	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible assets	18.9	-48.2	-29.3	20.9	-55.0	-34.2
Property, plant and equipment	8.4	-12.4	-4.0	4.8	-16.2	-11.5
Other financial assets	7.6	-2.0	5.5	12.6	-0.9	11.7
Inventories	22.0	-2.5	19.5	26.4	-3.8	22.6
Other assets	20.8	-48.7	-27.8	15.6	-44.0	-28.4
Defined benefit obligations	16.9	-3.4	13.5	21.4	-2.6	18.7
Non-current provisions	7.5	-	7.5	6.4	-	6.4
Current provisions	22.4	-1.1	21.3	23.7	-0.7	23.0
Other liabilities	34.0	-12.2	21.9	52.7	-11.5	41.2
Tax loss carryforwards	34.0	-	34.0	35.1	-	35.1
Elimination of intercompany profits	0.6	-	0.6	0.8	-	0.8
Tax assets / liabilities	193.0	-130.6	62.5	220.4	-134.8	85.6
Offset of assets and liabilities	-60.9	60.9	-	-66.9	66.9	-
Net recorded deferred income tax assets and liabilities	132.1	-69.6	62.5	153.6	-67.9	85.6

Cumulative deferred income taxes recorded in equity as of December 31, 2025, amounted to CHF – 13.9 million (2024: CHF –4.8 million). The group does not recognize any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e., the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Movement of deferred income tax assets and liabilities in the balance sheet

	2025					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired through business combination	Currency translation differences	Balance as of December 31
Intangible assets	-34.2	3.4	-	-0.5	2.0	-29.3
Property, plant and equipment	-11.5	6.7	-	-	0.8	-4.0
Other financial assets	11.7	-4.9	-	-	-1.3	5.5
Inventories	22.6	-2.0	-	-	-1.1	19.5
Other assets	-28.4	9.3	-8.4	-	-0.4	-27.8
Defined benefit obligations	18.7	-3.8	-0.7	-	-0.7	13.5
Non-current provisions	6.4	1.8	-	-	-0.7	7.5
Current provisions	23.0	-0.4	-	-	-1.4	21.3
Other liabilities	41.2	-17.1	-	-	-2.2	21.9
Tax loss carryforwards	35.1	0.9	-	-	-2.0	34.0
Elimination of intercompany profits	0.8	-0.2	-	-	-	0.6
Total	85.6	-6.3	-9.1	-0.5	-7.1	62.5

	2024					
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired through business combination	Currency translation differences	Balance as of December 31
Intangible assets	-37.4	5.3	-	-0.9	-1.2	-34.2
Property, plant and equipment	-8.4	-2.5	-	-	-0.6	-11.5
Other financial assets	15.6	-4.9	-	-	1.0	11.7
Inventories	25.1	-3.3	-	-	0.8	22.6
Other assets	-32.1	-9.5	12.9	-	0.4	-28.4
Defined benefit obligations	21.7	1.2	-5.1	-	0.9	18.7
Non-current provisions	9.5	-3.6	-	-	0.4	6.4
Current provisions	22.4	0.3	-	-	0.3	23.0
Other liabilities	21.3	20.3	-	-	-0.5	41.2
Tax loss carryforwards	23.1	11.4	-	-	0.7	35.1
Elimination of intercompany profits	1.0	-0.2	-	-	-	0.8
Total	61.8	14.7	7.8	-0.9	2.2	85.6

Tax loss carryforwards (TLCF)

millions of CHF	2025				
	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	15.8	3.7	-0.6	3.1	1.5
Expiring in 4–7 years	8.1	1.4	-1.0	0.4	4.2
Available without limitation	230.2	43.6	-13.1	30.5	88.9
Total tax loss carryforwards as of December 31	254.1	48.7	-14.6	34.0	94.7

millions of CHF	2024				
	Amount	Potential tax assets	Valuation allowance	Carrying amount	Unrecognized TLCF
Expiring in the next 3 years	0.3	0.0	-	0.0	-
Expiring in 4–7 years	10.6	2.6	-0.0	2.6	0.1
Available without limitation	237.5	43.9	-11.4	32.5	88.7
Total tax loss carryforwards as of December 31	248.3	46.6	-11.4	35.1	88.8

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. No deferred income tax assets have been recognized on tax loss carryforwards in the amount of CHF 94.7 million (2024: CHF 88.8 million) or on some step-ups in relation with the Swiss corporate tax reform (TRAF), which entered into effect on January 1, 2020.

Global minimum top-up tax

Sulzer is subject to the global minimum top-up tax under Pillar Two legislation. The top-up tax relates to subsidiaries in Bahrain, Ireland, Qatar and the United Arab Emirates, where the statutory tax rate is below 15% and top-up tax is levied on Sulzer under the Income Inclusion Rule or domestic minimum top-up tax. Sulzer benefits from transitional safe harbors in 44 countries. The Group recognized a current tax expense of CH 0.9 million related to the top-up tax (2024: nil).

The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax. The Group recognizes the top-up tax as a current tax when it incurs.

12 Goodwill and other intangible assets

						2025
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	Total
Acquisition cost						
Balance as of January 1	1'001.4	93.6	21.5	60.6	385.9	1'563.1
Acquired through business combination	7.6	0.5	–	0.0	7.2	15.3
Additions	–	0.0	0.0	2.9	0.7	3.6
Disposals	–	–0.1	–	–0.3	–0.1	–0.5
Reclassifications	–	0.0	3.4	0.1	–	3.5
Currency translation differences	–16.6	–5.5	–0.3	–1.9	–8.4	–32.7
Balance as of December 31	992.3	88.6	24.7	61.4	385.3	1'552.2
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	61.6	12.0	35.7	273.9	723.2
Additions ¹⁾	–	8.0	2.2	5.7	24.3	40.2
Disposals	–	–0.1	–	–0.3	–0.0	–0.4
Impairments	–	–	4.5	–	–	4.5
Currency translation differences	8.3	–3.7	–0.1	–1.4	–5.5	–2.6
Balance as of December 31	348.3	65.8	18.5	39.6	292.7	764.8
Net book value						
As of January 1	661.4	32.1	9.5	24.9	112.1	839.9
As of December 31	644.1	22.8	6.2	21.7	92.7	787.4

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

						2024
millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	Total
Acquisition cost						
Balance as of January 1	977.9	88.0	18.6	53.4	378.5	1'516.3
Acquired through business combination	10.8	2.4	0.6	–	3.9	17.8
Additions	–	0.1	2.2	6.6	0.9	9.7
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Reclassifications	–	–	–	0.4	–	0.4
Currency translation differences	12.6	3.2	0.1	0.6	4.2	20.8
Balance as of December 31	1'001.4	93.6	21.5	60.6	385.9	1'563.1
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	51.3	10.6	31.5	248.1	681.5
Additions ¹⁾	–	8.1	1.4	4.2	24.8	38.5
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Currency translation differences	–	2.2	0.0	0.3	2.5	5.1
Balance as of December 31	340.0	61.6	12.0	35.7	273.9	723.2
Net book value						
As of January 1	637.9	36.6	8.0	21.8	130.4	834.8
As of December 31	661.4	32.1	9.5	24.9	112.1	839.9

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

Goodwill impairment test

millions of CHF	2025			
	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	373.7	597.4	2.0%	11.7%
Services	191.1	996.4	2.0%	13.4%
Chemtech	79.3	1'120.3	2.0%	10.9%
Total as of December 31	644.1	2'714.1		

millions of CHF	2024			
	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	375.4	647.7	2.0%	12.7%
Services	202.1	1'087.1	2.0%	14.1%
Chemtech	83.9	1'085.8	2.0%	11.9%
Total as of December 31	661.4	2'820.7		

Goodwill is allocated to the smallest cash-generating unit (CGU) at which goodwill is monitored for internal management purposes (i.e., division). The recoverable amount has been determined based on a value-in-use calculation. A five-year strategic plan approved by the Board of Directors in February 2024 forms the basis for the projected cash flows. Cash flows beyond the planning period are extrapolated using a terminal value including a growth rate as stated above.

The calculated value-in-use exceeded the carrying amount of the cash-generating unit with a substantial margin (i.e., headroom) and an update of the impairment test at the end of the year would not have resulted in any goodwill impairment. As of December 31, 2025, there is no indication of a goodwill impairment.

Sensitivity analyses

The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations significantly impacted by the terminal growth rate used to determine the residual value, the discount rate and the projected cash flows. The table above shows the amount by which the estimated recoverable amount of the CGU exceeds its carrying amount (headroom).

Sensitivity analyses were performed with regards to key assumptions, that would not change the conclusions of the impairment test. An increase of the discount rate by 5.0 percentage points or a decrease of the terminal growth rate by 5.0 percentage points would still lead to a recoverable amount exceeding the carrying amount for all CGU's.

13 Property, plant and equipment

	2025				
millions of CHF	Land and buildings	Machinery and technical equipment	Other property, plant and equipment	Assets under construction	Total
Acquisition cost					
Balance as of January 1	342.1	494.4	172.0	58.8	1'067.3
Acquired through business combination	0.3	0.3	0.1	-	0.7
Additions	2.0	13.7	7.5	66.8	90.0
Disposals	-4.2	-8.5	-9.5	-2.5	-24.8
Reclassifications	12.5	31.5	6.9	-54.4	-3.5
Currency translation differences	-26.9	-34.2	-9.5	-4.1	-74.7
Balance as of December 31	325.8	497.2	167.4	64.5	1'055.0
Accumulated depreciation					
Balance as of January 1	166.0	362.9	143.7	6.9	679.6
Additions	10.6	25.4	9.9	-	45.8
Disposals	-3.9	-7.8	-9.4	-2.5	-23.6
Reclassifications	0.2	-0.2	-0.0	-	-0.0
Currency translation differences	-12.5	-25.0	-7.5	-0.0	-45.1
Balance as of December 31	160.3	355.3	136.6	4.4	656.7
Net book value					
As of January 1	176.1	131.5	28.2	51.9	387.8
As of December 31	165.5	141.9	30.8	60.1	398.2

	2024				
millions of CHF	Land and buildings	Machinery and technical equipment	Other property, plant and equipment	Assets under construction	Total
Acquisition cost					
Balance as of January 1	314.6	459.4	165.6	39.9	979.5
Acquired through business combination	3.5	1.3	0.1	-	4.9
Additions	4.2	18.3	7.8	52.4	82.7
Disposals	-0.8	-11.8	-11.5	-	-24.1
Reclassifications	10.5	16.0	6.8	-34.3	-1.0
Currency translation differences	10.1	11.3	3.1	0.8	25.3
Balance as of December 31	342.1	494.4	172.0	58.8	1'067.3
Accumulated depreciation					
Balance as of January 1	150.4	338.7	139.7	2.4	631.3
Additions	9.5	27.0	11.0	-	47.5
Disposals	-0.3	-10.3	-10.3	-	-20.9
Reclassifications	1.6	-1.6	0.0	-	-0.0
Impairments	-	-	-	4.5	4.5
Currency translation differences	4.8	9.1	3.4	-0.0	17.2
Balance as of December 31	166.0	362.9	143.7	6.9	679.6
Net book value					
As of January 1	164.2	120.6	25.9	37.5	348.2
As of December 31	176.1	131.5	28.2	51.9	387.8

In 2025, the group sold property, plant and equipment with a book value of CHF 1.1 million for CHF 2.1 million resulting in a net gain of CHF 0.9 million (2024: property, plant and equipment with a book value of CHF 3.2 million was sold for CHF 3.5 million, resulting in a net gain of CHF 0.3 million).

In 2024, an impairment of machinery and equipment under construction amounting to CHF 4.5 million was booked in one of the service centers, it was recorded within cost of goods sold.

The contractual commitments to acquire property, plant and equipment as of December 31, 2025, amounted to CHF 8.0 million (December 31, 2024: CHF 9.8 million).

14 Leases

Lease assets

				2025
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	80.8	7.4	17.1	105.2
Acquired through business combination	1.0	–	0.1	1.1
Additions	26.7	2.3	10.3	39.2
Disposals	–0.7	–0.0	–0.1	–0.8
Depreciation	–22.2	–2.5	–7.9	–32.6
Remeasurements and contract modifications	3.3	–	0.1	3.4
Currency translation differences	–4.1	–0.7	–0.5	–5.2
Total lease assets as of December 31	84.7	6.5	19.1	110.3

				2024
millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
Balance as of January 1	74.1	5.7	13.4	93.2
Acquired through business combination	0.0	0.4	0.0	0.5
Additions	24.2	3.6	10.6	38.4
Depreciation	–20.0	–2.3	–7.4	–29.7
Remeasurements and contract modifications	0.4	–0.3	0.2	0.4
Currency translation differences	2.2	0.3	0.3	2.8
Total lease assets as of December 31	80.8	7.4	17.1	105.2

Lease liabilities

	2025	2024
Balance as of January 1	104.9	93.0
Acquired through business combination	1.1	0.5
Additions	39.2	38.4
Interest expenses	3.6	3.0
Cash flow for repayments – principal portion	–33.4	–29.7
Cash flow for repayments – interest portion	–3.6	–3.0
Remeasurements and contract modifications	3.9	0.3
Currency translation differences	–5.1	2.4
Total lease liabilities as of December 31	110.6	104.9
- thereof non-current lease liabilities	81.7	78.3
- thereof current lease liabilities	28.9	26.6

The group leases land and buildings used for production, storage or office space. The terms are typically fixed for a period of three to five years. Various lease contracts for buildings contain extension options, providing the group with operational flexibility and planning security. Extension options are included in the measurement of the lease liability and the lease assets only if Management assesses these extension options as reasonably certain to be exercised.

Other leasing disclosures

millions of CHF	2025	2024
Recognized in the income statement		
Expenses relating to short-term leases	–18.5	–17.1
Expenses relating to low-value asset leases, excluding short-term leases of low-value assets	–0.5	–1.0
Expenses relating to variable lease payments not included in the lease liability	–3.7	–2.9
Income from subleasing right-of-use assets	0.3	0.4
Interest expenses on lease liabilities	–3.6	–3.0
Total recognized in the income statement	–26.0	–23.6
Recognized in the statement of cash flows		
Cash flow for short-term, low-value asset and variable leases (included within cash flow from operating activities)	–22.7	–21.0
Cash flow from subleasing right-of-use assets (included within cash flow from operating activities)	0.3	0.4
Cash flow for repayments of interest on lease liabilities (included within cash flow from operating activities)	–3.6	–3.0
Cash flow for repayments of the principal portion on lease liabilities (included within cash flow from financing activities)	–33.4	–29.7
Total cash outflow	–59.4	–53.2

15 Associates and joint ventures

millions of CHF	2025	2024
Balance as of January 1	53.0	54.7
Impairment ¹⁾	-10.1	-
Acquired through business combination	0.1	-
Disposal	-2.5	-
Share of profit / (loss) of associates and joint ventures	-1.3	-3.8
Dividend payments received	-	-0.1
Currency translation differences	-2.0	2.1
Total investments in associates and joint ventures as of December 31	37.1	53.0
- thereof investments in associates:	36.9	52.8
- thereof investments in joint ventures:	0.2	0.2

1) Impairment has been reported in the consolidated income statement within line share of profit / (loss) of associates and joint ventures.

In March 2025, the Group sold its shares in Tamturbo Oyi for CHF 6.8 million which resulted in a net gain of CHF 3.7 million in other operating income. In 2025, Sulzer recorded an impairment loss of CHF 8.0 million related to its shareholding in Fuenix Ecology Holding B.V.

16 Other financial assets

	2025			
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	Total
Balance as of January 1	23.0	4.7	3.5	31.2
Additions	0.5	–	0.5	1.0
Repayments	–0.4	–	–0.3	–0.6
Changes in fair value	0.3	1.3	–	1.6
Currency translation differences	–0.8	–0.0	–0.2	–1.0
Balance as of December 31	22.6	6.0	3.4	32.0
– thereof non-current	22.6	6.0	3.3	31.9
– thereof current	0.0	–	0.1	0.1

	2024			
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	Total
Balance as of January 1	23.8	9.5	7.4	40.7
Acquired through business combination	–	–	0.2	0.2
Additions	0.8	1.3	–	2.1
Repayments	–1.6	–	–4.2	–5.8
Changes in fair value	–0.1	–6.1	0.0	–6.2
Currency translation differences	0.0	–	0.2	0.2
Balance as of December 31	23.0	4.7	3.5	31.2
– thereof non-current	22.4	4.7	3.2	30.2
– thereof current	0.6	–	0.4	1.0

Financial assets that belong to the category “financial assets at fair value through profit or loss” include investments in equity securities.

The financial assets in the category “financial assets at fair value through other comprehensive income” are primarily comprised of medmix shares amounting to CHF 5.6 million (2024: CHF 4.4 million), which were received as part of the Applicator Systems spin-off in 2021. The financial investment in medmix Ltd is recognized at its fair value based on the share price of medmix Ltd (a level 1 hierarchy valuation). Management has designated this investment at fair value through other comprehensive income at initial recognition. In 2025, fair value changes of financial assets at fair value through other comprehensive income amounting to CHF 1.3 million (2024: CHF –6.1 million) were recorded in other comprehensive income, with an associated deferred tax effect of CHF 0.3 million (2024: CHF 1.2 million). The dividend received amounted to CHF 0.2 million (2024: CHF 0.2 million).

17 Inventories

millions of CHF	2025	2024
Raw materials, supplies and consumables	169.5	160.7
Work in progress	260.1	282.5
Finished products and trade merchandise	71.1	71.9
Total inventories as of December 31	500.7	515.1

In 2025, the group recognized write-downs of CHF 17.8 million in the income statement. In 2024, the total write-downs amounted to CHF 19.1 million. The accumulated write-downs on inventories amounted to CHF 73.9 million as of December 31, 2025 (2024: CHF 77.6 million). Material expenses in 2025 amounted to CHF 1'263.6 million (2024: CHF 1'238.8 million).

18 Assets and liabilities related to contracts with customers

millions of CHF	2025	2024
Sales recognized over time related to ongoing performance obligations	993.8	870.1
Sales recognized over time related to satisfied performance obligations	623.2	500.3
Sales recognized over time	1'617.0	1'370.4
Sales recognized at a point in time	1'938.4	2'160.2
Sales	3'555.4	3'530.6
– thereof sales recognized included in the contract liability balance at the beginning of the period	531.3	451.0
– thereof sales recognized from performance obligations satisfied (or partially satisfied) in previous periods	0.5	4.9
Contract assets from sales recognized over time relating to ongoing performance obligations	1'464.1	1'220.4
Expected loss rate	0.2%	0.1%
Allowance for expected losses	-2.2	-1.5
Netting with contract liabilities	-889.4	-718.8
Contract assets	572.5	500.1
Contract liabilities from costs recognized over time relating to ongoing performance obligations	210.4	175.8
Advance payments from customers relating to point in time contracts	220.8	248.7
Advance payments from customers relating to over time contracts	959.1	825.7
Netting with contract assets	-889.4	-718.8
Contract liabilities	500.8	531.3
Order backlog (aggregate amount of transaction price allocated to unsatisfied performance obligations)	2'255.6	2'300.0
– thereof expected to be recognized as revenue within 12 months	2'040.3	2'151.9
– thereof expected to be recognized in more than 12 months	215.3	148.1

19 Trade accounts receivable

Aging structure of trade accounts receivable

millions of CHF	2025				2024			
	Expected loss rate	Gross amount	Allowance	Net book value	Expected loss rate	Gross amount	Allowance	Net book value
Not past due	0.2%	419.1	-1.0	418.1	0.1%	493.8	-0.5	493.3
Past due								
1–30 days	1.3%	70.4	-0.9	69.5	1.7%	76.5	-1.3	75.2
31–60 days	1.1%	28.5	-0.3	28.2	2.2%	30.1	-0.7	29.4
61–120 days	2.0%	30.8	-0.6	30.2	3.6%	35.7	-1.3	34.4
>120 days	29.2%	116.9	-34.2	82.8	45.5%	87.8	-39.9	47.9
Total trade accounts receivable as of December 31		665.7	-37.0	628.7		723.8	-43.6	680.2

Allowance for doubtful trade accounts receivable

millions of CHF	2025	2024
Balance as of January 1	43.6	43.8
Reclassifications	-	3.1
Additions	13.2	13.1
Released as no longer required	-6.2	-12.7
Utilized	-10.5	-4.9
Currency translation differences	-3.1	1.2
Balance as of December 31	37.0	43.6

The recoverability of trade accounts receivable is regularly reviewed, and the credit quality of new customers is thoroughly assessed. Due to the large and heterogeneous customer base, the credit risk from individual customers of the group is limited. The allowance for doubtful trade accounts receivable is based on expected credit losses by country and by division. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP).

Accounts receivable by geographical region

millions of CHF	2025	2024
Europe, the Middle East and Africa	283.4	318.1
– thereof United Kingdom	46.3	77.9
– thereof Saudi Arabia	45.6	48.4
– thereof Spain	21.6	20.1
– thereof France	21.4	21.4
– thereof Germany	17.8	18.3
Americas	182.7	178.3
– thereof USA	101.3	110.0
Asia-Pacific	162.6	183.8
– thereof China	101.2	114.9
Total as of December 31	628.7	680.2

20 Other current receivables and prepaid expenses

millions of CHF	2025	2024
Taxes (VAT, withholding tax)	83.2	69.4
Derivative financial instruments	5.1	3.0
Other current receivables	9.3	18.2
Total other current receivables as of December 31	97.6	90.7
Prepaid expenses	33.8	28.1
Total prepaid expenses as of December 31	33.8	28.1
Total other current receivables and prepaid expenses as of December 31	131.4	118.8

For further details on derivative financial instruments, refer to [note 27](#). Other current receivables and prepaid expenses do not include any material positions that are past due or impaired.

21 Cash and cash equivalents

millions of CHF	2025	2024
Cash	894.4	871.7
Cash equivalents	32.9	188.9
Total cash and cash equivalents as of December 31	927.3	1'060.6

As of December 31, 2025, the group held restricted cash and cash equivalents of CHF 32.4 million (2024: CHF 10.7 million).

22 Equity

Share capital

thousands of CHF	2025		2024	
	Number of shares	Share capital	Number of shares	Share capital
Balance as of December 31 (par value CHF 0.01)	34'262'370	342.6	34'262'370	342.6

The share capital amounts to CHF 342'623.70, made up of 34'262'370 shares with dividend entitlement and a par value of CHF 0.01. All shares are fully paid in and registered. On December 31, 2025, conditional share capital amounted to CHF 17'000 (2024: CHF 17'000), consisting of 1'700'000 shares with a par value of CHF 0.01.

Share ownership

Sulzer shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account. Nominees will only be entered in the share register with the right to vote provided that they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into an agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register, provided that the above-mentioned conditions are met (see also paragraph 6a of the Articles of Association at <https://www.sulzer.com/en/shared/about-us/corporate-governance>).

Shareholders holding more than 3%

	Dec 31, 2025		Dec 31, 2024	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16'728'414	48.82	16'728'414	48.82
UBS Fund Management (Switzerland) AG	1'175'624	3.43	1'175'624	3.43
Fidelity Investments Canada ULC	1'032'911	3.02	-	-

Retained earnings

The retained earnings include prior years' undistributed income of consolidated companies and all remeasurements of the net defined benefit assets and liabilities and other transactions recorded directly in retained earnings.

Treasury shares

During 2025, the group acquired 128'500 treasury shares for CHF 18.9 million (2024: 282'500 shares for CHF 33.2 million). The total number of shares held by the group as of December 31, 2025, amounted to 524'796 treasury shares (December 31, 2024: 509'455 shares).

The treasury shares are held for the purpose of issuing shares under the management share-based payment programs.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. Amounts are reclassified to profit or loss when the associated hedged transaction affects the income statement.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of controlled entities, whose functional currency differs from the reporting currency of the group. The cumulative amount is reclassified to profit or loss when the net investment is derecognized.

Transactions with non-controlling interests

In 2024, the group reduced its ownership in Sulzer Pumps (Nigeria) Ltd.; reference is made to [note 3](#).

Dividends

On April 23, 2025, the Annual General Meeting approved an ordinary dividend of CHF 4.25 (2024: ordinary dividend of CHF 3.75) per share to be paid out of reserves. The dividend was paid to shareholders on April 29, 2025. The total amount of the dividend to shareholders of Sulzer Ltd relating to 2024 results was CHF 143.6 million (2024: CHF 127.3 million), thereof paid dividends of CHF 97.3 million (2024: CHF 86.5 million) and unpaid dividends of CHF 46.2 million (2024: CHF 40.8 million). The unpaid dividends are reflected in the balance sheet position “Other current and accrued liabilities” (see [note 26](#)).

The Board of Directors decided to propose to the Annual General Meeting 2026 a dividend for the year 2025 of CHF 4.75 per share (2024: CHF 4.25).

23 Earnings per share

	2025	2024
Net income attributable to shareholders of Sulzer Ltd (millions of CHF)	292.8	261.9
Issued number of shares	34'262'370	34'262'370
Adjustment for average treasury shares held	-513'682	-406'494
Average number of shares outstanding as of December 31	33'748'688	33'855'876
Adjustment for share participation plans	416'234	411'402
Average number of shares for calculating diluted earnings per share as of December 31	34'164'922	34'267'278
Earnings per share, attributable to a shareholder of Sulzer Ltd (in CHF) as of December 31		
Basic earnings per share	8.68	7.73
Diluted earnings per share	8.57	7.64

24 Borrowings

millions of CHF	2025		
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	745.0	312.0	1'057.1
Acquired through business combination	–	0.3	0.3
Cash flow from proceeds	329.2	51.4	380.6
Cash flow for repayments	–	–352.7	–352.7
Changes in amortized costs	0.3	0.1	0.5
Reclassifications	–295.3	295.3	–
Currency translation differences	–0.0	–1.4	–1.5
Total borrowings as of December 31	779.3	304.9	1'084.2

millions of CHF	2024		
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	795.2	261.1	1'056.3
Acquired through business combination	1.6	1.3	2.9
Cash flow from proceeds	249.3	42.3	291.6
Cash flow for repayments	–	–293.3	–293.3
Changes in amortized costs	0.3	0.1	0.4
Reclassifications ¹⁾	–301.3	300.2	–1.1
Currency translation differences	–0.0	0.3	0.3
Total borrowings as of December 31	745.0	312.0	1'057.1

1) Including a reclass to other non-current liabilities of CHF -0.9 million and to other current and accrued liabilities of CHF -0.2 million.

Borrowings by currency

	2025			2024		
	millions of CHF	in %	Interest rate	millions of CHF	in %	Interest rate
CHF	1'073.6	99.0	1.6%	1'043.9	98.8	1.5%
IDR	3.2	0.3	7.2%	4.3	0.4	8.4%
USD	3.1	0.3	0.2%	2.2	0.2	0.2%
MAD	2.2	0.2	12.0%	–	–	0.0%
EUR	1.5	0.1	2.7%	1.6	0.1	6.0%
INR	–	–	0.0%	4.7	0.4	7.3%
Other	0.7	0.1	6.5%	0.4	0.0	0.0%
Total as of December 31	1'084.2	100.0	–	1'057.1	100.0	–

As of December 2025, Sulzer has access to a syndicated credit facility of CHF 500 million maturing in December 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028. The facility is subject to financial covenants based on net financial indebtedness and EBITDA, which were adhered to throughout the reporting period. As of December 31, 2025, and 2024, the syndicated facility was not used.

Outstanding bonds

millions of CHF	2025		2024	
	Amortized costs	Nominal	Amortized costs	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
0.800% 09/2020–09/2025	-	-	299.9	300.0
0.875% 11/2020–11/2027	199.9	200.0	199.8	200.0
3.350% 12/2022–11/2026	169.9	170.0	169.8	170.0
1.773% 10/2024–10/2028	249.5	250.0	249.3	250.0
1.138% 09/2025–09/2029	229.5	230.0	-	-
1.365% 09/2025–09/2032	99.7	100.0	-	-
Total as of December 31	1'073.6	1'075.0	1'043.9	1'045.0
- thereof non-current	778.7	780.0	744.0	745.0
- thereof current	294.9	295.0	299.9	300.0

Carrying amount excludes accrued interest amounting to CHF 3.5 million (2024: CHF 3.0 million), which is presented in other current and accrued liabilities.

On September 23, 2025, Sulzer repaid CHF 300.0 million for the single tranche of a bond issued in 2020. This bond had a term of five years and carried a coupon of 0.800%.

On October 22, 2024, Sulzer repaid CHF 250.0 million for the single tranche of a bond issued in 2018. This bond had a term of six years and carried a coupon of 1.600%.

On September 17, 2025, Sulzer issued a CHF 100.0 million single tranche bond. The bond has a term of seven years and carries a coupon of 1.365% at a price of 100.000%.

On September 17, 2025, Sulzer issued a CHF 230.0 million single tranche bond. The bond has a term of four years and carries a coupon of 1.138% at a price of 100.000%.

On October 21, 2024, Sulzer issued a CHF 250.0 million single tranche bond. The bond has a term of four years and carries a coupon of 1.7725% at a price of 100.000%.

All the outstanding bonds are traded on SIX Swiss Exchange.

25 Provisions

	2025					
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	35.7	98.3	3.4	12.4	40.1	189.9
Acquired through business combination	0.2	0.3	–	–	0.0	0.5
Additions	16.0	41.2	4.6	0.1	12.4	74.2
Released as no longer required	–4.6	–16.3	–0.3	–0.0	–6.3	–27.5
Utilized	–8.4	–26.1	–4.5	–	–11.1	–50.0
Reclassification	–	1.3	–	–	–1.3	0.0
Currency translation differences	–2.7	–6.2	–0.1	–0.3	–2.0	–11.3
Total provisions as of December 31	36.2	92.5	3.0	12.2	31.9	175.8
– thereof non-current	19.8	10.0	0.4	12.2	8.7	51.0
– thereof current	16.4	82.5	2.6	0.0	23.2	124.8

	2024					
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	33.2	98.8	5.0	12.4	42.6	192.0
Acquired through business combination	–	0.0	–	–	0.1	0.2
Additions	8.6	39.3	4.6	–	30.5	83.0
Released as no longer required	–1.8	–19.8	–0.9	–0.2	–15.1	–37.8
Utilized	–5.5	–20.7	–5.4	–0.0	–19.8	–51.5
Reclassification	–	–0.8	–	–	0.8	–0.0
Currency translation differences	1.2	1.5	0.1	0.3	1.1	4.1
Total provisions as of December 31	35.7	98.3	3.4	12.4	40.1	189.9
– thereof non-current	20.8	2.7	0.4	12.4	9.9	46.2
– thereof current	14.8	95.6	2.9	0.0	30.3	143.8

The category “Other employee benefits” includes provisions for jubilee gifts and other obligations to employees.

The category “Warranties / liabilities” includes provisions for warranties, customer claims, penalties, litigation and legal cases relating to goods delivered or services rendered. Warranties that provide customers with assurance that the product complies with the agreed specifications are accounted for as provisions over the agreed warranty period.

In 2025, the group utilized CHF 4.5 million (2024: CHF 5.4 million) of restructuring provisions mainly relating to reorganization in the Flow and Services division. The group recorded restructuring provisions of CHF 4.6 million (2024: CHF 4.6 million), partly offset by released restructuring provisions of CHF 0.3 million (2024: CHF 0.9 million). Restructuring costs mainly relate to reorganization in the Flow division. The remaining restructuring provision as of December 31, 2025, is CHF 3.0 million, of which CHF 2.6 million is expected to be utilized within one year.

“Environmental” mainly consists of expected costs related to inherited liabilities.

“Other” includes provisions that do not fit into the aforementioned categories. A large number of these provisions refer to onerous contracts and indemnities, in particular related to divestitures. In addition, provisions for ongoing asbestos lawsuits and other legal claims are included. Based on the currently known facts, the group is of the opinion that the resolution of the open cases will not have material effects on its liquidity or financial condition. Although the group expects a large part of the category “Other” to be realized in 2025, by their nature, the amounts and timing of any cash outflows are difficult to predict.

26 Other current and accrued liabilities

millions of CHF	2025	2024
Liability related to the purchase of treasury shares	90.4	90.4
Outstanding dividend payments	197.0	318.0
Taxes (VAT, withholding tax)	41.4	41.9
Derivative financial instruments	4.6	10.3
Contingent consideration	1.0	–
Other current liabilities	48.7	57.3
Total other current liabilities as of December 31	383.0	518.0
Contract-related costs	101.9	136.3
Salaries, wages and bonuses	121.3	140.1
Vacation and overtime claims	26.1	26.6
Other accrued liabilities	160.7	154.2
Total accrued liabilities as of December 31	410.0	457.2
Total other current and accrued liabilities as December 31	793.1	975.2

In 2025, outstanding dividends increased by CHF 46.2 million in connection with the 2024 dividend (see [note 22](#)). In addition, Sulzer provided CHF 167.2 million to settle a loan between Tiwel Holding AG and a Russian bank. The settlement did not require any flow of funds from Switzerland or any other country to Russia. The loan, secured by Sulzer shares, fell due in July 2025. The payment was executed based on approval from all relevant national and international authorities.

27 Derivative financial instruments

millions of CHF	2025				2024			
	Derivative assets		Derivative liabilities		Derivative assets		Derivative liabilities	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
Forward exchange rate contracts	457.0	5.1	954.1	4.6	376.5	3.0	750.7	10.3
Total as of December 31	457.0	5.1	954.1	4.6	376.5	3.0	750.7	10.3
– thereof due in <1 year	457.0	5.1	954.1	4.6	376.5	3.0	750.7	10.3
– thereof due in 1–5 years	-	-	-	-	-	-	-	-

In 2025, the notional value and the fair value of derivative assets and liabilities consists of current derivative financial instruments. Most of these derivative assets and liabilities are dedicated as hedging instruments for cash flow hedges. The cash flow hedges of expected future sales were assessed as highly effective. In 2025, the net unrealized gains for cash flow hedges recorded in the cash flow hedge reserves in other comprehensive income amount to CHF 8.0 million (2024: net unrealized losses of CHF 7.5 million), net of a deferred tax impact of CHF –3.2 million (2024: CHF 3.3 million). As of December 31, 2025, the accumulated cash flow hedge reserve amounts to CHF 5.7 million (2024: CHF –5.5 million) with recognized net deferred tax assets of CHF 0.9 million (2024: net deferred tax liabilities of CHF 2.2 million) relating to these cash flow hedges included in the cash flow hedge reserves. In 2025, losses of CHF 6.6 million (2024: gains of CHF 3.4 million) were reclassified from the cash flow hedge reserves to the income statement. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

The hedged, highly probable forecast transactions denominated in foreign currencies are mostly expected to occur at various dates during the next 12 months. Gains and losses recognized in the cash flow hedge reserve in equity on forward foreign exchange contracts as of December 31, 2025, are recognized either in sales, cost of goods sold or other operating income / expenses in the period or periods during which the hedged transaction affects the income statement. This is generally within 12 months from the balance sheet date unless the gain or loss is included in the initial amount recognized for the purchase of fixed assets, in which case recognition is over the lifetime of the asset (5 to 10 years).

The group enters into derivative financial instruments under enforceable master netting arrangements. These agreements do not meet the criteria for offsetting derivative assets and derivative liabilities in the consolidated balance sheet. As of December 31, 2025, the amount subject to such netting arrangements was CHF 1.6 million (2024: CHF 2.0 million). Considering the effect of these agreements, the amount of derivative assets would reduce from CHF 5.1 million to CHF 3.5 million (2024: from CHF 3.0 million to CHF 1.0 million), and the amount of derivative liabilities would reduce from CHF 4.6 million to CHF 3.0 million (2024: from CHF 10.3 million to CHF 8.3 million).

28 Contingent liabilities

millions of CHF	2025	2024
Guarantees in favor of third parties	8.1	8.2
Total contingent liabilities as of December 31	8.1	8.2

As of December 31, 2025, guarantees provided to third parties amounted to CHF 8.1 million (2024: CHF 8.2 million) and relate to disposed businesses.

29 Share participation plans

Share-based payments charged to personnel expenses

millions of CHF	2025	2024
Restricted share unit plan	0.6	0.7
Blocked shares	0.7	0.0
Performance share plan	17.1	12.7
Total charged to personnel expenses	18.4	13.4

The compensation charged to personnel expenses for the services received during the period amounts to CHF 18.4 million including CHF 17.3 million (2024: CHF 12.7 million) relating to equity-settled plans credited in the retained earnings. The remaining CHF 1.1 million (2024: CHF 0.7 million) corresponds to cash-settled plans.

Restricted share unit plan settled in Sulzer shares

This long-term incentive plan covers the Board of Directors. Restricted share units (RSU) are granted annually. Awards to members of the Board of Directors automatically vest with the departure from the Board members. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. The fair value of the RSU granted is measured at the grant date closing share price of Sulzer Ltd, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds for the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. Consequently, the grant date fair value of the RSU is reduced by the present value of the dividends expected to be paid during the vesting period.

Restricted share units

Grant year	2024	2023	2022	2021	Total
Outstanding as of January 1, 2024	–	10'128	5'358	1'944	17'430
Granted	6'942	–	–	–	6'942
Exercised	–	–3'376	–2'679	–1'944	–7'999
Outstanding as of December 31, 2024	6'942	6'752	2'679	–	16'373
Outstanding as of January 1, 2025	6'942	6'752	2'679	–	16'373
Exercised	–2'314	–3'376	–2'679	–	–8'369
Outstanding as of December 31, 2025	4'628	3'376	–	–	8'004
Average fair value at grant date in CHF	112.58	77.05	77.82	106.32	

Blocked shares

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

Performance share plan settled in Sulzer shares

This long-term incentive plan covers the members of the Executive Committee and the members of the Sulzer Management Group. Performance share units (PSU) are granted annually, depending on the organizational position of the employee.

Vesting of the PSUs is generally subject to continuous employment and to the achievement of performance conditions over the performance period. Participants are not entitled to dividends declared during the vesting period. Vesting of the performance share plans (PSP) is based on three performance conditions: operational income before restructuring, amortization, impairments and non-operational items (operational profit) in the last year of the performance period (weighted 25%), average operational return on capital employed (operational ROCEA) (weighted 25%), and Sulzer's total return to shareholders (TSR), compared to a selected group of peer companies (weighted 50%).

TSR is measured with a starting value of the volume-weighted average share price (VWAP) over the last three months prior to the first year, and an ending value of the VWAP over the last three months of the vesting period. The rank of Sulzer's TSR at the end of the performance period determines the effective number of total shares.

For PSU granted in 2025, the Group redefined its profit measures. Newly granted plans are still subject to the achievement of performance conditions over the performance period. However, vesting of the performance share plans of (PSP) is now based on three performance conditions: earnings before interests, taxes, depreciation and amortization (EBITDA) in the last year of the performance period (weighted 25%), return on capital employed in the last (ROCE) in the last year of the performance period (weighted 25%), and Sulzer's total return to shareholders (TSR), compared to a selected group of peer companies (weighted 50%). Definition of newly introduced performance conditions can be found in the [Compensation Report](#).

The group neutralized the consequences of the spin-off of the Applicator Systems division in 2021. The number of originally granted PSUs was recalculated to neutralize the effect of the spin-off on share price, resulting in the same fair value before and after the spin-off.

The following inputs were used to determine the fair value of the PSUs at grant date using a Monte Carlo simulation:

Grant year	2025	2024	2023	2022	2021
Fair value at grant date	175.14	125.65	88.38	84.69	124.95
Share price at grant date	156.00	109.70	77.45	76.35	101.12
Expected volatility	25.98%	27.50%	28.76%	35.59%	34.68%
Risk-free interest rate	0.18%	1.03%	1.96%	0.39%	-0.58%

The expected volatility of the Sulzer share and the peer group companies is determined by the historical volatility. The zero-yield curves of those countries in which the companies and indices are listed were used as the relevant risk-free rates. Historical data was used to arrive at an estimate for the correlation between Sulzer and the peer companies. For the TSR calculation, all dividends paid during the vesting period are added to the closing share price.

Performance share units – terms of awards

Grant year	2025	2024	2023	2022	2021
Number of awards granted	58'600	77'697	99'244	97'930	90'527
Grant date	March 1, 2025	April 1, 2024	April 1, 2023	April 1, 2022	April 1, 2021
Performance period for cumulative operational profit	01/25–12/27	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23
Performance period for TSR	01/25–12/27	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23
Fair value at grant date in CHF	175.14	125.65	88.38	84.69	124.95

Performance share units

Grant year	2025	2024	2023	2022	2021	Total
Initially granted	58'600	77'697	99'244	97'930	90'527	423'998
APS division spin-off restatement	–	–	–	–	44'801	44'801
Outstanding as of January 1, 2024	–	77'697	94'282	76'933	108'732	357'644
Granted	–	–	–	–	–	–
Exercised	–	–27	–3'778	–5'526	–108'732	–118'063
Forfeited	–	–131	–4'664	–1'900	–	–6'695
Outstanding as of December 31, 2024	–	77'539	85'840	69'507	–	232'886
Outstanding as of January 1, 2025	–	77'539	85'840	69'507	–	232'886
Granted	58'600	–	–	–	–	58'600
Exercised	–345	–2'835	–4'066	–69'507	–	–76'753
Forfeited	–998	–2'846	–3'219	–	–	–7'063
Outstanding as of December 31, 2025	57'257	71'858	78'555	–	–	207'670

30 Transactions with members of the Board of Directors, Executive Committee and related parties

Key management compensation

thousands of CHF	2025				2024			
	Short-term employee benefits	Share-based payment	Post-employment benefits	Total	Short-term employee benefits	Share-based payment	Post-employment benefits	Total
Board of Directors	1'310	780	265	2'355	1'302	780	267	2'349
Executive Committee	6'409	4'046	1'567	12'022	7'107	3'850	1'591	12'548

As of December 31, 2025, there are no outstanding loans with members of the Board of Directors or the Executive Committee. No shares have been granted to members of the Board of Directors, the Executive Committee, or related persons, with the exception of shares granted in connection with equity-settled plans and service awards.

Transactions and balances with associates and joint ventures

In 2025, the group recorded transactions and balances with associates and joint ventures. Sales with associates amounted to zero (2024: zero), other operating income amounted to zero (2024: CHF 0.3 million), the operating expenses amounted to CHF 0.3 million (2024: CHF 0.2 million), and as of December 31, 2025, trade receivables with associates amounted to zero (2024: CHF 0.3 million), and trade payables amounted to CHF 0.3 million (2024: CHF 0.0 million). The operating expenses with joint ventures amounted to CHF 5.8 million (2024: CHF 4.3 million), and interest income to CHF 0.1 million (2024: CHF 0.1 million). As of December 31, 2025, loan receivables amounted to CHF 1.7 million (2024: CHF 1.7 million), other receivables amounted to zero (2024: CHF 0.1 million), and payables amounted to zero (2024: CHF 0.6 million). See [note 15](#) for details on the investments in associates and joint ventures.

Transactions and balances with other related parties

In 2025, open payables with related parties amounted to CHF 288.7 million (2024: CHF 408.4 million million), of which CHF 90.4 million (2024: CHF 90.4 million) related to the purchase of treasury shares (see [note 26](#)) and CHF 197.0 million (2024: CHF 318.0 million) related to outstanding dividend payments (see [note 22](#) and [note 26](#)).

All related party transactions are priced on an arm's-length basis.

31 Auditor remuneration

Fees for the audit services by KPMG as the appointed group auditor amounted to CHF 3.9 million (2024: CHF 4.1 million). Additional services provided by the group auditor amounted to a total of CHF 2.6 million (2024: CHF 2.0 million). This amount includes CHF 0.3 million (2024: CHF 0.3 million) for tax services and CHF 2.3 million (2024: CHF 1.7 million) for other services.

32 Key accounting policies and valuation methods

32.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards using the historical cost convention except for:

- financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income; and
- net position from defined benefit plans, where plan assets are measured at fair value and the plan liabilities are measured at the present value of the defined benefit obligations (see note 32.18 a).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in [note 4](#).

Rounding

Due to rounding, numbers presented throughout the consolidated financial statements may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

32.2 Change in accounting policies

a) Standards, amendments and interpretations which were effective for 2025

Starting from January 1, 2025, the group applied changes in standards, amendments and interpretations that became effective January 1, 2025. These include:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability – The amendments provide guidance on how to assess whether a currency is exchangeable and how to determine the spot exchange rate when it is not. The Group concluded that the impact on the consolidated financial statements is not material.

b) Standards, amendments and interpretations issued but not yet effective, which the group decided not to adopt early in 2025

In 2025, the group has not adopted early any standard, amendment, or interpretation issued but not yet effective. The following relevant amendments will become effective from January 1, 2026. The group does not expect these to have a material impact on the consolidated financial statements:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Classification and Measurement of Financial Instruments. The amendments include clarification about the date on which a financial liability is derecognized in case of a settlement via electronic cash transfers, as well as clarification about the classification of financial assets with features linked to environmental, social and corporate governance (ESG).
- Annual Improvements to IFRS Accounting Standards – Volume 11 – These minor amendments clarify the initial measurement of trade receivables and contract assets when they include a significant financing component, aligning IFRS 9 with IFRS 15 and how a lessee applies derecognition requirements to lease liabilities.

The following amended or new standards will become effective from January 1, 2027 or later. The group is in the process of assessing the below amendments:

- IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and will become effective from January 1, 2027. The accounting standard introduces new requirements to the presentation structure of the financial statements as well as additional disclosure requirements. The group is still in the process of assessing the impact of the new accounting standard, particularly with respect of how information is grouped in the financial statements, the statement of cash flows and the additional disclosures required for Management-defined performance measures (MPMs).

32.3 Consolidation

a) Business combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at the fair value of the assets given, the liabilities incurred to the former owner of the acquiree and the equity interest issued by the group. Any goodwill arising is tested annually for impairment. Any gain on a bargain purchase is recognized in the income statement immediately. Acquisition-related costs are expensed as incurred, except if related to the issue of debt or equity securities. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

b) Subsidiaries

Subsidiaries are all entities controlled by the group. The group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

According to the full consolidation method, all assets and liabilities and income and expenses of the subsidiaries are included in the consolidated financial statements. The share of non-controlling interests in the net assets and results is presented separately as non-controlling interests in the consolidated balance sheet and income statement, respectively.

c) Non-controlling interests

The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions.

d) Loss of control

When the group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

e) Associates and joint ventures

Associates are those entities in which the group has significant influence, but no control, over the financial and operating policies. Significant influence is presumed to exist when the group holds, directly or indirectly, between 20% and 50% of the voting rights. Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

f) Transactions eliminated on consolidation

All material intercompany transactions and balances and any unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

32.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance (e.g., EBITDA) of the operating segments, has been identified as chief operating decision maker.

32.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swiss francs (CHF).

The following table shows the major currency exchange rates for the reporting periods 2025 and 2024:

CHF	2025		2024	
	Average rate	Year-end rate	Average rate	Year-end rate
EUR 1	0.94	0.93	0.95	0.94
GBP 1	1.09	1.07	1.12	1.13
USD 1	0.83	0.79	0.88	0.90
CNY 100	11.53	11.34	12.23	12.38
INR 100	0.95	0.88	1.05	1.05

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

c) Subsidiaries

The results and balance sheet positions of subsidiaries that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates.

Translation differences resulting from consolidation are taken to other comprehensive income. In the event of a sale or liquidation of foreign subsidiaries, exchange differences that were recorded in other comprehensive income are recognized in the income statement as part of the gain or loss on sale or liquidation.

If a loan is made to a group company, and the loan in substance forms part of the group's investment in the group company, translation differences arising from the loan are recognized directly in other comprehensive income as foreign currency translation differences. When the group company is sold or partially disposed of, and control no longer exists, gains and losses accumulated in equity are reclassified to the income statement as part of the gain or loss on disposal.

32.6 Intangible assets

Intangible assets with finite useful life are amortized in line with the expected useful life, usually on a straight-line basis. The period of useful life is to be assessed according to business rather than legal criteria. This assessment is made at least once a year. An impairment might be required in the event of sudden or unforeseen value changes.

a) Goodwill

Goodwill represents the difference between the consideration transferred and the fair value of the group's share in the identifiable net asset value of the acquired business at the time of acquisition. Any goodwill arising as a result of a business combination is included within intangible assets.

Goodwill is subject to an annual impairment test and valued at its original acquisition cost less accumulated impairment losses. In cases where circumstances indicate a potential impairment, impairment tests are conducted more frequently. Profits and losses arising from the sale of a business include the book value of the goodwill assigned to the business being sold.

For impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill originating from the acquisition of an associate or joint venture is included in the book value of the investment.

b) Trademarks and licenses

Trademarks, licenses and similar rights acquired from third parties are stated at acquisition cost. Such assets are amortized over their expected useful life, generally not exceeding 10 years.

c) Computer software

Acquired computer software licenses in control of the group are capitalized on the basis of the cost incurred to acquire the specific software and bring to use. These costs are amortized over their estimated useful lives (three to max. five years).

d) Customer relationships

As part of a business combination, acquired customer rights are recorded at fair value (cost at the time of acquisition). These costs are amortized over their estimated useful lives, generally not exceeding 15 years.

32.7 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less depreciation and impairments. Acquisition cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the estimated useful life. Land is stated at cost and is not depreciated.

The useful lives are as follows:

Buildings: 20–50 years

Machinery: 5–15 years

Technical equipment: 5–10 years

Other non-current assets: max. 5 years

32.8 Impairment of property, plant and equipment and intangible assets

Assets with a finite useful life are only tested for impairment if relevant events or changes in circumstances indicate that the book value is no longer recoverable. An impairment loss is recorded equal to the excess of the carrying value over the recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and its value in use. The value in use is based on the estimated cash flow over a five-year period and the extrapolated projections for subsequent years. The results are discounted using an appropriate pretax, long-term interest rate. For the purposes of the impairment test, assets are grouped together at the lowest level for which separate cash flows can be identified (cash-generating units).

32.9 Lease assets and lease liabilities

The group recognizes lease assets and lease liabilities for most leases (these leases are on-balance-sheet). However, the group has elected not to recognize lease assets and lease liabilities for leases of low-value assets and short-term leases. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group presents lease assets and lease liabilities as separate line items on the balance sheet.

The group recognizes lease assets and lease liabilities at the lease commencement date. The lease asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements. The lease liability is initially measured at the present value of the lease payments that are not paid on commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses currency and duration-specific incremental borrowing rates for the discounting.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised.

32.10 Financial assets

Financial assets are classified into the following three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

Debt instruments

Financial assets measured at amortized cost

Initially, financial assets are recognized at fair value. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement and presented in other financial income / (expenses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the income statement.

Equity instruments

The group measures all equity investments at fair value. Where the group is holding equity instruments not for trading and group's management has elected to present fair value gains and losses on equity investments in other comprehensive income (OCI), there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognized in the income statement as other income when the group's right to receive payments is established. A gain or loss on an equity investment that is subsequently measured at FVTPL is recognized in the income statement and presented within other operating income and expenses or other financial income and expenses, depending on the nature of the investment, in the period in which it arises.

32.11 Derivative financial instruments and hedging activities

The group uses derivative financial instruments, such as forward currency contracts and other forward contracts, to hedge its risks associated with fluctuations in foreign currencies arising from operational and financing activities. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on the derivatives during the year that do not qualify for hedge accounting are taken directly into profit or loss.

The group applies hedge accounting to secure the foreign currency risks of future cash flows that have a high probability of occurrence. These hedges are classified as “cash flow hedges”, whereas the hedge instrument is recorded on the balance sheet at fair value and the effective portions are booked against “Other comprehensive income” in the column “Cash flow hedge reserve”. If the hedge relates to a non-financial transaction that will subsequently be recorded on the balance sheet, the adjustments accumulated under “Other comprehensive income” at that time will be included in the initial book value of the asset or liability. In all other cases, the cumulative changes of fair value of the hedging instrument that have been recorded in other comprehensive income are included as a charge or credit to income when the forecasted transaction is recognized or when hedge accounting is discontinued as the criteria are no longer met. In general, the fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

At the inception of the transaction, the group documents the relationship between hedging instruments and hedged items and its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

32.12 Inventories

Raw materials, supplies and consumables are stated at the lower of cost or net realizable value. Finished products and work in progress are stated at the lower of production cost or net realizable value. Production cost includes the costs of materials, direct and indirect manufacturing costs, and contract-related costs of construction. Inventories are valued by reference to weighted average costs. Provisions are made for slow-moving and excess inventories and are recognized in the income statement in Costs of goods sold.

32.13 Trade receivables

Trade and other accounts receivable are recognized initially at their transaction price and subsequently measured at amortized cost, less allowances for doubtful trade accounts receivable.

The allowance for doubtful trade accounts receivable is based on expected credit losses. The group applies the simplified approach, measuring the loss amount based on lifetime expected credit losses. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP) and oil price development.

32.14 Cash and cash equivalents

Cash and cash equivalents comprise bills, postal giros and bank accounts, together with other short-term highly liquid investments with a maturity of three months or less from the date of acquisition. Bank overdrafts are reported within borrowings in the current liabilities.

32.15 Trade payables

Trade payables and other payables are stated at face value. The respective value corresponds approximately to the amortized cost.

32.16 Borrowings

Financial debt is stated at fair value when initially recognized, after recognition of transaction costs. In subsequent periods, it is valued at amortized cost. Any difference between the amount borrowed (after deduction of transaction costs) and the repayment amount is reported in the income statement over the duration of the loan using the effective interest method. Borrowings are classified as current liabilities unless the group has a right to defer settlement of the liability for at least 12 months after the balance sheet date or the liability is due to be settled in more than 12 months after the balance sheet date.

32.17 Current and deferred income taxes

The current income tax charge comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group's subsidiaries operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The liability method is used to provide deferred taxes on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are valued by applying tax rates (and regulations) substantially enacted on the balance sheet date or any that have essentially been legally approved and are expected to apply at the time when the deferred tax asset is realized or the deferred tax liability is settled.

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that a taxable profit will be available against which they can be used. Deferred tax liabilities arising as a result of temporary differences relating to investments in subsidiaries, associates and joint venture are applied, unless the group can control when temporary differences are reversed and it is unlikely that they will be reversed in the foreseeable future.

32.18 Employee benefits

a) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan. The calculation of defined benefit assets / obligations is performed annually by a qualified actuary using the projected unit credit method. The net obligation is estimated based on the discounted future benefit that employees have earned in the current and prior periods, deducting the fair value of any plan assets. The discount rate is determined with reference to the interest rates on high-quality corporate bonds denominated in the currency of the expected cash flows and aligned with the estimated term.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income on plan assets), and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

Defined contribution plans are defined as pure savings plans, under which the employer makes certain contributions into a separate legal entity (fund) and does not have a legal or an extendible (constructive) liability to contribute any additional amounts in the event this entity does not have enough funds to pay out benefits. A “constructive” commitment exists when it can be assumed that the employer will voluntarily make additional contributions in order not to endanger the relationship with its employees. Company contributions to such plans are considered in the income statement as personnel expenses.

c) Other employee benefits

Some subsidiaries provide other employee benefits such as jubilee gifts to their employees. Jubilee gifts are other long-term benefits. For example, in Switzerland, the group makes provisions for jubilee benefits based on a Swiss local directive. The provisions are reported in the category “Other employee benefits”.

Short-term benefits are payable within 12 months after the end of the period in which the employees render the related employee service. In the case of liabilities of a long-term nature, the discounting effects and employee turnover are to be taken into consideration.

Obligations to employees arising from restructuring measures are included under the category “Restructuring provisions”.

32.19 Share-based compensation

The group operates two equity-settled share-based payment plans. A performance share plan (PSP) covers the members of the Executive Committee and the members of the Sulzer Management Group. A restricted share plan (RSP) and Blocked shares plan cover the members of the Board of Directors.

a) Performance share plan (PSP)

The fair value of the employee services received in exchange for the grant of the performance share units (PSU) is recognized as a personnel expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share units granted, excluding the impact of any non-market vesting conditions (e.g., target profit levels). At each balance sheet date, the group reassesses its estimates of the number of share units that are expected to vest. It recognizes the impact of the reassessment of original estimates, if any, in the income statement, and a corresponding adjustment to equity. The fair value of PSUs granted is measured by external valuation specialists based on a Monte Carlo simulation.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the PSP. The dilution effect of the share-based awards is considered when calculating diluted earnings per share.

b) Restricted share plan (RSP)

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which the specified service conditions are expected to be met.

The fair value of the restricted share units (RSU) granted for services rendered is measured at the Sulzer closing share price at grant date, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds with maturities matching the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. The grant date fair value of the RSUs is consequently reduced by the present value of dividends expected to be paid during the vesting period.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the RSP. The dilutive effect of the share-based awards is considered when calculating diluted earnings per share.

c) Blocked shares

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity.

32.20 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to a single item included in the class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

32.21 Sales

Sales comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the group's activities. This includes standard products (off the rack) and configured and engineered or tailor-made products. Sales are shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The core principle is that sales are recognized at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring goods or services to a customer.

Sales are recognized when (or as) the group satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

A customer obtains control of a good or service if it has the ability to direct the use of, and obtain substantially all of the remaining benefits from, that good or service (e.g., use, consume, sale, hold). A customer could have the future right to direct the use of the asset and obtain substantially all of the benefits from it (i.e., upon making a prepayment for a specified product).

There are two methods to recognize sales:

- **Over time method (OT):** sales, costs and profit margin recognition in line with the progress of the project
- **Point in time method (PIT):** sales recognition when the performance obligation is satisfied at a certain point in time

The group determines at contract inception whether control of each performance obligation transfers to a customer over time or at a point in time. Arrangements where the performance obligations are satisfied over time are not limited to services arrangements. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition.

Over time method (OT)

Sales are recognized over time if any of the following is met:

- The customer simultaneously receives / consumes as the group performs.
- The group creates / enhances an asset and the customer controls it during this process.
- The created asset has no alternative use for the group and the group has an enforceable right to payment (including reasonable profit margin) for performance completed to date if the customer terminates the contract for convenience.

The over time method is based on the percentage of costs to date compared with the total estimated contract costs (cost-to-cost method). In rare cases, other methods, such as a milestones method, may be used for a particular project, assuming that the stage of completion can be better estimated than by applying the cost-to-cost method. Work progress of sub-suppliers is considered to determine the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs, and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

The income statement contains a share of sales, including an estimated share of profit. The balance sheet includes the corresponding contract assets if the assets exceed the advance payments from the customer of the project. When it appears probable that the total costs of an order will exceed the expected income, the total amount of expected loss is recognized immediately in the income statement.

Point in time method (PIT)

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time is met. Sales are recognized when (or as) the customer obtains control of that asset (depending on international commercial terms). The following points indicate that a customer has obtained control of an asset:

- The entity has a present right to payment
- The customer has legal title
- The customer has physical possession
- The customer has the significant risks and rewards of ownership
- The customer has accepted the asset

For contracts applying the point in time method, the transfer of risks and rewards of ownership (depending on international commercial terms) typically depicts the transfer of control most appropriately.

Disaggregation of sales

In the segment information ([note 2](#)), sales are disaggregated by:

- Divisions (group's reportable segments)
- Timing of sales recognition (sales recognition method: over time, point in time) and divisions
- Market segments and divisions
- Geographical regions and divisions

Payment terms

The group's general terms and conditions of supply require payments within 30 days after the invoice date.

If the group's general terms and conditions apply for a contract, the group is entitled to issue the invoices as follows: for one-third of the contract value within five days after effective date (date when the purchase order has been accepted by the supplier, or the date of the latest signing), for one-third after expiration of half of the delivery time, and for one-third within 45 days prior to delivery. Payments for prices calculated on a time basis are invoiced on a biweekly basis or after completion of the scope of supply, whichever occurs first.

Other payment terms may apply if otherwise defined in the customer contract, the purchase order, the respective change order or the quotation.

Variable considerations

If the consideration promised in a contract includes a variable amount (e.g., liquidated damages, early payment discount, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects will better predict the amount of consideration to which it will be entitled: the expected value method or the most likely amount method. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled.

If the group fails to meet the delivery date and a purchase order expressly provides liquidated damages for such failure, the purchaser is entitled to demand that the group pay liquidated damages at the rate stated in the purchase order. The group's obligation for estimated liquidated damages are recorded as a reduction in revenue.

Allocation of the transaction price

To allocate the transaction price to each performance obligation on a relative stand-alone, selling-price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

33 Subsequent events after the balance sheet date

The Board of Directors authorized these consolidated financial statements for issue on February 25, 2026. They are subject to approval at the Annual General Meeting, which will be held on April 15, 2026. At the time when these consolidated financial statements were authorized for issue, the Board of Directors and the Executive Committee were not aware of any events that would materially affect these financial statements.

34 Major subsidiaries

December 31, 2025

	Subsidiary	Sulzer ownership and voting rights	Registered capital (including paid-in capital in the USA and Canada)	Direct participation by Sulzer Ltd	Research and development	Production and engineering	Sales	Service
Europe								
Switzerland	Sulzer Chemtech AG, Winterthur	100%	CHF 10'000'000	•	•	•	•	•
	Sulzer Markets and Technology AG, Winterthur	100%	CHF 4'000'000	•				
	Sulzer Management AG, Winterthur	100%	CHF 500'000	•	•			
	Tefag AG, Winterthur	100%	CHF 500'000	•				
	Sulzer International AG, Winterthur	100%	CHF 100'000	•				
Belgium	Sulzer Pumps Wastewater Belgium N.V., Anderlecht	100%	EUR 123'947	•			•	•
	Ensival Moret Belgium SA, Thimister-Clermont	100%	EUR 7'400'000	•	•			
Germany	Sulzer Pumpen (Deutschland) GmbH, Bruchsal	100%	EUR 3'000'000	•	•	•	•	•
	Sulzer Flow Germany GmbH, Bonn	100%	EUR 300'000	•			•	•
	Sulzer Chemtech GmbH, Krefeld	100%	EUR 300'000	•			•	•
Denmark	Sulzer Pumps Denmark A/S, Farum	100%	DKK 501'000	•			•	•
Finland	Sulzer Pumps Finland Oy, Kotka	100%	EUR 16'000'000	•	•	•	•	•
France	Sulzer Pompes France SASU, Buchelay	100%	EUR 6'600'000	•	•	•	•	•
	Sulzer Ensival Moret France SASU, Saint-Quentin	100%	EUR 10'000'000	•	•	•	•	•
UK	Sulzer Pumps (UK) Ltd., Leeds	100%	GBP 9'610'000		•	•	•	•
	Sulzer Chemtech (UK) Ltd., Stockton on Tees	100%	GBP 100'000		•		•	•
	Sulzer Services (UK) Ltd., Birmingham	100%	GBP 48'756			•	•	•
	Sulzer (UK) Holdings Ltd., Leeds	100%	GBP 6'100'000	•				
	Sulzer GT Aero Services Ltd., Aberdeen	100%	GBP 1		•	•	•	•
	Sulzer (Aberdeen) Ltd.	100%	GBP 198'000			•	•	•
Ireland	Sulzer Pump Solutions Ireland Ltd., Wexford	100%	EUR 2'222'500	•	•	•	•	•
	Sulzer Finance (Ireland) Limited, Wexford	100%	EUR 100					
Italy	Sulzer Italy S.r.l., Casalecchio di Reno	100%	EUR 600'000	•			•	
Norway	Sulzer Pumps Wastewater Norway A/S, Sandvika	100%	NOK 502'000	•			•	•
	Sulzer Services Norway A/S, Klepp Stasjon	100%	NOK 500'000	•			•	•
	Nordic Water Products A/S, Straume	100%	NOK 150'000				•	•
The Netherlands	Sulzer Pumps Wastewater Netherlands B.V., Maastricht-Airport	100%	EUR 45'378				•	•
	Sulzer Chemtech Nederland B.V., Breda	100%	EUR 1'134'451				•	•
	Sulzer Turbo Services Venlo B.V., Lomm	100%	EUR 443'940		•	•	•	•
	Sulzer Netherlands Holding B.V., Lomm	100%	EUR 10'010'260	•				
	Sulzer Capital B.V., Lomm	100%	EUR 50'000					
Austria	Sulzer Austria GmbH, Wiener Neudorf	100%	EUR 350'000	•			•	•
Romania	Sulzer GTC Technology Romania S.R.L., Bucharest	100%	RON 1'345'070	•		•		
Sweden	Sulzer Pumps Sweden AB, Vadstena	100%	SEK 3'000'000	•	•	•	•	•
	Nordic Water Products AB, Mölndal	100%	SEK 200'000		•	•	•	•
Spain	Sulzer Pumps Spain S.A., Madrid	100%	EUR 1'750'497	•		•	•	•

	Sulzer Pumps Wastewater Spain S.A.U., Rivas Vaciamadrid	100%	EUR 2'000'000				•	•
North America								
Canada	Sulzer Pumps (Canada) Inc., Burnaby	100%	CAD 2'771'588		•	•	•	•
	Sulzer Chemtech Canada Inc., Edmonton	100%	CAD 1'000'000	•		•	•	•
	Sulzer Rotating Equipment Services (Canada) Ltd., Edmonton	100%	CAD 7'000'000	•		•	•	•
	JWC Environmental Canada ULC, Burnaby	100%	CAD 1'832'816			•	•	
USA	Sulzer Pumps (US) Inc., Houston, Texas	100%	USD 40'381'108		•	•	•	•
	Sulzer Pumps Solutions Inc., Easley, South Carolina	100%	USD 25'589'260			•	•	•
	Sulzer Pump Services (US) Inc., Houston, Texas	100%	USD 1'000			•	•	•
	Sulzer Chemtech USA, Inc., Tulsa, Oklahoma	100%	USD 47'895'000	•		•	•	•
	Sulzer Turbo Services Houston Inc., La Porte, Texas	100%	USD 18'840'000			•	•	•
	Sulzer Turbo Services New Orleans Inc., Belle Chasse, Louisiana	100%	USD 4'006'122			•	•	•
	Sulzer Electro-Mechanical Services (US) Inc., Pasadena, Texas	100%	USD 12'461'286			•	•	•
	Sulzer US Holding Inc., Houston, Texas	100%	USD 310'335'340	•				
	JWC Environmental Inc., Santa Ana, California	100%	USD 220'818'520		•	•	•	•
Mexico	Sulzer Pumps México, S.A. de C.V., Cuautitlán Izcalli	100%	MXN 4'887'413	•		•	•	•
	Sulzer Chemtech, S. de R.L. de C.V., Cuautitlán Izcalli	100%	MXN 231'345'500	•		•	•	•
Central and South America								
Argentina	Sulzer Turbo Services Argentina S.A., Buenos Aires	100%	ARS 9'730'091	•		•	•	•
Brazil	Sulzer Brasil S.A., Jundiaí	100%	BRL 81'789'432	•	•	•	•	•
	Sulzer Pumps Wastewater Brasil Ltda., Jundiaí	100%	BRL 37'966'785	•	•	•	•	•
Chile	Sulzer Bombas Chile Ltda., Vitacura	100%	CLP 46'400'000	•			•	
Colombia	Sulzer Pumps Colombia S.A.S., Cota	100%	COP 7'142'000'000	•			•	•
Africa								
South Africa	Sulzer Pumps (South Africa) (Pty) Ltd., Elandsfontein	75%	ZAR 100'450'000		•	•	•	•
	Sulzer (South Africa) Holdings (Pty) Ltd., Elandsfontein	100%	ZAR 16'476	•		•	•	•
Morocco	Sulzer Maroc S.A.R.L. A.U., Nouaceur	100%	MAD 3'380'000	•				•
Nigeria	Sulzer Pumps (Nigeria) Ltd., Lagos	49%	NGN 10'000'000	•			•	•
Zambia	Sulzer Zambia Ltd., Chingola	100%	ZMK 15'000'000	•			•	•
Middle East								
United Arab Emirates	Sulzer Pumps Middle East FZCO, Dubai	100%	AED 500'000	•			•	•
Saudi Arabia	Sulzer Saudi Pump Company Limited, Riyadh	100%	SAR 44'617'000	•		•	•	•
Bahrain	Sulzer Chemtech Middle East W.L.L., Al Seef	100%	BHD 50'000	•			•	
Asia								
India	Sulzer Pumps India Pvt. Ltd., Navi Mumbai	100%	INR 24'893'500	•		•	•	•
	Sulzer India Pvt. Ltd., Pune	100%	INR 34'500'000	•		•	•	•
	Sulzer Tech India Pvt. Ltd., Navi Mumbai	100%	INR 100'000	•		•		
Indonesia	PT. Sulzer Indonesia, Purwakarta	95%	IDR 28'234'800'000	•		•	•	•
Japan	Sulzer Daiichi K.K., Tokyo	60%	JPY 30'000'000	•			•	•
	Sulzer Japan Ltd., Tokyo	100%	JPY 30'000'000	•		•	•	•

Malaysia	Sulzer Pumps Wastewater Malaysia Sdn. Bhd., Selangor Darul Ehsan	100%	MYR 1'000'000	•			•	
Singapore	Sulzer Singapore Pte. Ltd., Singapore	100%	SGD 1'000'000	•		•	•	•
South Korea	Sulzer Korea Ltd., Seoul	100%	KRW 222'440'000	•			•	
	Sulzer GTC Technology Korea Co. Ltd., Seoul	100%	KRW 4'870'000'000	•		•	•	•
Thailand	Sulzer (Thailand) Co., Ltd., Rayong	100%	THB 25'000'000	•				•
People's Republic of China	Sulzer Dalian Pumps & Compressors Ltd., Dalian	100%	CHF 28'021'816	•	•	•	•	•
	Sulzer Pumps Suzhou Ltd., Suzhou	100%	CNY 282'069'324	•	•	•	•	•
	Sulzer Pump Solutions (Kunshan) Co., Ltd., Kunshan	100%	USD 5'760'000	•	•	•		
	Sulzer Chemtech (Shanghai) Co., Ltd., Shanghai	100%	CNY 54'267'608	•	•	•	•	•
	Sulzer Pumps Wastewater Shanghai Co. Ltd., Shanghai	100%	USD 1'550'000	•	•		•	•
	Sulzer GTC (Beijing) Technology Inc., Beijing	100%	USD 150'000	•	•	•	•	•
	Nordic Water Products (Beijing) Co., Ltd., Beijing	100%	USD 800'000				•	•
Australia								
	Sulzer Australia Pty Ltd., Brisbane	100%	AUD 5'308'890				•	•
	Sulzer Australia Holding Pty Ltd., Brendale	100%	AUD 34'820'100	•				



Statutory Auditor’s Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sulzer Ltd and its subsidiaries (the Group), which comprise the “[Consolidated balance sheet](#)” as at December 31, 2025, the “[Consolidated income statement](#)”, the “[Consolidated statement of comprehensive income](#)”, the “[Consolidated statement of changes in equity](#)” and the “[Consolidated statement of cash flows](#)” for the year then ended, and “[Notes to the consolidated financial statements](#)”, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter



Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities

Key Audit Matter

As per December 31, 2025, revenue from customer contracts amounts to CHF 3'555.4 million, contract assets amount to CHF 572.5 million, contract liabilities to CHF 500.8 million and the balance of work in progress (WIP) amounts to CHF 260.1 million.

Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.

Revenue and related costs from long-term customer orders (construction and service contracts) are recognized over time (OT), provided they fulfill the criteria of IFRS Accounting Standards, specifically having the right to payment in case of termination for convenience. The OT method allows recognizing revenues by reference to the stage of completion of the contract. The application of the OT method is complex and requires judgments by management when estimating the stage of completion, total project costs and the costs to complete the work. Incorrect assumptions and estimates can lead to revenue being recognized in the wrong reporting period or in amounts inadequate to the actual stage of completion, and therefore to an incorrect result for the period.

During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancellations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require write-offs of contract assets and the immediate recognition of the expected loss as a provision.

Our response

Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts.

For the revenue recognized throughout the year, we evaluated selected key controls, including results reviews by management, and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.

These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed inquiries with management to understand their project risk assessments and inspected meeting minutes from project reviews performed by management to identify relevant changes in their assessments and estimates. We challenged these assessments and estimates for OT projects including comparing estimated project financials between reporting periods and assessed the historical accuracy of these estimates.

On a sample basis, we reconciled revenue to the supporting documentation, validated estimates of costs to complete, tested the mathematical accuracy of calculations and the adequacy of project accounting. We also examined costs included within contract assets on a sample basis by verifying the amounts back to source documentation and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete. Where estimated project costs exceeded total contract revenue, we assessed the recognition of a provision.

Regarding the projects recognized at a point in time (PIT), the risks include inappropriate revenue recognition from revenue being recorded in the wrong accounting period as well as overstated WIP that requires impairment adjustments.

We further performed testing for PIT projects on a sample basis to confirm the appropriate application of revenue recognition policies and to verify valuation of WIP balances. This included reconciling accounting entries to supporting documentation. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.

For further information on Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities refer to the following:

- [Note 17](#) to the consolidated financial statements
- [Note 18](#) to the consolidated financial statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 25, 2026

Supplementary information

Alternative performance measures (APM)

The financial information included in this report includes certain alternative performance measures (APMs), which are not accounting measures as defined by IFRS. These APMs should not be used instead of, or considered as alternatives to, the group's consolidated financial results based on IFRS. These APMs may not be comparable to similarly titled measures disclosed by other companies. All APMs presented relate to the performance of the current reporting period and comparative periods.

Certain APMs previously disclosed are no longer presented as APMs in 2025. These APMs are "Operating Profit", "Operating Profitability", "Operational ROCEA", "Capital employed" and "EBIT Margin". The definitions of these APMs are deleted from the "[Supplementary information](#)" section.

Additionally, "EBITDA margin" has been introduced as a new APM.

Definition of alternative performance measures (APM)

Order intake

Order intake includes all registered orders of the period that will be recorded or have already been recorded as sales. The reported value of an order corresponds to the undiscounted value of sales that the group expects to recognize following delivery of goods or services subject to the order, less any trade discounts and excluding value added or sales tax. Adjustments, corrections and cancellations resulting from updating the order backlog are respectively included in the amount of the order intake.

Order intake gross margin

The order intake gross margin is defined as the expected gross profit of order intake divided by order intake.

Order backlog

Order backlog represents the undiscounted value of sales the group expects to generate from orders on hand at the end of the reporting period.

Return on sales (ROS)

ROS measures the profitability relative to sales. ROS is calculated by dividing EBIT by sales.

Operating income (EBIT)

Operating income (EBIT) as presented in the consolidated income statement is the profit before income tax expenses, interest income and expenses, other financial income and expenses and share of profit / (loss) of associates and joint ventures.

EBITDA (earnings before interest, taxes, depreciation and amortization)

EBITDA is used to assess the performance of the business. EBITDA is defined as EBIT before depreciation, amortization and impairment.

EBITDA margin

EBITDA margin measures EBITDA relative to sales. EBITDA margin is calculated by dividing EBITDA by sales.

Core net income

Core net income is used to determine the dividend proposal. Sulzer's long-term target is to maintain a dividend payout ratio of approximately 40% to 70% of core net income with due consideration to liquidity and funding requirements as well as continuity. Core net income is defined as net income before tax-adjusted effects on restructuring, amortization, impairments and non-operational items.

Free cash flow (FCF)

FCF is used to assess the group's ability to generate the cash required to conduct and maintain its operations. It also indicates the group's ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. FCF is calculated based on the IFRS cash flow from operating activities and adjusted for capital expenditures (investments in property, plant and equipment and intangible assets).

Net debt

Net debt is used to monitor the group's overall short- and long-term liquidity. Net debt is calculated as the sum of total current and non-current borrowings and lease liabilities less cash and cash equivalents and current financial assets.

Net debt / EBITDA ratio

Net debt / EBITDA is a ratio measuring the amount of income generated and available to pay down debt before covering interest, taxes, depreciations and amortization expenses. The net debt / EBITDA ratio is used as a measurement of leverage. It is calculated as net debt divided by EBITDA.

Gearing ratio (borrowings-to-equity ratio)

The gearing ratio compares the borrowings and lease liabilities relative to the equity. The gearing ratio represents the group's leverage, comparing how much of the business's funding comes from borrowed funds (lenders) versus company owners (shareholders). The gearing ratio is defined as borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

Currency-adjusted growth

Certain percentage changes in the financial review and the business review divisions have been calculated using constant exchange rates, which allow for an assessment of the group's financial performance with the effects of exchange rate fluctuations eliminated. The currency-adjusted growth is calculated by applying the previous year's exchange rates for the current year and calculating the growth without currency effects.

Organic growth

Organic growth measures changes with the same period in the previous year after adjusting for effects arising from acquisitions, divestitures / deconsolidations and foreign exchange differences.

The impact of the organic growth is determined as follows:

- Currency-adjusted growth as described above
- For the current-year acquisitions, by deducting the currency-adjusted amount generated during the current-year by the acquired entities
- For prior-year acquisitions, by deducting the currency-adjusted amount generated over the months during which the acquired entities were not consolidated in the previous year
- For current-year disposals, by adding the currency-adjusted amount generated by the divested entities in the previous year over the months during which those entities were no longer consolidated in the current year
- For the prior-year disposals, by adding for the current year the currency-adjusted amount generated in the previous year by the divested entities

Reconciliation statements for alternative performance measures (APM)

For reconciliation statements of core net income, EBITDA and free cash flow, please refer to the section "[Financial review](#)", for EBITDA, net debt and gearing ratio to [note 5](#).

Five-year summaries of key financial data

Key figures from consolidated income statement and statement of cash flows¹⁾

millions of CHF	2025	2024	2023	2022	2021
Order intake	3'751.0	3'848.6	3'580.3	3'425.4	3'167.6
Order intake gross margin	35.7%	35.0%	33.9%	33.5%	33.1%
Order backlog	2'255.6	2'300.0	1'946.8	1'844.7	1'724.1
Sales	3'555.4	3'530.6	3'281.7	3'179.9	3'155.3
Operating income (EBIT)	433.1	382.5	329.7	111.4	221.8
EBITDA ²⁾	556.2	502.7	437.9	270.7	357.2
EBITDA margin ²⁾	15.6%	14.2%	13.3%	8.5%	11.3%
Net income attributable to shareholders of Sulzer Ltd	292.8	261.9	229.1	28.6	1'416.7
– in percentage of equity attributable to shareholders of Sulzer Ltd (ROE)	22.6%	21.4%	20.9%	2.8%	111.2%
Basic earnings per share (in CHF)	8.68	7.73	6.76	0.85	41.93
Depreciation	–78.5	–77.1	–71.4	–76.0	–81.0
Amortization	–40.2	–38.5	–36.6	–38.8	–50.2
Impairments of tangible and intangible assets	–4.5	–4.5	–0.2	–44.5	–4.2
Research and development expenses	–77.6	–76.4	–70.8	–66.4	–64.4
Personnel expenses	–1'094.7	–1'117.9	–1'030.8	–1'002.4	–1'018.1
Capital expenditure (incl. lease assets)	–132.8	–130.9	–103.1	–100.0	–119.4
Free cash flow (FCF)	212.5	234.9	301.3	58.3	210.5
FCF conversion (free cash flow / net income)	0.72	0.88	1.31	2.08	1.50
Employees (number of full-time equivalents) as of December 31	13'526	13'455	13'130	12'868	13'816

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

Key figures from consolidated balance sheet¹⁾

millions of CHF	2025	2024	2023	2022	2021
Non-current assets	1'675.1	1'715.5	1'685.9	1'584.2	1'834.2
– thereof property, plant and equipment	398.2	387.8	348.2	360.5	394.0
Current assets	2'887.8	2'998.8	2'683.5	3'036.0	3'176.2
– thereof cash and cash equivalents	927.3	1'060.6	974.7	1'196.3	1'505.4
Total assets	4'562.9	4'714.3	4'369.5	4'620.2	5'010.4
Equity attributable to shareholders of Sulzer Ltd	1'293.2	1'223.6	1'095.4	1'024.3	1'273.8
Non-current liabilities	1'086.8	1'058.9	1'125.3	1'348.6	1'568.8
– thereof non-current borrowings	779.3	745.0	795.2	1'043.9	1'164.6
– thereof non-current lease liabilities	81.7	78.3	69.0	67.2	64.5
Current liabilities	2'170.8	2'420.3	2'145.6	2'242.9	2'162.3
– thereof current borrowings	304.9	312.0	261.1	311.4	345.5
– thereof current lease liabilities	28.9	26.6	23.9	22.4	24.3
Net debt	267.4	100.4	172.3	234.6	66.8
EBITDA ²⁾	556.2	502.7	437.9	270.7	357.2
Net debt / EBITDA ratio ²⁾	0.48	0.20	0.39	0.87	0.19
Equity ratio ³⁾	28.3%	26.0%	25.1%	22.2%	25.4%

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Comparative information has been re-presented due to discontinued operations in 2021.

3) Equity attributable to shareholders of Sulzer Ltd in relation to total assets.

Five-year summaries by division

millions of CHF	Order intake ¹⁾					Sales ¹⁾				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Flow	1'576.3	1'603.3	1'466.5	1'419.2	1'324.7	1'551.2	1'444.3	1'354.4	1'323.0	1'389.0
Services	1'449.8	1'378.3	1'271.3	1'171.3	1'163.4	1'312.8	1'249.1	1'154.8	1'117.0	1'117.7
Chemtech	724.9	866.9	842.5	834.9	679.5	691.3	837.1	772.5	739.9	648.5
Total	3'751.0	3'848.6	3'580.3	3'425.4	3'167.6	3'555.4	3'530.6	3'281.7	3'179.9	3'155.3

millions of CHF	Order backlog ¹⁾					Employees ²⁾				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Flow	990.0	1'053.5	878.3	850.1	811.5	5'559	5'492	5'465	5'263	5'325
Services	730.3	689.7	547.3	492.9	479.5	4'855	4'832	4'630	4'559	4'571
Chemtech	535.3	556.8	521.2	501.7	433.2	2'781	2'934	2'849	2'852	3'734
Divisions	2'255.6	2'300.0	1'946.8	1'844.7	1'724.1	13'195	13'257	12'944	12'674	13'631
Others	–	–	–	–	–	330	198	186	194	185
Total	2'255.6	2'300.0	1'946.8	1'844.7	1'724.1	13'526	13'455	13'130	12'868	13'816

millions of CHF	EBITDA ¹⁾					EBITDA margin				
	2025	2024	2023	2022	2021 ³⁾	2025	2024	2023	2022	2021 ³⁾
Flow	206.6	169.6	128.4	97.7	107.4	13.3%	11.7%	9.5%	7.4%	7.7%
Services	240.0	209.6	210.6	111.7	187.4	18.3%	16.8%	18.2%	10.0%	16.8%
Chemtech	94.4	131.6	104.6	70.8	73.6	13.7%	15.7%	13.5%	9.6%	11.3%
Divisions	541.0	510.9	443.6	280.2	368.4	15.2%	14.5%	13.5%	8.8%	11.7%
Others	15.2	–8.1	–5.7	–9.5	–11.2	n/a	n/a	n/a	n/a	n/a
Total	556.2	502.7	437.9	270.7	357.2	15.6%	14.2%	13.3%	8.5%	11.3%

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

2) Number of full-time equivalents as of December 31.

3) Comparative information has been re-presented due to discontinued operations in 2021.

Five-year summaries by region

Order intake by region¹⁾

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	1'566.3	1'507.5	1'278.3	1'322.9	1'281.2
Americas	1'423.2	1'435.1	1'353.8	1'193.2	1'051.8
Asia-Pacific	761.5	906.0	948.2	909.3	834.6
Total	3'751.0	3'848.6	3'580.3	3'425.4	3'167.6

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

Sales by region¹⁾

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	1'430.0	1'273.1	1'246.0	1'207.9	1'297.5
Americas	1'351.5	1'333.5	1'199.8	1'142.8	978.1
Asia-Pacific	773.8	924.0	836.0	829.2	879.7
Total	3'555.4	3'530.6	3'281.7	3'179.9	3'155.3

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

Employees by company location¹⁾

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	5'716	5'625	5'445	5'602	5'795
Americas	3'923	3'780	3'642	3'422	4'207
Asia-Pacific	3'887	4'050	4'043	3'845	3'815
Total	13'526	13'455	13'130	12'868	13'816

1) Number of full-time equivalents as of December 31.

Balance sheet of Sulzer Ltd

December 31

millions of CHF	Notes	2025	2024
Current assets			
Cash and cash equivalents	3	94.1	259.1
Accounts receivable from subsidiaries		374.9	364.6
Other current accounts receivable		3.6	2.8
Prepaid expenses and accrued income		0.9	1.7
Total current assets		473.5	628.2
Non-current assets			
Loans to subsidiaries		610.2	541.8
Financial assets		21.8	22.4
Investments in subsidiaries	4	1'566.5	1'546.2
Investments in associates		6.6	19.6
Total non-current assets		2'205.1	2'130.0
Total assets		2'678.6	2'758.2
Current liabilities			
Current interest-bearing liabilities	6	294.9	299.9
Current liabilities with subsidiaries		–	5.7
Current liabilities with shareholders		287.7	408.7
Other current liabilities		1.6	0.1
Accrued expenses and deferred income		8.5	7.8
Current provisions		3.6	3.6
Total current liabilities		596.3	725.8
Non-current liabilities			
Non-current interest-bearing liabilities	6	778.7	744.0
Other non-current liabilities		1.7	5.2
Non-current provisions		34.0	33.2
Total non-current liabilities		814.4	782.4
Total liabilities		1'410.7	1'508.2
Equity			
Registered share capital	5	0.3	0.3
Legal capital reserves			
– Reserves from capital contribution	5	200.7	200.7
– Other legal capital reserve		155.5	155.5
Voluntary retained earnings			
– Free reserve	5	791.5	791.5
Treasury shares	5	–58.6	–51.6
Available earnings			
– Profit brought forward		10.0	0.1
– Net income for the year		168.5	153.5
Total equity		1'267.9	1'250.0
Total equity and liabilities		2'678.6	2'758.2

Income statement of Sulzer Ltd

January 1 – December 31

millions of CHF	Notes	2025	2024
Income			
Investment income	9	223.3	204.8
Financial income	11	35.4	44.7
Other income	10	55.3	49.3
Total income		314.0	298.8
Expenses			
Administrative expenses	8	74.2	101.4
Financial expenses	11	54.0	17.2
Investment and loan expenses	9	9.6	18.0
Other expenses		7.6	8.0
Direct taxes		0.1	0.7
Total expenses		145.5	145.3
Net income for the year		168.5	153.5

Statement of changes in equity of Sulzer Ltd

January 1 – December 31

millions of CHF	Share capital	Reserves from capital contribution	Other legal capital reserve	Free reserve	Treasury shares	Profit brought forward	Net income for the year	Total
Equity as of January 1, 2024	0.3	200.7	155.5	791.5	-36.7	31.7	95.7	1'238.7
Dividend							-127.3	-127.3
Allocation of net income						-31.6	31.6	-
Net income for the year							153.5	153.5
Change in treasury shares					-14.9			-14.9
Equity as of December 31, 2024	0.3	200.7	155.5	791.5	-51.6	0.1	153.5	1'250.0
Dividend							-143.6	-143.6
Allocation of net income						9.9	-9.9	-
Net income for the year							168.5	168.5
Change in treasury shares					-7.0			-7.0
Equity as of December 31, 2025	0.3	200.7	155.5	791.5	-58.6	10.0	168.5	1'267.9

Notes to the financial statements of Sulzer Ltd

1 General information

Sulzer Ltd, Winterthur, Switzerland (“company”), is the parent company of the Sulzer group. Its financial statements are prepared in accordance with Swiss law and serve as complementary information to the consolidated financial statements.

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2 Key accounting policies and principles

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Investments in subsidiaries and third parties

The participations are valued at acquisition cost or if the value is lower, at value in use, using generally accepted valuation principles.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are recognized in the balance sheet at amortized cost. Discounts and issue costs for bonds are amortized on a straight-line basis over the bond's maturity period.

Share-based payments

Sulzer Ltd operates a share-based payment program that covers the Board of Directors. Restricted share units (RSU) are granted annually. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. Awards automatically vest with the departure from the Board. The fair value of the Sulzer share at vesting date is recognized as compensation to the Board of Directors.

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date.

Foregoing a cash flow statement and additional disclosures in the notes

As Sulzer Ltd has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on audit fees and interest-bearing liabilities in the notes and a cash flow statement in accordance with the law.

3 Cash and cash equivalents

As of December 2025, Sulzer had access to a syndicated credit facility of CHF 500 million maturing on December 31, 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028.

4 Investments in subsidiaries

A list of the major subsidiaries held directly or indirectly by Sulzer Ltd is included in [note 34](#) to the consolidated financial statements.

5 Equity

Share capital

The share capital amounts to CHF 342'623.70, made up of 34'262'370 shares with dividend entitlement and a par value of CHF 0.01. All shares are fully paid in and registered.

Shareholders holding more than 3%

	Dec 31, 2025		Dec 31, 2024	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16'728'414	48.82	16'728'414	48.82
UBS Fund Management (Switzerland) AG	1'175'624	3.43	1'175'624	3.43
Fidelity Investments Canada ULC	1'032'911	3.02	-	

Treasury shares held by Sulzer Ltd

millions of CHF	2025		2024	
	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	509'455	51.6	451'074	36.7
Purchase	128'500	18.9	282'500	33.2
Share-based remuneration	-113'159	-11.9	-224'119	-18.3
Balance as of December 31	524'796	58.6	509'455	51.6

The total number of treasury shares held by Sulzer Ltd as of December 31, 2025, amounted to 524'796 (December 31, 2024: 509'455 shares), which are mainly held for the purpose of issuing shares under the management share-based payment programs.

6 Interest-bearing liabilities

millions of CHF	2025		2024	
	Book value	Nominal	Book value	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
0.800% 09/2020–09/2025	–	–	299.9	300.0
0.875% 11/2020–11/2027	199.9	200.0	199.8	200.0
3.350% 12/2022–12/2026	169.9	170.0	169.8	170.0
1.773% 10/2024–10/2028	249.5	250.0	249.3	250.0
1.138% 09/2025–09/2029	229.5	230.0	–	–
1.365% 10/2025–10/2032	99.7	100.0	–	–
Total as of December 31	1'073.6	1'075.0	1'043.9	1'045.0
– thereof non-current	778.7	780.0	744.0	745.0
– thereof current	294.9	295.0	299.9	300.0

All the outstanding bonds are traded on SIX Swiss Exchange.

7 Contingent liabilities

millions of CHF	2025	2024
Guarantees, sureties and comfort letters for subsidiaries		
– to banks and insurance companies	941.4	967.7
– to customers	243.9	183.7
– to others	431.1	453.4
Guarantees for third parties	7.7	7.7
Total contingent liabilities as of December 31	1'624.1	1'612.5

As of December 31, 2025, CHF 363.0 million (2024: CHF 397.4 million) in guarantees, sureties and comfort letters for subsidiaries to banks and insurance companies were utilized.

8 Administrative expenses

millions of CHF	2025	2024
Compensation of Board of Directors	2.8	3.1
Other administrative expenses	71.4	98.3
Total administrative expenses	74.2	101.4

Sulzer Ltd does not have any employees. The compensation of the Board of Directors includes share-based payments and remuneration. Other administrative expenses contain management services and recharges from subsidiaries.

9 Investment income, investment and loan expenses

In 2025, the investment income contains ordinary and extraordinary dividend payments from subsidiaries amounting to CHF 223.3 million (2024: CHF 204.8 million).

The investment and loan expenses contain allowances on investments amounting to CHF 0.5 million (2024: CHF 15.3 million). The share of loss from associates amounts to CHF 10.3 million (2024: CHF 2.7 million).

10 Other income

The income from trademark license amounts to CHF 48.0 million (2024: CHF 47.7 million).

11 Financial income and expenses

The financial income contains interests on loans with subsidiaries amounting to CHF 27.5 million (2024: CHF 32.6 million) and CHF 0.5 million (2024: CHF 1.8 million) with banks. The realized and unrealized gain on marketable securities amounts to CHF 6.2 million (2024: loss of CHF 0.4 million). The foreign currency revaluation on intercompany loans resulted in a loss of CHF 36.2 million (2024: gain of CHF 9.7 million).

The financial expenses contain mainly interest expenses on interest-bearing liabilities of CHF 16.5 million (2024: CHF 15.5 million).

12 Share participation of the Board of Directors, Executive Committee and related parties

Restricted share units for members of the Board

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The number of RSU is determined by dividing the fixed grant value by the volume-weighted share price of the last ten days prior to the grant date. One-third of the RSU each vest after the first, second and third anniversaries of the grant date, respectively. Upon vesting, one vested RSU is converted into one share in Sulzer Ltd. The vesting period for RSU granted to the members of the Board of Directors ends no later than on the date on which the member steps down from the Board.

	2025				
	Sulzer shares	Restricted share units (RSU) ¹⁾	Performance share units (PSU) 2023 ³⁾	Performance share units (PSU) 2024 ⁴⁾	Performance share units (PSU) 2025 ⁴⁾
Board of Directors	34'858	8'004	–	–	–
Suzanne Thoma	12'292	–	–	–	–
Markus Kammüller	3'409	1'589	–	–	–
Alexey Moskov	5'239	1'283	–	–	–
David Metzger	4'861	1'283	–	–	–
Per Utnegaard	5'375	1'283	–	–	–
Hariolf Kottmann	2'623	1'283	–	–	–
Prisca Havranek-Kosicek	1'059	1'283	–	–	–
Executive Committee	29'756	–	28'753	25'028	23'187
Suzanne Thoma	12'292	–	12'778	10'490	8'897
Thomas Zickler	12'749	–	5'112	4'196	3'354
Haining Auperin	–	–	4'217	3'462	2'751
Tim Schulten	3'552	–	5'112	4'196	3'019
Ravin Pillay-Ramsamy	1'163	–	1'534	1'897	2'549
Mathias Prüssing	–	–	–	787	2'617

1) Restricted share units assigned by Sulzer.

2) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.

3) The average fair value of one performance share unit 2024 at grant date amounted to CHF 125.65

4) The average fair value of one performance share unit 2025 at grant date amounted to CHF 175.14

	2024				
	Sulzer shares	Restricted share units (RSU) ¹⁾	Performance share units (PSU) 2022 ²⁾	Performance share units (PSU) 2023 ³⁾	Performance share units (PSU) 2024 ⁴⁾
Board of Directors	15'866	16'373	-	-	-
Suzanne Thoma	4'374	1'071	-	-	-
Markus Kammüller	1'743	3'255	-	-	-
Alexey Moskov	3'791	2'731	-	-	-
David Metzger	3'413	2'731	-	-	-
Per Utnegaard	1'375	2'195	-	-	-
Hariolf Kottmann	1'170	2'195	-	-	-
Prisca Havranek-Kosicek	-	2'195	-	-	-
Executive Committee	11'171	-	14'679	33'865	28'437
Suzanne Thoma	4'374	-	2'120	12'778	10'490
Thomas Zickler	5'697	-	5'074	5'112	4'196
Haining Auperin	-	-	1'142	4'217	3'462
Tim Schulten	1'100	-	5'074	5'112	4'196
Jan Lüder	-	-	-	5'112	4'196
Ravin Pillay-Ramsamy	-	-	1'269	1'534	1'897

1) Restricted share units assigned by Sulzer.

2) The average fair value of one performance share unit 2022 at grant date amounted to CHF 84.69.

3) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.

4) The average fair value of one performance share unit 2024 at grant date amounted to CHF 125.65

Granted Sulzer shares to members of the Board of Directors

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

In 2025, the grant value to the members of the Board of Directors amount to CHF 0.8 million. The number of shares is determined by dividing the fixed grant value by the volume-weighted average share price of the trading days in the last three months before the allocation date.

13 Subsequent events after the balance sheet date

At the time when these financial statements were authorized for issue, the Board of Directors was not aware of any events that would materially affect these financial statements.

Proposal of the Board of Directors for the appropriation of the available profit

in CHF	2025	2024
Net income for the year	168'479'000	153'530'000
Unallocated profit carried forward from previous year ¹⁾	10'139'923	168'701
Total available profit	178'618'923	153'698'701
Ordinary dividend ²⁾	-160'253'477	-143'449'889
Balance carried forward	18'365'446	10'248'812
Dividend distribution per share CHF 0.01		
Gross dividend	4.75	4.25
Withholding tax (35%)	-1.66	-1.49
Net dividend	3.09	2.76

1) The profit carried forward is derived from the total available profit for 2024 of CHF 153'698'701 reduced by the dividend paid of CHF 143'558'778, calculated based on 33'778'536 dividend-entitled shares as of the dividend payment date.

2) For the 2025 dividend proposal, the ordinary dividend is calculated based on 34'262'370 issued shares, reduced by 524'796 treasury shares held as of December 31, 2025, resulting in 33'737'574 dividend-entitled shares.

The Board of Directors proposes the payment of a dividend of CHF 4.75 per share to the Annual General Meeting on April 15, 2026. The company will not pay a dividend on treasury shares held by Sulzer Ltd or one of its subsidiaries.



Statutory Auditor’s Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sulzer Ltd (the Company), which comprise the “[Balance sheet of Sulzer Ltd](#)” as at December 31, 2025, the “[Income statement of Sulzer Ltd](#)” and the “[Statement of changes in equity of Sulzer Ltd](#)” for the year then ended, and the “[Notes to the financial statements of Sulzer Ltd](#)”, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 25, 2026

Disclaimer

This report may contain forward-looking statements, including, but not limited to, projections of financial developments and future performance of materials and products, containing risks and uncertainties. These statements are subject to change based on known and unknown risks and various other factors that could cause the actual results or performance to differ materially from the statements made herein.

Rounding

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

Languages

Parts of the Sulzer Annual Report 2025 have been translated into German. Please note that the English-language version of the Sulzer Annual Report is the binding version.