Our field service team in La Porte, Texas, reassembles a Westinghouse 501F gas turbine with newly installed blades.

Letter to the Shareholders

Dear Shareholders,

The first six months of the year showed an increasingly complex picture of geopolitical fragilities. The outbreak of the Middle East conflict has disrupted trade routes, put supply chains in question and influenced energy prices. Along with these developments comes an increased relevance of national and regional supply security for essential industries supporting the population and the economy.

Sulzer is serving essential industries such as energy, water and the chemical industry and is geographically diversified with regional set-ups around the globe. While our customers still hesitate to make final decisions on larger projects, we see steadily increasing planning activities and project preparation for large infrastructure projects particularly in the Energy and Water sector across key regions. Sulzer has demonstrated strong resilience and operational excellence in the first half of the year.

Stable sales and continuously increased profitability

Our aftermarket and base business grew well and resulted in an overall solid sales growth. The reluctance of our customers to commit at this fragile geopolitical moment to larger infrastructure projects impacted on our results. Especially for Chemtech, we have seen a reprioritization in some regions of new technology projects involving biopolymers, Carbon Capture or Sustainable Aviation Fuels. Nevertheless, we managed despite these market headwinds a performance that reflects the resilience of our business.

We have achieved a remarkable profitability improvement due to our Sulzer Excellence execution. Our divisions Services and Flow raised their profitability, which is reflected in an increase of 100 basis points respectively. Relentless focus and disciplined implementation of our strategic pillar "Excellence along the value chain" is paying off in the third consecutive year, lifting the overall profitability by 110 basis points to an EBITDA margin of 15.5%, up from 14.4% in the first half of 2025. Chemtech’s profitability was stable in spite of lower sales. Based on the current market development, we have accelerated further cost measures and simplified the organizational set-up to better position the division for the future. We are convinced that Chemtech's strategy is solid, futureproof and allows us to adapt in an agile way to new market opportunities.

Building a One Sulzer world for our customers

There are different ways to cope with uncertainty and geopolitical turbulence. In the Middle Ages, people were seeking shelter in fortresses during war times, gathering their belongings in the courtyard of the castle and stopping trade completely. The urge to pull back, focus on local strengths and protect the domestic economy in times of uncertainty is human. But at the same time, as one of the speakers at the World Economic Forum in Davos has put it, “a world of fortresses will be poorer, more fragile, and less sustainable.” History has shown that the world’s prosperity is closely linked to international relations and export. Sulzer nowadays produces on every continent locally, having factories in the USA, South America, Africa, Europe, Middle East and Asia. At the same time, we pursue our “One Sulzer” philosophy with rigor – convinced that instead of building divisional and national Sulzer fortresses, we are stronger together. One Sulzer is first and foremost a principle to better serve our customers.

It changed our thinking from three divisions, three separate ways to the customer to one offering from three divisions for our customers. One Sulzer responds to our customers’ needs to have integrated solutions solving their challenges. But it is also a way to make our company more connected and stronger through international internal relationships – to stop building the same thing at different places, to share know-how, and build on the same processes and systems. It is an important aspect of our Excellence journey. I am convinced that this is the path that leads us to build a resilient, top industrial company – a company that is easy for our customers to do business with, a company that supports entrepreneurship, a company that is an attractive employer because it invests in quality and growth.

“We pursue our “One Sulzer” philosophy with rigor – convinced that instead of building divisional and national Sulzer fortresses, we are stronger together. One Sulzer is first and foremost a principle to better serve our customers.”

Suzanne Thoma
Executive Chair

Outlook

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%.

As always, I would like to take this opportunity to thank you, dear shareholders, for believing in our vision of a top industrial company and your unwavering support. Being excellent together and bringing One Sulzer to life – leaving our mental fortresses – is only possible with a team that is open to change and trusts the process. My sincere thanks to our Sulzer team who put in the work for our customers in essential industries every day.

Sincerely,

Suzanne Thoma
Executive Chair