Midyear Report 2024

Continued profitable growth

Contents

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.

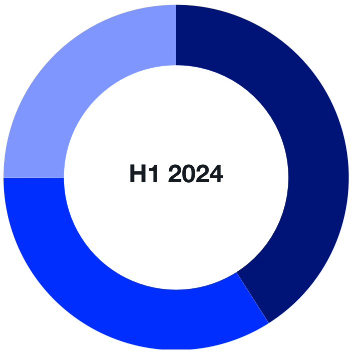
Once again, I would like to take this opportunity to thank all of our shareholders for their continued trust and support and, of course, all of our dedicated employees, customers and partners, who are adding additional value through their unwavering commitment to excellence – together.

Sincerely,

Suzanne Thoma
Executive Chair

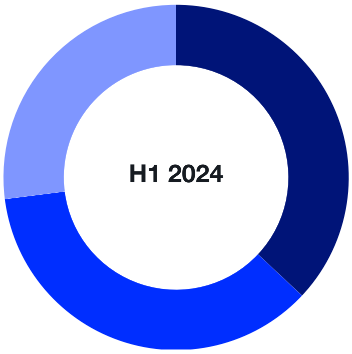
Our key figures

Order intake by division



- 41% Flow
- 34% Services
- 25% Chemtech

Order intake by region



- 37% Europe, the Middle East and Africa
- 36% Americas
- 27% Asia-Pacific

Key figures

millions of CHF	2024	2023	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	2’078.8	1’992.4	4.3	8.8	8.9
Order intake gross margin	34.2%	33.0%			
Order backlog as of June 30 / December 31	2’404.3	1’946.8	23.5		
Sales	1’699.3	1’601.6	6.1	10.3	10.5
EBIT	170.1	151.5	12.3		
Operational profit	193.5	162.4	19.1	25.7	25.9
Operational profitability	11.4%	10.1%			
Core net income	135.2	114.4	18.2		
Net income	117.4	104.3	12.6		
Basic earnings per share (in CHF)	3.44	3.07	12.2		
Free cash flow (FCF)	55.4	106.6	–48.0		
Net debt as of June 30 / December 31	226.0	172.3	31.2		
Employees (number of full-time equivalents) as of June 30 / December 31	13’409	13’130	2.1		

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

Business review

Continued profitable growth

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

Sulzer's continued growth momentum reflects the strength of its portfolio, its focus on value creation and its ability to meet the increasing demand of its structurally growing markets. In the first half of the year, order intake growth was 8.9%, after an order intake growth of 24.1% in H1 2023. Sales continued to rise in all divisions, recording double-digit growth of 10.5% on a year-on-year basis. Sulzer achieved operational profitability of 11.4%, up 130 basis points compared with H1 2023. Free cash flow amounted to CHF 55.4 million, down CHF 51.1 million from CHF 106.6 million reported at the end of June 2023.

Strong growth momentum in all three divisions

Compared with the first half of 2023, order intake grew by 8.9% and reached CHF 2'078.8 million. Excluding currency conversion impacts, order intake would be CHF 2'167.9 million. Order intake gross profit margin improved by 120 basis points to 34.2%.

Order intake in Flow increased by 6.3%, after a growth of 25.1% in H1 2023. The Water and Industrial business recorded solid growth of 10.7%, whereas Energy and Infrastructure orders increased by 1.3%. In the Services division, orders continued to benefit from market trends in energy efficiency and carbon neutrality, leading to double-digit growth of 12.6% on a year-on-year basis. The increase was particularly supported by a rise of 21.2% in the Asia-Pacific region and 15.9% in the Americas; Europe, the Middle East and Africa (EMEA) region registered 6.0% year-on-year growth. Chemtech's order intake growth remained robust at 8.3% on a year-on-year basis, after an order intake growth of 25.3% in H1 2023 and reflecting the strong momentum in biopolymers and carbon capture markets.

Sulzer enters the second half of 2024 with an order backlog of CHF 2'404.3 million (December 31, 2023: CHF 1'946.8 million). Excluding currency conversion impacts, order backlog would be CHF 2'313.5 million.

"Sulzer's integrated solutions create significant value in the markets we serve. Exceeding last year's strong performance, sales and profits rose as a result of better margins and sound execution on operational excellence. We expect this growth momentum to continue in the second half of 2024 and have therefore increased our full-year guidance."

Thomas Zickler
Chief Financial Officer

Orders

millions of CHF	2024	2023
Order intake	2’078.8	1’992.4
Order intake gross margin	34.2%	33.0%
Order backlog as of June 30 / December 31	2’404.3	1’946.8

Sales reached CHF 1’699.3 million in the first half of 2024, an increase of 10.5% compared with the same period last year. The increase was mainly a result of a strong focus on delivery of large orders and disciplined backlog execution. Excluding currency conversion impacts, sales would be CHF 1’767.3 million.

The Flow division was the largest contributor to sales growth in absolute value, with a sharp increase of 11.2% compared with the same period in 2023. This was mainly driven by 32.3% growth in the Energy and Infrastructure business, whereas the Water and Industrial business remained constant. Sales in the Services division grew by 12.0%, driven by growth of 16.9% in the Americas and 8.8% in the EMEA region. Positive developments in spares and repairs as well as retrofits significantly contributed to the performance of Services. In Chemtech, sales were up by 7.2%, primarily as a result of solid execution on large orders in the first half of 2024 and continued momentum in the Americas and Asia-Pacific regions.

Higher gross profit margin

The gross profit margin increased to 33.7%, up by 140 basis points from the 32.3% reported in June 2023. Continued operational excellence contributed to the gross profit margin progression. Coupled with increased sales volume, gross profit reached CHF 573.1 million, up by 15.0% compared with the first half of 2023. Excluding currency conversion impacts, the gross profit would be CHF 593.8 million.

Operational profitability up 130 basis points to 11.4%

Operational profit increased by 25.9% on a year-on-year basis, reaching CHF 193.5 million compared with CHF 162.4 million reported in the first half of 2023. Higher sales volumes, better margins as well as sound execution on operational excellence were the main contributors to operational profitability of 11.4%, up by 130 basis points compared with the same period in 2023 (10.1%).

Operational profitability in the Flow division increased to 9.5% compared with 7.0% in the first half of 2023. Chemtech achieved solid operational profitability of 13.2%, up by 150 basis points from 11.7% reported in the first half of the previous year. In the Services division, operational profitability remained stable at 14.2% in a year-on-year comparison as a result of ongoing investment in its geographic reach and technical capabilities to meet growing demand.

Bridge from operational profit to EBIT (January 1 – June 30)

millions of CHF	2024	2023
Operational profit	**193.5**	**162.4**
Amortization	–18.8	–18.5
Impairments on tangible and intangible assets	–4.6	–0.0
Restructuring expenses	–1.5	–0.4
Non-operational items [1)]	1.5	8.1
EBIT	**170.1**	**151.5**

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

Return on sales of 10.0%

As of June 30, 2024, EBIT increased 18.7% to CHF 170.1 million from CHF 151.5 million in the same period in the previous year. Excluding currency conversion impacts, EBIT would be CHF 180.4 million. Return on sales (ROS) recorded a solid 10.0%, 50 basis points above the 9.5% reported in the first half of 2023.

ROS and operational profitability (January 1 – June 30)

millions of CHF	2024	2023
EBIT	170.1	151.5
Sales	1’699.3	1’601.6
Return on sales (ROS)	**10.0%**	**9.5%**
Operational profit	193.5	162.4
Sales	1’699.3	1’601.6
Operational profitability	**11.4%**	**10.1%**

Financial result

In the first half of 2024, total net financial expenses amounted to CHF 11.8 million, compared with CHF 12.8 million in the same period in 2023. Net interest expenses improved to CHF 4.4 million from CHF 5.6 million reported in the first half of 2023. Fair value changes primarily from hedging instruments for foreign exchange risk had a negative impact of CHF 11.4 million (CHF 9.1 million as of June 30, 2023). Other currency exchange gains amounted to CHF 3.7 million compared with a gain of CHF 2.7 million in the first half of 2023.

Effective tax rate at 24.9%

The estimated average annual tax rate for 2024 is projected to be 24.9%, compared with 24.2% for the six months ending June 30, 2023. Income tax expenses amounted to CHF 38.9 million the first half of 2024, compared with CHF 33.3 million for the six months ending June 30, 2023, due to higher taxable income.

Higher net income and core net income

Net income increased to CHF 117.4 million in H1 2024 compared with CHF 104.3 million in H1 2023. Core net income, which excludes restructuring expenses, amortization, impairments, non-operational items and the tax-adjusted effects of non-operational items, totaled CHF 135.2 million in the first half of 2024 compared with CHF 114.4 million in the first half of 2023. Basic earnings per share increased from CHF 3.07 for the period to June 30, 2023, to CHF 3.44 for the same period in 2024, primarily due to higher profits.

Bridge from net income to core net income

millions of CHF	2024	2023
Net income	**117.4**	**104.3**
Amortization	18.8	18.5
Impairments on tangible and intangible assets	4.6	0.0
Restructuring expenses	1.5	0.4
Non-operational items [1)]	–1.5	–8.1
Tax impact on above items	–5.5	–0.8
Core net income	**135.2**	**114.4**

1) Non-operational items include significant acquisition related expenses, gains and losses from the sale of businesses or real estate 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, 2024, amounted to CHF 4’575.4 million, up by CHF 205.9 million from December 31, 2023. Non-current assets increased by CHF 78.9 million to CHF 1’764.8 million, mainly resulting from a CHF 33.4 million increase in goodwill (of which CHF 22.5 million related to currency translation impacts and CHF 10.8 million came from acquisitions), together with an increase in property, plant and equipment of CHF 30.2 million and defined benefits assets of CHF 20.4 million. Current assets increased by CHF 127.0 million to CHF 2’810.5 million, mainly driven by an increase of CHF 145.1 million relating to inventories, trade receivables and advanced payments to suppliers. In addition, total cash and cash equivalents decreased to CHF 931.4 million (CHF 974.7 million in December 2023), mainly as a result of dividend payments.

Total liabilities increased by CHF 156.3 million to CHF 3’427.1 million as of June 30, 2024. The main reason was an increase of CHF 119.1 million in other current and accrued liabilities. Current income tax liabilities decreased by CHF 18.1 million.

Equity increased by CHF 49.6 million to CHF 1'148.2 million. This was mainly driven by dividend distributions of CHF 127.3 million, partly offset by positive currency translation effects of CHF 61.5 million and by net income of CHF 117.4 million.

Free cash flow

Free cash flow decreased to CHF 55.4 million in the first half of 2024, compared with CHF 106.6 million reported on June 30, 2023. This was mainly driven by increased networking capital levels compared to December 31, 2023, further capital expenditures and higher income tax payments.

Bridge from cash flow from operating activities to free cash flow

millions of CHF	2024	2023
Cash flow from operating activities	**97.9**	**133.3**
Purchase of intangible assets	–4.7	–3.5
Proceeds from the sale of intangible assets	–	0.0
Purchase of property, plant and equipment	–39.0	–25.7
Proceeds from the sale of property, plant and equipment	1.2	2.5
Free cash flow (FCF)	**55.4**	**106.6**

Cash outflow from financing activities totaled CHF 113.6 million, compared with CHF 124.3 million in the first half of 2023. Dividend payments amounted to CHF 86.5 million, compared with CHF 80.9 million in 2023.

The net change in cash and cash equivalents since January 1, 2024, amounted to CHF –43.3 million, including exchange gains on cash and cash equivalents of CHF 23.3 million.

Outlook for 2024

Sulzer is active in structurally growing markets that are expected to continue growing in 2024. Based on this positive development, Sulzer increases 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.

Abbreviations

EBIT: Earnings before interest and taxes
ROS: Return on sales
EBITDA: Earnings before interest, taxes, depreciation and amortization
FCF: Free cash flow
For the definition of the alternative performance measures, please refer to "Supplementary information" in the Annual Report 2023.

Flow: Strong operational profitability

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

Following a high baseline in the first half of 2023 (2023: 25.1%), order intake for the Flow division increased by 6.3% in the first half of 2024. This was mainly supported by solid growth in Water and Industrial of 10.7%, with Energy and Infrastructure recording an increase of 1.3% after receiving several larger orders in 2023. Sales for the Flow division in H1 2024 increased by 11.2% to CHF 712.1 million, supported by Energy and Infrastructure. Operational profitability rose by 250 basis points year-on-year, reflecting ongoing improved operational excellence through a rigorous focus on all value streams as well as strict cost discipline. The division continues to focus on operational efficiency and green transitioning to ensure future energy and water security.

Strong momentum in growing markets

The Flow division continues to capture growth opportunities in the energy, water and industrial segments, where it is supporting sustainable economic growth by driving efficiencies and circularity.

After years of testing and development, Flow is demonstrating its profound know-how and industry leadership through its collaboration with TechnipFMC in developing new subsea CO2 pump solutions for new technologies. Petrobras' HISEP® technology, a revolutionary high-pressure separation technology, enables the separation of CO2-rich natural gas from oil at the seabed. This remarkable new technology offers significant energy efficiencies, while driving cleaner energy and profitable growth.

Similarly, the division's expertise is making a big impact in the water segment, where its energy-efficient flow technologies are supporting the world's largest water treatment facility in Egypt. Boasting a daily capacity of 7.5 million cubic meters, the New Delta Treatment Plant relies on Sulzer's integrated solutions and expertise to treat agricultural drainage water and wastewater that will be re-used to cultivate arable land and promote food security.

Key figures Flow (January 1 – June 30)

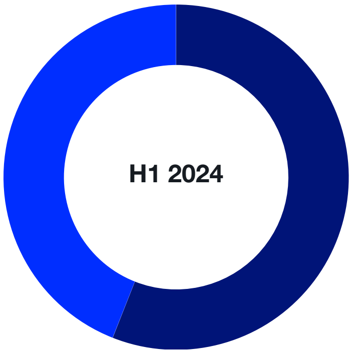
millions of CHF	2024	2023	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	848.0	824.8	2.8	6.3	6.3
Order intake gross margin	30.1%	28.7%			
Order backlog as of June 30 / December 31	1'052.0	878.3	19.8		
Sales	712.1	662.5	7.5	11.3	11.2
EBIT	56.4	28.4	98.3		
Operational profit	67.8	46.4	46.1	53.0	53.1
Operational profitability	9.5%	7.0%			
Employees (number of full-time equivalents) as of June 30 / December 31	5'454	5'465	–0.2		

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

Order intake

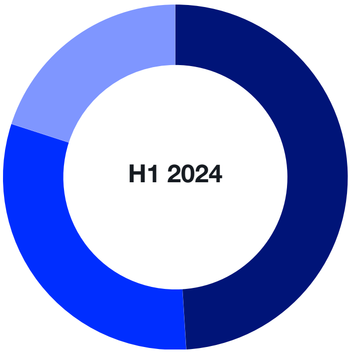
Order intake for the Flow division increased by 6.3% in the first half of 2024, following a high comparable baseline in the first half of 2023 (2023: 25.1%). This was mainly supported by solid growth in Water and Industrial of 10.7%, with Energy and Infrastructure recording an increase of 1.3% after receiving several larger orders in 2023.

Order intake by segment



- 56% Water & Industrial
- 44% Energy & Infrastructure

Order intake by region



- 49% Europe, the Middle East and Africa
- 31% Americas
- 20% Asia-Pacific

Sales and profitability

Sales increased by 11.2% across all business units, supported by Energy and Infrastructure. Operational profitability increased by 250 basis points year-on-year to 9.5%, mainly driven by an increased focus on pricing and cost management.

Services: Sales growth continues

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

In the first half of 2024, the Services division continued its growth momentum from 2023, seeing double-digit growth in both order intake and sales. Order intake increased by 12.6% (H1 2023: 22.1%) and sales by 12.0% (H1 2023: 11.3%) compared with the same period in the previous year, with all regions and product lines contributing to the growth. Operational profitability remained constant at 14.2%. This is a result of the division's ongoing investment in its geographic reach and technical capabilities to meet growing demand.

Building resilience with lifecycle solutions

Increased global focus on efficiency and decarbonization, coupled with an aging installed base, has spurred demand for everything from spares and repairs to upgrades and retrofits. With a growing network of over 100 service centers worldwide, the Services division is relying on its profound technical expertise across industries and locations to deliver full aftermarket, energy-efficient solutions – quickly.

In Asia, Services recently performed an extensive rotor and generator repair overhaul at a 1'200 MW thermal power plant following an unexpected technical failure. The team delivered a full repair to "as-new" specifications, securing energy for approximately one million homes per month. Moreover, the solution provided an estimated 20-year lifetime extension, with efficiency savings of 45%. The division is also currently expanding its footprint in the region, opening a new service center in Thailand to ensure local availability of specialized maintenance support for rotating equipment.

With over 5'000 retrofits completed worldwide to date, the Services division is also delivering significant performance benefits and energy-efficiency improvements through its deep understanding of its customers' infrastructure. For a pipeline in North America, the division has upgraded the pumps with new fluid dynamics, parts and materials to reduce not only the customer's energy consumption and costs but also its emissions.

In another example, following a devastating earthquake and other severe weather events in southeast Turkey, Services drew on its global network to assess the damage and rapidly source the necessary parts for extensive repairs to boiler feed pumps at a power plant. While ensuring that the 1'300 MW power station was quickly restored to the country's national grid, the division also worked with the site's management team to develop an optimal strategy to help minimize downtime in the event of similar unexpected incidents.

Key figures Services (January 1 – June 30)

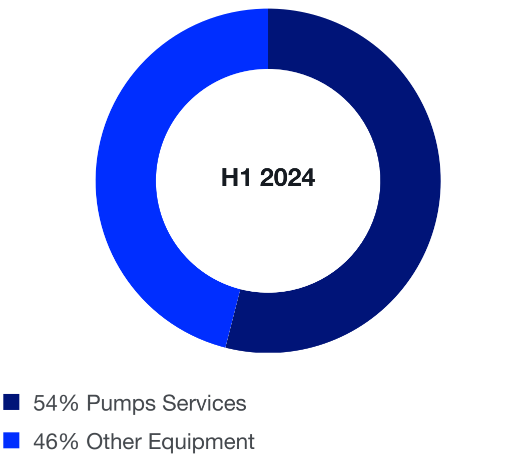
millions of CHF	2024	2023	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	701.4	662.7	5.8	12.6	12.6
Order intake gross margin	38.6%	38.4%			
Order backlog as of June 30 / December 31	677.5	547.3	23.8		
Sales	592.6	558.1	6.2	11.6	12.0
EBIT	76.7	91.7	–16.4		
Operational profit	83.9	79.4	5.6	11.9	12.0
Operational profitability	14.2%	14.2%			
Employees (number of full-time equivalents) as of June 30 / December 31	4’797	4’630	3.6		

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

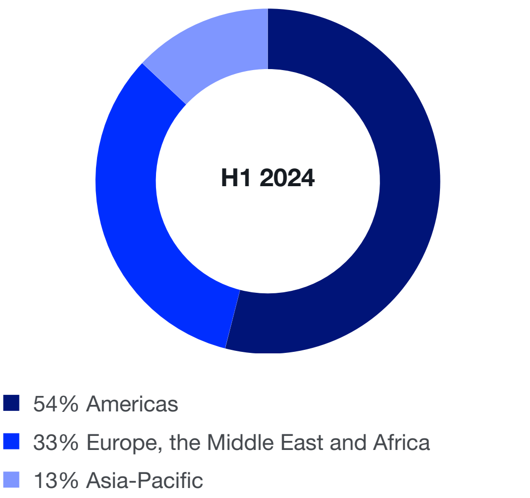
Continued strong growth

Continuing its growth trajectory, the Services division increased order intake by 12.6% year-on-year. Both the Americas and Asia-Pacific saw double-digit growth in H1 2024, driven by increasing energy demand and new net-zero emission targets for customers. Retrofits for legacy equipment continue to drive demand, with the division leveraging its broad technical expertise across industries and locations.

Order intake by market segment



Order intake by region



Strong sales performance

All regions contributed to significant sales growth of 12.0%. Operational profitability remained stable at 14.2%. This is a result of the division’s ongoing investment in its geographic reach and technical capabilities to meet growing demand.

Chemtech: Robust profitable growth

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

The Chemtech division saw robust order growth of 8.3% in the first half of 2024 compared with very strong growth in the same period in 2023 (25.3%). This was mainly driven by order activity in biopolymers and carbon capture, supported by large orders in EMEA and Asia-Pacific. Based on a strong backlog at the start of the year, sales for the Chemtech division increased by 7.2% year-on-year in H1 2024 (H1 2023: 24.3%). Chemtech continues its journey of profitable growth, demonstrated by an increase of 150 basis points to 13.2% (H1 2023:11.7%). The division continues to leverage its leading separation technologies, with a focus on performance improvements and emission reductions for its customers.

Optimizing performance and circularity

With its market-leading technologies, the Chemtech division is uniquely positioned to unlock efficiencies, develop new opportunities and drive commercial growth. The division recently launched its new MellapakEvo structured packing product at ACHEMA 2024 to significantly boost the efficiency of distillation columns used in the entire range of process industries. Designed to minimize energy consumption while offering up to 40% greater efficiency or 20% higher capacity, MellapakEVO enables both cost savings and environmental benefits for unparalleled performance in mass transfer technology.

In support of a carbon-neutral future, the Chemtech division recently helped a customer in the Middle East capture and sequester over 1.5 million tons of $CO2$, the equivalent of taking 300’000 gas-powered cars off the road. More recently, it supplied all the column internals and packing for the entire commercial-scale carbon capture process at a large-scale carbon capture project in Japan. Similarly, the division continues to support customized solutions in chemical separation processes for circular operations such as polymer recycling and bio-based fuel production through its new research center in Singapore.

As the industry leader in polylactic acid (PLA) production technology, a biopolymer made with renewable feedstocks, Chemtech is enabling the world's first fully integrated sugarcane-to-PLA plant for a client in India. The new state-of-the-art bioplastics plant will produce 75’000 tons of compostable, wholly recyclable bioplastic per year using sugarcane, a biobased and biodegradable feedstock, with a savings of 70% compared with commercial plastics.

Key figures Chemtech (January 1 – June 30)

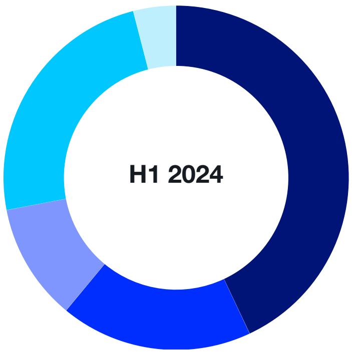
millions of CHF	2024	2023	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	529.4	504.9	4.8	7.9	8.3
Order intake gross margin	34.9%	33.1%			
Order backlog as of June 30 / December 31	674.8	521.2	29.5		
Sales	394.5	380.9	3.6	6.9	7.2
EBIT	47.8	38.1	25.4		
Operational profit	52.1	44.7	16.5	22.4	22.7
Operational profitability	13.2%	11.7%			
Employees (number of full-time equivalents) as of June 30 / December 31	2’975	2’849	4.4		

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

Solid order intake

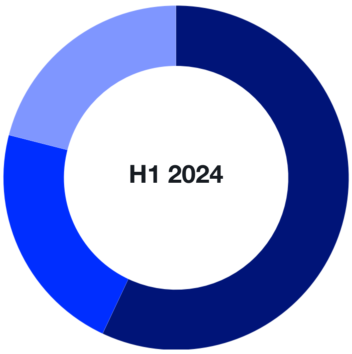
Orders increased by 8.3% in the first half of 2024 (H1 2023: 25.3%), with double-digit growth in EMEA and Asia-Pacific driven by large orders in biopolymers and carbon capture. Orders in the Americas were lower due to the high comparable baseline in H1 2023. Asia-Pacific continues to invest in sustainable solutions and in the Americas, a strong drive towards clean fuels and clean energy has created a good pipeline of future projects.

Order intake by market segment



- 43% Chemicals
- 18% Gas and Refining
- 11% Services
- 24% Renewables
- 4% Water

Order intake by region



- 57% Asia-Pacific
- 22% Europe, the Middle East and Africa
- 21% Americas

Increased sales and profitability

Sales in the first half of the year grew by 7.2%, with particularly strong growth in Americas and Asia-Pacific. Operational profitability increased by 150 basis points, supported by continued sales growth and healthy margins.

Financial reporting

Consolidated income statement

January 1 – June 30

millions of CHF	Notes	2024	2023
Sales	2	1'699.3	1'601.6
Cost of goods sold		–1'126.2	–1'084.7
Gross profit		**573.1**	**516.9**
Selling and distribution expenses		–170.4	–166.7
General and administrative expenses		–186.0	–175.3
Research and development expenses		–36.9	–35.1
Net impairment release / (loss) on contract assets and trade accounts receivable		–0.9	2.6
Other operating income / (expenses), net	5	–8.7	9.1
Operating income (EBIT)		**170.1**	**151.5**
Interest and securities income	6	9.7	10.5
Interest expenses	6	–14.1	–16.1
Other financial income / (expenses), net	6	–7.3	–7.2
Share of profit / (loss) of associates and joint ventures		–2.1	–1.1
Income before income tax expenses		**156.3**	**137.6**
Income tax expenses	7	–38.9	–33.3
Net income		**117.4**	**104.3**
– thereof attributable to shareholders of Sulzer Ltd		116.6	103.9
– thereof attributable to non-controlling interests		0.8	0.3
Earnings per share (in CHF)			
Basic earnings per share		3.44	3.07
Diluted earnings per share		3.40	3.03

Consolidated statement of comprehensive income

January 1 – June 30

millions of CHF	Notes	2024	2023
Net income		**117.4**	**104.3**
Items that may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax		–11.3	9.7
Currency translation differences		61.5	–67.1
Total of items that may be reclassified subsequently to the income statement		**50.2**	**–57.4**
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit plans, net of tax		21.0	9.4
Equity investments at FVOCI – net change in fair value, net of tax		–2.7	2.4
Total of items that will not be reclassified to the income statement		**18.3**	**11.8**
Total other comprehensive income		**68.5**	**–45.6**
Total comprehensive income for the period		**185.9**	**58.7**
- thereof attributable to shareholders of Sulzer Ltd		184.7	58.8
- thereof attributable to non-controlling interests		1.2	–0.1

Consolidated balance sheet

millions of CHF	Notes	June 30, 2024	December 31, 2023	June 30, 2023
Non-current assets				
Goodwill		671.3	637.9	659.2
Other intangible assets		194.4	196.8	216.2
Property, plant and equipment		378.4	348.2	358.1
Lease assets		96.8	93.2	92.8
Associates and joint ventures		55.0	54.7	49.8
Other non-current financial assets		32.1	38.4	27.0
Defined benefit assets		190.9	170.5	3.7
Non-current receivables		0.9	1.2	1.3
Deferred income tax assets		145.1	144.9	142.9
Total non-current assets		**1’764.8**	**1’685.9**	**1’551.0**
Current assets				
Inventories		544.5	495.1	540.4
Current income tax receivables		30.5	30.4	33.2
Advance payments to suppliers		111.2	86.8	92.4
Contract assets		456.4	430.1	470.8
Trade accounts receivables		612.1	540.8	553.1
Other current receivables and prepaid expenses		123.4	123.4	139.8
Current financial assets		1.1	2.3	17.1
Cash and cash equivalents		931.4	974.7	1’141.4
Total current assets		**2’810.5**	**2’683.5**	**2’988.3**
Total assets		**4’575.4**	**4’369.5**	**4’539.3**
Equity				
Share capital		0.3	0.3	0.3
Reserves		1’140.4	1’095.0	938.5
Equity attributable to shareholders of Sulzer Ltd		**1’140.7**	**1’095.4**	**938.8**
Non-controlling interests		7.5	3.2	3.8
Total equity	**8**	**1’148.2**	**1’098.6**	**942.6**
Non-current liabilities				
Non-current borrowings	**9**	795.8	795.2	1’044.1
Non-current lease liabilities		71.6	69.0	68.7
Deferred income tax liabilities		85.9	83.2	54.8
Non-current income tax liabilities		2.7	2.7	1.6
Defined benefit obligations		123.6	127.3	109.7
Non-current provisions	**10**	47.6	46.7	55.7
Other non-current liabilities		7.7	1.2	1.2
Total non-current liabilities		**1’135.0**	**1’125.3**	**1’335.8**
Current liabilities				
Current borrowings	**9**	266.2	261.1	310.7
Current lease liabilities		24.9	23.9	23.7
Current income tax liabilities		26.0	44.1	32.2
Current provisions	**10**	144.9	145.3	164.6
Contract liabilities		469.5	451.0	441.8
Trade accounts payable		389.2	367.7	415.2
Other current and accrued liabilities	**11**	971.5	852.4	872.7
Total current liabilities		**2’292.2**	**2’145.6**	**2’260.8**
Total liabilities		**3’427.1**	**3’270.8**	**3’596.6**
Total equity and liabilities		**4’575.4**	**4’369.5**	**4’539.3**

Consolidated statement of changes in equity

January 1 – June 30

		Attributable to shareholders of Sulzer Ltd							
millions of CHF	Notes	Share capital	Retained earnings	Treasury shares	Cash flow hedge reserve	Currency translation adjustment	**Total**	Non-controlling interests	**Total equity**
Equity as of January 1, 2023		**0.3**	**1’777.7**	**–42.9**	**–4.1**	**–706.7**	**1’024.3**	**4.4**	**1’028.6**
Comprehensive income for the period:									
Net income			103.9				103.9	0.3	104.3
- Cash flow hedges, net of tax		–		–	9.7	–	9.7		9.7
- Remeasurements of defined benefit plans, net of tax		–	9.4	–	–	–	9.4		9.4
- Equity investments at FVOCI – net change in fair value, net of tax		–	2.4	–	–	–	2.4		2.4
- Currency translation differences		–		–	–	–66.6	–66.6	–0.4	–67.1
Other comprehensive income		–	11.8	–	9.7	–66.6	–45.1	–0.4	–45.6
Total comprehensive income for the period		**–**	**115.8**	**–**	**9.7**	**–66.6**	**58.8**	**–0.1**	**58.7**
Transactions with owners of the company:									
Acquisition of non-controlling interests without a change in control	**3**		–22.4	–	–	0.0	–22.4	–0.4	–22.8
Contribution from medmix	**8**	–	0.3	–	–	–	0.3	–	0.3
Allocation of treasury shares to share plan participants		–	–26.3	26.3	–	–	–	–	–
Purchase of treasury shares		–	–	–9.4	–	–	–9.4	–	–9.4
Share-based payments		–	6.1	–	–	–	6.1	–	6.1
Dividends	**8**	–	–118.9	–	–	–	–118.9	–0.1	–119.0
Equity as of June 30, 2023		**0.3**	**1’732.2**	**–25.9**	**5.6**	**–773.4**	**938.8**	**3.8**	**942.6**
Equity as of January 1, 2024		**0.3**	**1’979.5**	**–36.7**	**4.2**	**–852.0**	**1’095.4**	**3.2**	**1’098.6**
Comprehensive income for the period:									
Net income			116.6				116.6	0.8	117.4
- Cash flow hedges, net of tax		–	–	–	–11.3	–	–11.3	–	–11.3
- Remeasurements of defined benefit plans, net of tax		–	21.0	–	–	–	21.0	–	21.0
- Equity investments at FVOCI – net change in fair value, net of tax		–	–2.7	–	–	–	–2.7	–	–2.7
- Currency translation differences		–	–	–	–	61.1	61.1	0.4	61.5
Other comprehensive income		–	18.3	–	–11.3	61.1	68.1	0.4	68.5
Total comprehensive income for the period		**–**	**134.9**	**–**	**–11.3**	**61.1**	**184.7**	**1.2**	**185.9**
Transactions with owners of the company:									
Changes in non-controlling interests		–	–3.2	–	–	–	–3.2	3.2	0.0
Contribution from medmix	**8**	–	0.1	–	–	–	0.1		0.1
Allocation of treasury shares to share plan participants		–	–18.1	18.1	–	–	–		–
Purchase of treasury shares	**8**	–	–	–15.7	–	–	–15.7		–15.7
Share-based payments		–	6.6	–	–	–	6.6		6.6
Dividends	**8**	–	–127.3	–	–	–	–127.3	–0.1	–127.3
Equity as of June 30, 2024		**0.3**	**1’972.6**	**–34.3**	**–7.1**	**–790.8**	**1’140.7**	**7.5**	**1’148.2**

Consolidated statement of cash flows

January 1 – June 30

millions of CHF	Notes	2024	2023
Cash and cash equivalents as of January 1, as per balance sheet		**974.7**	**1’196.3**
Cash and cash equivalents classified as held for sale		–	28.6
Cash and cash equivalents as of January 1		**974.7**	**1’224.9**
Net income		117.4	104.3
Interest and securities income	6	–9.7	–10.5
Interest expenses	6	14.1	16.1
Income tax expenses	7	38.9	33.3
Depreciation, amortization and impairments		59.1	55.0
Loss / (Gain) from disposals of tangible and intangible assets, net	5	0.1	–0.6
Changes in inventories		–27.9	–34.1
Changes in advance payments to suppliers		–21.0	–28.1
Changes in contract assets		–8.9	–32.2
Changes in trade accounts receivable		–49.3	29.3
Changes in contract liabilities		2.5	79.6
Changes in trade accounts payable		8.7	–16.1
Changes in employee benefit plans		–3.6	–0.9
Changes in provisions	10	–6.3	8.9
Changes in other net current assets		41.0	–54.2
Other non-cash items		–9.2	10.7
Interest received		8.4	10.5
Interest paid		–3.7	–4.7
Income tax paid		–52.7	–33.1
Total cash flow from operating activities		**97.9**	**133.3**
Purchase of intangible assets		–4.7	–3.5
Proceeds from the sale of intangible assets		–	0.0
Purchase of property, plant and equipment		–39.0	–25.7
Proceeds from the sale of property, plant and equipment		1.2	2.5
Acquisitions of subsidiaries, net of cash acquired	3	–12.2	–1.3
Divestitures and deconsolidation of subsidiaries, net of cash derecognized	3	–	–32.0
Acquisitions of associates and joint ventures		–	–10.1
Dividends from associates		–	0.2
Purchase of other non-current financial assets		–1.4	–0.4
Purchase of current financial assets		–0.5	–1.6
Repayments of financial assets		5.7	3.7
Total cash flow from investing activities		**–51.0**	**–68.2**

Dividends paid to shareholders of Sulzer Ltd	8	–86.5	–80.9
Dividends paid to non-controlling interests in subsidiaries		–0.1	–0.1
Purchase of treasury shares		–15.7	–9.4
Payments of lease liabilities		–14.3	–14.4
Divestiture (Acquisition) of non-controlling interests	3	–0.3	–19.4
Proceeds from current borrowings	9	22.1	17.5
Repayments of current borrowings	9	–18.9	–17.7
Total cash flow from financing activities		**–113.6**	**–124.3**
Exchange gains / (losses) on cash and cash equivalents		23.3	–24.3
Net change in cash and cash equivalents		**–43.3**	**–83.5**
Cash and cash equivalents as of June 30		**931.4**	**1’141.4**

For the calculation of free cash flow (FCF), please refer to “Financial review”.

Notes to the consolidated financial statements

1 General information

Sulzer Ltd (the “company”) is a company domiciled in Switzerland. The address of the company’s registered office is Neuwiesenstrasse 15 in Winterthur, Switzerland. The unaudited consolidated interim financial statements for the six months ended June 30, 2024 comprise the company and its subsidiaries (together referred to as the “group” and individually as the “subsidiaries”) and the group’s interest in associates and joint ventures. The company specializes in energy-efficient pumping, agitation, mixing, separation, purification, crystallization and polymerization technologies for fluids of all types. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs 13'409 people. The company serves clients through a network of 160 production and service sites around the world. Sulzer Ltd is listed on the SIX Swiss Exchange in Zurich, Switzerland (symbol: SUN).

Sulzer is a global leader in fluid engineering and chemical processing applications, developing innovative products and services that drive sustainable progress.

The consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting". Details of the group’s accounting policies are described in note 12.

2 Segment information

Segment information by divisions

	Flow		Services		Chemtech	
millions of CHF	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Order intake [1]	**848.0**	**824.8**	**701.4**	**662.7**	**529.4**	**504.9**
Nominal growth	2.8%	16.3%	5.8%	12.7%	4.8%	15.5%
Currency-adjusted growth	6.3%	24.4%	12.6%	21.5%	7.9%	21.7%
Organic growth [2]	6.3%	25.1%	12.6%	22.1%	8.3%	25.3%
Order backlog as of June 30 / December 31	1’052.0	878.3	677.5	547.3	674.8	521.2
Sales recognized at a point in time	453.5	450.5	442.4	420.7	161.1	191.8
Sales recognized over time	258.7	212.1	150.2	137.4	233.4	189.1
Sales [3]	**712.1**	**662.5**	**592.6**	**558.1**	**394.5**	**380.9**
Nominal growth	7.5%	4.9%	6.2%	2.8%	3.6%	11.4%
Currency-adjusted growth	11.3%	11.8%	11.6%	10.2%	6.9%	17.8%
Organic growth [2]	11.2%	14.1%	12.0%	11.3%	7.2%	24.3%
Operational profit	**67.8**	**46.4**	**83.9**	**79.4**	**52.1**	**44.7**
Operational profitability	**9.5%**	**7.0%**	**14.2%**	**14.2%**	**13.2%**	**11.7%**
Restructuring expenses	–0.0	–0.0	–0.7	0.0	–0.8	–0.4
Amortization	–12.9	–12.9	–1.9	–1.9	–3.5	–3.4
Impairments on tangible and intangible assets [4]	–	0.0	–4.6	–0.0	–	–0.0
Non-operational items [5]	1.5	–5.1	0.0	14.2	0.0	–2.7
EBIT	**56.4**	**28.4**	**76.7**	**91.7**	**47.8**	**38.1**
Depreciation	–14.2	–14.8	–13.8	–13.8	–6.5	–6.6
Operating assets	1’515.7	1’427.7	1’036.9	944.4	587.7	533.2
Unallocated assets	–	–	–	–	–	–
Total assets as of June 30 / December 31	**1’515.7**	**1’427.7**	**1’036.9**	**944.4**	**587.7**	**533.2**
Operating liabilities	733.3	718.6	450.0	411.2	440.2	409.1
Unallocated liabilities	–	–	–	–	–	–
Total liabilities as of June 30 / December 31	**733.3**	**718.6**	**450.0**	**411.2**	**440.2**	**409.1**
Operating net assets	782.3	709.1	587.0	533.2	147.5	124.1
Unallocated net assets	–	–	–	–	–	–
Total net assets as of June 30 / December 31	**782.3**	**709.1**	**587.0**	**533.2**	**147.5**	**124.1**
Capital expenditure (incl. lease assets)	–19.0	–20.6	–20.0	–18.1	–15.3	–6.9
Employees (number of full-time equivalents) as of June 30 / December 31	5’454	5’465	4’797	4’630	2’975	2’849

1) Order intake from external customers.
2) Adjusted for acquisition, divestiture/deconsolidation and currency effects.
3) Sales from external customers.
4) An impairment of tangible assets is reported in the consolidated income statement in the line cost of goods sold.
5) The amounts reported in 2023 mainly consist of a gain on deconsolidation related to the Russian business of CHF 8.0 million, including the reclassification of the accumulated currency translation adjustments being allocated to the divisions.

Segment information by divisions

	Total divisions		Others 6)		Total Sulzer	
millions of CHF	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Order intake 1)	**2'078.8**	**1'992.4**	**–**	**–**	**2'078.8**	**1'992.4**
Nominal growth	4.3%	14.9%	–	–	4.3%	14.9%
Currency-adjusted growth	8.8%	22.7%	–	–	8.8%	22.7%
Organic growth 2)	8.9%	24.1%	–	–	8.9%	24.1%
Order backlog as of June 30 / December 31	2'404.3	1'946.8	–	–	2'404.3	1'946.8
Sales recognized at a point in time	1'057.1	1'063.0	–	–	1'057.1	1'063.0
Sales recognized over time	642.2	538.6	–	–	642.2	538.6
Sales 3)	**1'699.3**	**1'601.6**	**–**	**–**	**1'699.3**	**1'601.6**
Nominal growth	6.1%	5.6%	–	–	6.1%	5.6%
Currency-adjusted growth	10.3%	12.6%	–	–	10.3%	12.6%
Organic growth 2)	10.5%	15.4%	–	–	10.5%	15.4%
Operational profit	**203.7**	**170.5**	**–10.2**	**–8.1**	**193.5**	**162.4**
Operational profitability	**12.0%**	**10.6%**	**n/a**	**n/a**	**11.4%**	**10.1%**
Restructuring expenses	–1.5	–0.4	0.0	0.0	–1.5	–0.4
Amortization	–18.3	–18.2	–0.5	–0.4	–18.8	–18.5
Impairments on tangible and intangible assets 4)	–4.6	–0.0	–	–	–4.6	–0.0
Non-operational items 5)	1.5	6.4	0.0	1.6	1.5	8.1
EBIT	**180.9**	**158.3**	**–10.7**	**–6.8**	**170.1**	**151.5**
Depreciation	–34.5	–35.2	–1.2	–1.3	–35.7	–36.4
Operating assets	3'140.3	2'905.3	235.9	213.6	3'376.2	3'118.9
Unallocated assets	–	–	1'199.2	1'250.5	1'199.2	1'250.5
Total assets as of June 30 / December 31	**3'140.3**	**2'905.3**	**1'435.1**	**1'464.2**	**4'575.4**	**4'369.5**
Operating liabilities	1'623.5	1'538.9	293.0	261.3	1'916.5	1'800.2
Unallocated liabilities	–	–	1'510.6	1'470.6	1'510.6	1'470.6
Total liabilities as of June 30 / December 31	**1'623.5**	**1'538.9**	**1'803.6**	**1'731.9**	**3'427.1**	**3'270.8**
Operating net assets	1'516.8	1'366.4	–57.1	–47.7	1'459.7	1'318.7
Unallocated net assets	–	–	–311.4	–220.1	–311.4	–220.1
Total net assets as of June 30 / December 31	**1'516.8**	**1'366.4**	**–368.5**	**–267.8**	**1'148.2**	**1'098.6**
Capital expenditure (incl. lease assets)	–54.3	–45.5	–1.9	–2.4	–56.2	–47.9
Employees (number of full-time equivalents) as of June 30 / December 31	13'227	12'944	183	186	13'409	13'130

1) Order intake from external customers.
2) Adjusted for acquisition, divestiture/deconsolidation and currency effects.
3) Sales from external customers.
4) An impairment of tangible assets is reported in the consolidated income statement in the line cost of goods sold.
5) The amounts reported in 2023 mainly consist of a gain on deconsolidation related to the Russian business of CHF 8.0 million, including the reclassification of the accumulated currency translation adjustments being allocated to the divisions.
6) The most significant activities under "Others" relate to Corporate Center.

For the definition of operational profit, operational profitability, currency-adjusted growth and organic growth, please refer to "Supplementary information" in the Sulzer Annual Report 2023.

Information about reportable segments

Operating segments are determined based on the reports reviewed by the Chief Executive Officer that are used to measure performance, make strategic decisions and allocate resources to the segments. The business is managed on a divisional basis, and the reported segments have been identified as follows:

Flow

The Flow division (renamed in 2024 from Flow Equipment) specializes in pumping solutions specifically engineered for the processes of its customers. The division provides pumps, agitators, compressors, grinders, screens and filters developed through intensive research and development in fluid dynamics and advanced materials. The focus is on pumping solutions for water, oil and gas, power, chemicals and most industrial segments.

Services

The Services division provides cutting-edge parts as well as maintenance and repair solutions for pumps, turbines, compressors, motors and generators through a network of over 100 service sites around the world. The division services Sulzer original equipment, but also all associated third-party rotating equipment run by customers, maximizing its sustainability and life cycle cost-effectiveness. The division’s technology-based solutions, fast execution and expertise in complex maintenance projects are available at its customers’ doorsteps.

Chemtech

The Chemtech division focuses on innovative mass transfer, static mixing and polymer solutions for chemicals, petrochemicals, refining and LNG. Chemtech also provides ecological solutions such as biobased chemicals, polymers and fuels, recycling technologies for textiles and plastic as well as carbon capture and utilization/storage, contributing to a circular and sustainable economy. The division’s product offering ranges from process components to complete process plants and technology licensing.

Others

Certain expenses related to the Corporate Center are not attributable to a particular segment and are assessed as a whole across the group. Also included are the eliminations for operating assets and liabilities.

The Chief Executive Officer primarily uses operational profit to assess the performance of the operating segments. However, the Chief Executive Officer also receives information about the segments’ order intake, backlog, sales and operating assets and liabilities on a monthly basis.

Sales from external customers reported to the Chief Executive Officer are measured in a manner consistent with the measurement in the income statement. There are no significant sales between the segments. No individual customer represents a significant portion of the group’s sales.

Operating assets and liabilities are assets or liabilities related to the operating activities of an entity and contributing to EBIT.

Segment information by region

The allocation of sales from external customers is based on the location of the customer.

Sales by region

				2024
millions of CHF	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	**293.8**	**212.0**	**85.8**	**591.7**
– thereof United Kingdom	15.6	51.3	11.5	78.4
– thereof Germany	32.4	23.0	17.8	73.1
– thereof Saudi Arabia	41.7	15.3	12.6	69.5
– thereof France	17.5	12.4	2.7	32.7
– thereof Spain	21.1	3.2	2.5	26.8
Americas	**253.6**	**307.5**	**98.1**	**659.2**
– thereof USA	152.2	240.7	74.4	467.3
Asia-Pacific	**164.8**	**73.1**	**210.6**	**448.4**
– thereof China	111.3	14.6	145.2	271.2
Total	**712.1**	**592.6**	**394.5**	**1’699.3**

				2023
millions of CHF	Flow	Services	Chemtech	Total Sulzer
Europe, the Middle East and Africa	**299.6**	**212.3**	**102.4**	**614.2**
– thereof United Kingdom	20.8	58.1	9.1	88.0
– thereof Saudi Arabia	39.3	14.4	19.4	73.1
– thereof Germany	31.8	22.0	17.0	70.7
– thereof France	18.9	19.0	4.1	42.0
– thereof United Arab Emirates	8.4	16.6	6.1	31.1
Americas	**228.2**	**277.2**	**89.5**	**594.9**
– thereof USA	136.8	211.5	65.6	413.9
Asia-Pacific	**134.7**	**68.7**	**189.0**	**392.4**
– thereof China	87.7	9.7	132.7	230.1
Total	**662.5**	**558.1**	**380.9**	**1’601.6**

Segment information by market segment

The following table shows the allocation of sales from external customers by market segment.

Sales by market segment — Flow

millions of CHF	2024	2023 [1]
Water & Industrial	415.8	430.5
Energy & Infrastructure	296.4	232.1
Total Flow	**712.1**	**662.5**

1) The comparative amounts for 2023 were restated and aligned with the market segment definition in 2024. The former market segments "Water" and "Industry" were combined to "Water & Industrial", with Desalination now included in "Energy & Infrastructure".

Sales by market segment — Services

millions of CHF	2024	2023
Pumps Services	326.4	292.3
Other Equipment	266.2	265.9
Total Services	**592.6**	**558.1**

Sales by market segment — Chemtech

millions of CHF	2024	2023
Chemicals	178.2	188.6
Gas and Refining	89.5	80.1
Renewables	62.6	51.5
Services	51.2	45.9
Water	12.8	14.7
Total Chemtech	**394.5**	**380.9**

3 Acquisitions and disposals of businesses, transactions with non-controlling interests

Acquisitions in 2024

The table below presents the amounts of the assets acquired, the liabilities assumed, the goodwill recorded and the consideration transferred on the date of acquisition. If new information is obtained within one year since the date of acquisition about facts and circumstances that existed on the date of acquisition and, if this information was known on the date of acquisition would have resulted in additional assets and liabilities being recorded or a different measurement, then the accounting of the acquisition will be revised.

millions of CHF	Owatec Group Oy	Other	Total
Intangible assets	5.5	1.5	7.0
Property, plant and equipment	0.9	4.0	4.8
Other non-current assets	0.7	–	0.7
Other current assets	2.3	0.3	2.6
Cash and cash equivalents	0.5	–	0.5
Non-current borrowings	–1.6	–	–1.6
Non-current liabilities (excluding borrowings)	–1.4	–	–1.4
Current borrowings	–1.3	–	–1.3
Current liabilities (excluding borrowings)	–1.0	–0.1	–1.1
Net identifiable assets	**4.6**	**5.7**	**10.3**
Non-controlling interests	0.0	–	0.0
Goodwill	10.7	0.1	10.8
Total consideration	**15.4**	**5.8**	**21.1**
Purchase price paid in cash	6.9	5.8	12.7
Purchase price not yet paid	5.6	–	5.6
Contingent consideration	2.9	–	2.9
Total consideration	**15.4**	**5.8**	**21.1**

Owatec Group Oy

On April 3, 2024, Sulzer acquired a controlling stake in Owatec Group Oy ("Owatec"), a provider of mobile water treatment solutions headquartered in Finland. Sulzer acquired shares representing an ownership of 60 percent in Owatec and entered into a binding agreement to transfer the remaining 40 percent of the shares over the next five years. The total consideration amounts to CHF 15.4 million, of which CHF 6.9 million was paid in cash, CHF 2.9 million results from a contingent consideration agreement and CHF 5.6 million relate to the purchase price not yet paid. The purchase price not yet paid represents a liability for the estimated payments for the remaining 40 percent shares not yet transferred.

The goodwill is attributable to the skills and knowledge of the workforce and favorable synergies. The goodwill is not expected to be deductible for tax purposes. The fair value of the trade accounts receivable amounts to CHF 0.4 million, which is equal to the gross contractual amount.

Contingent consideration and purchase price not yet paid

The contingent consideration depends mainly on the achievement of an operating income (EBIT) target for 2024. Because of the small number of possible outcomes, the contingent consideration was estimated based on the most likely amount. It is expected that all targets could be achieved and the liability reflects the maximum amount payable.

The liability for the purchase price not yet paid was recorded in other non-current liabilities. The shares were agreed to be transferred in four tranches, with payments expected each year in the years 2026 to 2029. The payments depend on the achieved average operating income (EBIT) in the two years before the payment, with an agreed minimum and maximum payment amount for each tranche. The recorded liability consists of the discounted expected payments estimated with the expected value method.

Others

On April 30, 2024, Sulzer acquired assets and liabilities that constitute a business, from Texas Electric Equipment Company Ltd. in the USA. The acquisition contributes to the group's Services business footprint in the USA.

Cash flow from acquisition of subsidiaries

millions of CHF	2024	2023
Cash consideration paid	–12.7	–
Cash acquired	0.5	–
Contingent consideration paid	–	–1.3
Total cash flow from acquisitions, net of cash acquired	**–12.2**	**–1.3**

Contingent consideration

millions of CHF	2024	2023
Balance as of January 1	-	1.9
Assumed in a business combination	2.9	–
Payment of contingent consideration	-	–1.3
Release to other operating income	–0.0	–0.5
Currency translation differences	-	–0.0
Total contingent consideration as of June 30 / December 31	**2.8**	**–**
– thereof non-current	–	–
– thereof current	2.8	–

Disposals in 2023

In February 2023, the group entered into an agreement with a third party for the sale of four legal entities in Russia. From the date of the sales agreement, the group lost power over the relevant activities of these entities due to contractual requirements and the legal environment. Consequently, these four entities were deconsolidated in the first half of 2023, resulting in the derecognition of the assets and liabilities previously classified as held for sale. The deconsolidation resulted in a gain on deconsolidation amounting to CHF 8.0 million, of which CHF 11.2 million resulted from the reclassification of accumulated currency translation differences and CHF 0.6 million from the reclassification of cash flow hedge reserves, net of tax. The gain on deconsolidation was recorded in other operating income. The total net cash outflow from divestments of subsidiaries in the first half of 2023 amounted to CHF 32.0 million, with cash and cash equivalents in the amount of CHF 32.3 million derecognized as part of the divestments.

Transactions with non-controlling interests

millions of CHF	2024	2023
Carrying amount of non-controlling interests acquired (disposed)	–	0.4
Consideration received (paid) in cash	–	–19.4
Non-cash consideration	–	–2.8
Consideration payable	–	–0.6
Decrease in equity attributable to owners of Sulzer Ltd	**–**	**–22.4**

In the first half of 2024, a payment of CHF 0.3 million in connection with the acquisition of the remaining 25 percent ownership in Sulzer Saudi Pumps Company in 2023 is reported in the cash flow statement in divestiture (acquisition) of non-controlling interests.

4 Financial instruments

The following tables present the carrying amounts and fair values of financial assets and liabilities as of June 30, 2024, and December 31, 2023, including their levels in the fair value hierarchy. For financial assets and financial liabilities not measured at fair value in the balance sheet, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

The fair value of financial instruments traded in active markets, including outstanding bonds, is based on quoted market prices at the balance sheet date. Such instruments are included in level 1.

The fair values included in level 2 are based on valuation techniques using observable market input data. These may include discounted cash flow analysis, option pricing models or reference to other instruments that are substantially the same, while always making maximum use of market inputs and relying as little as possible on entity-specific inputs. The fair values of forward contracts are measured based on broker quotes for foreign exchange rates and interest rates.

Fair values measured using unobservable inputs are categorized within level 3 of the fair value hierarchy. The level 3 financial assets at fair value through profit or loss are non-current and comprise unquoted debt or equity instruments, including private equity and fund investments. Additionally, in the first half of 2024, the group recorded a contingent consideration liability amounting to CHF 2.8 million as of June 30, 2024. The contingent consideration depends mainly on the achievement of an operating income target for 2024. For further information see note 3.

Financial assets at fair value through profit or loss - level 3

millions of CHF	2024	2023
Balance as of January 1	22.0	22.6
Additions	0.1	0.6
Divestments	–0.0	–
Unrealized fair value (loss) / gain, net	–1.2	1.9
Reclassification	–	–3.0
Total level 3 financial assets at fair value through profit or loss as of June 30 / December 31	**20.9**	**22.0**

Fair value table

		June 30, 2024									
		Carrying amount						Fair value			
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	**Total carrying amount**	Level 1	Level 2	Level 3	**Total fair value**
Financial assets measured at fair value											
Other non-current financial assets (at fair value)			21.1	7.6			28.7	7.8	–	20.9	28.7
Derivative assets – current		3.1					3.1	–	3.1	–	3.1
Current financial assets (at fair value)			0.6				0.6	0.6	–	–	0.6
Total financial assets measured at fair value		**3.1**	**21.6**	**7.6**	**–**	**–**	**32.4**	**8.4**	**3.1**	**20.9**	**32.4**
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)					3.4		3.4				
Non-current receivables (excluding non-current derivative assets)					0.9		0.9				
Trade accounts receivable					612.1		612.1				
Other current receivables (excluding current derivative assets and other taxes)					25.0		25.0				
Current financial assets (at amortized cost)					0.5		0.5				
Cash and cash equivalents					931.4		931.4				
Total financial assets not measured at fair value		**–**	**–**	**–**	**1’573.2**	**–**	**1’573.2**				
Financial liabilities measured at fair value											
Derivative liabilities – current		4.7					4.7	–	4.7	–	4.7
Current contingent consideration	**3**		2.8				2.8	–	–	2.8	2.8
Total financial liabilities measured at fair value		**4.8**	**2.8**	**–**	**–**	**–**	**7.6**	**–**	**4.7**	**2.8**	**7.6**
Financial liabilities not measured at fair value											
Outstanding non-current bonds	**9**					794.4	794.4	791.0	–	–	791.0
Other non-current borrowings	**9**					1.4	1.4				
Other non-current liabilities						7.7	7.7				
Outstanding current bonds	**9**					250.0	250.0	250.1	–	–	250.1
Other current borrowings and bank loans	**9**					16.2	16.2				
Trade accounts payable						389.2	389.2				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent consideration)	**11**					456.0	456.0				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**–**	**1’914.9**	**1’914.9**				

Fair value table

											December 31, 2023
		Carrying amount						Fair value			
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at fair value through other comprehensive income – equity instruments	Financial assets at amortized cost	Other financial liabilities	**Total carrying amount**	Level 1	Level 2	Level 3	**Total fair value**
Financial assets measured at fair value											
Other non-current financial assets (at fair value)			22.2	9.5			31.7	9.7	–	22.0	31.7
Derivative assets – current		13.9					13.9	–	13.9	–	13.9
Current financial assets (at fair value)			1.6				1.6	1.6	–	–	1.6
Total financial assets measured at fair value		**13.9**	**23.8**	**9.5**	**–**	**–**	**47.2**	**11.3**	**13.9**	**22.0**	**47.2**
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)					6.7		6.7				
Non-current receivables (excluding non-current derivative assets)					1.2		1.2				
Trade accounts receivable					540.8		540.8				
Other current receivables (excluding current derivative assets and other taxes)					22.6		22.6				
Current financial assets (at amortized cost)					0.7		0.7				
Cash and cash equivalents					974.7		974.7				
Total financial assets not measured at fair value		**–**	**–**	**–**	**1’546.7**	**–**	**1’546.7**				
Financial liabilities measured at fair value											
Derivative liabilities – current		3.2					3.2	–	3.2	–	3.2
Total financial liabilities measured at fair value		**3.2**	**–**	**–**	**–**	**–**	**3.2**	**–**	**3.2**	**–**	**3.2**
Financial liabilities not measured at fair value											
Outstanding non-current bonds	**9**					794.3	794.3	786.2	–	–	786.2
Other non-current borrowings	**9**					0.9	0.9				
Other non-current liabilities (excluding non-current derivative liabilities)						1.2	1.2				
Outstanding current bonds	**9**					250.0	250.0	250.0	–	–	250.0
Other current borrowings and bank loans	**9**					11.1	11.1				
Trade accounts payable						367.7	367.7				
Other current liabilities (excluding current derivative liabilities, and other taxes)	**11**					404.3	404.3				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**–**	**1’829.5**	**1’829.5**				

5 Other operating income and expenses

millions of CHF	2024	2023
Income from release of contingent consideration	0.0	0.5
Gain from sale of property, plant and equipment	0.2	0.6
Gain from deconsolidation of subsidiaries	–	8.3
Other operating income	0.0	5.6
Total other operating income	**0.3**	**14.9**
Cost for mergers and acquisitions	–1.3	–1.0
Loss from sale of property, plant and equipment	–0.3	–0.0
Loss from deconsolidation of subsidiaries	–0.1	–0.9
Operating currency exchange losses, net	–4.1	–3.4
Other operating expenses	–3.2	–0.4
Total other operating expenses	**–9.0**	**–5.9**
Total other operating income / (expenses), net	**–8.7**	**9.1**

In the first half of 2023, other operating income included, among others, income from charges to the discontinued operation Applicator System division (later renamed medmix) for corporate support functions and centrally procured indirect spend utilized by medmix of CHF 1.6 million.

In the first half of 2023, the total gain from deconsolidation primarily included a gain of CHF 8.0 million from the deconsolidation of four Russian legal entities (see note 3). The total gain and loss from deconsolidation of subsidiaries in the first half of 2023 included a net gain from the reclassification of currency translation adjustments of CHF 10.7 million and a gain of CHF 0.6 million from the reclassification of cash flow hedge reserves.

6 Financial income and expenses

millions of CHF	2024	2023
Interest and securities income	8.4	10.5
Interest income on employee benefit plans	1.3	0.0
Total interest and securities income	**9.7**	**10.5**
Interest expenses on borrowings and lease liabilities	–11.7	–14.0
Interest expenses on employee benefit plans	–2.4	–2.1
Total interest expenses	**–14.1**	**–16.1**
Total interest income / (expenses), net	**–4.4**	**–5.6**
Fair value changes	–11.4	–9.1
Other financial income / (expenses)	0.4	–0.7
Currency exchange gains / (losses), net	3.7	2.7
Total other financial income / (expenses), net	**–7.3**	**–7.2**
Total financial income / (expenses), net	**–11.8**	**–12.8**
- thereof fair value changes on financial assets at fair value through profit or loss	–11.4	–9.1
- thereof interest income on financial assets at amortized costs	8.4	10.5
- thereof other financial income / (expenses)	0.4	–0.7
- thereof currency exchange gains / (losses), net	3.7	2.7
- thereof interest expenses on borrowings	–10.3	–12.7
- thereof interest expenses on lease liabilities	–1.4	–1.3
- thereof interest expenses on employee benefit plans, net	–1.1	–2.1

In the first half of 2024, total financial expenses, net, amounted to CHF 11.8 million, compared to CHF 12.8 million in the first half of 2023.

Total interest and securities income amounted to CHF 9.7 million for the first half of 2024 (first half of 2023: CHF 10.5 million). The decrease compared to the prior year results from lower variable interest rates on deposits.

Lower total interest expenses are mainly the result of the repayment of a maturing bond of CHF 290 million with an interest rate of 1.3% in July 2023.

The fair value changes are largely related to derivative financial instruments that are classified as financial assets or financial liabilities at fair value through profit and loss and that are used as hedging instruments to hedge foreign exchange risks.

Currency exchange gains/losses are mainly related to foreign currency differences of non-operating assets and liabilities recorded at the prevailing rate at the time of acquisition (or the preceding year-end closing rate) as against the current balance sheet rate.

7 Income taxes

Income tax expense is recognized at an amount that is determined by multiplying the profit before tax for the interim reporting period by management’s best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. Income tax expenses comprise current and deferred tax. Sulzer’s estimated average annual tax rate for 2024 is 24.9%, compared with 24.2% for the six months ending June 30, 2023.

Sulzer is subject to the global minimum top-up tax under Pillar Two legislation. The top-up tax relates to subsidiaries in Bahrain, Ireland, Qatar and the United Arab Emirates, where the statutory tax rate is below 15%. No top-up tax was recorded in the first half of 2024. New top-up tax legislation was enacted in Switzerland and became applicable from January 1, 2024. The new legislation includes only Qualified Domestic Top-up Tax (“QDMTT"); Sulzer considered the impact on the estimated income tax rate for the full financial year. By June 30, 2024, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Malaysia, the Netherlands, Norway, Romania, South Korea, Sweden, Switzerland and the United Kingdom had enacted new tax legislation to implement a domestic minimum top-up tax.

The group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax. The group recognizes the top-up tax as current tax when it incurs it.

8 Equity

The share capital amounts to CHF 342’623.70, made up of 34’262’370 shares with dividend entitlement and a par value of CHF 0.01. All shares are fully paid in and registered. On June 30, 2024, conditional share capital amounted to CHF 17’000 (December 31, 2023: CHF 17’000), consisting of 1'700’000 shares with a par value of CHF 0.01.

Treasury shares

In the first half year 2024, the group acquired 150’000 treasury shares for CHF 15.7 million. The total number of treasury shares held by Sulzer Ltd as of June 30, 2024, was 378’924 shares (December 31, 2023: 451’074 shares).

The treasury shares are mainly held for the purpose of issuing shares under the management share-based payment programs.

Dividends

On April 16, 2024, the Annual General Meeting approved an ordinary dividend of CHF 3.75 (2023: ordinary dividend of CHF 3.50) per share to be paid out of reserves. The dividend was paid to shareholders on April 22, 2024. The total amount of the dividend to shareholders of Sulzer Ltd was CHF 127.3 million (2023: CHF 118.9 million), thereof paid dividends of CHF 86.5 million (2023: CHF 80.9 million) and unpaid dividends of CHF 40.8 million (2023: CHF 38.1 million). The unpaid dividends are reflected in the balance sheet position “Other current and accrued liabilities” (see note 11).

Acquisition of non-controlling interests without change of control

Reference is made to note 3.

Contribution from medmix

The contribution relates to vested shares under Sulzer share plans for medmix employees.

9 Borrowings

			2024
millions of CHF	Non-current borrowings	Current borrowings	**Total**
Balance as of January 1	795.2	261.1	1’056.3
Acquired through business combination	1.6	1.3	2.9
Cash flow from proceeds	–	22.1	22.1
Cash flow for repayments	–	–18.9	–18.9
Changes in amortized costs	0.1	0.0	0.2
Reclassifications	–1.1	0.0	–1.1
Currency translation differences	0.0	0.5	0.5
Total borrowings as of June 30	**795.8**	**266.2**	**1’062.0**

			2023
millions of CHF	Non-current borrowings	Current borrowings	**Total**
Balance as of January 1	1’043.9	311.4	1’355.3
Cash flow from proceeds	–	26.0	26.0
Cash flow for repayments	–0.0	–324.9	–325.0
Changes in amortized costs	0.3	0.1	0.4
Other non-cash increase	0.9	0.1	1.0
Reclassifications	–249.9	249.9	0.0
Currency translation differences	–0.1	–1.5	–1.6
Total borrowings as of December 31	**795.2**	**261.1**	**1’056.3**

Outstanding bonds

		2024		2023
millions of CHF	Amortized costs	Nominal	Amortized costs	Nominal
0.875% 07/2016–07/2026	125.0	125.0	124.9	125.0
1.600% 10/2018–10/2024	250.0	250.0	250.0	250.0
0.800% 09/2020–09/2025	299.8	300.0	299.8	300.0
0.875% 11/2020–11/2027	199.8	200.0	199.8	200.0
3.350% 12/2022–11/2026	169.8	170.0	169.7	170.0
Total as of June 30 / December 31	**1’044.4**	**1’045.0**	**1’044.1**	**1’045.0**
– thereof non-current	794.4	795.0	794.2	795.0
– thereof current	250.0	250.0	250.0	250.0

All outstanding bonds are traded on SIX Swiss Exchange.

As of June 30, 2024, Sulzer had access to a syndicated credit facility of CHF 500 million maturing on December 31, 2026. The facility includes two one-year extension options and a further option to increase the credit facility by CHF 250 million (subject to lenders' approval). In 2022 and 2023, the group exercised the options, extending the term of the credit facility in the amount of CHF 415 million to December 2028. The facility is subject to financial covenants based on net financial indebtedness and EBITDA, which were adhered to throughout the reporting period. As of June 30, 2024 and December 31, 2023, the syndicated facility had not been used.

10 Provisions

						2024
millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	**Total**
Balance as of January 1	33.2	98.8	5.0	12.4	42.6	192.0
Additions	3.6	10.9	1.5	–	11.7	27.8
Released as no longer required	–0.6	–2.5	–	–	–9.6	–12.7
Utilized	–2.0	–10.2	–2.4	–	–6.8	–21.4
Currency translation differences	1.3	3.4	0.1	0.3	1.5	6.6
Total provisions as of June 30	**35.6**	**100.4**	**4.3**	**12.7**	**39.5**	**192.5**
– thereof non-current	22.6	3.2	0.9	12.6	8.2	47.6
– thereof current	12.9	97.2	3.3	0.0	31.3	144.9

The category “Other employee benefits” includes provisions for jubilee gifts, and other obligations to employees.

The category “Warranties / liabilities” includes provisions for warranties, customer claims, penalties, litigation and legal cases relating to goods delivered or services rendered. Warranties that provide customers with assurance that the product complies with the agreed specifications are accounted for as provisions over the agreed warranty period.

In the first half of 2024, the group utilized CHF 2.4 million of restructuring provisions, mainly relating to the reorganization of the Flow division. The remaining restructuring provisions as of June 30, 2024 amount to CHF 4.3 million, of which CHF 3.3 million is expected to be utilized within one year.

“Environmental” mainly consists of expected costs related to inherited liabilities.

“Other” includes provisions that do not fit into the aforementioned categories. A large number of these provisions refer to onerous contracts and indemnities, in particular related to divestitures. In addition, provisions for ongoing asbestos lawsuits and other legal claims are included. Based on the currently known facts, the group estimates that resolution of the open cases will not have material effects on its liquidity or financial condition. Although the group expects a large part of the category “Other” to be realized in one year, by their nature, the amounts and timing of any cash outflows are difficult to predict.

11 Other current and accrued liabilities

millions of CHF	2024	2023
Liability related to the purchase of treasury shares	91.8	88.1
Outstanding dividend payments	318.0	277.2
Taxes (VAT, withholding tax)	32.5	31.4
Derivative financial instruments	4.7	3.2
Contingent consideration	2.8	–
Other current liabilities	46.2	38.9
Total other current liabilities as of June 30 / December 31	**496.0**	**438.9**
Contract-related costs	145.0	121.3
Salaries, wages and bonuses	93.0	121.9
Vacation and overtime claims	30.5	23.0
Other accrued liabilities	207.1	147.3
Total accrued liabilities as of June 30 / December 31	**475.5**	**413.5**
Total other current and accrued liabilities as of June 30 / December 31	**971.5**	**852.4**

Outstanding dividend payments amounted to CHF 318.0 million (December 31, 2023: CHF 277.2 million), which is an increase of CHF 40.8 million. For further details on dividends, refer to note 8.

12 Accounting policies

12.1 Basis of preparation

These interim financial statements have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting. The accounting policies applied are consistent with those applied in the consolidated financial statements for the year 2023 and the corresponding interim reporting period, except for the adoption of new and amended standards, as set out below.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2023 and any public announcements made by Sulzer during the interim reporting period.

The preparation of these interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results in the future could differ from such estimates. A description of information that requires significant judgements to be made by Management and the key sources of estimation uncertainty, is disclosed in note 6, Critical accounting estimates and judgments, in the December 31, 2023 consolidated financial statements.

Due to rounding, numbers presented throughout this report may not add up precisely to the total provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

12.2 Change in accounting policies

a) Standards, amendments, and interpretations that are effective for 2024

Starting from January 1, 2024, the group applied changes in standards, amendments and interpretations that became effective from January 1, 2024. None of these changes had a material effect on the consolidated interim financial statements of the group.

b) Standards, amendments, and interpretations issued but not yet effective

In 2024, the group has not adopted early any standard, amendment, or interpretation issued but not yet effective. The following amended standard will become effective from January 1, 2025. The group does not expect these to have a material impact on the consolidated financial statements:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – The amendments provide guidance for the assessment if a currency is exchangeable into another currency and how to determine the spot exchange rate in case a currency is not exchangeable.

The following amended standards and amendments will become effective after December 31, 2025. The group is currently in the process of analyzing the impacts on the consolidated financial statements:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure – The amendments include clarification about the date on which a financial liability is derecognized in case of a settlement via electronic cash transfers, as well as clarification about the classification of financial assets with features linked to environmental, social and corporate governance (ESG). The amendments will become effective from January 1, 2026.

- IFRS 18 Presentation and Disclosure in Financial Statements – The new standard introduces a defined structure for the statement of profit or loss as well as additional disclosure requirements on the statement of profit or loss. The new standard will become effective from January 1, 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – The new standard will become effective from January 1, 2027.

13 Subsequent events after the balance sheet date

The Board of Directors authorized these consolidated interim financial statements for issue on July 24, 2024. At the time when these consolidated interim financial statements were authorized for issue, the Board of Directors and the Executive Committee were not aware of any other events that would materially affect these financial statements.

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Disclaimer

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

Rounding

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount.

Tables

Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Dashes (–) generally indicate that the respective figure is zero, while a zero (0.0) indicates that the relevant figure has been rounded to zero.

Languages

Parts of the Sulzer Midyear Report 2024 have been translated into German. Please note that the English-language version of the Sulzer Midyear Report is the binding version.