Business review

Strong sales growth and profitability

Note: Unless otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

Sulzer demonstrated resilience and operational strength in a challenging market environment, delivering a strong operational performance in the first half of 2025. Sales grew by 6.3% year-on-year in H1 2025, supported by a healthy backlog conversion. Through sustained efforts and focus on "Sulzer Excellence," Sulzer achieved a strong profitability, with an EBITDA margin of 14.4% (H1 2024: 13.5%), up 90 basis points. Order intake for the first half of the year was -2.4% compared with the same period in the previous year (H1 2024: 8.9%) on the back of a strong 2024. Free cash flow totaled CHF 43.2 million, representing a decrease of CHF 12.2 million from the first half of 2024 (H1 2024: CHF 55.4). This was mainly due to customer project delays resulting in higher inventories, coupled with the negative impact of currency translations.

Slightly lower order intake in H1

Geopolitical uncertainties have caused customer investment delays, which impacted order intake timing. This resulted in an order intake decrease of 2.4% to CHF 1’961.4 million compared with H1 2024. Excluding the currency conversion impact, the order intake would have been CHF 2’035.2 million. The gross profit margin on order intake improved by 210 basis points, reaching 36.3%.

Orders

millions of CHF	2025	2024	Change in +/–	+/–% organic [1]
Order intake	1’961.4	2’078.8	–117.4	–2.4
Order intake gross margin	36.3%	34.2%	2.1	
Order backlog as of June 30 / December 31	2’327.5	2’300.0	27.5	

1) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

In the Flow division, order intake declined by 3.1%, compared with 6.3% growth in H1 2024. The Water and Industrial business achieved solid growth of 5.0%, whereas the Energy and Infrastructure business decreased by 13.2% due to one exceptionally large order received in H1 2024. Order intake in the Services division continued to benefit from demand for higher efficiency and reliability in energy infrastructure and the company’s growing presence in the Middle East, delivering year-on-year order growth of 12.0% (H1 2024: 12.6%). The increase was primarily supported by a 25.0% rise in the Europe, Middle East and Africa region, and 7.9% in the Americas; the Asia-Pacific region registered an 8.7% year-on-year decline. Following strong order intake growth of 8.3% in H1 2024, Chemtech’s order intake was highly impacted by project postponements in H1 2025 caused by uncertainties in the global market conditions and overcapacity of refineries in Asia. This resulted in a decrease of 20.3% on a year-on-year basis.

Sulzer enters the second half of 2025 with a solid order backlog of CHF 2’327.5 million (December 31, 2024: CHF 2’300.0 million). Excluding the currency conversion impact, the order backlog would have been CHF 2’502.4 million.

“Despite headwinds from geopolitical uncertainties, our continued focus on 'Sulzer Excellence' enabled us to deliver a strong performance, demonstrating the resilience and the strength of our strategy. Based on our expectations, we confirm our full-year guidance.”

Thomas Zickler
Chief Financial Officer

Sales reached CHF 1’743.9 million in the first half of 2025, an increase of 6.3% compared with H1 2024. The increase was mainly a result of a strong focus on delivery of large orders and disciplined backlog execution. Excluding the currency conversion impact, sales would have been CHF 1’812.7 million.

The Services division was the main contributor to the sales growth, registering a strong increase of 14.8% compared with H1 2024. All regions achieved double-digit growth on the back of strong demand for repairs and retrofits. Sales in the Flow division grew by 10.3%. This was mainly driven by 15.7% growth in the Energy and Infrastructure business, whereas the Water and Industrial business grew by 6.6%. In Chemtech, sales were down by 13.6%, primarily resulting from backlog phasing and a lower year-on-year book-to-bill ratio.

Stable gross profit margin

Reported gross profit margin amounted to 33.6%, 10 basis points below the 33.7% reported in H1 2024, impacted by lower share of high margin business, partly offset by improvements from "Sulzer Excellence." Supported by higher sales volume, gross profit totaled CHF 585.4 million, representing a year-on-year growth of 6.4% for the first half of 2025. Gross profit would have been CHF 610.0 million without the negative impact of currency conversion.

EBITDA margin reaches 14.4%

For the half-year ending 30 June 2025, EBITDA totaled CHF 251.0 million compared with CHF 229.2 million in H1 2024. This represents an EBITDA margin improvement of 90 basis points year-on-year, from 13.5% in 2024 to 14.4% in 2025. The EBITDA growth reflects the combined effect of higher revenue generation coupled with improved operational efficiencies, underscoring the commitment to sustainable growth and "Sulzer Excellence."

EBITDA margin (January 1 – June 30)

millions of CHF	2025	2024	+/–% organic [1]
EBITDA	251.0	229.2	15.9
Sales	1’743.9	1’699.3	6.3
EBITDA margin	**14.4%**	**13.5%**	

1) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

EBITDA margin in the Flow division increased from 11.7% in H1 2024 to 12.2%, up 50 basis points in a year-on-year comparison. In the Services division, EBITDA margin reached 16.7%, up 30 basis points in a year-on-year comparison, as a result of ongoing investments in sales excellence. Chemtech reported EBITDA margin of 11.8%, down 290 basis points from 14.7% reported in H1 2024.

Bridge from EBITDA to EBIT (January 1 – June 30)

millions of CHF	2025	2024	Change in +/–
EBITDA	**251.0**	**229.2**	**21.8**
Amortization	–20.3	–18.8	–1.5
Impairments on tangible and intangible assets	–	–4.6	4.6
Depreciation	–38.0	–35.7	–2.3
EBIT	**192.7**	**170.1**	**22.6**

Financial result

As of June 30, 2025, total net financial expenses reached CHF 14.5 million, compared with CHF 11.8 million reported in H1 2024. Net interest expenses increased to CHF 7.2 million, compared with CHF 4.4 million in H1 2024, primarily due to a decline in interest income. Fair value changes, mainly associated with hedging instruments, contributed a positive effect of CHF 0.5 million (H1 2024: CHF -11.4 million). Net currency exchange losses were CHF 7.7 million, compared with net currency gains of CHF 3.7 million reported in H1 2024.

Effective tax rate at 24.2%

For 2025, the estimated average annual tax rate is projected at 24.2%, below the 24.9% reported on June 30, 2024. In the first half of 2025, income tax expenses totaled CHF 40.9 million compared with CHF 38.9 million in H1 2024, primarily driven by an increase in taxable income.

Growing net income and core net income

Net income rose to CHF 128.2 million in the first half of 2025 compared with CHF 117.4 million in H1 2024. Core net income, which excludes restructuring expenses, amortization, impairments, non-operational items and the tax-adjusted effects of such items, totaled CHF 143.6 million for the first half of 2025, above the CHF 135.2 million reported in H1 2024. Basic earnings per share increased to CHF 3.77 for the six-month period ended June 30, 2025, from CHF 3.44 in the prior-year period, reflecting improved profitability.

Bridge from net income to core net income

millions of CHF	2025	2024	Change in +/–
Net income	**128.2**	**117.4**	**10.8**
Amortization	20.3	18.8	1.5
Impairments on tangible and intangible assets	-	4.6	–4.6
Restructuring expenses	3.8	1.5	2.3
Non-operational items [1]	–3.7	–1.5	–2.2
Tax impact on above items	–5.0	–5.5	0.5
Core net income	**143.6**	**135.2**	**8.4**

1) Non-operational items include significant acquisition related expenses, gains and losses from the sale or closure of businesses and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Key balance sheet positions

Unless otherwise indicated, balance sheet movements from the previous year are based on nominal figures.

Total assets as of June 30, 2025, totaled CHF 4’499.0 million, a decrease of CHF 215.3 million compared with December 31, 2024.

Non-current assets amounted to CHF 1’661.3 million, down by CHF 54.2 million primarily driven by a CHF 21.2 million decrease in goodwill resulting mainly from currency translations, coupled with a reduction in property, plant and equipment and lease assets of CHF 20.2 million, offset by an increase in defined benefits assets of CHF 29.2 million.

Current assets decreased by CHF 161.1 million to CHF 2’837.7 million, mainly driven by a decrease of CHF 45.2 million relating to trade receivables. In addition, total cash and cash equivalents decreased to CHF 921.6 million (CHF 1’060.6 million in December 2024), mainly as a result of higher operational cash outflows, higher dividend payments and foreign currency translation impacts on our cash balances.

Total liabilities decreased by CHF 123.2 million to CHF 3’355.9 million as of June 30, 2025. The main reason was a decrease of CHF 52.5 million in other current and accrued liabilities. Trade accounts payable decreased by CHF 25.3 million and current income tax liabilities decreased by CHF 11.1 million.

Equity decreased by CHF 92.1 million to CHF 1’143.1 million. This was mainly driven by dividend distributions of CHF 144.5 million, coupled with CHF 106.8 million from negative currency translation and treasury shares purchases of CHF 18.8 million, partly offset by the higher net income of CHF 128.2 million.

Free cash flow

In the first half of the year, free cash flow amounted to CHF 43.2 million compared with CHF 55.4 million reported in H1 2024, on the back of customer project delays resulting in higher inventories, coupled with the negative impact of currency translation.

Bridge from cash flow from operating activities to free cash flow

millions of CHF	2025	2024	Change in +/–
Cash flow from operating activities	**79.7**	**97.9**	**–18.3**
Purchase of intangible assets	–0.9	–4.7	3.7
Proceeds from the sale of intangible assets	0.1	–	0.1
Purchase of property, plant and equipment	–38.2	–39.0	0.8
Proceeds from the sale of property, plant and equipment	2.6	1.2	1.4
Free cash flow (FCF)	**43.2**	**55.4**	**–12.2**

In the first six months of 2025, cash outflows from investing activities amounted to CHF 40.6 million, compared with CHF 51.0 million in H1 2024. This was mostly influenced by CHF 38.2 million cost for purchases of property, plant and equipment.

Cash outflow from financing activities amounted to CHF 135.8 million, compared with CHF 113.6 million in H1 2024. Dividend payments amounted to CHF 97.3 million, compared with CHF 86.5 million in H1 2024. The net change in cash and cash equivalents since January 1, 2025, amounted to CHF -139.0 million, including foreign exchange losses on cash and cash equivalents of CHF 42.3 million.

Outlook for 2025

Based on our expectations, we are confident that we will achieve our full-year profitability above 15% of sales, up from 14.2% in 2024, with year-on-year organic growth of 2% to 5% for order intake and of 5% to 8% for sales.

Abbreviations

EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation and amortization
FCF: Free cash flow
For the definitions of the alternative performance measures, please refer to “Supplementary information” in the Annual Report 2024. For the definition of EBITDA margin, please refer to to "Supplementary information" of this report.

Flow: strong sales growth

Note: Unless otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

In the first half of 2025, order intake for the Flow division decreased by 3.1% (H1 2024: 6.3% increase). Order intake in the Water and Industrial business unit grew by 5.0% compared with H1 2024, whereas the Energy and Infrastructure business unit's order intake decreased by 13.2% in the same period, primarily due to one exceptionally large order received in H1 2024. Sales increased by 10.3% (H1 2024: 11.2%) to CHF 757.3 million, supported by solid growth in both business units. EBITDA margin rose by 50 basis points year-on-year, reflecting volume contribution and a strong focus on "Sulzer Excellence."

Innovating for sustained value creation

The Flow division continues to reinforce its market-leading position through targeted bolt-on investments in its water, energy and industry portfolios.

In the Venice region, Sulzer will equip a state-of-the-art treatment plant with a pre-treatment and pioneering primary filtration stage including 10 of its latest belt filters. This solution combines pumps and treatment products and reduces the required footprint by 90% compared with conventional solutions – resulting in significant CAPEX savings while delivering exceptional treatment performance. Additions to Flow's leading line of turbocompressors, wastewater pumps and advanced controls continue to bear fruit and form a portfolio of efficient water transport and treatment solutions that is unique in the industry.

In addition to executing its strong backlog of conventional energy projects, Flow continues to position itself for future growth opportunities and expand its footprint in energy transition and security technologies. Energy recovery turbines continue to meet strong interest, and new applications are being developed to help customers save operating costs. Earlier this year, Flow entered a new collaboration phase with Hyme, signing an agreement to optimize and commercialize large-scale molten salt-based energy storage systems. Sulzer is also experiencing renewed interest in Geothermal energy and launched research projects for ultra-deep geothermal technology in Germany.

Key figures Flow (January 1 – June 30)

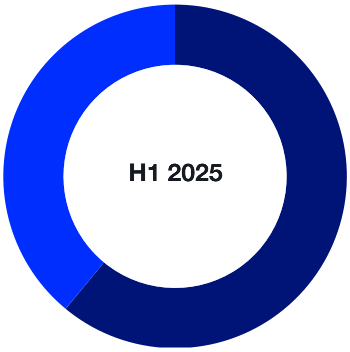
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	792.8	848.0	–6.5	–3.0	–3.1
Order intake gross margin	33.5%	30.1%			
Order backlog as of June 30 / December 31	1'006.0	1'053.5	–4.5		
Sales	757.3	712.1	6.3	10.4	10.3
EBITDA	92.8	83.4	11.2	17.7	17.9
EBITDA margin	12.2%	11.7%			
EBIT	64.9	56.4	15.0		
Employees (number of full-time equivalents) as of June 30 / December 31	5'548	5'492	1.0		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Order intake

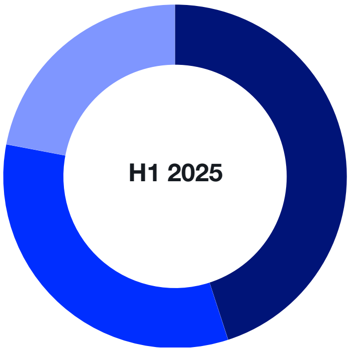
The Flow division's overall order intake was impacted by one exceptionally large order booked in H1 2024 and resulted in a decrease of 3.1% (H1 2024: 6.3% increase). Order intake growth would have been positive without this impact.

Order intake by segment



- 61% Water & Industrial
- 39% Energy & Infrastructure

Order intake by region



- 45% Europe, the Middle East and Africa
- 33% Americas
- 22% Asia-Pacific

Sales and profitability

Sales increased by 10.3% (H1 2024: 11.2%) across all business units, with double-digit growth in Energy and Infrastructure. EBITDA margin increased by 50 basis points year-on-year to 12.2% (H1 2024: 11.7%), mainly driven by sales volume increase and cost management.

Services: strong profitable growth

Note: Unless otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

Continuing its strong growth momentum, the Services division delivered for the third consecutive year double-digit growth in both order intake and sales for the first half of the year. Order intake increased by 12.0% (H1 2024: 12.6%) compared with H1 2024 and sales recorded a growth of 14.8% (H1 2024: 12.0%), profiting from the high opening backlog. The EBITDA margin improved to 16.7% (H1 2024: 16.4%) supported by the execution of excellence initiatives.

Powering growth and reliability for global industry

In the first half of 2025, the Services division continued to deliver on its mission to ensure the reliable operation of critical industrial assets worldwide. Growth across all product lines and all regions was underpinned by an expanding global-local service footprint and long-term partnerships with customers.

Key wins across regions exemplified this momentum. In South Africa, Sulzer secured a contract with Eskom to overhaul five open-cycle gas turbines over the next five years—reinforcing its position as a trusted partner for critical infrastructure services. The project will be executed through a combination of Sulzer's local expertise and the specialized capabilities of its Gas Turbine Center of Excellence in the Netherlands. In the Middle East, Sulzer was awarded three five-year contracts by QatarEnergy for rotating equipment services and repairs across its Mesaieed, Dukhan and offshore operations. The scope includes site and workshop services for over 70 critical assets—pumps, compressors and blowers—further strengthening Sulzer's role as a trusted in-country service partner for essential oil and gas operations.

As part of its strategy to better serve customers locally, Sulzer continued to increase its in-region capabilities in Latin America and in the Middle East. In Argentina, a 2,600 m^2 rotating equipment service center was opened in Ezeiza, complementing existing facilities and supporting industries across Argentina and the broader region. Meanwhile in the Middle East, Sulzer acquired Davies and Mills, a Bahrain-based electromechanical services provider. This move expands Sulzer's offering, while increasing its presence across Bahrain and Saudi Arabia—marking its sixth service location established in the region in six years.

Leveraging its expanded network, technical expertise and comprehensive portfolio, the division remains well-positioned to support its customers' decarbonization efforts and operational resilience while driving sustainable growth across all product lines and regions.

Key figures Services (January 1 – June 30)

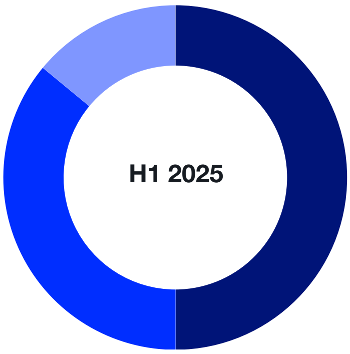
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	757.2	701.4	8.0	12.7	12.0
Order intake gross margin	39.2%	38.6%			
Order backlog as of June 30 / December 31	726.7	689.7	5.4		
Sales	657.1	592.6	10.9	15.7	14.8
EBITDA	109.6	97.0	12.9	20.4	19.1
EBITDA margin	16.7%	16.4%			
EBIT	92.4	76.7	20.4		
Employees (number of full-time equivalents) as of June 30 / December 31	4’789	4’832	–0.9		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Strong order intake growth

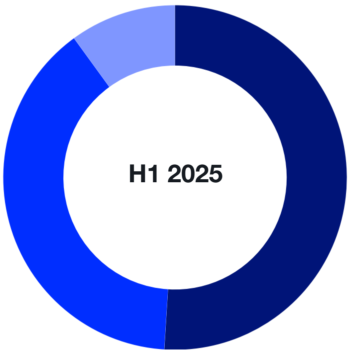
Order Intake increased by 12.0% (H1 2024: 12.6%) mainly driven by Europe, the Middle East and Africa (25.0%) and the Americas (7.9%) in higher demand for energy security. Asia-Pacific was lower (-8.7%) in the first half of 2025 compared with H1 2024.

Order intake by market segment



- 50% Pumps Services
- 36% Turbo Services
- 14% Electro Mechanical Services

Order intake by region



- 51% Americas
- 39% Europe, the Middle East and Africa
- 10% Asia-Pacific

Improved sales and profitability

Sales grew by 14.8% (H1 2024: 12.0%) compared with H1 2024, with all regions contributing with double-digit growth. EBITDA margin increased by 30 basis points driven by increased sales volumes and the execution of "Sulzer Excellence."

Chemtech: results impacted by slowdown in customer investment activities

Note: Unless otherwise indicated, changes from the previous year are based on organic figures (adjusted for currency effects, acquisitions / divestitures and deconsolidations).

The Chemtech division faced a challenging market in the first half of 2025. Orders decreased by 20.3% (H1 2024: 8.3% increase) year-over-year, highly impacted by project postponements in H1 2025 caused by uncertainties in the global market conditions and overcapacity of refineries in Asia. This also impacted sales, which were down by 13.6% (H1 2024: 7.2% increase) due to backlog phasing and lower order intake leading to a decrease in book-to-bill ratio. Despite these headwinds, the Chemtech division achieved an EBITDA margin of 11.8% (H1 2024: 14.7%), mainly impacted by lower sales volumes. Efficient execution and cost discipline helped to contain profitability.

Enabling carbon reduction, supporting circularity and further optimizing performance for customers

In support of a carbon-neutral future, the Chemtech division is supplying product and service solutions specific to carbon capture for Net Zero Teesside Power, a world-scale mega project in Europe. The solution is based on the division's market-leading MellapakCC™ structured packing, which will capture up to two million tonnes of CO_2 annually for permanent storage offshore in the North Sea. The project represents one of the largest supplies of mass transfer equipment to date: 700 actual 40-foot containers filled with Chemtech's proprietary product solutions – serving at the core of an efficient, safe and reliable CO_2 capture process.

Chemtech continues to strengthen its leadership in sustainable materials and circular solutions with the inauguration of its new Biopolymer Engineering and scale-up Center in Töss, Switzerland. This state-of-the-art facility is dedicated to advancing biopolymer process and application development, engineering and recycling solutions – supporting customers in the rapidly growing markets for bioplastics, in renewable materials and in circular economy initiatives.

The division also continues to launch cutting-edge solutions for chemical separation processes, delivering measurable environmental and operational benefits. Chemtech has recently rolled out PyroCon™, a technology used to address plastic and biomass waste reduction by converting waste streams into valuable feedstocks, supporting circular economy goals and reducing landfill impact. In addition, Chemtech has commercialized OptimExt™ to offer enhanced process control and efficiency for purification and separation.

Key figures Chemtech (January 1 – June 30)

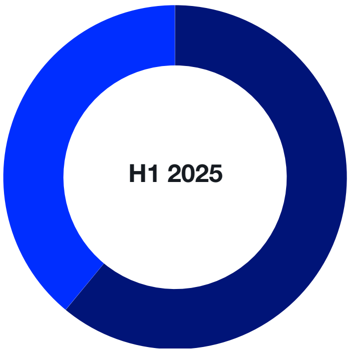
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	411.3	529.4	–22.3	–20.3	–20.3
Order intake gross margin	36.3%	34.9%			
Order backlog as of June 30 / December 31	594.8	556.8	6.8		
Sales	329.5	394.5	–16.5	–13.6	–13.6
EBITDA	38.8	57.8	–32.9	–27.2	–27.2
EBITDA margin	11.8%	14.7%			
EBIT	27.9	47.8	–41.6		
Employees (number of full-time equivalents) as of June 30 / December 31	2'922	2'934	–0.4		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.

Order intake impacted by macroeconomic uncertainties

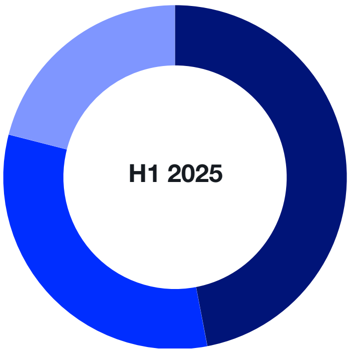
Orders decreased by 20.3% in the first half of 2025 (H1 2024: 8.3% increase), driven by an ongoing slowdown in the Asia-Pacific region and fewer large orders compared with H1 2024. Despite the decrease in larger orders, strategic orders for biopolymers, carbon capture and sustainable aviation fuels were secured in H1 2025.

Order intake by market segment



- 61% Mass Transfer Components & Services
- 39% System Solutions

Order intake by region



- 47% Europe, the Middle East and Africa
- 32% Asia-Pacific
- 21% Americas

Lower sales impacting profitability

Sales in the first half of the year decreased by 13.6% (H1 2024: 7.2% increase) due to backlog phasing and lower order intake across all business units, particularly in the Asia-Pacific region. EBITDA decreased by 290 basis points as result of lower sales. Strong order execution and cost management efforts are in place.