

The Sulzer logo is displayed in a bold, blue, sans-serif font. It is positioned in the upper right quadrant of a white rectangular area that serves as a background for the text. The background of the entire slide features a complex, abstract pattern of overlapping, semi-transparent blue squares and rectangles, creating a grid-like effect with varying shades of blue.

Acquisition of GEKA GmbH

Creating a leader in high precision plastic injection molding technologies for innovative B2B mixing and applicator solutions

July 4, 2016

THE SAFE HARBOR STATEMENT UNDER THE US PRIVATE SECURITIES LITIGATION REFORM ACT 1995

This presentation may contain forward-looking statements, including but not limited to, projections of financial developments, market activities or future performance of products and solutions, containing risks and uncertainties. These forward-looking statements are subject to change based on known or unknown risks and various other factors, which could cause the actual results or performance to differ materially from the statements made herein.

SMS+GEKA: one industrial core, multiple end markets

SMS



GEKA



Acquisition of GEKA GmbH



Sulzer to double size of its most profitable business unit

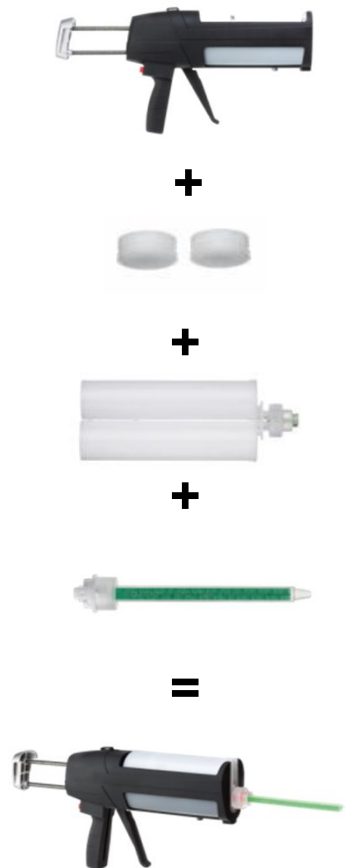
Transaction summary	<ul style="list-style-type: none">• Sulzer acquires GEKA GmbH for an EV of EUR 260m (CHF 282m¹)• Transaction expected to close in Q3, subject to customary regulatory approvals
Strategic rationale	<ul style="list-style-type: none">• Creates a leader in high precision plastic injection molding technologies for innovative B2B mixing and applicator solutions• Brings an additional vertical market segment to Sulzer Mixpac System (SMS)• Adds critical mass to SMS, Sulzer's most profitable business unit• Significant cost synergies through a shared industrial core in high precision plastic injection molding technologies• Attractive top-line synergies through complementary regional manufacturing footprints
Financial effects	<ul style="list-style-type: none">• Transaction is immediately EPS accretive• GEKA is expected to generate 2016 sales of EUR ~150m with an EBITDA of EUR ~27m• Cost synergies expected to be EUR ~9m
Financing	<ul style="list-style-type: none">• Transaction is paid in cash by existing funds

¹ CHF/EUR 1.0829

SMS, the mixing and applicator solutions leader for the dental and industrial adhesives segments



INDUSTRY VERTICAL



DENTAL VERTICAL



- SMS is a business unit within Sulzer's Chemtech division specialized in **innovative high precision plastic injection molding** technologies
- SMS is the **leading provider of proprietary mixing and applicator solutions for the industrial adhesive and dental market segments**
- The core of SMS is its expertise in **fluid handling and application**, i.e. putting the right quantity of bulk or slurry in the right mixing ratio on a small surface in a repeatable way
- SMS offers solutions to industrial adhesives (e.g. Sika or Henkel) and dental product providers who address the end customer
- **Expanding** to other adjacent verticals like **healthcare**

GEKA, the applicator and packaging solutions leader **SULZER** for the cosmetics segment

COSMETICS VERTICAL

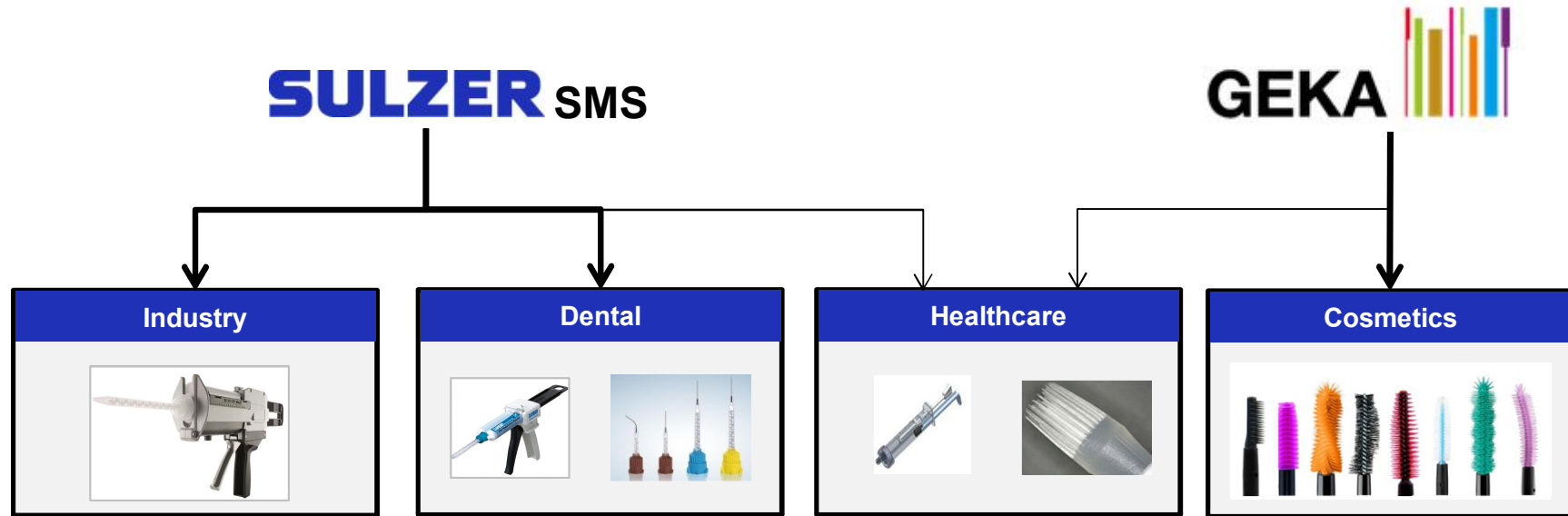


- GEKA is a privately held business specialized in **innovative high precision plastic injection molding** technologies
- GEKA is the **leading provider of applicator solutions for the cosmetics market segment**
- The core of GEKA is its expertise in **fluid handling and application**, i.e. putting the right quantity of bulk or liquid on a small surface in a repeatable way
- GEKA also provides **packaging and filling** expertise to its B2B customers
- **Expanding** to other adjacent verticals like **healthcare**

HEALTHCARE VERTICAL



SMS+GEKA: creating the number one in specialized mixing and applicator solutions



Addressable market size (CHF bn)

~0.4

~0.3

>1.0

~0.5

Leading market positions



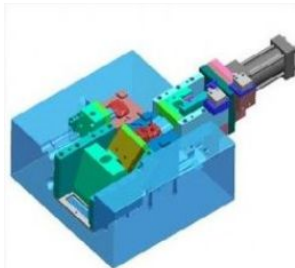
SMS+GEKA: a shared industrial core in innovative high precision plastic injection molding



Value chain

Product development

- Development of innovative mixing and applicator solutions
- Support of clients in product development, formulation advice, user tests, design



Tooling

- Design and development of proprietary production tools for innovative high precision plastic injection molding.



Production

- Fully automated production lines for innovative high precision plastic injection molding

SMS



GEKA

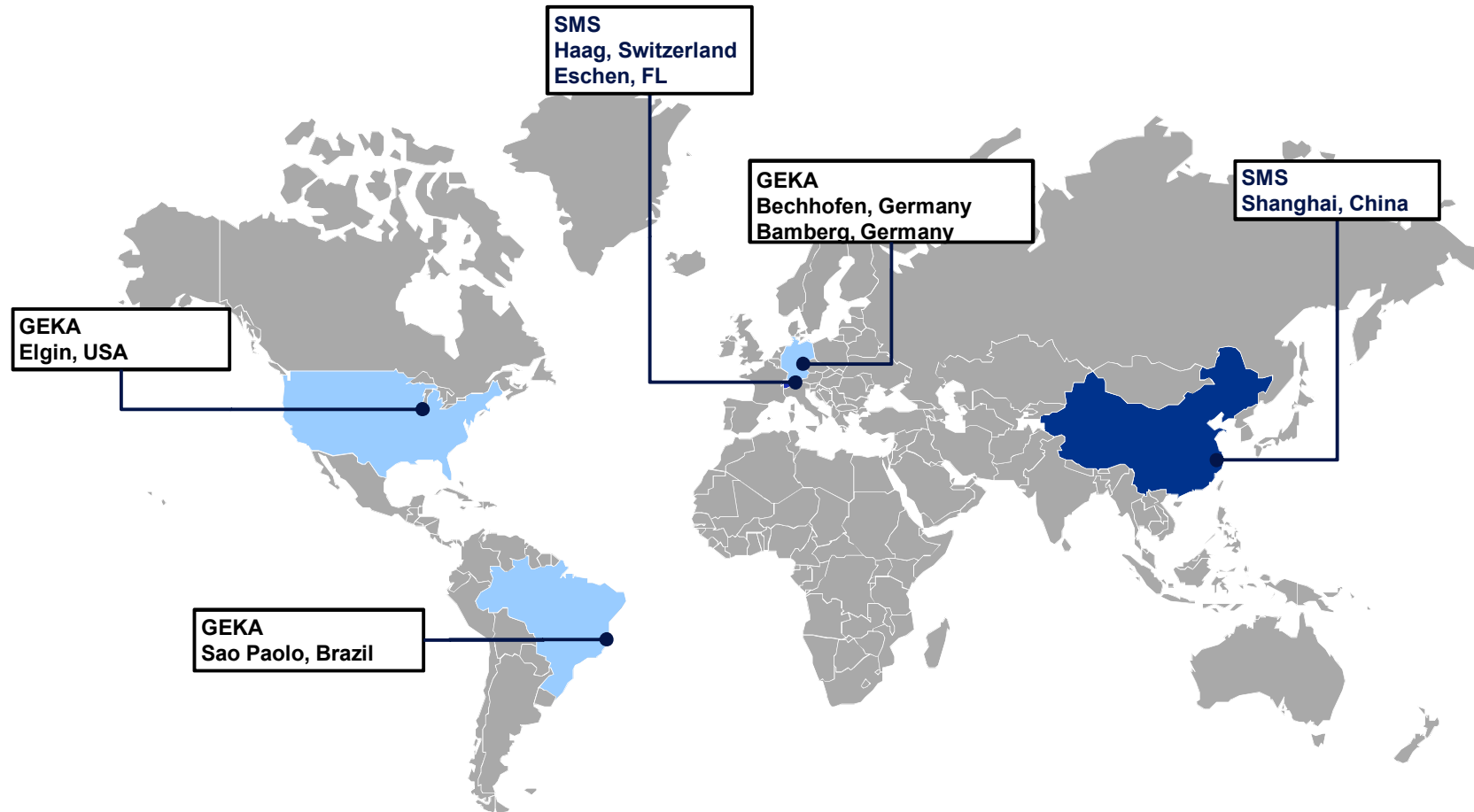


Finishing & Assembly

- Surface decoration (e.g. metallization, hot foil stamping, screen printing, varnishing, pad printing)
- Automated assembly



SMS+GEKA: complementary manufacturing footprints



For simplicity, manufacturing sites of SMS (Cox) in UK and USA and SMS (Kroger) in Denmark not shown on chart

Why GEKA is the right move for SMS – and Sulzer

- ✓ Creates the **#1 player** in **innovative high precision plastic injection molding** technologies for **mixing and applicator solutions**
- ✓ **Leading market positions** in dental, industrial adhesives and cosmetics B2B verticals
- ✓ Combined presence in **healthcare to accelerate** segment push
- ✓ **Strong team** with healthcare experience
- ✓ **Shared industrial core** in innovative high precision plastic injection molding
- ✓ **Cosmetics** vertical **highly resilient**
- ✓ Combination has differentiating **scale and global presence**
- ✓ Significant **cost synergies**
- ✓ SMS+GEKA: **most profitable and resilient** business in Sulzer
- ✓ Scale will lead to change in Sulzer's reporting structure = **visibility**

SMS+GEKA:

Steady growth at high margins with very low cyclicality

	SMS ¹	GEKA
Sales 2016	CHF ~200m	EUR ~150m
Average market growth	GDP	>GDP
EBITDA margin	~28%	~18%
OpEBITA margin	~21%	~13% ²

- Cost synergy run-rate of EUR ~9m within 3 years
- One-off costs to achieve synergies expected to be EUR ~10m spread over 3 years³
- Top-line synergies through expanded geographical manufacturing presence not factored in

¹ Includes PC Cox acquired on April 4, 2016

² Expected implied tax rate on opEBITA ~15%

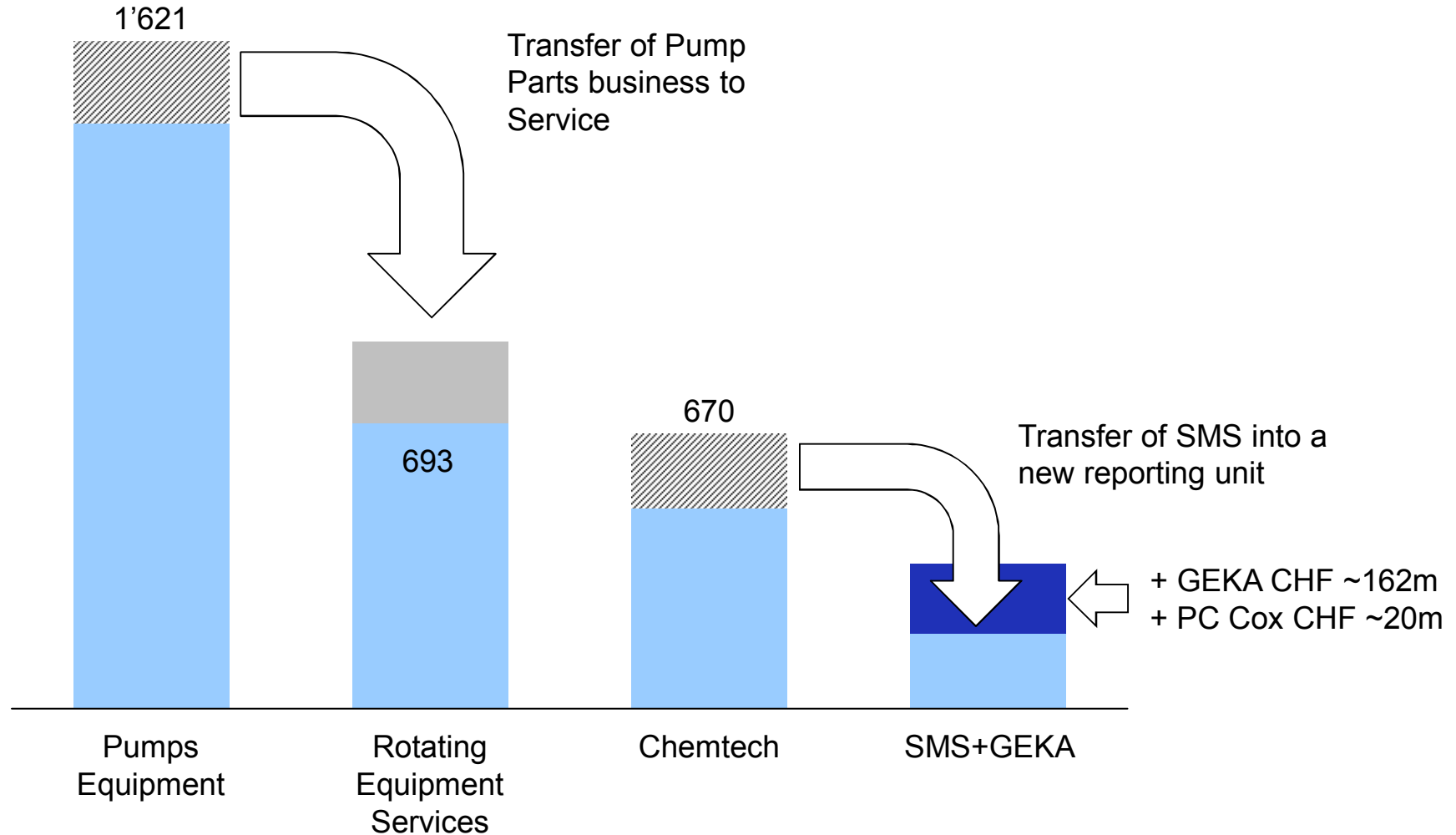
³ Includes integration costs

Preview: making SMS+GEKA visible

New reporting structure as of January 1st 2017

Sales 2015 in CHF m

Sulzer total sales 2015: CHF 2'971m



Key reporting dates 2016 and contacts

Financial Calendar

July 26th, 2016

H1 Report

October 20th, 2016

Q3 Order Intake

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