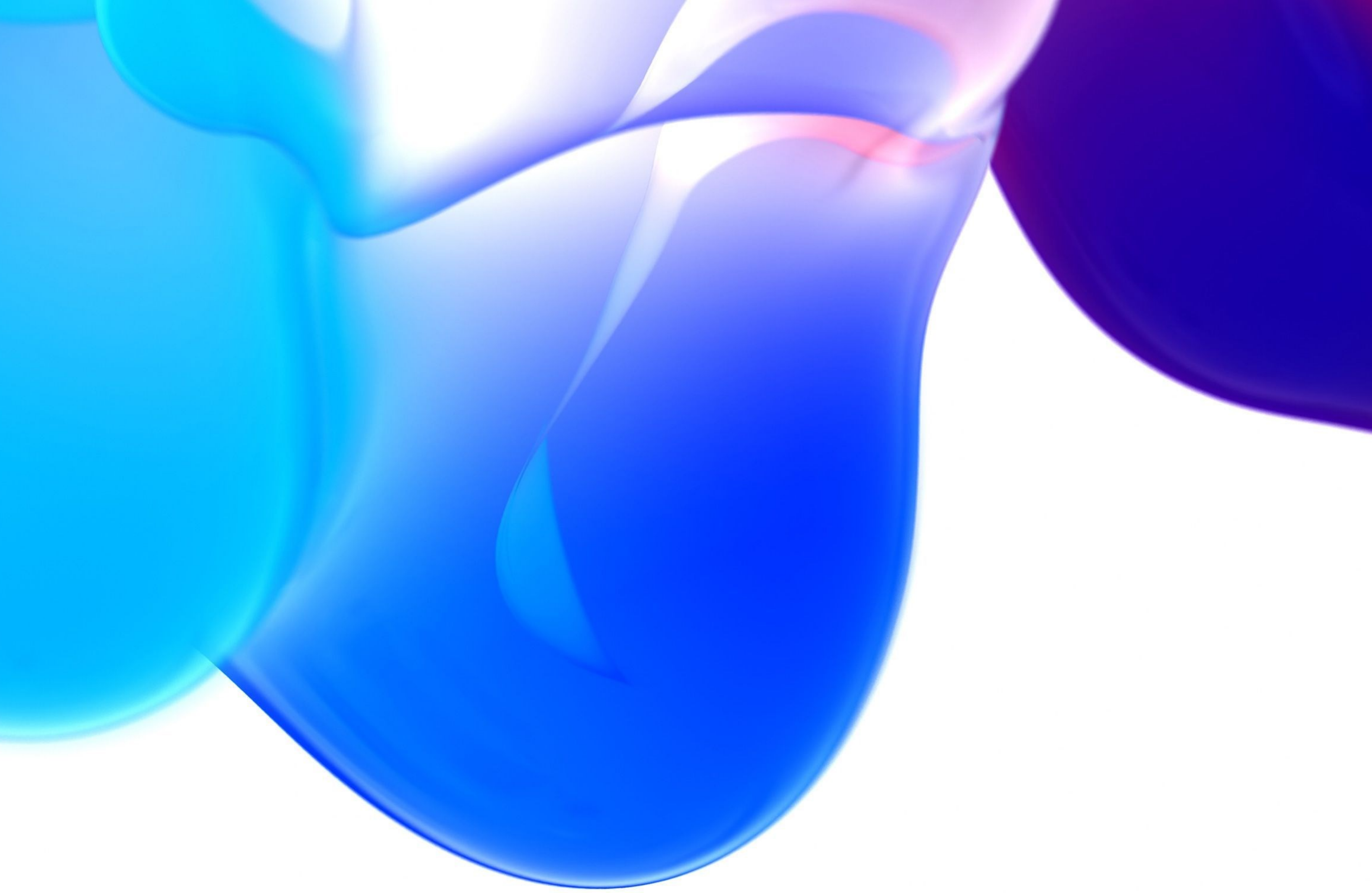


Business review

Sustainable growth in revenue 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 has demonstrated strong resilience and operational excellence in the first half of 2026, delivering solid financial results despite a challenging macroeconomic environment, persistent geopolitical uncertainties and the unresolved situation in the Middle East. Through higher-margin business and continuous improvements in operating efficiency, the company further strongly increased its EBITDA margin by 110 basis points to 15.5% (H1 2025: 14.4%). While customer's reluctance to make final decisions on larger projects persisted, our aftermarket and base business continued to grow. Overall, this situation led to a slight 3.9% decrease in order intake (H1 2025: -2.4%). Group sales increased by 1.0% compared to a high H1 2025 (6.3%) driven by strong focus on backlog execution. Free cash flow amounted to CHF 12.8 million, representing a decrease of CHF 30.4 million from the first half of 2025 (H1 2025: CHF 43.2 million). This was primarily due to the geopolitically induced build-up of inventories and contract assets resulting from delayed and paused projects.

Resilience in challenging environment, as anticipated few large orders

Business performance in the first half of 2026 was characterized by a challenging macroeconomic environment. The escalating geopolitical situation in the Middle East disrupted trade routes, put supply chains in question and influenced energy prices. This further influenced customers' final decisions to invest in new larger projects while our aftermarket and base business continued to grow, resulting in a slight order intake decrease of 3.9% to CHF 1'786.6 million compared with the same period in 2025. Order intake would have been CHF 1'888.7 million, excluding impact from currency conversion. The order intake gross margin decreased by 60 basis points, reaching 35.7%.

Orders

millions of CHF	2026	2025	Change in +/–	+/–% organic [1]
Order intake	1'786.6	1'961.4	–174.8	–3.9
Order intake gross margin	35.7%	36.3%	–0.6	
Order backlog as of June 30 / December 31	2'396.5	2'255.6	140.9	

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

In the Flow division order intake increased by 1.4%, mainly driven by the solid base business in Energy and Infrastructure by 9.8%. The Water and Industrial business reported a slight decrease of 3.8%. Order intake in the Services division grew by 0.2% year-on-year despite a high comparison including two exceptionally large orders in addition to a very strong base business in H1 2025 (12.0%) and customers deferring service cycles in response to high energy prices. Chemtech's order intake decreased by 22.7% (H1 2025: -21.5%)[1] due to delayed customer investment decisions for new technologies (biopolymers, Carbon Capture or Sustainable Aviation Fuels), whereas the core business remained stable.

Sulzer enters the second half of 2026 with a solid order backlog of CHF 2'396.5 million (December 31, 2025: CHF 2'255.6 million). Excluding the impact of currency conversion, the order backlog would have been CHF 2'363.9 million.

"Driven by our resilient base business and expanding aftermarket activities, we again delivered stronger profitability, which demonstrates that our Excellence machine is working. Based on our visibility of a full but very backend-loaded project pipeline for the second half of 2026, we confirm our outlook."

Thomas Zickler
Chief Financial Officer

Disciplined backlog execution resulted in H1 2026 sales of CHF 1'672.6 million, a 1.0% year-on-year increase. Excluding the currency conversion impact, sales would have been CHF 1'765.4 million.

The reported sales growth was mainly driven by continued focus on operational excellence and execution in the Services division resulting in an increase of 4.4% compared to a strong H1 2025 (14.8%), with the Americas and Europe, Middle East and Africa regions leading the momentum. In the Flow division, global sales grew by 0.5% (H1 2025: 10.7%)[1], anchored by steady infrastructure investments. This includes a 0.2% increase in Energy and Infrastructure, alongside a 1.3% rise in the Water and Industrial segments. Conversely, Chemtech revenue reduced by 4.9% (H1 2025: -15.1%)[1] reflecting a reprioritization of new technology projects involving biopolymers, Carbon Capture or Sustainable Aviation Fuels.

Continued strong margin and profit growth

In the first half of 2026, the gross profit margin increased by 130 basis points to 34.9% (H1 2025: 33.6%), driven by a higher share of high margin business coupled with continued measures to improve operational excellence. Gross profit totaled CHF 583.2 million, representing a year-on-year increase of 4.4% for the first half of 2026. Excluding the currency conversion impact, gross profit would have been CHF 612.2 million.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The "FRC" business, formerly included under "System Solutions" in the Chemtech division has been transferred to the Flow division and is now reported under "Water and Industrial".

EBITDA margin growth to 15.5%

For the half-year ending 30 June 2026, EBITDA amounted to CHF 258.7 million compared with CHF 251.0 million for the same period in 2025. The EBITDA margin increased by 110 basis points year-on-year to 15.5% (H1 2025: 14.4%), reflecting stronger gross margin performance coupled with continuous improvements in Sulzer's commercial and operational excellence.

EBITDA margin (January 1 – June 30)

millions of CHF	2026	2025	+/–% organic [1)]
EBITDA	258.7	251.0	9.7
Sales	1'672.6	1'743.9	1.0
EBITDA margin	**15.5%**	**14.4%**	

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

EBITDA margin in the Flow division strongly increased from 12.3% in the first half of 2025[1] to 13.3% up 100 basis points in a year-on-year comparison, benefitting from higher gross margins and the continued execution of excellence initiatives, allowing for additional spent in the commercial organization. In the Services division, EBITDA margin reached a notable 17.7%, up 100 basis points, in a year-on-year comparison amid ongoing strategic investments to support growth initiatives. Despite lower sales, Chemtech reported a stable EBITDA margin of 11.7% as a result of continued execution of Sulzer excellence and cost measures which were implemented in H2 2025.

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

millions of CHF	2026	2025	Change in +/–
EBITDA	**258.7**	**251.0**	**7.7**
Amortization	–19.6	–20.3	0.7
Depreciation	–39.9	–38.0	–2.0
EBIT	**199.1**	**192.7**	**6.4**

Financial result

As of June 30, 2026, total net financial expenses reached CHF 20.7 million, compared with CHF 14.5 million reported for the same period in 2025. Net interest expenses increased to CHF 10.8 million, compared with CHF 7.2 million in the first half of 2025, primarily due to a decline in interest income on cash and cash equivalents. Fair value changes, mainly associated with hedging instruments, contributed to a negative effect of CHF 9.3 million (H1 2025: gains of CHF 0.5 million). Net currency exchange losses were CHF 1.7 million, compared with net currency losses of CHF 7.7 million reported in the first half of the previous year.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The "FRC" business, formerly included under "System Solutions" in the Chemtech division has been transferred to the Flow division and is now reported under "Water and Industrial".

Effective tax rate at 22.0%

As of June 30, 2026, the estimated average annual tax rate is projected at 22.0%, below the 24.2% reported on June 30, 2025. In the first half of 2026 income tax expenses totaled CHF 39.1 million compared with CHF 40.9 million for the corresponding period in 2025.

Strong net income and core net income growth

Net income amounted to CHF 138.8 million in the first half of 2026 compared with CHF 128.2 million in the same period of 2025. Core net income, which excludes restructuring expenses, amortization, impairments, non-operational items and the tax-adjusted effects of such items, totaled CHF 159.6 million for the first half of 2026, above the CHF 143.6 million reported in the first half of 2025. Basic earnings per share increased to CHF 4.07 for the six-month period ended June 30, 2026, from CHF 3.77 in the prior-year period, reflecting higher net income.

Bridge from net income to core net income

millions of CHF	2026	2025	Change in +/–
Net income	**138.8**	**128.2**	**10.5**
Amortization	19.6	20.3	–0.7
Restructuring expenses	6.1	3.8	2.3
Non-operational items [1]	0.5	–3.7	4.2
Tax impact on above items	–5.4	–5.0	–0.4
Core net income	**159.6**	**143.6**	**16.0**

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, 2026, amounted to CHF 4’722.9 million, an increase of CHF 160.0 million compared with December 31, 2025.

Non-current assets rose by CHF 32.4 million to CHF 1’707.5 million. This growth was primarily driven by a CHF 38.9 million increase in property, plant and equipment and lease assets, alongside a CHF 16.8 million increase in defined benefit assets, partly offset by CHF -18.7 million in other intangible assets.

Current assets increased by CHF 127.6 million to CHF 3’015.4 million. Key drivers were the project-related increase in inventories (CHF 70.5 million) and higher contract assets (CHF 95.0 million). In addition, total cash and cash equivalents decreased to CHF 843.2 million (CHF 927.3 million in December 2025), mainly due to higher net working capital requirements.

Total liabilities increased by CHF 139.5 million to CHF 3’397.0 million as of June 30, 2026. The main reason was the increase of CHF 88.0 million in other current and accrued liabilities. Trade accounts payable decreased by CHF 4.8 million, and current income tax liabilities increased by CHF 14.7 million.

Equity increased by CHF 20.4 million to CHF 1’325.8 million. This was mainly driven by higher net income of CHF 138.8 million coupled with CHF 16.5 million from positive currency translation, offset by dividend distributions (CHF 161.2 million).

Free cash flow

Free cash flow, for the first half of the year, amounted to CHF 12.8 million (H1 2025: CHF 43.2 million), impacted by geopolitically induced build-up of inventories and contract assets resulting from delayed and paused projects.

Bridge from cash flow from operating activities to free cash flow

millions of CHF	2026	2025	Change in +/–
Cash flow from operating activities	**57.0**	**79.7**	**–22.6**
Purchase of intangible assets	–0.2	–0.9	0.8
Proceeds from the sale of intangible assets	0.0	0.1	–0.1
Purchase of property, plant and equipment	–44.8	–38.2	–6.6
Proceeds from the sale of property, plant and equipment	0.8	2.6	–1.9
Free cash flow (FCF)	**12.8**	**43.2**	**–30.4**

Cash outflows from investing activities rose to CHF 47.5 million in the first half of 2026, up from CHF 40.6 million in the prior-year period. This capital allocation was predominantly driven by a CHF 44.8 million investment in the purchase of property, plant and equipment.

In the first six months of 2026, cash outflows from financing activities decreased to CHF 105.4 million, down from CHF 135.8 million in the previous year. The net change in cash and cash equivalents since January 1, 2026, was CHF -84.2 million, which includes a positive foreign exchange impact of CHF 11.6 million.

Outlook for 2026

As expected and communicated at the end of February with our full year results, we have seen a slower first half of the year 2026. We confirm our outlook for a backend-loaded 2026 with a year-on-year organic order intake growth of 1% to 5%, a year-on-year sales growth between 2% and 5% and an EBITDA margin of around 16.5%.

Abbreviations

EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment.
FCF: Free cash flow
For the definitions of the alternative performance measures, please refer to “Supplementary information” in the Annual Report 2025.

Solid performance and further strong margin expansion

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 2026, the Flow division delivered continued growth and improved profitability. Order intake increased by 1.4% (H1 2025: -2.8%)[1], supported by 9.8% strong growth in the Energy business. This was partly offset by a 3.8% decline in Water and Industry business order intake, reflecting supply chain disruption due to the Middle East conflict. Sales grew by 0.5% year on year (H1 2025: 10.7%)[1], reflecting a stable activity across both business units. EBITDA margin rose by 100 basis points to 13.3% (H1 2025: 12.3%)[1], benefiting from higher gross margins and the continued execution of operational excellence initiatives, allowing for higher spent in the commercial organization.

Driving innovation and sustainable customer value creation

The division continued to strengthen its market position through targeted investments and innovation in water, energy, and industrial applications. Flow continued to support its clients on the energy transition through advanced pumping solutions. In Romania, Sulzer was selected to deliver pumps for a major sustainable aviation fuel (SAF) and renewable diesel facility, contributing to the development of scalable low-carbon fuel production infrastructure in Europe.

In North America, Sulzer supplied a comprehensive pumping solution for a large municipal water treatment plant, highlighting its ability to deliver complete technical systems and strong customer support. In Asia, early engagement with customers and consultants supported wins in municipal wastewater treatment projects, leveraging Sulzer’s Nordic Water technologies to deliver high-performance, space-efficient solutions.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The “FRC” business, formerly included under “System Solutions” in the Chemtech division has been transferred to the Flow division and is now reported under “Water and Industrial”.

Key figures Flow (January 1 – June 30)

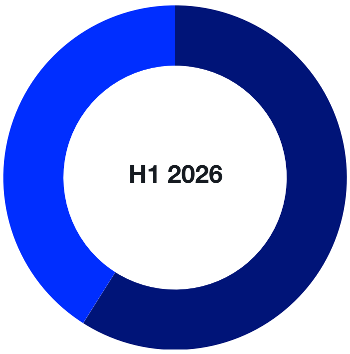
millions of CHF	2026	2025 [3]	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	789.5	815.1	–3.1	1.7	1.4
Order intake gross margin	32.6%	33.8%			
Order backlog as of June 30 / December 31	1'074.7	1'015.2	5.9		
Sales	742.5	772.8	–3.9	0.9	0.5
EBITDA [4]	98.5	94.7	4.0	9.2	9.4
EBITDA margin [4]	13.3%	12.3%			
EBIT [4]	70.2	66.5	5.5		
Employees (number of full-time equivalents) as of June 30 / December 31	5'535	5'604	–1.2		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.
3) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The “FRC” business, formerly included under “System Solutions” in the Chemtech division has been transferred to the Flow division and is now reported under “Water and Industrial”.
4) In 2026, the impact of a new initiative associated with Sulzer 2028 was allocated exclusively to “Others”, as they were not attributable to the Divisions' profit measures (EBIT, EBITDA, and EBITDA margin). This reflects consistency with the current and prior year consolidated financial statements.

Order intake

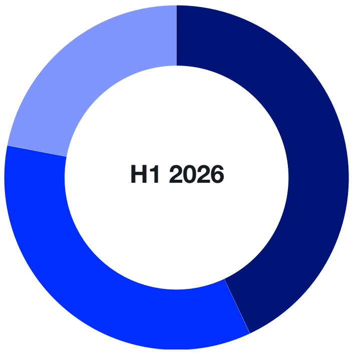
The Flow division's overall order intake increased by 1.4% in the first half of 2026 (H1 2025: -2.8%)[1], supported by solid growth in the Energy and Infrastructure business of 9.8%, while Water and Industry were slightly lower compared with the prior-year period, reflecting supply chain disruption due to the Middle East conflict.

Order intake by segment



- 59% Water & Industrial
- 41% Energy & Infrastructure

Order intake by region



- 43% Europe, the Middle East and Africa
- 35% Americas
- 22% Asia-Pacific

Sales and profitability

Sales increased by 0.5% (H1 2025: 10.7%)[1], reflecting stable business activity across the division. EBITDA margin expanded by 100 basis points to 13.3% (H1 2025: 12.3%)[1], mainly driven by higher gross margins and the continued execution of operational excellence initiatives.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The “FRC” business, formerly included under “System Solutions” in the Chemtech division has been transferred to the Flow division and is now reported under “Water and Industrial”.

Continued performance improvement amidst uncertain market climate

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 2026, the Services division continued to deliver solid performance, building on the strong momentum of previous years. Order intake grew by 0.2% year-on-year despite a high comparison including two exceptionally large orders in addition to a very strong base business in H1 2025 (12.0%) and customers deferring service cycles in response to high energy prices. Sales grew by 4.4% (H1 2025: 14.8%) compared with the same period in the previous year, notably in the regions of Americas and Europe, the Middle East, and Africa. EBITDA reached 17.7% (H1 2025: 16.7%), reflecting the division's continued focus on operational excellence and execution. Performance was supported by ongoing strategic investments in the service center network and technical capabilities.

Supporting essential industries through local proximity

In the first half of 2026, the Services division order intake remained solid. However, the growth was subdued due to the high comparison base from exceptionally large orders received in H1 2025 and customers deferring service cycles in response to high energy prices. Overall demand remained robust driven by the ongoing need for asset reliability, energy security and operational efficiency.

Key strategic milestones underline the division's continued expansion and positioning in core markets. In the Middle East, Sulzer signed a long-term Corporate Procurement Agreement with Aramco, establishing a multi-year framework for the supply of spare parts and aftermarket services across its global operations. This agreement strengthens Sulzer's role as a trusted partner supporting high asset performance across critical energy infrastructure.

Further reinforcing its commitment to localization, Sulzer established a joint venture with Jawaby Services & Investments Ltd (JSIL), a subsidiary of Libya's National Oil Corporation, to deliver rotating equipment services in Libya. The new entity, Jawaby Sulzer Services, will provide full-scope, OEM-grade maintenance, repair and upgrade services locally, reducing lead times and operational risks for customers while strengthening Sulzer's footprint in North Africa.

Key figures Services (January 1 – June 30)

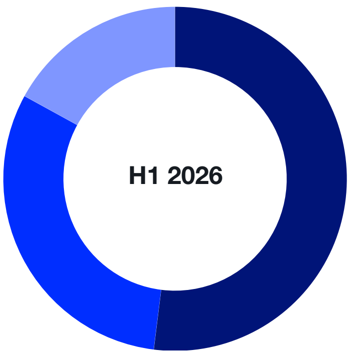
millions of CHF	2026	2025	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	711.7	757.2	–6.0	0.3	0.2
Order intake gross margin	40.6%	39.2%			
Order backlog as of June 30 / December 31	806.0	730.3	10.4		
Sales	645.0	657.1	–1.8	4.5	4.4
EBITDA [3]	114.3	109.6	4.3	13.6	13.5
EBITDA margin [3]	17.7%	16.7%			
EBIT [3]	97.0	92.4	5.0		
Employees (number of full-time equivalents) as of June 30 / December 31	4’872	4’855	0.4		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.
3) In 2026, the impact of a new initiative associated with Sulzer 2028 was allocated exclusively to “Others”, as they were not attributable to the Divisions’ profit measures (EBIT, EBITDA, and EBITDA margin). This reflects consistency with the current and prior year consolidated financial statements.

Order intake

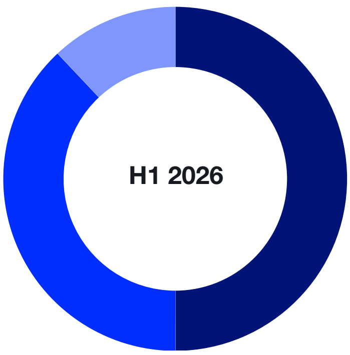
Order Intake is stable compared to a record H1 2025 at 0.2% (H1 2025: 12.0%) with a strong performance from Asia-Pacific (14.0%), Americas (0.7%) mitigating a slight decrease from Europe, the Middle East and Africa (-4.4%).

Order intake by market segment



- 52% Pumps Services
- 31% Turbo Services
- 17% Electro Mechanical Services

Order intake by region



- 50% Americas
- 38% Europe, the Middle East and Africa
- 12% Asia-Pacific

Sales and profitability

Sales grew by 4.4% (H1 2025: 14.8%) compared with H1 2025, notably in the Americas and Europe, the Middle East and Africa. EBITDA margin increased by 100 basis points driven by continued execution of Sulzer Excellence.

Core business stabilizing, headwinds in new technologies

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 2026, the Chemtech division order intake decreased by 22.7% (H1 2025: -21.5%)[1], due to slower than expected development of new technology (biopolymers, Carbon Capture and Sustainable Aviation Fuels) projects and geopolitical uncertainty in the Middle East, with the Mass Transfer Components and Systems (MTCS) business remaining stable. Sales declined in this period by 4.9% (H1 2025: -15.1%)[1], with customer delivery timelines delayed. EBITDA margin stood at 11.7% same as the prior-year period[1], as the impact of lower sales volumes was largely mitigated by the continued execution of operational excellence initiatives and additional cost reduction measures which were already started in H2 2025.

Supporting industrial transformation through technology

During the first half of the year, customer decision-making for large projects remained cautious, reflecting broader macroeconomic uncertainty and geopolitical developments in the Middle East. At the same time, the chemical and petrochemical industries continued to face lower demand, particularly in Europe and Asia.

Against this backdrop, the division continued to secure strategically important projects, including an order from WPU, part of Vitol, for Sulzer's PyroCon™ technology at a new chemical recycling facility in the Netherlands. Designed to process up to 80,000 tonnes of plastic waste annually and convert it into reusable feedstock, the project highlights Chemtech's role in enabling circular economy solutions at an industrial scale.

In the Middle East, Sulzer secured its first reference for advanced 6-pass tray technology at ADNOC's Habshan facility, demonstrating its ability to solve complex process challenges while maintaining performance requirements. In China, the division contributed to a large-scale hydrogen cyanide (HCN) plant project, leveraging advanced design and material expertise to meet demanding purity and operational requirements.

At the same time, Chemtech further stabilized its competitiveness through supply chain localization, standardized solutions, and optimized project execution. Many operational as well as commercial excellence initiatives and the implementation of additional cost measures in H2 2025 enhanced the efficiency across the organization while laying out the foundation to capture future growth opportunities as market conditions evolve.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The "FRC" business, formerly included under "System Solutions" in the Chemtech division has been transferred to the Flow division and is now reported under "Water and Industrial".

Key figures Chemtech (January 1 – June 30)

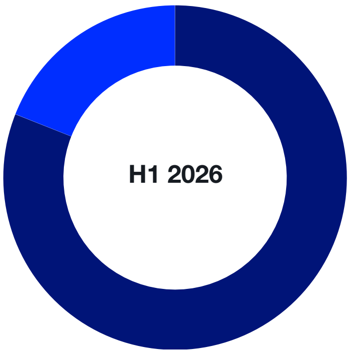
millions of CHF	2026	2025 [3]	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	285.3	389.0	–26.7	–22.7	–22.7
Order intake gross margin	32.3%	35.9%			
Order backlog as of June 30 / December 31	515.8	510.1	1.1		
Sales	285.0	314.0	–9.2	–4.9	–4.9
EBITDA [4]	33.4	36.8	–9.3	–2.3	–2.3
EBITDA margin [4]	11.7%	11.7%			
EBIT [4]	22.5	26.3	–14.5		
Employees (number of full-time equivalents) as of June 30 / December 31	2’444	2’736	–10.7		

1) Adjusted for currency effects.
2) Adjusted for acquisition, divestiture / deconsolidation and currency effects.
3) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The “FRC” business, formerly included under “System Solutions” in the Chemtech division has been transferred to the Flow division and is now reported under “Water and Industrial”.
4) In 2026, the impact of a new initiative associated with Sulzer 2028 was allocated exclusively to “Others”, as they were not attributable to the Divisions’ profit measures (EBIT, EBITDA, and EBITDA margin). This reflects consistency with the current and prior year consolidated financial statements.

Order intake

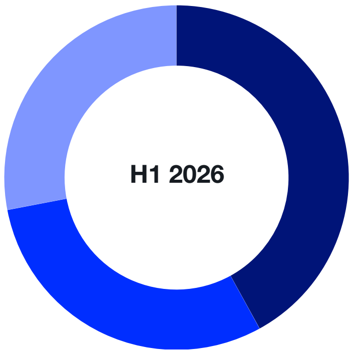
Order intake decreased by 22.7% in the first half of 2026 (H1 2025: -21.5%)[1], due to slower than expected development of new technology (biopolymers, Carbon Capture and Sustainable Aviation Fuels) projects and the increased geopolitical uncertainty in the Middle East. The MTCS business remained stable.

Order intake by market segment



- 81% Mass Transfer Components & Services
- 19% System Solutions

Order intake by region



- 42% Asia-Pacific
- 30% Americas
- 28% Europe, the Middle East and Africa

Sales and profitability

Sales in the first half of 2026 declined by 4.9% (H1 2025: -15.1%)[1], with customer delivery timelines delayed. EBITDA margin remained stable at 11.7%, same as the prior-year period[1], as the impact of lower sales volumes and higher under-absorption was largely mitigated by the continued execution of operational excellence initiatives and the additional cost reduction measures which were initiated in H2 2025. Based on the underlying market performance in H1 2026, Sulzer Chemtech has accelerated additional cost measures to further simplify the organizational set-up and to better position the division for the future.

1) The comparative figures for 2025 have been restated and aligned to reflect the focus on Water Treatment expertise in 2026. The “FRC” business, formerly included under “System Solutions” in the Chemtech division has been transferred to the Flow division and is now reported under “Water and Industrial”.