



Sulzer Executive Committee

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

Dear Shareholder,

In my last letter to you in February, I laid out the building blocks of our growth strategy, Sulzer 2028, which is gaining traction. We recently held a Capital Markets Day event for the investment community to illustrate developments in our markets, the importance of our solutions to our customers and how we expect to grow over the coming years. Now, halfway through 2024, I am pleased to share the progress we are making through our strategic initiatives, which strengthen our resilience in a rapidly changing global environment.

Strong growth potential

With nearly 200 years of experience in technology and innovation for critical industries, Sulzer is deeply involved in our customers' crucial processes and infrastructure. What we do, our integrated

solutions, engineering experience and insights, have an enormous impact on our customers' performance. We enable their critical systems, enhance their performance and keep them in operation – longer, more efficiently and cost-effectively. What we do creates value for our customers and is of great significance to them and society.

Because our customers operate in essential markets, global trends such as population growth and climate change have led to shifts in demand that place an ever-increasing importance on the markets Sulzer serves – energy security and transition, natural resources and process industries. This is where our engineering capabilities and our profound knowledge of our customers' needs create considerable value, helping them build resilience in these challenging markets and ultimately supporting economic prosperity and sustainable growth.

Continued profitable growth

Following strong results across all the divisions in Q1, Sulzer continues its growth momentum in Q2, increasing order intake by 8.9% in the first half of 2024 compared with the same period in 2023. This is despite a very high baseline in the first half of 2023 (24.1%) and can be attributed to our favorable product portfolio mix, stringent cost management and unwavering commitment to excellence through our ongoing initiatives. Sulzer's integrated solutions are serving large essential markets that are growing structurally, and this momentum is driving growth across our divisions. Overall, Sulzer's order intake stood at CHF 2'078.8 million compared to CHF 1'992.4 million in H1 2023, with all divisions contributing to the growth.

Orders in Services rose 12.6%, continuing its strong growth across all regions and product lines. In Chemtech, order intake rose 8.3% year-on-year based largely on robust activity in biopolymers and carbon capture. Supported by a particularly large order in Energy & Infrastructure, Flow order intake increased 6.3% year-on-year, despite a high comparable base.

Through strong order execution, sales increased 10.5% to CHF 1'699.3 million, while our operational profitability rose by 130 basis points to 11.4%. Moreover, Flow managed to increase profitability by 250 basis points to 9.5%, topping its performance of last year, while Chemtech also reached a new high of 13.2%.



“Sulzer is uniquely able to bundle services and solutions in critical, high-performing and structurally growing markets. We understand our customers' infrastructure and processes, and we offer significant performance improvements that add value where it counts – energy security, natural resources and process industries.”

Suzanne Thoma
Executive Chair



Creating value where it counts

Our structurally growing markets are challenged to produce more with less. Growing populations strain our process industries to produce more food, medicine, housing and transportation, while increasingly scarce resources demand greater environmental and economic efficiency. The development of innovative technology, improved processes for critical applications and reliable infrastructure enable cost and energy savings and capacity increases while supporting the transition to clean and renewable energy.

Sulzer's customized [hydraulic power recovery turbines \(HPRTs\)](#), for example, are helping industries minimize energy consumption by capturing lost energy, delivering both major operational savings and ecological benefits. We are also ensuring [powerful energy storage systems for solar plants](#) to reliably support energy security. Similarly, our solutions contribute to the efficient management of natural resources, such as water. [Sulzer recently advanced a Guinness World Record in agricultural water treatment](#), enabling water circularity and food security through improved efficiencies and agricultural productivity.

For process industries, our new [MellapakEvo™ technology provides up to 40% greater efficiency or 20% higher capacity](#) in energy-intensive distillation processes. This represents unparalleled performance and minimum energy consumption for both cost savings and environmental benefits that structurally growing markets simply cannot ignore.


By improving processes for critical applications, whether for biofuel production, green mining, carbon capture or lifecycle improvements, all three of our divisions deliver valuable solutions that save energy, reduce pollution and improve circularity. Together with our rigorous efforts in operational excellence, we will continue to develop our business offering to meet the needs of our customers, supporting and enhancing critical infrastructure as a top industrial company and service provider.

Outlook

Sulzer is active in structurally growing markets that are expected to continue growing in 2024. Based on this positive development, Sulzer increased its 2024 guidance for order intake to +9 to 12% (up from +2 to 5%) and for sales to +9 to 11% (up from +6 to 9%). The updated guidance reflects our confidence in Sulzer's ability to capitalize on our strengths in highly demanding, critical customer applications and on the quality of our business portfolio.

Once again, I would like to take this opportunity to thank all of our shareholders for their continued trust and support and, of course, all of our dedicated employees, customers and partners, who are adding additional value through their unwavering commitment to excellence – together.

Sincerely,



Suzanne Thoma
Executive Chair