



# Financial reporting

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# Consolidated income statement

January 1 – June 30

millions of CHF	Notes	2021	2020
Sales	3	1'723.3	1'598.5
Cost of goods sold		-1'184.9	-1'122.5
<b>Gross profit</b>		<b>538.5</b>	<b>476.0</b>
Selling and distribution expenses		-175.6	-168.5
General and administrative expenses		-194.2	-189.5
Research and development expenses		-42.7	-41.7
Other operating income and expenses, net	6	2.8	-40.3
<b>Operating income (EBIT)</b>		<b>128.7</b>	<b>36.0</b>
Interest and securities income	7	1.7	2.5
Interest expenses	7	-13.1	-11.7
Other financial income and expenses, net	7	-2.0	-3.0
Share of profit and loss of associates		-1.1	-0.3
<b>Income before income tax expenses</b>		<b>114.2</b>	<b>23.5</b>
Income tax expenses	8	-27.9	-6.7
<b>Net income</b>		<b>86.3</b>	<b>16.8</b>
attributable to shareholders of Sulzer Ltd		85.7	15.4
attributable to non-controlling interests		0.7	1.4
<b>Earnings per share (in CHF)</b>			
Basic earnings per share		2.53	0.45
Diluted earnings per share		2.51	0.45

# Consolidated statement of comprehensive income

January 1 – June 30

millions of CHF	Notes	2021	2020
<b>Net income</b>		<b>86.3</b>	<b>16.8</b>
<b>Items that may be reclassified subsequently to the income statement</b>			
Cash flow hedges, net of tax		-4.1	-4.0
Currency translation differences		75.1	-91.1
<b>Total of items that may be reclassified subsequently to the income statement</b>		<b>71.0</b>	<b>-95.1</b>
<b>Items that will not be reclassified to the income statement</b>			
Remeasurements of defined benefit obligations, net of tax		55.6	-21.0
<b>Total of items that will not be reclassified to the income statement</b>		<b>55.6</b>	<b>-21.0</b>
<b>Total other comprehensive income</b>		<b>126.6</b>	<b>-116.1</b>
<b>Total comprehensive income for the period</b>		<b>212.9</b>	<b>-99.3</b>
attributable to shareholders of Sulzer Ltd		211.9	-99.9
attributable to non-controlling interests		1.1	0.6

# Consolidated balance sheet

millions of CHF	Notes	June 30, 2021	December 31, 2020 <sup>1)</sup>	June 30, 2020
<b>Non-current assets</b>				
Goodwill		1'020.3	943.8	899.1
Other intangible assets		461.1	401.0	393.4
Property, plant and equipment		565.8	545.3	537.4
Lease assets		131.5	121.2	102.5
Associates		26.8	21.2	20.4
Other non-current financial assets		14.7	10.6	10.4
Non-current receivables		4.6	4.3	5.0
Deferred income tax assets		166.0	154.5	134.5
<b>Total non-current assets</b>		<b>2'390.7</b>	<b>2'202.0</b>	<b>2'102.7</b>
<b>Current assets</b>				
Inventories		582.2	515.1	547.5
Current income tax receivables		28.1	33.4	26.2
Advance payments to suppliers		76.4	59.9	67.8
Contract assets		379.3	324.9	350.6
Trade accounts receivable		575.0	599.1	558.8
Other current receivables and prepaid expenses		277.0	202.2	144.9
Current financial assets		2.9	305.1	4.8
Cash and cash equivalents		1'292.5	1'123.2	957.3
<b>Total current assets</b>		<b>3'213.3</b>	<b>3'162.8</b>	<b>2'657.9</b>
<b>Total assets</b>		<b>5'603.9</b>	<b>5'364.8</b>	<b>4'760.6</b>
<b>Equity</b>				
Share capital	9	0.3	0.3	0.3
Reserves		1'462.5	1'404.0	1'340.8
<b>Equity attributable to shareholders of Sulzer Ltd</b>		<b>1'462.8</b>	<b>1'404.3</b>	<b>1'341.1</b>
Non-controlling interests		6.4	12.9	11.3
<b>Total equity</b>		<b>1'469.3</b>	<b>1'417.2</b>	<b>1'352.4</b>
<b>Non-current liabilities</b>				
Non-current borrowings	10	1'489.6	1'491.3	1'199.3
Non-current lease liabilities		97.8	90.2	73.5
Deferred income tax liabilities		127.3	88.5	60.8
Non-current income tax liabilities		4.6	4.8	2.3
Defined benefit obligations		233.8	227.4	187.8
Non-current provisions	11	66.4	65.8	68.1
Other non-current liabilities		7.0	8.0	4.1
<b>Total non-current liabilities</b>		<b>2'026.6</b>	<b>1'976.0</b>	<b>1'595.9</b>
<b>Current liabilities</b>				
Current borrowings	10	231.8	231.8	134.0
Current lease liabilities		33.0	29.5	29.9
Current income tax liabilities		11.1	38.7	35.7
Current provisions	11	184.1	183.5	167.9
Contract liabilities		346.4	300.5	312.4
Trade accounts payable		478.2	465.8	423.3
Other current and accrued liabilities	12	823.5	721.9	709.2
<b>Total current liabilities</b>		<b>2'108.0</b>	<b>1'971.7</b>	<b>1'812.3</b>
<b>Total liabilities</b>		<b>4'134.7</b>	<b>3'947.6</b>	<b>3'408.2</b>
<b>Total equity and liabilities</b>		<b>5'603.9</b>	<b>5'364.8</b>	<b>4'760.6</b>

1) The balance sheet as of December 31, 2020, has been restated following the finalization of the valuation of the contingent consideration related to acquisitions in 2020. A reconciliation to the previously published balance sheet is provided in note 4.

# Consolidated statement of changes in equity

January 1 – June 30

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			
<b>Equity as of January 1, 2020</b>		<b>0.3</b>	<b>2'125.4</b>	<b>-25.6</b>	<b>-4.3</b>	<b>-515.1</b>	<b>1'580.7</b>	<b>13.1</b>	<b>1'593.9</b>
Comprehensive income for the period:									
Net income			15.4				15.4	1.4	16.8
– Cash flow hedges, net of tax		–	–	–	-4.0	–	-4.0	–	-4.0
– Remeasurements of defined benefit obligations, net of tax		–	-21.0	–	–	–	-21.0	–	-21.0
– Currency translation differences		–	–	–	–	-90.3	-90.3	-0.8	-91.1
Other comprehensive income		–	-21.0	–	-4.0	-90.3	-115.3	-0.8	-116.1
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>-5.6</b>	<b>–</b>	<b>-4.0</b>	<b>-90.3</b>	<b>-99.9</b>	<b>0.6</b>	<b>-99.3</b>
Transactions with owners of the company:									
Allocation of treasury shares to share plan participants		–	-9.9	9.9	–	–	–	–	–
Purchase of treasury shares		–	–	-10.3	–	–	-10.3	–	-10.3
Share-based payments		–	6.7	–	–	–	6.7	–	6.7
Dividends	9	–	-136.1	–	–	–	-136.1	-2.4	-138.5
<b>Equity as of June 30, 2020</b>		<b>0.3</b>	<b>1'980.5</b>	<b>-26.0</b>	<b>-8.3</b>	<b>-605.5</b>	<b>1'341.1</b>	<b>11.3</b>	<b>1'352.4</b>
<b>Equity as of January 1, 2021</b>		<b>0.3</b>	<b>2'083.8</b>	<b>-38.3</b>	<b>5.9</b>	<b>-647.4</b>	<b>1'404.3</b>	<b>12.9</b>	<b>1'417.2</b>
Comprehensive income for the period:									
Net income			85.7				85.7	0.7	86.3
– Cash flow hedges, net of tax		–	–	–	-4.1	–	-4.1	–	-4.1
– Remeasurements of defined benefit obligations, net of tax		–	55.6	–	–	–	55.6	–	55.6
– Currency translation differences		–	–	–	–	74.7	74.7	0.4	75.1
Other comprehensive income		–	55.6	–	-4.1	74.7	126.2	0.4	126.6
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>141.3</b>	<b>–</b>	<b>-4.1</b>	<b>74.7</b>	<b>211.9</b>	<b>1.1</b>	<b>212.9</b>
Transactions with owners of the company:									
Acquisition of NCI without a change of control		–	-10.6	–	–	-1.4	-11.9	-5.4	-17.3
Allocation of treasury shares to share plan participants		–	-8.5	8.5	–	–	–	–	–
Transaction costs, net of tax		–	-0.7	–	–	–	-0.7	–	-0.7
Purchase of treasury shares		–	–	-14.5	–	–	-14.5	–	-14.5
Share-based payments		–	9.2	–	–	–	9.2	–	9.2
Dividends	9	–	-135.4	–	–	–	-135.4	-2.1	-137.5
<b>Equity as of June 30, 2021</b>		<b>0.3</b>	<b>2'079.1</b>	<b>-44.3</b>	<b>1.7</b>	<b>-574.1</b>	<b>1'462.8</b>	<b>6.4</b>	<b>1'469.3</b>

# Consolidated statement of cash flows

January 1 – June 30

millions of CHF	Notes	2021	2020
<b>Cash and cash equivalents as of January 1</b>		<b>1'123.2</b>	<b>1'035.5</b>
Net income		86.3	16.8
Interest and securities income	7	-1.7	-2.5
Interest expenses	7	13.1	11.7
Income tax expenses	8	27.9	6.7
Depreciation, amortization and impairments		90.8	87.3
Income from disposals of tangible and intangible assets	6	-1.0	-0.3
Changes in inventories		-38.6	0.4
Changes in advance payments to suppliers		-16.7	8.3
Changes in contract assets		-36.2	-11.6
Changes in trade accounts receivable		52.8	53.6
Changes in contract liabilities		29.8	-20.8
Changes in trade accounts payable		-8.9	-77.0
Change in provision for employee benefit plans		-5.8	-28.8
Changes in provisions		-4.0	35.9
Changes in other net current assets		20.3	13.8
Other non-cash items		-6.3	26.6
Interest received		1.7	2.5
Interest paid		-4.0	-4.5
Income tax paid		-44.3	-26.2
<b>Total cash flow from operating activities</b>		<b>155.1</b>	<b>91.8</b>
Purchase of intangible assets		-4.0	-5.4
Sale of intangible assets		0.0	0.0
Purchase of property, plant and equipment		-38.9	-54.3
Sale of property, plant and equipment		4.9	4.7
Acquisitions of subsidiaries, net of cash acquired	4	-123.9	-6.8
Divestitures of subsidiaries		0.4	-
Acquisitions of associates		-6.9	-5.2
Dividends from associates		0.5	-
Purchase of other non-current financial assets		-5.7	-2.3
Sale of other non-current financial assets		0.2	0.3
Purchase of current financial assets		-0.0	-5.2
Sale of current financial assets		302.5	56.9
<b>Total cash flow from investing activities</b>		<b>129.1</b>	<b>-17.3</b>
Dividends paid to shareholders of Sulzer Ltd	9	-91.9	-92.6
Dividends paid to non-controlling interests in subsidiaries		-2.1	-2.4
Purchase of treasury shares		-14.5	-10.3
Payments of lease liabilities		-20.7	-19.5
Acquisition of non-controlling interests	4	-17.3	-
Proceeds from non-current borrowings	10	0.0	0.1
Repayments of non-current borrowings	10	-2.8	-0.0
Proceeds from current borrowings	10	27.8	43.2
Repayments of current borrowings	10	-28.4	-39.0
<b>Total cash flow from financing activities</b>		<b>-149.7</b>	<b>-120.6</b>
Exchange gains/losses on cash and cash equivalents		34.9	-32.1
<b>Net change in cash and cash equivalents</b>		<b>169.3</b>	<b>-78.2</b>
<b>Cash and cash equivalents as of June 30</b>		<b>1'292.5</b>	<b>957.3</b>

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

## Notes to the consolidated financial statements

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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 unaudited consolidated interim financial statements for the six months ended June 30, 2021, 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. The group specializes in pumping, agitation, mixing, separation and application technologies for fluids of all types. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs around 15’600 people. The company serves clients in 188 production and service sites around the world. Sulzer Ltd is listed on the SIX Swiss Exchange in Zurich, Switzerland (symbol: SUN).

The interim financial statements have been prepared in accordance with the requirements of IAS 34 “Interim financial reporting.” Details of the group’s accounting policies are described in [note 13](#).

## 2 Significant events and transactions during the reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- The group announced on May 27, 2021, the intention to spin-off its Applicator Systems (APS) division through a 1:1 share split, granting Sulzer shareholders one APS share in addition to each Sulzer share held. Upon market introduction, APS will be renamed medmix and its listing will be combined with a share capital increase by medmix in the amount of CHF 200–300 million without subscription rights for existing shareholders. The spin-off of medmix will be executed in the form of a symmetrical split, according to art. 29 para b) and art. 31 para 2a) of the Swiss Merger Act, with existing shareholders receiving one medmix share in addition to each Sulzer share held. Sulzer’s Board of Directors has unanimously approved the transaction. The split of Sulzer into two separate companies and its associated capital increase will be proposed for shareholder approval at an extraordinary general meeting (EGM) to be scheduled in Q3, 2021.
- On February 1, 2021, Sulzer acquired a 100% controlling interest of Nordic Water Holding AB (Nordic Water) for CHF 129.2 million. The headquarters of Nordic Water is located in Gothenburg, Sweden. Nordic Water employs approximately 200 people and is a pioneering innovation leader and is known for its broad application suite in primary, secondary and tertiary water treatment as well as its global reach. With the acquisition of Nordic Water, Sulzer will be able to grow its wastewater treatment business with equipment that complements the existing portfolio of pumps, grinders, mixers, compressors and other products that Sulzer currently provides for the water market. Nordic Water will operate as part of Sulzer’s Pumps Equipment division. The acquisition resulted in an increase in goodwill of CHF 52.1 million and other intangible assets of CHF 73.3 million at the date of acquisition (see [note 4](#)).
- For the period ended June 30, 2021, the group recognized restructuring costs of CHF 3.3 million (half year 2020: CHF 43.2 million), partly offset by released restructuring provisions of CHF 1.3 million (half year 2020: CHF 1.2 million). Restructuring costs mainly relate to the resizing of a site in Belgium. Associated with restructuring initiatives, the group further recognized impairments on tangible and intangible assets of CHF 0.9 million (half year 2020: CHF 4.2 million).



For a detailed discussion about the group's performance and financial position please refer to the [Business review](#).

### 3 Segment information

#### Segment information by divisions

millions of CHF	Pumps Equipment		Rotating Equipment Services		Chemtech		Applicator Systems	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Order intake<sup>1)</sup></b>	<b>626.8</b>	<b>744.0</b>	<b>570.8</b>	<b>617.0</b>	<b>353.9</b>	<b>319.4</b>	<b>268.9</b>	<b>160.2</b>
Nominal growth	-15.8%	-1.1%	-7.5%	2.5%	10.8%	-8.8%	67.9%	-29.9%
Currency-adjusted growth	-15.3%	6.0%	-5.6%	10.2%	12.8%	-3.2%	69.4%	-27.3%
Organic growth <sup>2)</sup>	-20.2%	7.3%	-6.0%	6.3%	12.8%	-12.0%	53.3%	-27.3%
Order backlog as of June 30/ December 31	869.8	845.0	496.1	435.0	458.2	396.9	124.8	82.0
Sales recognized at a point in time	480.7	389.4	441.5	431.5	175.6	182.4	226.5	166.1
Sales recognized over time	183.2	227.2	84.0	96.6	130.0	105.4	1.8	-
<b>Sales<sup>3)</sup></b>	<b>663.9</b>	<b>616.6</b>	<b>525.5</b>	<b>528.1</b>	<b>305.6</b>	<b>287.8</b>	<b>228.3</b>	<b>166.1</b>
Nominal growth	7.7%	-10.7%	-0.5%	-5.9%	6.2%	-5.3%	37.5%	-23.9%
Currency-adjusted growth	8.8%	-4.4%	1.3%	1.3%	7.7%	0.2%	38.4%	-21.0%
Organic growth <sup>2)</sup>	4.4%	-3.1%	0.9%	-1.2%	7.7%	-7.7%	25.8%	-21.0%
<b>Operational profit</b>	<b>33.2</b>	<b>19.2</b>	<b>70.3</b>	<b>64.0</b>	<b>27.7</b>	<b>23.0</b>	<b>44.0</b>	<b>19.5</b>
<b>Operational profitability</b>	<b>5.0%</b>	<b>3.1%</b>	<b>13.4%</b>	<b>12.1%</b>	<b>9.1%</b>	<b>8.0%</b>	<b>19.3%</b>	<b>11.8%</b>
Restructuring expenses	-0.7	-28.9	-0.7	-8.0	-0.6	-3.0	-0.2	-1.1
Amortization	-18.7	-14.8	-2.3	-3.9	-3.2	-3.3	-11.2	-9.0
Impairments on tangible and intangible assets	-	-0.4	-0.3	-0.0	-	-3.7	-0.6	-0.1
Non-operational items	1.0	-2.2	-0.7	-0.8	-2.8	-2.4	-0.8	-0.3
<b>EBIT</b>	<b>14.8</b>	<b>-27.1</b>	<b>66.3</b>	<b>51.2</b>	<b>21.1</b>	<b>10.6</b>	<b>31.3</b>	<b>9.0</b>
Depreciation	-16.5	-17.3	-15.6	-14.9	-6.5	-6.6	-13.8	-11.3
Operating assets	1'628.5	1'456.4	938.0	893.6	570.7	507.0	751.0	731.1
Unallocated assets	-	-	-	-	-	-	-	-
<b>Total assets as of June 30/ December 31</b>	<b>1'628.5</b>	<b>1'456.4</b>	<b>938.0</b>	<b>893.6</b>	<b>570.7</b>	<b>507.0</b>	<b>751.0</b>	<b>731.1</b>
Operating liabilities	737.5	725.1	394.3	354.9	372.5	323.6	143.4	126.6
Unallocated liabilities	-	-	-	-	-	-	-	-
<b>Total liabilities as of June 30/ December 31</b>	<b>737.5</b>	<b>725.1</b>	<b>394.3</b>	<b>354.9</b>	<b>372.5</b>	<b>323.6</b>	<b>143.4</b>	<b>126.6</b>
Operating net assets	891.0	731.3	543.8	538.7	198.3	183.5	607.6	604.5
Unallocated net assets	-	-	-	-	-	-	-	-
<b>Total net assets as of June 30/ December 31</b>	<b>891.0</b>	<b>731.3</b>	<b>543.8</b>	<b>538.7</b>	<b>198.3</b>	<b>183.5</b>	<b>607.6</b>	<b>604.5</b>
Capital expenditure (incl. lease assets)	-15.1	-21.0	-33.0	-23.8	-9.3	-6.5	-18.1	-22.7
Employees (number of full-time equivalents) as of June 30/ December 31	5'408	5'362	4'510	4'449	3'536	3'221	1'945	1'857

1) Order intake from external customers.

2) Adjusted for currency and acquisition effects.

3) Sales from external customers.

## Segment information by divisions

millions of CHF	Total divisions		Others <sup>4)</sup>		Total Sulzer	
	2021	2020	2021	2020	2021	2020
<b>Order intake<sup>1)</sup></b>	<b>1'820.4</b>	<b>1'840.5</b>	–	–	<b>1'820.4</b>	<b>1'840.5</b>
Nominal growth	–1.1%	–4.8%	–	–	–1.1%	–4.8%
Currency-adjusted growth	0.2%	1.7%	–	–	0.2%	1.7%
Organic growth <sup>2)</sup>	–3.3%	–0.6%	–	–	–3.3%	–0.6%
Order backlog as of June 30/ December 31	1'948.9	1'758.9	–	–	1'948.9	1'758.9
Sales recognized at a point in time	1'324.3	1'169.4	–	–	1'324.3	1'169.4
Sales recognized over time	399.0	429.1	–	–	399.0	429.1
<b>Sales<sup>3)</sup></b>	<b>1'723.3</b>	<b>1'598.5</b>	–	–	<b>1'723.3</b>	<b>1'598.5</b>
Nominal growth	7.8%	–9.9%	–	–	7.8%	–9.9%
Currency-adjusted growth	9.2%	–3.9%	–	–	9.2%	–3.9%
Organic growth <sup>2)</sup>	6.1%	–5.5%	–	–	6.1%	–5.5%
<b>Operational profit</b>	<b>175.2</b>	<b>125.8</b>	<b>–3.6</b>	<b>–5.6</b>	<b>171.6</b>	<b>120.2</b>
<b>Operational profitability</b>	<b>10.2%</b>	<b>7.9%</b>	<b>n/a</b>	<b>n/a</b>	<b>10.0%</b>	<b>7.5%</b>
Restructuring expenses	–2.1	–41.0	0.1	–1.0	–2.0	–42.0
Amortization	–35.4	–31.0	–0.3	–0.5	–35.7	–31.6
Impairments on tangible and intangible assets	–0.9	–4.2	–	–	–0.9	–4.2
Non-operational items	–3.2	–5.7	–1.0	–0.7	–4.3	–6.4
<b>EBIT</b>	<b>133.6</b>	<b>43.8</b>	<b>–4.9</b>	<b>–7.8</b>	<b>128.7</b>	<b>36.0</b>
Depreciation	–52.5	–50.1	–1.7	–1.5	–54.2	–51.6
Operating assets	3'888.3	3'588.1	174.0	71.1	4'062.3	3'659.2
Unallocated assets	–	–	1'541.6	1'705.6	1'541.6	1'705.6
<b>Total assets as of June 30/ December 31</b>	<b>3'888.3</b>	<b>3'588.1</b>	<b>1'715.6</b>	<b>1'776.7</b>	<b>5'603.9</b>	<b>5'364.8</b>
Operating liabilities	1'647.6	1'530.2	210.7	152.7	1'858.3	1'682.8
Unallocated liabilities	–	–	2'276.4	2'264.8	2'276.4	2'264.8
<b>Total liabilities as of June 30/ December 31</b>	<b>1'647.6</b>	<b>1'530.2</b>	<b>2'487.1</b>	<b>2'417.4</b>	<b>4'134.7</b>	<b>3'947.6</b>
Operating net assets	2'240.7	2'058.0	–36.7	–81.6	2'204.0	1'976.4
Unallocated net assets	–	–	–734.7	–559.2	–734.7	–559.2
<b>Total net assets as of June 30/ December 31</b>	<b>2'240.7</b>	<b>2'058.0</b>	<b>–771.4</b>	<b>–640.7</b>	<b>1'469.3</b>	<b>1'417.2</b>
Capital expenditure (incl. lease assets)	–75.4	–74.0	–0.8	–1.2	–76.3	–75.1
Employees (number of full-time equivalents) as of June 30/ December 31	15'399	14'888	176	165	15'574	15'054

1) Order intake from external customers.

2) Adjusted for currency and acquisition effects.

3) Sales from external customers.

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

For the definition of operational profit, operational profitability and adjustments for currency and acquisition effects, reference is made to the [Sulzer Annual Report 2020](#).

## 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:

### Pumps Equipment

The Pumps Equipment 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.

### Rotating Equipment Services

Through a network of over 100 service sites around the world, the Rotating Equipment Services division provides cutting-edge parts as well as maintenance and repair solutions for pumps, turbines, compressors, motors and generators. The division services Sulzer original equipment, but also all associated third-party rotating equipment run by the 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 biopolymers as well as textile and plastic recycling, contributing to a circular economy. The division's product offering ranges from technology licensing to process components all the way to complete separation process plants. Customer support ranges from engineering and field services to tray and packing installation, tower maintenance, welding and plant turnaround projects – ensuring minimal downtime.

### Applicator Systems

Through its well-known brands (Mixpac, Transcodent, Cox, medmix, Haselmeier and Geka), the Applicator Systems division develops and delivers innovative products and services for liquid application and mixing solutions within the healthcare, adhesives and beauty markets. The division's IP-protected applicator solutions make the customers' products precise, safe, unique and more sustainable, leveraging the division's expertise in plastic-injection molding, two-component mixing, drug delivery and micro-brushes.

### Others

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

The Chief Executive Officer primarily uses operational profit to assess the performance of the operating segments. However, the Chief Executive Officer also receives information about the segments' order intake and backlog, sales, and operating assets and liabilities on a monthly basis.

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

Operating assets and liabilities are assets or liabilities related to the operating activities of an entity and contributing to EBIT.

## Segment information by region

The allocation of sales from external customers is based on the ship-to location defined by Sulzer's customer, which does not necessarily correspond with the location of the end customer.

### Sales by region

	2021				
millions of CHF	Pumps Equipment	Rotating Equipment Services	Chemtech	Applicator Systems	Total Sulzer
<b>Europe, the Middle East and Africa</b>	<b>313.8</b>	<b>221.5</b>	<b>67.1</b>	<b>135.7</b>	<b>738.2</b>
– thereof Germany	27.4	25.8	14.7	53.2	121.0
– thereof United Kingdom	11.6	53.8	2.4	9.2	76.9
– thereof Saudi Arabia	56.1	11.7	7.2	0.1	75.1
– thereof France	13.7	13.6	4.5	11.5	43.3
– thereof Russia	15.6	13.5	6.6	1.1	36.8
<b>Americas</b>	<b>194.8</b>	<b>232.2</b>	<b>65.5</b>	<b>70.8</b>	<b>563.3</b>
– thereof USA	112.6	182.2	41.5	64.8	401.0
<b>Asia-Pacific</b>	<b>155.3</b>	<b>71.8</b>	<b>172.9</b>	<b>21.8</b>	<b>421.9</b>
– thereof China	115.3	11.4	127.5	10.1	264.2
<b>Total</b>	<b>663.9</b>	<b>525.5</b>	<b>305.6</b>	<b>228.3</b>	<b>1'723.3</b>

	2020				
millions of CHF	Pumps Equipment	Rotating Equipment Services	Chemtech	Applicator Systems	Total Sulzer
<b>Europe, the Middle East and Africa</b>	<b>263.5</b>	<b>219.1</b>	<b>84.4</b>	<b>96.8</b>	<b>663.8</b>
– thereof Germany	30.8	23.8	13.3	37.8	105.7
– thereof United Kingdom	11.6	52.8	4.9	6.8	76.2
– thereof Saudi Arabia	35.3	11.4	17.0	0.0	63.7
– thereof Russia	16.4	30.8	5.5	1.0	53.7
– thereof France	14.1	9.8	2.3	12.0	38.3
<b>Americas</b>	<b>226.0</b>	<b>239.1</b>	<b>66.9</b>	<b>55.5</b>	<b>587.5</b>
– thereof USA	152.7	195.4	47.6	50.0	445.6
<b>Asia-Pacific</b>	<b>127.0</b>	<b>69.8</b>	<b>136.5</b>	<b>13.8</b>	<b>347.2</b>
– thereof China	93.8	10.2	89.5	6.4	199.9
<b>Total</b>	<b>616.6</b>	<b>528.1</b>	<b>287.8</b>	<b>166.1</b>	<b>1'598.5</b>

## Segment information by market segment

The following table shows the allocation of sales from external customers by market segment. The group changed the market segment definition in 2021 and prior year numbers have been reclassified accordingly.

### Sales by market segment – Pumps Equipment

millions of CHF	2021	2020
Energy	239.9	255.3
Water	233.6	188.8
Industry	190.5	172.4
<b>Total Pumps Equipment</b>	<b>663.9</b>	<b>616.6</b>

### Sales by market segment – Rotating Equipment Services

millions of CHF	2021	2020
Pumps Services	283.7	285.8
Other Equipment	241.9	242.2
<b>Total Rotating Equipment Services</b>	<b>525.5</b>	<b>528.1</b>

### Sales by market segment – Chemtech

millions of CHF	2021	2020
Chemicals	178.4	151.4
Gas/Refining	57.8	62.8
Service	47.9	46.1
Renewables	14.3	17.4
Water	7.2	10.0
<b>Total Chemtech</b>	<b>305.6</b>	<b>287.8</b>

### Sales by market segment – Applicator Systems

millions of CHF	2021	2020
Dental	60.7	35.9
Drug delivery	21.3	–
Surgery	5.8	6.6
<b>Total Healthcare</b>	<b>87.9</b>	<b>42.5</b>
Industry	78.5	62.7
Beauty	61.9	60.8
<b>Total Consumer &amp; Industrial</b>	<b>140.5</b>	<b>123.6</b>
<b>Total Applicator Systems</b>	<b>228.3</b>	<b>166.1</b>

## 4 Acquisitions of subsidiaries and non-controlling interests

### Acquisitions of subsidiaries in 2021

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition, including the resulting goodwill and the total consideration paid. If new information obtained within one year of the date of acquisition about facts and circumstances that

existed at the date of acquisition identifies adjustments to the amounts recognized below, then the accounting for the acquisition will be revised.

## Net assets acquired

millions of CHF	Nordic Water	Others	Total
Intangible assets	73.3	7.4	80.7
Property, plant and equipment	1.2	1.4	2.6
Lease assets	3.0	1.5	4.4
Deferred income tax assets	0.1	–	0.1
Cash and cash equivalents	14.2	0.9	15.1
Trade accounts receivable	7.4	0.1	7.5
Other current assets	19.9	1.3	21.2
Lease liabilities	–3.0	–1.4	–4.4
Provisions	–0.5	–0.2	–0.7
Non-current income tax liabilities	–	–	–
Deferred income tax liabilities	–17.9	–1.0	–18.9
Other liabilities	–20.7	–0.4	–21.1
<b>Net identifiable assets</b>	<b>77.1</b>	<b>9.4</b>	<b>86.4</b>
Goodwill recognized in balance sheet	52.1	1.7	53.8
<b>Total consideration</b>	<b>129.2</b>	<b>11.0</b>	<b>140.3</b>
			–
Purchase price paid in cash	129.2	9.1	138.3
Contingent consideration	–	1.9	1.9
<b>Total consideration</b>	<b>129.2</b>	<b>11.0</b>	<b>140.3</b>

## Nordic Water

On February 1, 2021, Sulzer acquired a 100% controlling interest of Nordic Water Holding AB (Nordic Water) for CHF 129.2 million. The headquarters of Nordic Water is located in Gothenburg, Sweden. Nordic Water employs approximately 200 people and is a pioneering innovation leader and is known for its broad application suite in primary, secondary and tertiary water treatment as well as its global reach. With the acquisition of Nordic Water, Sulzer will be able to grow its wastewater treatment business with equipment that complements the existing portfolio of pumps, grinders, mixers, compressors and other products that Sulzer currently provides for the water market. Nordic Water will operate as part of Sulzer's Pumps Equipment division. The goodwill is attributable to synergies by leveraging the scale of the combined businesses. None of the goodwill is expected to be deductible for tax purposes. Transaction costs recognized in the income statement amount to CHF –1.0 million. Since the acquisition date, Nordic Water contributed order intake of CHF 39.4 million, sales of CHF 29.0 million, and net income of CHF –0.3 million to the group.

## Acquired receivables

The fair value of acquired trade accounts receivable is CHF 7.4 million. The gross contractual amount for trade account receivables due is CHF 7.9 million, of which CHF 0.5 million are expected to be uncollectible at the date of acquisition.

## Acquisitions of non-controlling interests in 2021

On March 22, 2021, the group acquired an additional 49.5% interests in Sulzer Wood Ltd. for CHF 17.3 million, increasing its ownership from 50.5% to 100%. The carrying amount of Sulzer Wood's net assets in the group's consolidated financial statements on the acquisition date was

CHF 5.4 million. The group recognized a decrease of non-controlling interests of CHF 5.4 million and a decrease in equity attributable to owners of Sulzer Ltd of CHF 11.9 million.

The following table summarizes the effect of changes in the group's ownership interest in Sulzer Wood Ltd.

millions of CHF	2021
Carrying amount of non-controlling interests acquired	5.4
Consideration paid to non-controlling interests in cash, excl. dividends	17.3
<b>Decrease in equity attributable to owners of Sulzer Ltd</b>	<b>11.9</b>

### Pro forma sales and profit contribution

Had all above acquisitions occurred on January 1, 2021, management estimates that total net sales of the group would amount to CHF 1'727.5 million, and the consolidated net income would be CHF 85.4 million.

### Restated balance sheet as of December 31, 2020

The group reassessed the accounting treatment of the contingent consideration of the Haselmeier acquisition based on facts and circumstances already existing at the acquisition date on October 1, 2020. Since the group concluded not to pursue the development project, the earn-out amount was adjusted from CHF 14.2 million to CHF 0.3 million retrospectively. Consequently, the group adjusted goodwill and other non-current liabilities by CHF 13.9 million as of December 31, 2020.

millions of CHF	As reported 2020	Measurement adjustment	Restated 2020
Goodwill	957.7	-13.9	943.8
<b>Total non-current assets</b>	<b>2'215.9</b>	<b>-13.9</b>	<b>2'202.0</b>
<b>Total assets</b>	<b>5'378.7</b>	<b>-13.9</b>	<b>5'364.8</b>
Other non-current liabilities	21.9	-13.9	8.0
<b>Total non-current liabilities</b>	<b>1'989.9</b>	<b>-13.9</b>	<b>1'976.0</b>
<b>Total equity and liabilities</b>	<b>5'378.7</b>	<b>-13.9</b>	<b>5'364.8</b>

### Cash flow from acquisitions of subsidiaries

millions of CHF	2021	2020
Cash consideration paid	-138.3	-1.5
Contingent consideration paid	-0.5	-
Cash acquired	15.1	-5.3
<b>Total cash flow from acquisitions, net of cash acquired</b>	<b>-123.9</b>	<b>-6.8</b>

## Contingent consideration

millions of CHF	2021	Restated 2020
Balance as of January 1	4.4	3.5
Assumed in a business combination	1.9	0.3
Payment of contingent consideration	-0.5	-
Currency translation differences	0.3	0.6
<b>Total contingent consideration as of June 30/ December 31</b>	<b>6.1</b>	<b>4.4</b>
- thereof non-current	1.9	-
- thereof current	4.2	4.4

## 5 Financial instruments

The following tables present the carrying amounts and fair values of financial assets and liabilities as of June 30, 2021, and December 31, 2020, 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 three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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 measured using unobservable inputs are categorized within level 3 of the fair value hierarchy. This applies particularly to contingent considerations in business combinations.

Contingent considerations are linked to the fulfillment of certain parameters, mainly related to earnout clauses and technology transfer. For more information please refer to [note 4](#).



## Fair value table

		June 30, 2021								
		Carrying amount				Fair value				
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets measured at fair value</b>										
			9.0			9.0	0.2	–	8.8	9.0
						–	–	–	–	–
		3.1				3.1	–	3.1	–	3.1
			1.7			1.7	1.7	–	–	1.7
		<b>3.1</b>	<b>10.7</b>	<b>–</b>	<b>–</b>	<b>13.9</b>	<b>2.0</b>	<b>3.1</b>	<b>8.8</b>	<b>13.9</b>
<b>Financial assets not measured at fair value</b>										
				5.7		5.7				
				4.6		4.6				
				575.0		575.0				
				21.3		21.3				
				1.2		1.2				
				1'292.5		1'292.5				
		<b>–</b>	<b>–</b>	<b>1'900.4</b>	<b>–</b>	<b>1'900.4</b>				
<b>Financial liabilities measured at fair value</b>										
		0.1				0.1	–	0.1	–	0.1
		8.4				8.4	–	8.4	–	8.4
	4		6.1			6.1	–	–	6.1	6.1
		<b>8.5</b>	<b>6.1</b>	<b>–</b>	<b>–</b>	<b>14.6</b>	<b>–</b>	<b>8.5</b>	<b>6.1</b>	<b>14.6</b>
<b>Financial liabilities not measured at fair value</b>										
	10				1'488.7	1'488.7	1'518.8	–	–	1'518.8
					0.9	0.9				
					6.9	6.9				
	10				209.9	209.9	210.4	–	–	210.4
					21.9	21.9				
					478.2	478.2				
					353.8	353.8				
		<b>–</b>	<b>–</b>	<b>–</b>	<b>2'560.2</b>	<b>2'560.2</b>				

## Fair value table

December 31, 2020										
millions of CHF	Notes	Carrying amount				Fair value			Total fair value	
		Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2		Level 3
<b>Financial assets measured at fair value</b>										
Other non-current financial assets (at fair value)			8.7			8.7	0.2	–	8.4	8.7
Derivative assets – non-current		1.0				1.0	–	1.0	–	1.0
Derivative assets – current		12.1				12.1	–	12.1	–	12.1
Current financial assets (at fair value)			1.7			1.7	1.7	–	–	1.7
<b>Total financial assets measured at fair value</b>		<b>13.2</b>	<b>10.4</b>	<b>–</b>	<b>–</b>	<b>23.6</b>	<b>2.0</b>	<b>13.2</b>	<b>8.4</b>	<b>23.6</b>
<b>Financial assets not measured at fair value</b>										
Other non-current financial assets (at amortized cost)				2.0		2.0				
Non-current receivables (excluding non-current derivative assets)				3.3		3.3				
Trade accounts receivable				599.1		599.1				
Other current receivables (excluding current derivative assets and other taxes)				19.2		19.2				
Current financial assets (at amortized cost)				303.3		303.3				
Cash and cash equivalents				1'123.2		1'123.2				
<b>Total financial assets not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>2'050.0</b>	<b>–</b>	<b>2'050.0</b>				
<b>Financial liabilities measured at fair value</b>										
Derivative liabilities – non-current		1.2				1.2	–	1.2	–	1.2
Derivative liabilities – current		6.9				6.9	–	6.9	–	6.9
Contingent considerations	4		4.4			4.4	–	–	4.4	4.4
<b>Total financial liabilities measured at fair value</b>		<b>8.1</b>	<b>4.4</b>	<b>–</b>	<b>–</b>	<b>12.5</b>	<b>–</b>	<b>8.1</b>	<b>4.4</b>	<b>12.5</b>
<b>Financial liabilities not measured at fair value</b>										
Outstanding non-current bonds	10				1'488.5	1'488.5	1'527.5	–	–	1'527.5
Other non-current borrowings					2.7	2.7				
Other non-current liabilities (excluding non-current derivative liabilities)					6.8	6.8				
Outstanding current bonds	10				209.9	209.9	211.3	–	–	211.3
Other current borrowings and bank loans					21.9	21.9				
Trade accounts payable					465.8	465.8				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)					307.6	307.6				
<b>Total financial liabilities not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>2'503.2</b>	<b>2'503.2</b>				

## 6 Other operating income and expenses

millions of CHF	2021	2020
Gain from sale of property, plant and equipment	1.0	0.3
Operating currency exchange gains, net	1.6	–
Other operating income	5.5	7.4
<b>Total other operating income</b>	<b>8.1</b>	<b>7.7</b>
Restructuring expenses	–2.0	–42.0
Impairments on tangible and intangible assets	–0.9	–4.2
Cost for mergers and acquisitions	–2.3	–0.2
Loss from sale of property, plant and equipment	–0.0	–0.1
Operating currency exchange losses, net	–	–1.6
<b>Total other operating expenses</b>	<b>–5.3</b>	<b>–48.1</b>
<b>Total other operating income and expenses, net</b>	<b>2.8</b>	<b>–40.3</b>

Other operating income includes income from litigation cases, government grants and incentives, and recharges to third parties not qualifying as sales from customers.

For the period ended June 30, 2021, the group recognized restructuring costs of CHF 3.3 million (half year 2020: CHF 43.2 million), partly offset by released restructuring provisions of CHF 1.3 million (2020: CHF 1.2 million). Restructuring costs mainly relate to the resizing of a site in Belgium. During 2020, the group had initiated restructuring measures of sites in Europe and the USA to mitigate the impact of market disruptions on Energy-related business activities caused by the pandemic. The group further performed impairment tests on production machines and facilities leading to impairments of CHF 0.9 million (half year 2020: CHF 4.2 million).

The functional allocation of the total restructuring expenses and impairments is as follows: cost of goods sold CHF –0.6 million (half year 2020: CHF –32.3 million), selling and distribution expenses CHF –0.2 million (half year 2020: CHF –3.2 million), general and administrative expenses CHF –1.5 million (half year 2020: CHF –9.7 million) and research and development expenses CHF –0.6 million (half year 2020: CHF –1.0 million).

## 7 Financial income and expenses

millions of CHF	2021	2020
Interest and securities income	1.7	2.5
<b>Total interest and securities income</b>	<b>1.7</b>	<b>2.5</b>
Interest expenses on borrowings and lease liabilities	-11.7	-10.3
Interest expenses on employee benefit plans	-1.4	-1.4
<b>Total interest expenses</b>	<b>-13.1</b>	<b>-11.7</b>
<b>Total interest income and expenses, net</b>	<b>-11.4</b>	<b>-9.3</b>
Fair value changes	-8.1	11.9
Other financial expenses	-0.4	-1.3
Currency exchange gains/losses, net	6.5	-13.6
<b>Total other financial income and expenses, net</b>	<b>-2.0</b>	<b>-3.0</b>
<b>Total financial income and expenses, net</b>	<b>-13.4</b>	<b>-12.3</b>
- thereof fair value changes on financial assets at fair value through profit and loss	-8.1	11.9
- thereof interest income on financial assets at amortized costs	1.7	2.5
- thereof other financial expenses	-0.4	-1.3
- thereof currency exchange gains/losses, net	6.5	-13.6
- thereof interest expenses on borrowings	-10.4	-9.1
- thereof interest expenses on lease liabilities	-1.3	-1.2
- thereof interest expenses on employee benefit plans	-1.4	-1.4

Total financial expenses amounted to CHF 13.4 million, compared with CHF 12.3 million in the first half of 2020.

“Interest expenses” increased from CHF 10.3 million in the first half year 2020 to CHF 11.7 million for the same period in 2021. This is mainly due to interest expenses on bonds issued in the second half of 2020.

The “Fair value changes” are largely related to derivative financial instruments that are classified as financial assets or financial liabilities at fair value through profit and loss and that are used as hedging instruments to hedge foreign exchange risks.

## 8 Income taxes

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized based on the estimated income tax rate for the full financial year. The estimated average annual tax rate used for the year 2021 is 24.4%, compared with 28.4% for the six months ended June 30, 2020. Compared to 2020, the effective income tax rate used for 2021 was less impacted by restructuring expenses with no corresponding tax effects and the allocation of profitability among the group’s entities is more favorable.

## 9 Equity

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.

### Treasury shares

The total number of shares held by Sulzer Ltd as of June 30, 2021, amounted to 474’078 treasury shares (December 31, 2020: 426’467 shares).

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

## Dividends

On April 14, 2021, the Annual General Meeting approved an ordinary dividend of CHF 4.00 (2020: ordinary dividend of CHF 4.00) per share to be paid out of reserves. The dividend was paid to shareholders on April 20, 2021. The total amount of the dividend to shareholders of Sulzer Ltd is CHF 135.4 million (2020: CHF 136.1 million), thereof paid dividends of CHF 91.9 million (2020: CHF 92.6 million) and unpaid dividends of CHF 43.5 million (2020: CHF 43.5 million). The unpaid dividends are reflected in the balance sheet position “other current and accrued liabilities” (see [note 12](#)).

## 10 Borrowings

	<b>2021</b>		
<b>millions of CHF</b>	Non-current borrowings	Current borrowings	<b>Total</b>
Balance as of January 1	1'491.3	231.8	1'723.1
Acquired through business combination	0.9	–	0.9
Cash flow from proceeds	0.0	27.8	27.9
Cash flow for repayments	–2.8	–28.4	–31.1
Changes in amortized costs	0.1	0.1	0.2
Currency translation differences	0.0	0.5	0.5
<b>Total borrowings as of June 30</b>	<b>1'489.6</b>	<b>231.8</b>	<b>1'721.4</b>

  

	<b>2020</b>		
<b>millions of CHF</b>	Non-current borrowings	Current borrowings	<b>Total</b>
Balance as of January 1	1'199.2	131.0	1'330.2
Cash flow from proceeds	498.9	72.2	571.1
Cash flow for repayments	–0.0	–177.1	–177.1
Changes in amortized costs	0.3	0.1	0.4
Reclassifications	–207.1	207.1	–
Currency translation differences	0.0	–1.6	–1.5
<b>Total borrowings as of December 31</b>	<b>1'491.3</b>	<b>231.8</b>	<b>1'723.1</b>

The group arranged a CHF 500 million syndicated credit facility with maturity date May 2022. The facility is available for general corporate purposes including financing of acquisitions. The facility is subject to financial covenants based on net financial indebtedness and EBITDA (earnings before interest, taxes, depreciation and amortization), which were adhered to throughout the reporting period. As of June 30, 2021, and December 31, 2020, the syndicated facility of CHF 500 million was not used.

## Outstanding bonds

millions of CHF	2021		2020	
	Amortized costs	Nominal	Amortized costs	Nominal
0.375% 07/2016–07/2022	325.1	325.0	325.1	325.0
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
1.300% 07/2018–07/2023	289.7	290.0	289.6	290.0
0.625% 10/2018–10/2021	209.9	210.0	209.9	210.0
1.600% 10/2018–10/2024	249.9	250.0	249.8	250.0
0.800% 09/2020–09/2025	299.4	300.0	299.3	300.0
0.875% 11/2020–11/2027	199.7	200.0	199.6	200.0
<b>Total as of June 30/ December 31</b>	<b>1'698.6</b>	<b>1'700.0</b>	<b>1'698.4</b>	<b>1'700.0</b>
– thereof non-current	1'488.7	1'490.0	1'488.5	1'490.0
– thereof current	209.9	210.0	209.9	210.0

All outstanding bonds are traded at the SIX Swiss Exchange.

## 11 Provisions

millions of CHF	2021					
	Other employee benefits	Warranties/liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	53.5	85.3	41.5	12.8	56.3	249.3
Acquired through business combination	0.1	0.6	–	–	–	0.7
Additions	5.8	16.4	3.3	–	39.2	64.8
Released as no longer required	–	–1.7	–1.3	–	–3.0	–6.0
Utilized	–4.1	–8.2	–17.2	–1.1	–32.2	–62.8
Currency translation differences	1.2	2.6	0.5	0.3	–0.2	4.4
<b>Total provisions as of June 30</b>	<b>56.5</b>	<b>95.0</b>	<b>26.8</b>	<b>12.0</b>	<b>60.2</b>	<b>250.5</b>
– thereof non-current	39.1	3.8	2.3	11.9	9.2	66.4
– thereof current	17.3	91.2	24.5	0.0	51.0	184.1

The category “Other employee benefits” includes provisions for jubilee gifts, early retirement of senior managers 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.

For the period ended June 30, 2021, the group recognized restructuring costs of CHF 3.3 million (half year 2020: CHF 43.2 million), partly offset by released restructuring provisions of CHF 1.3 million (half year 2020: CHF 1.2 million). Restructuring costs mainly relate to the resizing of a site in Belgium. During 2020, the group had initiated restructuring measures of sites in Europe and the USA to mitigate the impact of market disruptions on Energy-related business activities caused by the pandemic. Up to June 2021, CHF 17.2 million (half year 2020: 12.5 million) were utilized with respect to such restructuring provisions. The remaining restructuring provision as of June 30, 2021, is CHF 26.8 million (half year 2020: CHF 47.1 million), of which CHF 24.5 million (half year 2020: CHF 43.8 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 from divestitures. In addition, provisions for ongoing asbestos lawsuits and other legal claims are included. Based on the currently known facts, Sulzer is of the opinion that the resolution of the open cases will not have material effects on its liquidity or financial condition. Although Sulzer expects a large part of the category “Other” to be realized in one year, by their nature the amounts and timing of any cash outflows are difficult to predict.

## 12 Other current and accrued liabilities

millions of CHF	2021	2020
Liability related to the purchase of treasury shares	104.3	103.4
Outstanding dividend payments	201.1	157.6
Taxes (VAT, withholding tax)	31.7	35.6
Derivative financial instruments	8.4	6.9
Notes payable	20.2	17.0
Contingent consideration	4.2	4.4
Other current liabilities	28.2	29.6
<b>Total other current liabilities as of June 30/ December 31</b>	<b>398.1</b>	<b>354.5</b>
Contract-related costs	139.3	116.3
Salaries, wages and bonuses	104.5	114.0
Vacation and overtime claims	33.3	20.8
Other accrued liabilities	148.3	116.3
<b>Total accrued liabilities as of June 30/ December 31</b>	<b>425.4</b>	<b>367.5</b>
<b>Total other current and accrued liabilities as of June 30/ December 31</b>	<b>823.5</b>	<b>721.9</b>

The outstanding dividend payments amounted to CHF 201.1 million (December 31, 2020: CHF 157.6 million), which is an increase of CHF 43.5 million. The details regarding the dividends are explained in [note 9](#).

## 13 Accounting policies

### 13.1 Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting. The accounting policies applied are consistent with those applied in the consolidated financial statements for the year 2020 and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2020, and any public announcements made by Sulzer during the interim reporting period.

#### Transaction costs recorded in equity

Transaction costs that are directly attributable to the potential spin-off of medmix, and that would otherwise have been avoided, are recorded as a deduction from equity. If the spin-off does not occur, the cost will be recycled into the consolidated income statement.

## 13.2 Change in accounting policies

### **a) Standards, amendments and interpretations which are effective for 2021**

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### **b) Standards, amendments and interpretations issued but not yet effective which the group has decided not to early adopt in 2021**

There are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the group.

## 14 Subsequent events after the balance sheet date

The Board of Directors authorized these consolidated interim financial statements for issue on July 20, 2021. At the time when these consolidated interim financial statements were authorized for issue, the Board of Directors and the Executive Committee were not aware of any other events that would materially affect these financial statements.