



# Financial reporting

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# Consolidated income statement

January 1 – June 30

millions of CHF	Notes	2023	2022
Sales	3	1'601.6	1'516.8
Cost of goods sold		-1'084.7	-1'085.9
<b>Gross profit</b>		<b>516.9</b>	<b>430.9</b>
Selling and distribution expenses		-166.7	-158.4
General and administrative expenses		-175.3	-188.1
Research and development expenses		-35.1	-32.4
Net impairment release / (loss) on contract assets and trade accounts receivable		2.6	-36.8
Other operating income / (expenses), net	7	9.1	-40.6
<b>Operating income (EBIT)</b>		<b>151.5</b>	<b>-25.5</b>
Interest and securities income	8	10.5	3.5
Interest expenses	8	-16.1	-13.2
Other financial income / (expenses), net	8	-7.2	18.3
Share of profit / (loss) of associates		-1.1	-1.4
<b>Income before income tax expenses</b>		<b>137.6</b>	<b>-18.3</b>
Income tax expenses	9	-33.3	-30.5
<b>Net income</b>		<b>104.3</b>	<b>-48.8</b>
- thereof attributable to shareholders of Sulzer Ltd		103.9	-48.3
- thereof attributable to non-controlling interests		0.3	-0.5
<b>Earnings per share (in CHF)</b>			
Basic earnings per share		3.07	-1.43
Diluted earnings per share		3.03	-1.41

# Consolidated statement of comprehensive income

January 1 – June 30

millions of CHF	Notes	2023	2022
<b>Net income</b>		<b>104.3</b>	<b>-48.8</b>
<b>Items that may be reclassified subsequently to the income statement</b>			
Cash flow hedges, net of tax		9.7	-2.8
Currency translation differences		-67.1	13.7
<b>Total of items that may be reclassified subsequently to the income statement</b>		<b>-57.4</b>	<b>10.9</b>
<b>Items that will not be reclassified to the income statement</b>			
Remeasurements of defined benefit plans, net of tax		9.4	-107.0
Equity investments at FVOCI – net change in fair value, net of tax		2.4	-12.0
<b>Total of items that will not be reclassified to the income statement</b>		<b>11.8</b>	<b>-119.0</b>
<b>Total other comprehensive income</b>		<b>-45.6</b>	<b>-108.1</b>
<b>Total comprehensive income for the period</b>		<b>58.7</b>	<b>-156.9</b>
- thereof attributable to shareholders of Sulzer Ltd		58.8	-156.6
- thereof attributable to non-controlling interests		-0.1	-0.3

# Consolidated balance sheet

millions of CHF	Notes	June 30, 2023	December 31, 2022	June 30, 2022
<b>Non-current assets</b>				
Goodwill		659.2	676.9	702.5
Other intangible assets		216.2	234.3	253.0
Property, plant and equipment		358.1	360.5	381.8
Lease assets		92.8	90.1	77.8
Associates		49.8	41.8	24.2
Other non-current financial assets		27.0	28.5	15.1
Defined benefit assets		3.7	1.3	–
Non-current receivables		1.3	1.0	4.4
Deferred income tax assets		142.9	149.9	182.9
<b>Total non-current assets</b>		<b>1'551.0</b>	<b>1'584.2</b>	<b>1'641.8</b>
<b>Current assets</b>				
Inventories		540.4	522.4	524.4
Current income tax receivables		33.2	28.3	27.2
Advance payments to suppliers		92.4	64.4	64.3
Contract assets		470.8	466.1	446.7
Trade accounts receivable		553.1	585.5	556.1
Other current receivables and prepaid expenses		139.8	128.7	142.6
Current financial assets		17.1	14.0	13.8
Cash and cash equivalents		1'141.4	1'196.3	1'300.6
<b>Total current assets without disposal group</b>		<b>2'988.3</b>	<b>3'005.6</b>	<b>3'075.7</b>
Assets of disposal group held for sale	5	–	30.4	42.4
<b>Total current assets</b>		<b>2'988.3</b>	<b>3'036.0</b>	<b>3'118.2</b>
<b>Total assets</b>		<b>4'539.3</b>	<b>4'620.2</b>	<b>4'760.0</b>
<b>Equity</b>				
Share capital		0.3	0.3	0.3
Reserves		938.5	1'023.9	994.4
<b>Equity attributable to shareholders of Sulzer Ltd</b>		<b>938.8</b>	<b>1'024.3</b>	<b>994.7</b>
Non-controlling interests		3.8	4.4	4.1
<b>Total equity</b>	10	<b>942.6</b>	<b>1'028.6</b>	<b>998.8</b>
<b>Non-current liabilities</b>				
Non-current borrowings	11	1'044.1	1'043.9	1'164.7
Non-current lease liabilities		68.7	67.2	54.6
Deferred income tax liabilities		54.8	53.0	59.6
Non-current income tax liabilities		1.6	2.7	2.2
Defined benefit obligations		109.7	122.2	168.3
Non-current provisions	12	55.7	58.2	67.3
Other non-current liabilities		1.2	1.3	1.3
<b>Total non-current liabilities</b>		<b>1'335.8</b>	<b>1'348.6</b>	<b>1'518.0</b>
<b>Current liabilities</b>				
Current borrowings	11	310.7	311.4	341.7
Current lease liabilities		23.7	22.4	22.8
Current income tax liabilities		32.2	30.0	26.1
Current provisions	12	164.6	155.9	158.7
Contract liabilities		441.8	382.3	364.5
Trade accounts payable		415.2	440.8	453.6
Other current and accrued liabilities	13	872.7	874.7	833.3
<b>Total current liabilities without disposal group</b>		<b>2'260.8</b>	<b>2'217.5</b>	<b>2'200.7</b>
Liabilities of disposal group held for sale	5	–	25.4	42.4
<b>Total current liabilities</b>		<b>2'260.8</b>	<b>2'242.9</b>	<b>2'243.2</b>
<b>Total liabilities</b>		<b>3'596.6</b>	<b>3'591.5</b>	<b>3'761.1</b>
<b>Total equity and liabilities</b>		<b>4'539.3</b>	<b>4'620.2</b>	<b>4'760.0</b>

# 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, 2022</b>		<b>0.3</b>	<b>1'967.7</b>	<b>-51.0</b>	<b>3.3</b>	<b>-646.5</b>	<b>1'273.8</b>	<b>5.5</b>	<b>1'279.3</b>
Comprehensive income for the period:									
Net income			-48.3				-48.3	-0.5	-48.8
- Cash flow hedges, net of tax		-	-	-	-2.8	-	-2.8	-	-2.8
- Remeasurements of defined benefit plans, net of tax		-	-107.0	-	-	-	-107.0	-	-107.0
- Equity investments at FVOCI – net change in fair value, net of tax		-	-12.0	-	-	-	-12.0	-	-12.0
- Currency translation differences		-	-	-	-	13.5	13.5	0.2	13.7
Other comprehensive income		-	-119.0	-	-2.8	13.5	-108.3	0.2	-108.1
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-167.3</b>	<b>-</b>	<b>-2.8</b>	<b>13.5</b>	<b>-156.6</b>	<b>-0.3</b>	<b>-156.9</b>
Transactions with owners of the company:									
Contribution from medmix	10	-	0.4	-	-	-	0.4	-	0.4
Transaction costs	10	-	-0.7	-	-	-	-0.7	-	-0.7
Allocation of treasury shares to share plan participants		-	-27.0	27.0	-	-	-	-	-
Purchase of treasury shares		-	-	-10.8	-	-	-10.8	-	-10.8
Share-based payments		-	7.2	-	-	-	7.2	-	7.2
Dividends	10	-	-118.7	-	-	-	-118.7	-1.1	-119.8
<b>Equity as of June 30, 2022</b>		<b>0.3</b>	<b>1'661.8</b>	<b>-34.9</b>	<b>0.6</b>	<b>-633.1</b>	<b>994.7</b>	<b>4.1</b>	<b>998.8</b>
<b>Equity as of January 1, 2023</b>		<b>0.3</b>	<b>1'777.7</b>	<b>-42.9</b>	<b>-4.1</b>	<b>-706.7</b>	<b>1'024.3</b>	<b>4.4</b>	<b>1'028.6</b>
Comprehensive income for the period:									
Net income			103.9				103.9	0.3	104.3
- Cash flow hedges, net of tax		-	-	-	9.7	-	9.7	-	9.7
- Remeasurements of defined benefit plans, net of tax		-	9.4	-	-	-	9.4	-	9.4
- Equity investments at FVOCI – net change in fair value, net of tax		-	2.4	-	-	-	2.4	-	2.4
- Currency translation differences		-	-	-	-	-66.6	-66.6	-0.4	-67.1
Other comprehensive income		-	11.8	-	9.7	-66.6	-45.1	-0.4	-45.6
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>115.8</b>	<b>-</b>	<b>9.7</b>	<b>-66.6</b>	<b>58.8</b>	<b>-0.1</b>	<b>58.7</b>
Transactions with owners of the company:									
Acquisition of non-controlling interests without a change in control	4	-	-22.4	-	-	0.0	-22.4	-0.4	-22.8
Contribution from medmix	10	-	0.3	-	-	-	0.3	-	0.3
Allocation of treasury shares to share plan participants		-	-26.3	26.3	-	-	-	-	-
Purchase of treasury shares		-	-	-9.4	-	-	-9.4	-	-9.4
Share-based payments		-	6.1	-	-	-	6.1	-	6.1
Dividends	10	-	-118.9	-	-	-	-118.9	-0.1	-119.0
<b>Equity as of June 30, 2023</b>		<b>0.3</b>	<b>1'732.2</b>	<b>-25.9</b>	<b>5.6</b>	<b>-773.4</b>	<b>938.8</b>	<b>3.8</b>	<b>942.6</b>

# Consolidated statement of cash flows

January 1 – June 30

millions of CHF	Notes	2023	2022
<b>Cash and cash equivalents as of January 1, as per balance sheet</b>		<b>1'196.3</b>	<b>1'505.4</b>
Cash and cash equivalents classified as held for sale		28.6	–
<b>Cash and cash equivalents as of January 1</b>		<b>1'224.9</b>	<b>1'505.4</b>
Net income		104.3	–48.8
Interest and securities income	8	–10.5	–3.5
Interest expenses	8	16.1	13.2
Income tax expenses	9	33.3	30.5
Depreciation, amortization and impairments		55.0	95.2
Income from disposals of tangible and intangible assets	7	–0.6	–4.7
Changes in inventories		–34.1	–41.8
Changes in advance payments to suppliers		–28.1	–0.5
Changes in contract assets		–32.2	–26.2
Changes in trade accounts receivable		29.3	–28.9
Changes in contract liabilities		79.6	64.5
Changes in trade accounts payable		–16.1	29.4
Changes in employee benefit plans		–0.9	–4.1
Changes in provisions		8.9	–8.8
Changes in other net current assets		–54.2	–43.2
Other non-cash items		10.7	–14.1
Interest received		10.5	3.3
Interest paid		–4.7	–4.8
Income tax paid		–33.1	–54.1
<b>Total cash flow from operating activities</b>		<b>133.3</b>	<b>–47.6</b>
Purchase of intangible assets		–3.5	–2.8
Sale of intangible assets		0.0	0.0
Purchase of property, plant and equipment		–25.7	–34.4
Sale of property, plant and equipment		2.5	6.6
Acquisitions of subsidiaries, net of cash acquired	4	–1.3	–4.2
Divestitures and deconsolidation of subsidiaries, net of cash derecognized	5	–32.0	3.1
Acquisitions of associates	4	–10.1	–0.0
Dividends from associates		0.2	0.1
Purchase of other non-current financial assets		–0.4	–0.4
Repayments of other non-current financial assets		–	2.9
Purchase of current financial assets		–1.6	–0.0
Repayments of current financial assets		3.7	0.7
<b>Total cash flow from investing activities</b>		<b>–68.2</b>	<b>–28.3</b>

Dividends paid to shareholders of Sulzer Ltd	10	-80.9	-80.6
Dividends paid to non-controlling interests in subsidiaries		-0.1	-1.1
Purchase of treasury shares		-9.4	-10.8
Payments of lease liabilities		-14.4	-17.1
Acquisition of non-controlling interests	4	-19.4	-
Proceeds from current borrowings	11	17.5	272.3
Repayments of current borrowings	11	-17.7	-276.0
<b>Total cash flow from financing activities</b>		<b>-124.3</b>	<b>-113.4</b>
Exchange gains / (losses) on cash and cash equivalents		-24.3	26.0
<b>Net change in cash and cash equivalents</b>		<b>-83.5</b>	<b>-163.3</b>
<b>Cash and cash equivalents as of June 30</b>		<b>1'141.4</b>	<b>1'342.0</b>
Cash and cash equivalents classified as held for sale	5	-	-41.5
<b>Cash and cash equivalents as of June 30 as per balance sheet</b>		<b>1'141.4</b>	<b>1'300.6</b>

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

## Notes to the consolidated financial statements

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## 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, 2023, 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 company specializes in energy-efficient pumping, agitation, mixing, separation, purification, crystallization and polymerization technologies for fluids of all types. Our solutions enable carbon emission reductions, development of polymers from biological sources, recycling of plastic waste and textiles, and efficient power storage. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs 12’981 people. The company serves customers through a network of 160 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 14](#).

## 2 Significant events and transactions during the reporting period

The financial position and performance of the group was not affected by any significant event during the period. As disclosed in the Annual Report 2022, Sulzer signed a sales agreement to sell its business in Russia on February 3, 2023, and deconsolidated the business in the first half of 2023. Further details are provided in [note 5](#).

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

### 3 Segment information

#### Segment information by divisions

millions of CHF	Flow Equipment		Services		Chemtech	
	2023	2022	2023	2022	2023	2022
<b>Order intake <sup>1)</sup></b>	<b>824.8</b>	<b>709.1</b>	<b>662.7</b>	<b>587.9</b>	<b>504.9</b>	<b>437.1</b>
Nominal growth	16.3%	13.1%	12.7%	3.0%	15.5%	23.5%
Currency-adjusted growth	24.4%	14.0%	21.5%	2.7%	21.7%	20.8%
Organic growth <sup>2)</sup>	25.1%	13.1%	22.1%	2.4%	25.3%	20.9%
Order backlog as of June 30 / December 31	978.4	850.1	568.5	492.9	594.8	501.7
Sales recognized at a point in time	450.5	415.0	420.7	387.0	191.8	159.9
Sales recognized over time	212.1	216.8	137.4	155.8	189.1	182.1
<b>Sales <sup>3)</sup></b>	<b>662.5</b>	<b>631.9</b>	<b>558.1</b>	<b>542.8</b>	<b>380.9</b>	<b>342.0</b>
Nominal growth	4.9%	-4.8%	2.8%	3.3%	11.4%	11.9%
Currency-adjusted growth	11.8%	-4.4%	10.2%	2.8%	17.8%	9.2%
Organic growth <sup>2)</sup>	14.1%	-5.1%	11.3%	2.4%	24.3%	9.8%
<b>Operational profit</b>	<b>46.4</b>	<b>33.7</b>	<b>79.4</b>	<b>72.2</b>	<b>44.7</b>	<b>33.8</b>
<b>Operational profitability</b>	<b>7.0%</b>	<b>5.3%</b>	<b>14.2%</b>	<b>13.3%</b>	<b>11.7%</b>	<b>9.9%</b>
Restructuring expenses	-0.0	-0.4	0.0	-0.4	-0.4	-0.0
Amortization	-12.9	-13.7	-1.9	-2.5	-3.4	-3.4
Impairments on tangible and intangible assets	0.0	-2.8	-0.0	-21.4	-0.0	-12.2
Non-operational items	-5.1	-13.2	14.2	-67.0	-2.7	-23.4
<b>EBIT</b>	<b>28.4</b>	<b>3.7</b>	<b>91.7</b>	<b>-19.0</b>	<b>38.1</b>	<b>-5.3</b>
Depreciation	-14.8	-15.6	-13.8	-14.7	-6.6	-7.1
Operating assets	1'522.5	1'554.1	983.5	980.0	570.9	579.7
Unallocated assets	-	-	-	-	-	-
<b>Total assets as of June 30 / December 31</b>	<b>1'522.5</b>	<b>1'554.1</b>	<b>983.5</b>	<b>980.0</b>	<b>570.9</b>	<b>579.7</b>
Operating liabilities	723.9	730.9	419.8	456.4	459.4	439.8
Unallocated liabilities	-	-	-	-	-	-
<b>Total liabilities as of June 30 / December 31</b>	<b>723.9</b>	<b>730.9</b>	<b>419.8</b>	<b>456.4</b>	<b>459.4</b>	<b>439.8</b>
Operating net assets	798.6	823.2	563.7	523.7	111.4	139.9
Unallocated net assets	-	-	-	-	-	-
<b>Total net assets as of June 30 / December 31</b>	<b>798.6</b>	<b>823.2</b>	<b>563.7</b>	<b>523.7</b>	<b>111.4</b>	<b>139.9</b>
Capital expenditure (incl. lease assets)	-20.6	-17.1	-18.1	-23.0	-6.9	-8.4
Employees (number of full-time equivalents) as of June 30 / December 31	5'334	5'263	4'571	4'559	2'887	2'852

1) Order intake from external customers.

2) Adjusted for acquisition, deconsolidation and currency effects.

3) Sales from external customers.

## Segment information by divisions

millions of CHF	Total divisions		Others <sup>4)</sup>		Total Sulzer	
	2023	2022	2023	2022	2023	2022
<b>Order intake <sup>1)</sup></b>	<b>1'992.4</b>	<b>1'734.1</b>	–	–	<b>1'992.4</b>	<b>1'734.1</b>
Nominal growth	14.9%	11.8%	–	–	14.9%	11.8%
Currency-adjusted growth	22.7%	11.4%	–	–	22.7%	11.4%
Organic growth <sup>2)</sup>	24.1%	10.9%	–	–	24.1%	10.9%
Order backlog as of June 30 / December 31	2'141.7	1'844.7	–	–	2'141.7	1'844.7
Sales recognized at a point in time	1'063.0	962.0	–	–	1'063.0	962.0
Sales recognized over time	538.6	554.7	–	–	538.6	554.7
<b>Sales <sup>3)</sup></b>	<b>1'601.6</b>	<b>1'516.8</b>	–	–	<b>1'601.6</b>	<b>1'516.8</b>
Nominal growth	5.6%	1.5%	–	–	5.6%	1.5%
Currency-adjusted growth	12.6%	0.9%	–	–	12.6%	0.9%
Organic growth <sup>2)</sup>	15.4%	0.6%	–	–	15.4%	0.6%
<b>Operational profit</b>	<b>170.5</b>	<b>139.7</b>	<b>–8.1</b>	<b>–3.9</b>	<b>162.4</b>	<b>135.8</b>
<b>Operational profitability</b>	<b>10.6%</b>	<b>9.2%</b>	<b>n/a</b>	<b>n/a</b>	<b>10.1%</b>	<b>9.0%</b>
Restructuring expenses	–0.4	–0.8	0.0	–0.1	–0.4	–0.9
Amortization	–18.2	–19.6	–0.4	–0.4	–18.5	–20.0
Impairments on tangible and intangible assets	–0.0	–36.4	–	–	–0.0	–36.4
Non-operational items	6.4	–103.6	1.6	–0.5	8.1	–104.1
<b>EBIT</b>	<b>158.3</b>	<b>–20.6</b>	<b>–6.8</b>	<b>–4.9</b>	<b>151.5</b>	<b>–25.5</b>
Depreciation	–35.2	–37.3	–1.3	–1.6	–36.4	–38.8
Operating assets	3'076.8	3'113.8	–36.7	–47.5	3'040.1	3'066.3
Unallocated assets	–	–	1'499.2	1'553.8	1'499.2	1'553.8
<b>Total assets as of June 30 / December 31</b>	<b>3'076.8</b>	<b>3'113.8</b>	<b>1'462.4</b>	<b>1'506.4</b>	<b>4'539.3</b>	<b>4'620.2</b>
Operating liabilities	1'603.1	1'627.0	17.1	8.0	1'620.2	1'635.0
Unallocated liabilities	–	–	1'976.4	1'956.5	1'976.4	1'956.5
<b>Total liabilities as of June 30 / December 31</b>	<b>1'603.1</b>	<b>1'627.0</b>	<b>1'993.5</b>	<b>1'964.5</b>	<b>3'596.6</b>	<b>3'591.5</b>
Operating net assets	1'473.7	1'486.8	–53.8	–55.5	1'419.9	1'431.4
Unallocated net assets	–	–	–477.3	–402.7	–477.3	–402.7
<b>Total net assets as of June 30 / December 31</b>	<b>1'473.7</b>	<b>1'486.8</b>	<b>–531.1</b>	<b>–458.2</b>	<b>942.6</b>	<b>1'028.6</b>
Capital expenditure (incl. lease assets)	–45.5	–48.5	–2.4	–1.8	–47.9	–50.2
Employees (number of full-time equivalents) as of June 30 / December 31	12'792	12'674	189	194	12'981	12'868

1) Order intake from external customers.

2) Adjusted for acquisition, deconsolidation and currency 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, currency-adjusted growth and organic growth, please refer to "[Supplementary information](#)" in the Sulzer Annual Report 2022.

## 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 Equipment

The Flow 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.

### 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 some 130 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 biobased chemicals, polymers and fuels, recycling technologies for textiles and 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 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, backlog, sales and operating assets 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.

Operating assets and operating 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

millions of CHF	2023			
	Flow Equipment	Services	Chemtech	Total Sulzer
<b>Europe, the Middle East and Africa</b>	<b>299.6</b>	<b>212.3</b>	<b>102.4</b>	<b>614.2</b>
– thereof United Kingdom	20.8	58.1	9.1	88.0
– thereof Saudi Arabia	39.3	14.4	19.4	73.1
– thereof Germany	31.8	22.0	17.0	70.7
– thereof France	18.9	19.0	4.1	42.0
– thereof United Arab Emirates	8.4	16.6	6.1	31.1
<b>Americas</b>	<b>228.2</b>	<b>277.2</b>	<b>89.5</b>	<b>594.9</b>
– thereof USA	136.8	211.5	65.6	413.9
<b>Asia-Pacific</b>	<b>134.7</b>	<b>68.7</b>	<b>189.0</b>	<b>392.4</b>
– thereof China	87.7	9.7	132.7	230.1
<b>Total</b>	<b>662.5</b>	<b>558.1</b>	<b>380.9</b>	<b>1'601.6</b>

millions of CHF	2022			
	Flow Equipment	Services	Chemtech	Total Sulzer
<b>Europe, the Middle East and Africa</b>	<b>303.5</b>	<b>208.0</b>	<b>64.0</b>	<b>575.5</b>
– thereof United Kingdom	9.5	58.3	5.2	73.1
– thereof Germany	47.3	20.6	5.0	72.9
– thereof Saudi Arabia	32.4	8.6	6.6	47.5
– thereof France	13.5	15.3	4.4	33.2
– thereof United Arab Emirates	8.5	9.8	1.4	19.7
<b>Americas</b>	<b>205.0</b>	<b>265.7</b>	<b>101.1</b>	<b>571.7</b>
– thereof USA	103.4	195.3	69.6	368.3
<b>Asia-Pacific</b>	<b>123.4</b>	<b>69.2</b>	<b>177.0</b>	<b>369.5</b>
– thereof China	90.6	13.3	119.9	223.8
<b>Total</b>	<b>631.9</b>	<b>542.8</b>	<b>342.0</b>	<b>1'516.8</b>

## Segment information by market segment

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

### Sales by market segment – Flow Equipment

millions of CHF	2023	2022
Water	256.9	230.6
Energy	210.3	216.4
Industry	195.3	184.9
<b>Total Flow Equipment</b>	<b>662.5</b>	<b>631.9</b>

### Sales by market segment – Services

millions of CHF	2023	2022
Pumps Services	292.3	288.7
Other Equipment	265.9	254.1
<b>Total Services</b>	<b>558.1</b>	<b>542.8</b>

### Sales by market segment – Chemtech

millions of CHF	2023	2022
Chemicals	188.6	184.6
Gas and Refining	80.1	66.6
Renewables	51.5	25.7
Services	45.9	55.9
Water	14.7	9.4
<b>Total Chemtech</b>	<b>380.9</b>	<b>342.0</b>

## 4 Acquisitions of subsidiaries, associates and transactions with non-controlling interests

### Transactions with non-controlling interests

The following table summarizes the effect of changes in the equity attributable to owners of Sulzer Ltd:

millions of CHF	2023	2022
Carrying amount of non-controlling interests acquired	0.4	-
Consideration paid in cash	-19.4	-
Consideration non-cash	-2.8	-
Consideration payable	-0.6	-
<b>Decrease in equity attributable to owners of Sulzer Ltd</b>	<b>-22.4</b>	<b>-</b>

In January 2023, the group acquired the remaining 25% in Sulzer Saudi Pump Company Limited for a total consideration of CHF 22.8 million.

### Contingent consideration from the acquisition of subsidiaries

millions of CHF	2023	2022
Balance as of January 1	1.9	5.9
Payment of contingent consideration	-1.3	-4.2
Release to other operating income	-0.5	-
Currency translation differences	-0.0	0.2
<b>Total contingent consideration as of June 30 / December 31</b>	<b>-</b>	<b>1.9</b>
- thereof non-current	-	-
- thereof current	-	1.9

In the first half of 2023, the group paid a contingent consideration in the amount of CHF 1.3 million and recorded a release to other operating income amounting to CHF 0.5 million, both related to an acquisition in 2021.

### Investment in associates

In February 2023, Sulzer acquired a strategic stake in Fuenix Ecology Holding B.V., a circular technology company. The partnership aims to drive the development, commercialization and adoption of advanced, fully integrated solutions for plastic waste processing. The investment of CHF 10.1 million was classified as an investment in an associate.



## 5 Disposals, loss of control and disposal group held for sale

### Loss of control in 2023

In February 2023, the group entered into an agreement with a third party for the sale of four legal entities in Russia. From the date of the sales agreement, the group lost power over the relevant activities of these entities due to the contractual requirements and legal environment. Consequently, these four entities were deconsolidated in the first half of 2023, resulting in the derecognition of the assets and liabilities previously classified as held for sale. Upon deconsolidation, a loan with one of these former subsidiaries was measured at a fair value and recognized as a current financial asset.

The deconsolidation resulted in a gain on deconsolidation amounting to CHF 8.0 million, of which CHF 11.2 million resulted from the reclassification of accumulated currency translation differences and CHF 0.6 million from the reclassification of cash flow hedge reserves, net of tax. The gain on deconsolidation is recorded in other operating income. The following table presents the assets and liabilities derecognized, previously classified as assets and liabilities of disposal groups held for sale.

millions of CHF	Total
Cash and cash equivalents	32.1
Non-current lease liabilities	-0.3
Other non-current liabilities	-0.0
Current lease liabilities	-0.2
Current provisions	-0.4
Trade accounts payable and contract liabilities	-13.8
Other current and accrued liabilities	-10.6
<b>Net assets derecognized</b>	<b>6.8</b>

Cash and cash equivalents in the amount of CHF 32.3 million were derecognized as part of deconsolidations in the first half of 2023, and consideration amounting to CHF 0.3 million was received for a divestment in prior years. The net cash flow of CHF 32.0 million was presented in the statement of cash flows as "Divestitures and deconsolidation of subsidiaries, net of cash derecognized".

### Disposals, loss of control and disposal group held for sale in 2022

In the first half year of 2022, the group sold its 100% shareholding in the Brazilian subsidiary Sulzer Services Brasil, Triunfo. The disposal resulted in a loss of CHF 0.6 million, including a loss of CHF 1.0 million from the reclassification of currency translation differences into the income statement. The deconsolidation of two Polish subsidiaries resulted in a loss of CHF 6.2 million, including a loss of CHF 1.2 million from the reclassification of currency translation differences into the income statement. The investment retained is valued at zero. The losses are recorded in other operating expenses (see [note 7](#)).

The cash flows resulting from disposals in the first half of 2022 amounted to CHF 3.1 million, consisting of CHF 7.8 million cash consideration received and CHF 4.7 million cash disposed. They are presented in the statement of cash flows as "Divestitures and deconsolidation of subsidiaries, net of cash derecognized".

In the first half of 2022, the four legal entities in Russia were classified as 'held for sale,' and impairments of CHF 88.9 million were recorded, of which CHF 32.2 million was recorded in other operating expenses, CHF 38.8 million in cost of goods sold, CHF 15.7 million in general and administrative expenses, and CHF 2.2 million was recorded in the income tax expenses line. The write-downs included mainly impairments of goodwill, other intangible assets, property, plant and equipment, and write-down of inventory. The total net impairment loss recorded on contract assets and receivables amounted to CHF 37.9 million.

## 6 Financial instruments

The following tables present the carrying amounts and fair values of financial assets and liabilities as of June 30, 2023, and December 31, 2022, 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. These 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. Level 3 investments consist of non-current financial assets measured at fair value through profit and loss, amounting to CHF 21.3 million as of June 30, 2023, compared to CHF 22.6 million as of December 31, 2022. Unrealized fair value losses recorded in other financial income / (expenses), net, amount to CHF 1.7 million for the first half year of 2023 (first half of 2022: CHF 0.0 million). A fair value gain of CHF 0.5 million was recorded in other operating income related to the settlement of a contingent consideration amounting to CHF 1.9 million as of December 31, 2022 (see [note 4](#)).

## Fair value table

June 30, 2023											
millions of CHF	Notes	Carrying amount					Fair value			Total fair value	
		Fair value hedging instruments	Fair value through profit or loss	FVOCI – equity instruments	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)			21.5	–			21.5	0.2	–	21.3	21.5
Derivative assets – current		11.1					11.1	–	11.1	–	11.1
Current financial assets (at fair value)			2.2	11.8			14.0	14.0	–	–	14.0
<b>Total financial assets measured at fair value</b>		<b>11.1</b>	<b>23.7</b>	<b>11.8</b>	<b>–</b>	<b>–</b>	<b>46.7</b>	<b>14.2</b>	<b>11.1</b>	<b>21.3</b>	<b>46.7</b>
<b>Financial assets not measured at fair value</b>											
Other non-current financial assets (at amortized cost)					5.4		5.4				
Non-current receivables (excluding non-current derivative assets)					1.3		1.3				
Trade accounts receivable					553.1		553.1				
Other current receivables (excluding current derivative assets and other taxes)					23.9		23.9				
Current financial assets (at amortized cost)					3.1		3.1				
Cash and cash equivalents					1'141.4		1'141.4				
<b>Total financial assets not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>1'728.3</b>	<b>–</b>	<b>1'728.3</b>				
<b>Financial liabilities measured at fair value</b>											
Derivative liabilities – current		6.7					6.7	–	6.7	–	6.7
<b>Total financial liabilities measured at fair value</b>		<b>6.7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6.7</b>	<b>–</b>	<b>6.7</b>	<b>–</b>	<b>6.7</b>
<b>Financial liabilities not measured at fair value</b>											
Outstanding non-current bonds	11					1'044.1	1'044.1	1'018.3	–	–	1'018.3
Other non-current liabilities (excluding non-current derivative liabilities)						1.2	1.2				
Outstanding current bonds	11					290.0	290.0	290.0	–	–	290.0
Other current borrowings and bank loans	11					20.7	20.7				
Trade accounts payable						415.2	415.2				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)						431.3	431.3				
<b>Total financial liabilities not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2'202.4</b>	<b>2'202.4</b>				

## Fair value table

											December 31, 2022							
											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							
<b>Financial assets measured at fair value</b>																		
Other non-current financial assets (at fair value)			22.8	–			22.8	0.2	–	22.6	22.8							
Derivative assets – non-current		0.1					0.1	–	0.1	–	0.1							
Derivative assets – current		13.2					13.2	–	13.2	–	13.2							
Current financial assets (at fair value)			1.5	8.8			10.3	10.3	–	–	10.3							
<b>Total financial assets measured at fair value</b>		<b>13.2</b>	<b>24.4</b>	<b>8.8</b>	<b>–</b>	<b>–</b>	<b>46.4</b>	<b>10.5</b>	<b>13.2</b>	<b>22.6</b>	<b>46.4</b>							
<b>Financial assets not measured at fair value</b>																		
Other non-current financial assets (at amortized cost)					5.6		5.6											
Non-current receivables (excluding non-current derivative assets)					0.9		0.9											
Trade accounts receivable					585.5		585.5											
Other current receivables (excluding current derivative assets and other taxes)					23.4		23.4											
Current financial assets (at amortized cost)					3.6		3.6											
Cash and cash equivalents					1'196.3		1'196.3											
<b>Total financial assets not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>1'815.5</b>	<b>–</b>	<b>1'815.5</b>											
<b>Financial liabilities measured at fair value</b>																		
Derivative liabilities – non-current		0.0					0.0	–	0.0	–	0.0							
Derivative liabilities – current		7.0					7.0	–	7.0	–	7.0							
Contingent considerations	4		1.9				1.9	–	–	1.9	1.9							
<b>Total financial liabilities measured at fair value</b>		<b>7.0</b>	<b>1.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8.9</b>	<b>–</b>	<b>7.0</b>	<b>1.9</b>	<b>8.9</b>							
<b>Financial liabilities not measured at fair value</b>																		
Outstanding non-current bonds	11					1'043.9	1'043.9	1'003.7	–	–	1'003.7							
Other non-current liabilities (excluding non-current derivative liabilities)						1.3	1.3											
Outstanding current bonds	11					289.9	289.9	288.5	–	–	288.5							
Other current borrowings and bank loans	11					21.5	21.5											
Trade accounts payable						440.8	440.8											
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)						396.3	396.3											
<b>Total financial liabilities not measured at fair value</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2'193.6</b>	<b>2'193.6</b>											

## 7 Other operating income and expenses

millions of CHF	2023	2022
Income from release of contingent consideration	0.5	–
Gain from sale of property, plant and equipment	0.6	7.5
Gain from deconsolidation of subsidiaries	8.3	–
Other operating income	5.6	9.1
<b>Total other operating income</b>	<b>14.9</b>	<b>16.6</b>
Restructuring expenses	–0.4	–0.9
Impairments on tangible and intangible assets	–0.0	–36.4
Cost for mergers and acquisitions	–1.0	–0.4
Loss from sale of property, plant and equipment	–0.0	–2.8
Loss from deconsolidation of subsidiaries	–0.9	–6.7
Operating currency exchange losses, net	–3.4	–9.9
<b>Total other operating expenses</b>	<b>–5.9</b>	<b>–57.2</b>
<b>Total other operating income / (expenses), net</b>	<b>9.1</b>	<b>–40.6</b>

Other operating income includes income from litigation cases, government grants and incentives, as well as recharges to third parties not qualifying as sales from customers. Other operating income included income from charges to the discontinued operation Applicator System division (later renamed medmix) for corporate support functions and centrally procured indirect spend utilized by medmix of CHF 1.6 million (first half of 2022: CHF 4.6 million).

In the first half of 2023, the total gain from deconsolidation primarily included a gain of CHF 8.0 million from the deconsolidation of four Russian legal entities (see [note 5](#)). The total gain and loss from deconsolidation in the first six months includes a net gain from the reclassification of currency translation adjustments of CHF 10.7 million and a gain of CHF 0.6 million from the reclassification of cash flow hedge reserves.

In the first half of 2022, the loss from deconsolidation of subsidiaries comprised a loss from deconsolidation of subsidiaries of CHF 6.2 million resulting from the deconsolidation of two subsidiaries in Poland and a loss of CHF 0.6 million from the disposal of a subsidiary in Brazil. The loss from deconsolidation of subsidiaries includes a loss from reclassification of currency translation differences amounting to CHF 2.2 million (see [note 5](#)).

In the first half of 2023, the group recognized impairments of CHF 0.0 million (first half of 2022: CHF 36.4 million). In the first half of 2022, the group recorded impairments of CHF 32.2 million on goodwill, other intangible assets, and property, plant and equipment in connection with the classification of the business in Russia as held for sale and the write-down to fair value less costs to sell and CHF 4.2 million based on performed impairment tests on production machines and facilities.

## 8 Financial income and expenses

millions of CHF	2023	2022
Interest and securities income	10.5	3.3
Interest income on employee benefit plans	0.0	0.2
<b>Total interest and securities income</b>	<b>10.5</b>	<b>3.5</b>
Interest expenses on borrowings and lease liabilities	-14.0	-11.7
Interest expenses on employee benefit plans	-2.1	-1.5
<b>Total interest expenses</b>	<b>-16.1</b>	<b>-13.2</b>
<b>Total interest income / (expenses), net</b>	<b>-5.6</b>	<b>-9.7</b>
Fair value changes	-9.1	9.1
Other financial expenses	-0.7	-1.1
Currency exchange gains / (losses), net	2.7	10.3
<b>Total other financial income / (expenses), net</b>	<b>-7.2</b>	<b>18.3</b>
<b>Total financial income / (expenses), net</b>	<b>-12.8</b>	<b>8.5</b>
- thereof fair value changes on financial assets at fair value through profit or loss	-9.1	9.1
- thereof interest income on financial assets at amortized costs	10.5	3.3
- thereof other financial expenses	-0.7	-1.1
- thereof currency exchange gains / (losses), net	2.7	10.3
- thereof interest expenses on borrowings	-12.7	-10.8
- thereof interest expenses on lease liabilities	-1.3	-0.9
- thereof interest expenses on employee benefit plans, net	-2.1	-1.3

In the first half of 2023, the total financial expenses, net, amounted to CHF 12.8 million, compared with total financial income, net, amounting to CHF 8.5 million in the first half of 2022.

The total interest and securities income amounted to CHF 10.5 million for the first half of 2023 (first half of 2022: CHF 3.5 million). The increase compared to the prior year is mainly due to higher variable interest rates on deposits.

The higher total interest expenses are mainly related to the partial replacement of a matured bond of CHF 325 million with an interest rate of 0.375% by a new bond of CHF 170 million with an interest rate of 3.35% in December 2022.

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.

Currency exchange gains/losses are mainly related to foreign currency differences of non-operating assets and liabilities recorded at the prevailing rate at the time of acquisition (or preceding year-end closing rate) as against the current balance sheet rate. The gain in 2022 includes a positive foreign exchange effect of CHF 21.0 million, arising from foreign exchange movements on unhedged intercompany loans to Russian entities prior to their classification as held for sale.

## 9 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 2023 is 24.2%, compared with 166.4% (excluding Russia and Poland: 30.3%) for the six months ended June 30, 2022. Compared to 2022, the tax rate used for 2023 was not impacted by write-offs for Russia and Poland. Additionally, deferred income tax assets were recognized on step-ups in relation to the Swiss Corporate Tax Reform (TRAF) enacted in prior periods.

## 10 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. On June 30, 2023, conditional share capital amounted to CHF 17'000 (December 31, 2022: CHF 17'000), consisting of 1'700'000 shares with a par value of CHF 0.01.

### Treasury shares

The total number of treasury shares held by Sulzer Ltd as of June 30, 2023, was 328'409 shares (December 31, 2022: 523'855 shares).

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

### Dividends

On April 19, 2023, the Annual General Meeting approved an ordinary dividend of CHF 3.50 (2022: ordinary dividend of CHF 3.50) per share to be paid out of reserves. The dividend was paid to shareholders on April 25, 2023. The total amount of the dividend to shareholders of Sulzer Ltd was CHF 118.9 million (2022: CHF 118.7 million), thereof paid dividends of CHF 80.9 million (2022: CHF 80.6 million), and unpaid dividends of CHF 38.0 million (2022: CHF 38.1 million). The unpaid dividends are reflected in the balance sheet position "Other current and accrued liabilities" (see [note 13](#)).

### Acquisition of non-controlling interests without change of control

Reference is made to [note 4](#).

### Contribution from medmix

The contribution relates to vested shares under Sulzer share plans for medmix employees.

## 11 Borrowings

	<b>2023</b>		
<b>millions of CHF</b>	Non-current borrowings	Current borrowings	<b>Total</b>
Balance as of January 1	1'043.9	311.4	1'355.3
Cash flow from proceeds	–	17.5	17.5
Cash flow for repayments	–	–17.7	–17.7
Changes in amortized costs	0.2	0.1	0.2
Currency translation differences	–	–0.5	–0.5
<b>Total borrowings as of June 30</b>	<b>1'044.1</b>	<b>310.7</b>	<b>1'354.8</b>

	<b>2022</b>		
<b>millions of CHF</b>	Non-current borrowings	Current borrowings	<b>Total</b>
Balance as of January 1	1'164.6	345.5	1'510.1
Cash flow from proceeds	169.6	1'054.0	1'223.6
Cash flow for repayments	–0.0	–1'376.1	–1'376.1
Changes in amortized costs	0.3	–	0.3
Reclassifications	–289.9	289.9	–
Currency translation differences	–0.8	–1.8	–2.6
<b>Total borrowings as of December 31</b>	<b>1'043.9</b>	<b>311.4</b>	<b>1'355.3</b>

The group has a CHF 500 million syndicated credit facility with an original maturity date of 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, the group exercised the first of the two extension options, extending the term of the credit facility partially by one year to December 2027 (for CHF 85 million of the facility, the maturity date remains unchanged). The facility is available for general corporate purposes, including the financing of acquisitions. The facility is subject to financial covenants based on net financial indebtedness and EBITDA, which were adhered to throughout the reporting period. As of June 30, 2023, and December 31, 2022, the syndicated facility was not used.



## Outstanding bonds

millions of CHF	2023		2022	
	Amortized costs	Nominal	Amortized costs	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
1.300% 07/2018–07/2023	290.0	290.0	289.9	290.0
1.600% 10/2018–10/2024	249.9	250.0	249.9	250.0
0.800% 09/2020–09/2025	299.7	300.0	299.6	300.0
0.875% 11/2020–11/2027	199.8	200.0	199.7	200.0
3.350% 12/2022–11/2026	169.7	170.0	169.6	170.0
<b>Total as of June 30 / December 31</b>	<b>1'334.0</b>	<b>1'335.0</b>	<b>1'333.8</b>	<b>1'335.0</b>
– thereof non-current	1'044.1	1'045.0	1'043.9	1'045.0
– thereof current	290.0	290.0	289.9	290.0

All outstanding bonds are traded on SIX Swiss Exchange.

## 12 Provisions

	2023					
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
Balance as of January 1	44.5	92.3	8.1	11.4	57.8	214.1
Additions	6.2	18.9	0.4	–	26.0	51.6
Released as no longer required	–0.6	–4.0	–	–	–4.1	–8.7
Utilized	–4.5	–5.7	–2.7	–0.1	–20.9	–33.8
Currency translation differences	–0.6	–1.8	–0.0	0.1	–0.5	–2.9
<b>Total provisions as of June 30</b>	<b>45.0</b>	<b>99.7</b>	<b>5.8</b>	<b>11.4</b>	<b>58.3</b>	<b>220.3</b>
– thereof non-current	29.8	3.1	1.6	11.4	10.0	55.7
– thereof current	15.2	96.7	4.2	0.0	48.4	164.6

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.

Up to June 2023, the group utilized CHF 2.7 million of restructuring provisions, mainly relating to resizing measures at sites in Europe and the USA initiated in 2020 and 2021. The remaining restructuring provisions as of June 30, 2023, are CHF 5.8 million, of which CHF 4.2 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 estimates 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 one year, by their nature, the amounts and timing of any cash outflows are difficult to predict.

### 13 Other current and accrued liabilities

millions of CHF	2023	2022
Liability related to the purchase of treasury shares	92.2	92.9
Outstanding dividend payments	277.2	239.2
Taxes (VAT, withholding tax)	34.2	33.0
Derivative financial instruments	6.7	7.0
Notes payable	16.7	20.6
Contingent consideration	–	1.9
Other current liabilities	45.1	43.6
<b>Total other current liabilities as of June 30 / December 31</b>	<b>472.2</b>	<b>438.2</b>
Contract-related costs	145.6	137.8
Salaries, wages and bonuses	80.6	108.9
Vacation and overtime claims	27.3	22.4
Other accrued liabilities	147.0	167.3
<b>Total accrued liabilities as of June 30 / December 31</b>	<b>400.5</b>	<b>436.5</b>
<b>Total other current and accrued liabilities as of June 30 / December 31</b>	<b>872.7</b>	<b>874.7</b>

The outstanding dividend payments amounted to CHF 277.2 million (December 31, 2022: CHF 239.2 million), which is an increase of CHF 38.0 million. For further details on the dividends, refer to [note 10](#).

## 14 Accounting policies

### 14.1 Basis of preparation

These 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 2022 and the 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, 2022, and any public announcements made by Sulzer during the interim reporting period.

The preparation of these interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results in the future could differ from such estimates. A description of information that requires significant judgements to be made by Management and the key sources of estimation uncertainty, is disclosed in [note 7, Critical accounting estimates and judgments](#), to the December 31, 2022 consolidated financial statements. Significant judgement by Management is also required when determining fair values. Assumptions and estimates of unobservable market inputs in the fair valuation of financial assets require significant judgment and could affect amounts recognized in the statement of income. Valuation approaches that have to rely heavily on unobservable inputs inherently require a higher level of judgement.

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

### 14.2 Change in accounting policies

#### a) Standards, amendments and interpretations that are effective for 2023

Starting from January 1, 2023, the group applied changes in standards, amendments and interpretations that became effective January 1, 2023. None of these changes had a material effect on the financial statements of the group.

In May 2023, amendments to IAS 12 Income Taxes, International Tax Reform - Pillar Two model rules were published. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted but not yet in effect to implement the Organization for Economic Co-operation and Development (OECD) Pillar Two model rules. As a temporary mandatory relief to the requirements in IAS 12, no deferred tax assets and liabilities should be recognized related to Pillar Two income taxes, and no information needs to be disclosed on such deferred tax assets and liabilities. Sulzer has applied the exception.

**b) Standards, amendments and interpretations issued but not yet effective that the group has decided not to adopt early in 2023**

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

**15 Subsequent events after the balance sheet date**

The Board of Directors authorized these consolidated interim financial statements for issue on July 24, 2023. 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.