SULZER

Annual Report

2025

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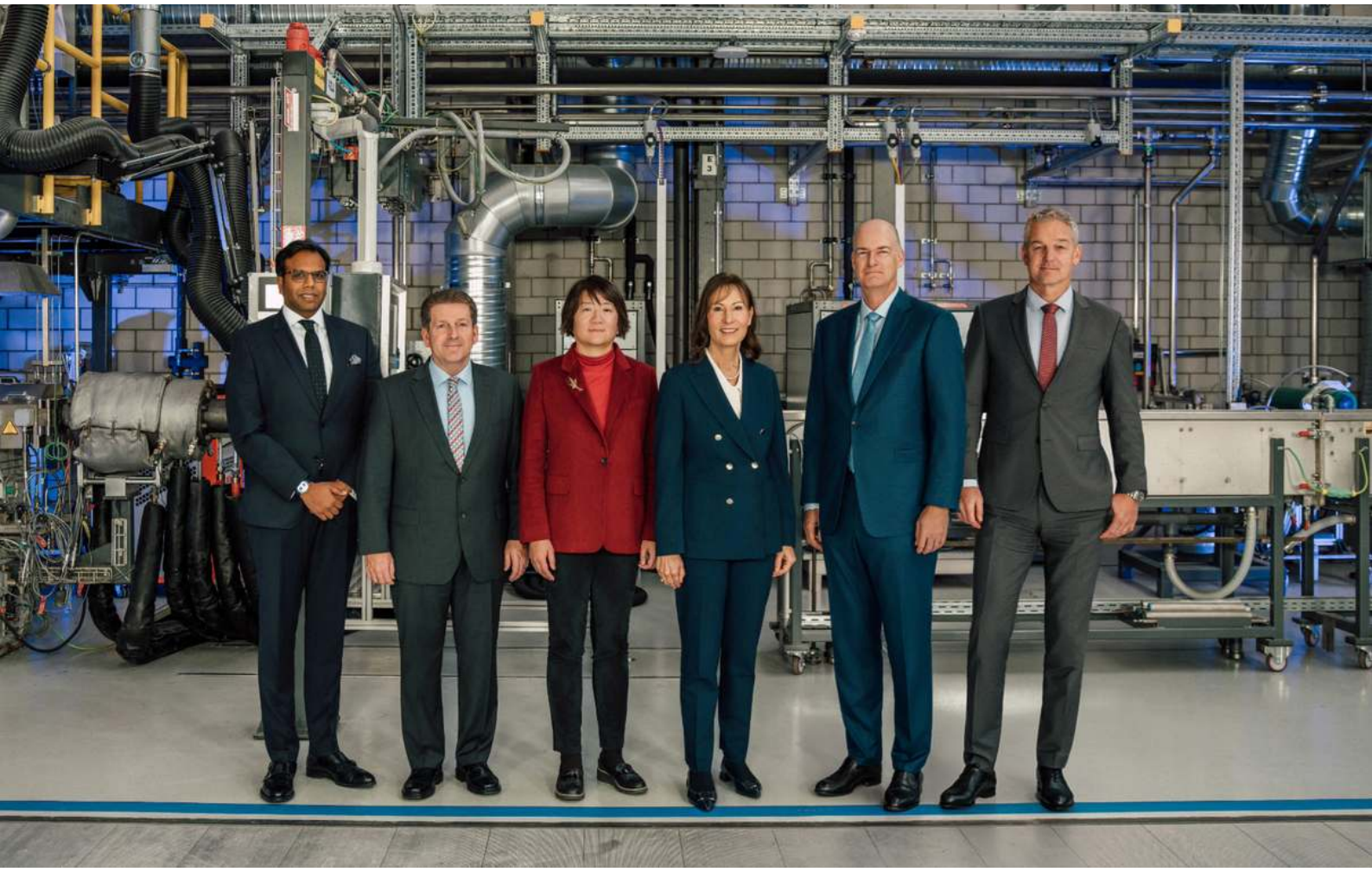


Sulzer's Executive Committee in the newly opened Innovation Technology Hub (InTecH) in Switzerland. Starting from the left: Ravin Pillay-Ramsamy, Thomas Zickler, Haining Auperin, Suzanne Thoma, Tim Schulten, and Mathias Prüssing.

Letter to the Shareholders

Dear Shareholders,

2025 has been an extraordinary year – in many ways. A wave of uncertainty has influenced the past year significantly, bringing new elements to trade dynamics. This situation is not settled yet and will bring further changes to decision makers, customers, and suppliers globally. But as we all know, changes always open the door for new opportunities and successes. Even under these circumstances, we reached our business goals: we met our guidance and our profitability is on track. At the same time, we have set the course for mid–term success with initiatives that will contribute to our growth, our excellence and our profitability.

Sulzer serves essential industries in structurally growing markets. This is the core of our business model. We deliver what these markets require to further develop: energy security and efficiency, clean water, more efficient and cleaner process industries. Always in the most effective way – in a way that reduces our customers' costs, emissions or waste. Our Services team for example performed a gas compressor retrofit on a North Sea platform to minimize downtime. The rental solutions team supported the reconstruction of a local wastewater treatment plant in Denmark with a temporary pumping and screening solution. Chemtech is supplying product and service solutions specific to carbon capture for the world-scale Net Zero Teesside Power project. These examples represent the steady interest from customers in essential and thus growing markets for our products and services.

On our journey to a top industrial company, we strive for profitable growth and excellence along the value chain, and we leverage the potential of the entire company: “One Sulzer”. 2025 made visible how excellence helps our bottom line – we made considerable progress and will continue to do so. Sulzer is an attractive global company for ambitious professionals with successful track records and proven ability to move businesses forward. We attract and promote the best. Our global leadership team consists of 20 nationalities and 23.5% female leaders – up from 16.3% in 2023.

“Our initiatives for excellence paid off: we are more efficient, as our ROCE and our profitability are clearly showing. This is the result of a team working together globally. I would like to thank our Sulzer team all over the world for their efforts and their openness to change.”

Suzanne Thoma
Executive Chair

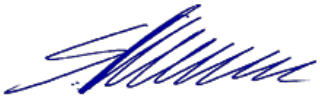
We achieved strong growth by many smaller and mid-size project wins and the aftermarket business. For our Services customers, the trend for repair and maintenance was strong. Our water treatment solutions continued to be in high demand. Order intake growth was moderate after two years of double-digit growth. This was mainly due to the postponement of larger projects, which are for the most part still in the pipeline. Amid market uncertainties, our resilience and adaptability positioned us well for the future.

Outlook for 2026

As we navigate this new reality, our “One Sulzer” approach helps shape our actions. As a partner for our customers, we offer a broader range of integrated solutions and add value to our customers’ portfolio. As one company, we learn how to effectively collaborate, reduce complexity, take care of our resources and redesign processes that fit our new needs for simplicity, scalability and speed. Looking ahead, we will continue improving our organization along our values and in line with our Sulzer Excellence initiatives.

Dear shareholders, looking at 2025 makes me confident that even under challenging circumstances, we continuously improve and focus our business to achieve good results. Our initiatives for excellence paid off: we are more efficient, as our ROCE and our profitability are clearly showing. This is the result of a team working together globally. I would like to thank our Sulzer team all over the world for their efforts and their openness to change. My sincere thanks to our shareholders, who support us on our way to a top industrial company – an excellent company that is a great place to work for and creates value every day.

Yours sincerely,



Suzanne Thoma
Executive Chair

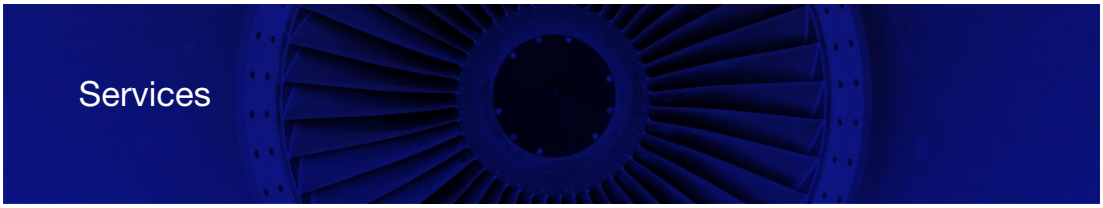
Serving essential markets

Sulzer serves essential markets, supporting economic prosperity and sustainability for society. Important global trends make our products, services and technologies more relevant than ever.

As the world population grows and the economies develop, there is a greater need for products, services and technologies in emerging industrial markets. In turn, this leads to greater demand for access to energy, more and cleaner water, and the production of important chemicals for industrial and consumer end markets. This increasing demand underscores the need to combine a prosperous future with a resilient and sustainable global society.

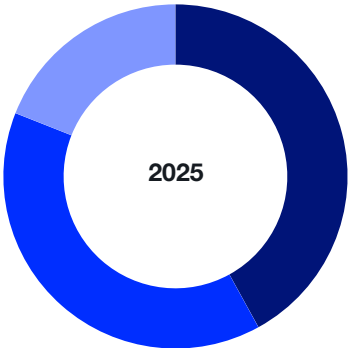
Sulzer is well-positioned to offer products, services and technologies to these essential markets. Our three divisions – Flow, Services and Chemtech – serve the same important growing markets that are ensuring the security and quality of critical goods and services, as well as the transition to a more sustainable future. Connected through large, global and many small and medium-sized customers, our divisions enhance their products, services and technologies, enabling efficiency improvements and circular economies.

Sulzer is committed to becoming a top industrial company, creating ever more value for shareholders, customers, partners, employees and society, as an integral contributor to global prosperity and sustainability.



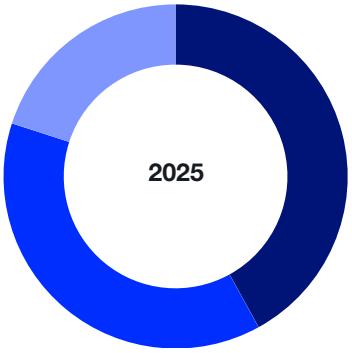
Our key figures

Order intake by division



- 42% Flow
- 39% Services
- 19% Chemtech

Order intake by region



- 42% Europe, the Middle East and Africa
- 38% Americas
- 20% Asia-Pacific

Key figures

millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	3’751.0	3’848.6	–2.5	2.5	2.1
Order intake gross margin	35.7%	35.0%			
Order backlog as of December 31	2’255.6	2’300.0	–1.9		
Sales	3’555.4	3’530.6	0.7	6.0	5.6
EBITDA	556.2	502.7	10.6	18.6	18.0
EBITDA margin	15.6%	14.2%			
EBIT	433.1	382.5	13.2		
Core net income	322.6	307.2	5.0		
Net income	294.7	265.4	11.0		
Basic earnings per share (in CHF)	8.68	7.73	12.2		
Free cash flow (FCF)	212.5	234.9	–9.5		
Net debt as of December 31	267.4	100.4	166.3		
Employees (number of full-time equivalents) as of December 31	13’526	13’455	0.5		

1) Adjusted for currency effects.
2) Adjusted for acquisitions, divestitures/ deconsolidations and currency effects.

Stock market information

	2025	2024	2023	2022	2021
Registered share price (in CHF)					
– high	166.20	145.60	91.70	93.50	143.10
– low	122.80	82.45	71.10	56.10	82.45
– year-end	147.40	131.00	85.90	72.00	89.85
Market capitalization as of December 31					
– number of shares outstanding	33’737’574	33’752’915	33’811’296	33’738’515	33’727’637
– in millions of CHF	4’973	4’422	2’904	2’429	3’030
– in percentage of equity	385%	361%	265%	237%	238%
P/E ratio as of December 31	17.0x	16.9x	12.7x	85.2x	2.1x
Dividend yield as of December 31	3.2%	3.2%	4.4%	4.9%	3.9%

Data per share

CHF	2025	2024	2023	2022	2021
Net income attributable to a shareholder of Sulzer Ltd	8.68	7.73	6.76	0.85	41.93
Change from prior year	12%	14%	700%	–98%	1’603%
Equity attributable to a shareholder of Sulzer Ltd	38.30	36.30	32.40	30.40	37.80
Ordinary dividend	4.75 [1]	4.25	3.75	3.50	3.50
Payout ratio	55%	55%	55%	414%	8%
Average number of shares outstanding	33’748’688	33’855’876	33’884’651	33’825’814	33’788’006

1) Proposal to the Annual General Meeting.

Shareholder structure as of December 31, 2025

Number of shares	Number of shareholders	Shareholding
1–100	5’001	1.0%
101–1’000	5’060	6.4%
1’001–10’000	527	5.6%
10’001–100’000	85	9.7%
More than 100’000	10	77.3%
Total registered shareholders and shares (excluding treasury shares Sulzer Ltd)	**10’683**	**100.0%**

Sulzer Excellence

Sulzer Excellence is a key element of Sulzer's strategy under Sulzer 2028, providing a common framework that helps the company operate with greater consistency and impact across all businesses.

The purpose of Sulzer Excellence is to strengthen overall performance, support above-market organic growth, and ensure that people, processes, and systems contribute effectively to Sulzer's mission of serving essential industries and supporting a prosperous, sustainable society. These goals define the outcomes Sulzer aims to achieve: More reliable operations, a sharper commercial focus, stronger innovation relevance, and a culture that sustains long-term performance.

Sulzer Excellence translates these goals through a defined set of measures, reinforcing the "One Sulzer" vision across daily operations. These measures are organized into four pillars across the organization:

- **Operational Excellence**: Production efficiency, and project execution.
- **Commercial Excellence:** Improving sales effectiveness, pricing discipline, tendering quality, and lead generation.
- **Supply Chain Excellence:** Operating an integrated, digitally enabled, and continuously improving end-to-end supply chain in line with the business strategy
- **People Excellence:** advances culture, leadership, and talent development.

With more than 600 excellence initiatives currently in motion and progressing as planned, Sulzer Excellence translates strategy into concrete actions delivering measurable impact.

Growth of execution capabilities in China

As our operations in China increased, it became clear that Sulzer needed to be closer to customers not only geographically but also operationally. Competing effectively in this market requires faster execution, stronger local capabilities, and a more resilient supply chain. Sulzer set out to build a fully capable, cost-efficient setup in China that could manage projects from development through commissioning. To achieve this, the company expanded its local team to around 40 professionals, introduced global project-governance and controlling standards, aligned processes with international practices, upgraded the workshop layout, improved information flow, and identified and qualified new suppliers. Sulzer also insourced the manufacturing of critical components to increase control and responsiveness.

In less than 24 months, Sulzer established full end-to-end execution capability in China. This new setup improved responsiveness by enabling teams to mobilize directly to customer sites, improve profitability on local projects, and delivered meaningful cost-of-goods-sold reductions in large international projects. By strengthening supply chain reliability and execution speed, Sulzer not only addressed immediate operational challenges but also reinforced its long-term competitiveness. The initiative highlights how Sulzer Excellence supports long-term competitiveness by combining stronger local execution with shared best practices across the company.

Scaling global capabilities through Sulzer Shared Business Hubs

Sulzer is developing a global network of Shared Business Hubs to strengthen operational excellence and reinforce the “One Sulzer” approach across the organization. Located in Suzhou (China), Madrid (Spain), Mexico City (Mexico) and Pune (India), the hubs centralize and optimize service delivery to provide standardized and scalable support. Their purpose is clear: increase efficiency, expand access to talent, improve collaboration, and enable Sulzer teams to work with greater speed and standardization worldwide. By consolidating capabilities in strategic locations, Sulzer is creating agile service platforms that support its long-term transformation.

Shared Business Hub in Madrid, located in the city’s financial district and designed to support professional collaboration in a modern, efficient corporate environment

The hubs play a key role in accelerating the company’s operational improvements. They provide scalable services that reduce complexity, enhance process consistency, and strengthen the foundation needed for profitable growth. The model enables Sulzer teams to collaborate more efficiently across regions, leverage broader skillsets, and maintain high-quality standards while supporting the evolving needs of the organization. Together, these hubs illustrate how Sulzer Excellence delivers tangible progress by creating shared, scalable capabilities that support the company’s long-term transformation.

Achieving operational excellence in delivery performance and process reliability

Sulzer’s team in Mexico improved delivery reliability and simplified inventory processes to strengthen the customer experience. The exchange of knowledge with Sulzer teams in India and China, who had faced similar operational challenges and had already developed effective solutions was a key element. By reviewing end-to-end workflows and incorporating the expertise of these teams, the Mexico site introduced clearer process standards, strengthened coordination across functions, and implemented more structured approaches to planning and replenishment.

These changes led to a step-change in performance. Delivery accuracy improved, and inventory processes became more transparent and easier to manage, supported by regular cross-regional reviews that allowed teams to track progress and adjust quickly. The initiative demonstrates how Sulzer Excellence helps teams reduce complexity, enhance reliability, and establish sustainable ways of working—made possible by the collective knowledge and collaboration that defines our "One Sulzer" vision.

Advancing innovation and automation in La Porte, Texas

Sulzer's La Porte facility in Texas is undergoing a transformation to strengthen its long-term competitiveness and support growing customer demand. As the site expands its physical footprint and operational capacity, a central focus of the initiative is the adoption of new technologies that modernize how work is performed and create a more efficient operating environment.

Laser Metal Deposition (LMD) technology in use at Sulzer's La Porte facility, enhancing precision and efficiency in repair processes.

Innovation and automation are at the core of this effort. La Porte is implementing robotic welding, adaptive welding, and additive manufacturing to improve ergonomics, increase safety, and accelerate execution. These technologies reduce time spent on repetitive activities and allow employees to focus on tasks that require expertise and deliver higher value. By integrating these tools into daily operations, the facility is enhancing efficiency and strengthening the reliability and consistency of its repair and manufacturing processes.

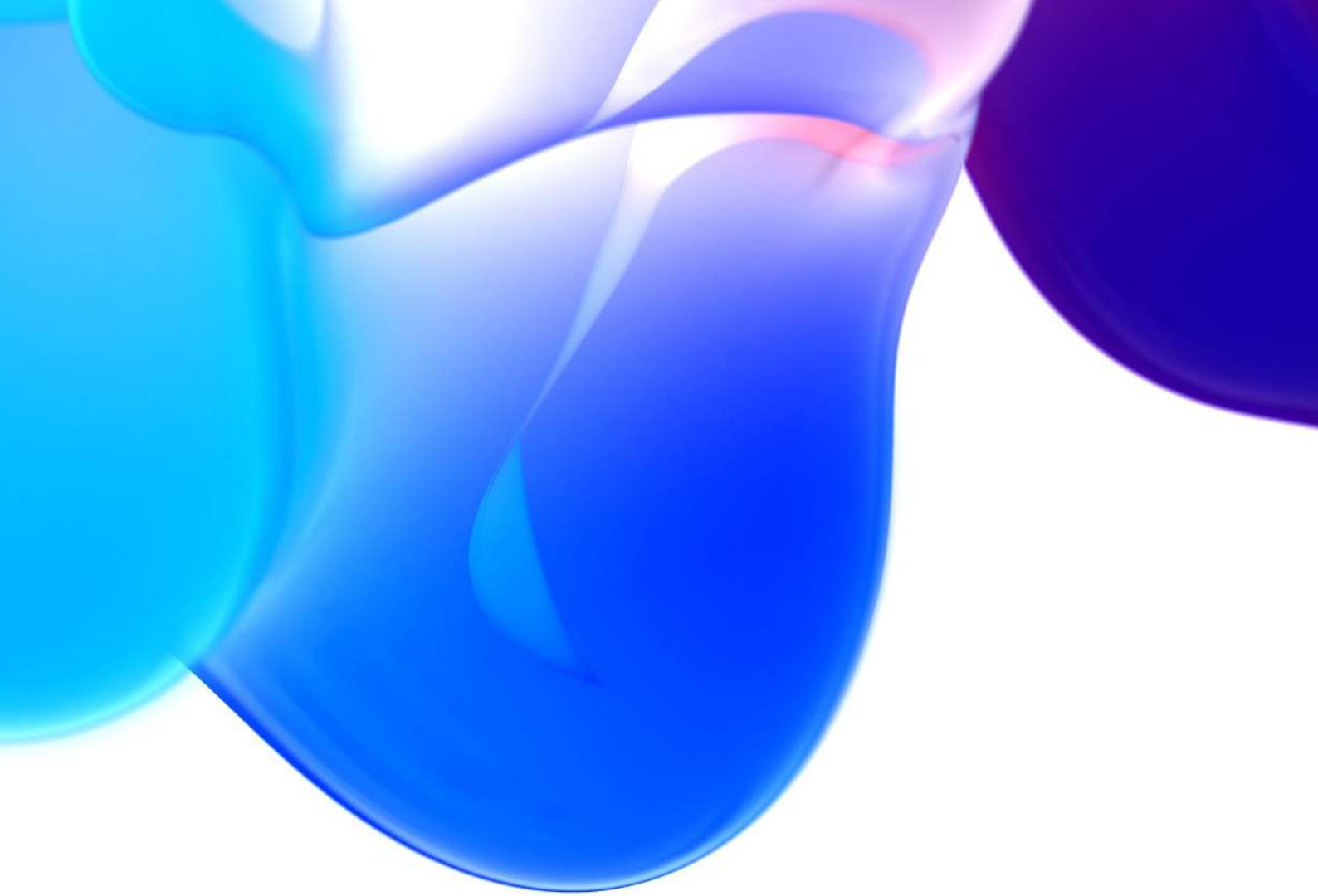
Through this focused investment in automation, La Porte demonstrates how Sulzer Excellence drives progress: by equipping teams with modern capabilities, simplifying execution, and enabling a more productive and resilient operation that supports sustainable growth.

Improving energy efficiency and infrastructure in China

Sulzer has strengthened the sustainability and efficiency of its operations in China by modernizing key site infrastructures through targeted energy projects. Two facilities, Kunshan and Dalian, have implemented measures designed to lower operating costs, reduce exposure to energy-price volatility, and improve the reliability of on-site heating and power.

In Kunshan, Sulzer installed a solar panel system on the rooftop under an agreement that supplies part of the site's electricity needs at a fixed discount to grid prices. The system operates on a "pay-per-use" basis: Sulzer pays only for the electricity it consumes, and any excess generation is automatically fed back into the grid. The supplier oversees assessment, permitting, installation, operation and maintenance, while Sulzer retains all environmental credits and benefits under clearly defined contractual terms.

In Dalian, Sulzer replaced coal-fired heating with an air-source heat-pump system through a service agreement. The new system offers more stable operational performance and removes the on-site emissions associated with coal use. As in Kunshan, the supplier manages installation, operation and maintenance, while Sulzer pays a contractual service fee. The projects reflect how Sulzer Excellence drives practical improvements that enhance efficiency, reduce operational risks, and strengthen the long-term performance of our sites.



Business review

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Robust sales and record profitability

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

The year was characterized by persistent macroeconomic uncertainty and mixed demand across the markets. Despite these conditions, Sulzer grew sales, further implemented Sulzer Excellence, maintained pricing discipline, and continued to invest in strategic priorities that support long-term value creation. Sales increased by 5.6% supported by operational excellence and book-to-bill ratio above 1. Order intake grew by 2.1% supported by improved market momentum, leading to a strong Q4 2025. Profitability strengthened significantly, with the EBITDA margin rising to a new record level of 15.6% (2024: 14.2%), an improvement of 140 basis points. Free cash flow amounted to CHF 212.5 million, a decrease of CHF 22.4 million compared with the prior year (2024: CHF 234.9 million), primarily impacted by higher net working capital, higher tax payments and lower interest income.

Sustained sales growth, improved order intake in Q4 2025

Order intake rose by 2.1% compared with 2024, reaching CHF 3’751.0 million. Excluding currency conversion impacts, order intake would be CHF 3’945.9 million. The impact from acquisitions, divestitures and deconsolidations totaled CHF 17.0 million. Gross margin on orders increased by 70 basis points reaching 35.7%, reflecting continued pricing discipline, ongoing portfolio optimization, and Sulzer Excellence.

Orders

millions of CHF	2025	2024	Change in +/–	+/–% organic [1]
Order intake	3’751.0	3’848.6	–97.6	2.1
Order intake gross margin	35.7%	35.0%	0.7	
Order backlog as of December 31	2’255.6	2’300.0	–44.4	

1) Adjusted for acquisitions, divestitures / deconsolidations and currency effects.

Order intake growth in the Flow division amounted to 2.5%, with double digit growth in Water but flat development in Industry, more than offsetting deferred customer projects in the Energy market. The Services division experienced continued robust growth in order intake recording a 10.8% increase across all regions and product lines, primarily in Turbo and Pumps Services. Chemtech’s order intake declined by 12.5%, impacted by market uncertainty and reduced customer investment activity, partially offset by a solid Q4 2025.

At the end of 2025, order backlog amounted to CHF 2’255.6 million (2024: CHF 2’300.0 million). Excluding currency conversion impacts, the order backlog would be CHF 2’438.3 million, providing a solid revenue base for the new year.

Sales increased by 5.6% year-on-year, reaching CHF 3’555.4 million in 2025. On a currency-adjusted basis, sales would be CHF 3’740.8 million. The net effect from acquisitions and divestitures amounted to CHF 12.2 million.

The Flow division delivered double-digit sales growth of 12.3%, reflecting excellent sales development in Energy and a book-to-bill ratio above 1 in Water and Industry. The Services division continued its consistent high performance, achieving double-digit growth of 10.7%, reflecting customer investments for upgrades, modernizations, repair and maintenance for safe and reliable operations. In contrast, the Chemtech division recorded a 13.6% decline in sales, reflecting market sentiment.

“We kept a strong focus on operational excellence and maintained disciplined cost management, which helped us to navigate in difficult markets and achieve the highest profitability in the last 20 years.”

Thomas Zickler
Chief Financial Officer

Continuous gross profit margins expansion

Gross profit increased to CHF 1’223.2 million (2024: CHF 1’183.2 million), with gross margin improving to 34.4% (2024: 33.5%), on continued commercial and operational excellence. Excluding currency conversion impacts, the gross profit would be CHF 1’286.1 million.

EBITDA margin growing to 15.6%

EBITDA increased to a new record level of CHF 556.2 million (2024: CHF 502.7 million), representing year-on-year growth of 18.0%. This resulted in an improvement of 140 basis points in the EBITDA margin to 15.6% (2024: 14.2%), supported by the systematic implementation of commercial and operational excellence.

millions of CHF	2025	2024	+/–% organic [1]
EBITDA	556.2	502.7	18.0
Sales	3’555.4	3’530.6	5.6
EBITDA margin	**15.6%**	**14.2%**	

1) Adjusted for acquisitions, divestitures / deconsolidations and currency effects.

At divisional level, Flow delivered a notable improvement in profitability, with the EBITDA margin rising to a record 13.3% (2024: 11.7%), up 160 basis points, driven by structural cost optimization measures and ongoing progress in operational excellence. Services continued its strong performance with a record EBITDA margin of 18.3% (2024: 16.8%), achieving an increase of 150 basis points, underpinned by sustained investment in commercial and operational excellence. Chemtech reported an EBITDA margin of 13.7% (2024: 15.7%), reflecting a 200 basis points decline due to lower sales, partially compensated by restructuring, cost cutting and good supply chain management.

Bridge from EBITDA to EBIT

millions of CHF	2025	2024	Change in +/–
EBITDA	**556.2**	**502.7**	**53.5**
Amortization	–40.2	–38.5	–1.7
Impairments on tangible and intangible assets	–4.5	–4.5	0.0
Depreciation	–78.5	–77.1	–1.4
EBIT	**433.1**	**382.5**	**50.5**

Financial results

Total net financial expenses increased to CHF 34.6 million in 2025, from CHF 25.2 million in the prior year, mainly due to lower interest income.

Net interest expenses amounted to CHF 17.9 million driven by lower interest income on cash balances. Fair value changes on financial assets and liabilities had a negative impact of CHF 5.4 million (2024: CHF 12.7 million). In addition, net currency exchange losses rose to CHF 12.3 million (2024: CHF 2.8 million).

Effective tax rate of 23.9%

Income tax expenses increased to CHF 92.4 million (2024: CHF 88.2 million), mainly reflecting the rise in taxable income for the year. Despite the higher absolute tax charge, the effective tax rate (ETR) improved to 23.9% (2024: 24.9%).

Net income and core net income at record levels

Net income increased to CHF 294.7 million (2024: CHF 265.4 million) reflecting the strong operational performance across the Group. Core net income, which excludes the tax-adjusted effects of non-operational items, rose to CHF 322.6 million (2024: CHF 307.2 million). Basic earnings per share grew by 12.3%, reaching CHF 8.68 in 2025 (2024: CHF 7.73).

Bridge from net income to core net income

millions of CHF	2025	2024	Change in +/–
Net income	**294.7**	**265.4**	**29.3**
Amortization	40.2	38.5	1.7
Impairments on tangible and intangible assets	4.5	4.5	–0.0
Restructuring expenses	4.3	3.7	0.6
Non-operational items [1]	–11.9	7.0	–18.8
Tax impact on above items	–9.2	–11.8	2.6
Core net income	**322.6**	**307.2**	**15.3**

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

Key balance sheet positions

Note: If not otherwise indicated, balance sheet movements from the previous year are based on nominal figures.

As of December 31, 2025, total assets amounted to CHF 4’562.9 million (2024: CHF 4’714.3 million), representing a year-over-year decrease of CHF 151.4 million. Non-current assets declined by CHF 40.4 million to CHF 1’675.1 million, primarily reflecting lower other intangible assets of CHF 35.1 million, as well as negative foreign currency translation effects on goodwill of CHF 24.9 million. Current assets decreased by CHF 111.0 million to CHF 2’887.8 million, mainly due to reduced balances in trade receivables, inventories and supplier advances. Cash and cash equivalents amounted to CHF 927.3 million at year end.

As of December 31, 2025, total liabilities decreased by CHF 221.6 million to CHF 3’257.5 (2024: CHF 3’479.1 million), primarily reflecting lower levels of current liabilities.

Equity increased by CHF 70.3 million to CHF 1’305.4 million, supported by strong net income of CHF 294.7 million, partially offset by currency translation differences of CHF 113.1 million and dividend payments of CHF 144.7 million.

Net debt amounted to CHF 267.4 million as of year-end 2025, compared with CHF 100.4 million in 2024. This increase principally reflects the reduction in cash and cash equivalents, together with a rise in non-current borrowings. Consequently, the Net debt to EBITDA ratio increased to 0.48 (2024: 0.20), despite the higher EBITDA achieved during the year.

Resilient free cash flow

Free cash flow amounted to CHF 212.5 million in 2025 (2024: CHF 234.9 million). The year-on-year decrease of CHF 22.4 million reflects lower cash flow from operating activities despite higher reported net income. Net cash from operating activities declined by CHF 20.9 million to CHF 303.0 million (2024: CHF 323.8 million), mainly due to higher net working capital requirements and higher income tax paid of CHF 8.9 million.

Bridge from cash flow from operating activities to free cash flow

millions of CHF	**2025**	**2024**	Change in +/–
Cash flow from operating activities	**303.0**	**323.8**	**–20.9**
Purchase of intangible assets	–3.6	–9.7	6.1
Proceeds from the sale of intangible assets	1.1	0.0	1.0
Purchase of property, plant and equipment	–90.0	–82.7	–7.3
Proceeds from the sale of property, plant and equipment	2.1	3.5	–1.4
Free cash flow (FCF)	**212.5**	**234.9**	**–22.4**

Investing activities resulted in a cash outflow of CHF 101.0 million, reflecting a slight increase compared with the CHF 98.2 million recorded in 2024. Net investments in property, plant and equipment and intangible assets totaled CHF 90.4 million, slightly above the prior year’s level (2024: CHF 88.9 million). In addition, cash outflows related to acquisitions of subsidiaries, net of cash acquired increased to CHF 16.9 million, up from CHF 13.1 million in 2024.

Cash outflow from financing activities amounted to CHF 290.1 million (2024: CHF 151.6 million), representing primarily higher shareholder distributions, and higher proceeds from borrowings (net impact of CHF 29.6 million).

Overall, the negative net change in cash since January 1, 2025, amounted to CHF 133.3 million, including exchange losses on cash and cash equivalents of CHF 45.1 million.

Outlook for 2026

As for the previous years, Sulzer is focused on the path to becoming a top industrial company that truly creates value. The company will continue to invest in key areas across the company and execute on excellence and growth initiatives. While Sulzer is anticipating ongoing challenging conditions in 2026, including geopolitical and global economic uncertainty, the company is confident in its strategy and position in essential markets.

Due to the increased geopolitical uncertainties and the potential impact of possible further customer projects delays, the forecast of the timing of expected large orders has become more challenging in 2026. This especially counts for the year-on-year growth of order intake on quarterly basis. In general, for Order Intake, Sulzer expects in the first half of 2026 some muted development based on the backdrop of very high comparisons from 2025. Overall, the company expects a stronger, more backend-loaded, second half of 2026 for order intake.

Given this higher market volatility causing investment uncertainties, the company guides a year-on-year organic order intake growth of 1% to 5% and a year-on-year sales growth between 2% and 5%. The EBITDA margin is expected to further increase to around 16.5% of sales.

Abbreviations

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

Strong sales growth, record profitability

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

The Flow division achieved a solid order intake growth of 2.5% in 2025. Order intake in Water grew double digit while Industry developed moderately. Order intake in the Energy business was muted. While the base and smaller size project business grew well, large projects were partly postponed due to geopolitical uncertainties. The Flow division showed excellent sales development with a strong growth of 12.3%. The Energy business grew by 21.1% supported by the large orders received in 2024. Water and Industrial showed continued growth of 7.1%, with Water growing double digit and Industrial being stable. EBITDA margin rose by 160 basis points year-on-year, showing ongoing progress in commercial and operational excellence, and disciplined cost management.

Important project wins – focus on Water Treatment Excellence

Launched officially at the beginning of 2026, a new Water Treatment Center of Excellence unites all of Sulzer's water treatment expertise under one roof. By consolidating the strengths of Sulzer's trusted brands including Nordic Water, FRC, IPEC, JWC Screens, Owatec, and Probig, Sulzer has created a powerful, end-to-end offering that minimizes complexity, reduces risk, and optimizes lifecycle costs for customers. An opportunity for growth lies also in Sulzer's newly established Rental solutions. In 2025, the existing portfolio of temporary solutions for pumping, aeration and water treatment was strengthened by a binding agreement to acquire a smaller bypass pumping rental company in Denmark. First project wins included the support of reconstructing a local Danish wastewater treatment plant and several projects in Sweden.

As for long-term customer and partner Veolia, a global environmental specialist in water, waste and energy management, Sulzer signed a 5-year-framework agreement. This covers a broad range of pumps, mixers and turbocompressors, establishing Sulzer as a partner supplier to Veolia.

Further important project wins include the equipment of a state-of-the-art treatment plant in the Venice region (see Midyear report 2025) and an agreement with the customer Inpasa in Brazil, covering the delivery of more than 600 pieces of equipment. These will be installed across ethanol, DDGS (Distiller's Dried Grains with Solubles), corn oil and renewable energy production facilities starting in H1 2026.

In collaboration with customers, Sulzer works on two research projects to explore pump solutions for ultra-deep geothermal technology and is making good progress on implementing leading-edge deep sea technology together with its customer partnership on the Brazilian HISEP® project.

The focus of research and development activities is on the continuous improvement of the energy efficiency, sustainability and reliability of all products. Pumping systems are responsible for around 10% of electricity consumption worldwide. Flow continuously invests in the further development of modern materials and sustainable manufacturing technologies. In addition, digital solutions are being developed to make the products smarter. These technologies help customers optimize the operation of their pump systems and keep an eye on the exact condition of the system at all times.

Key figures for Flow

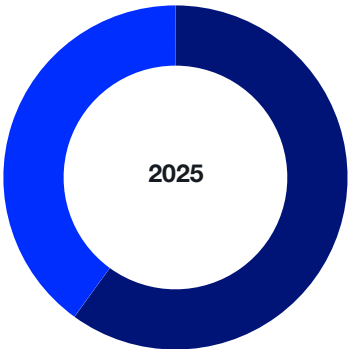
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	1’576.3	1’603.3	–1.7	3.0	2.5
Order intake gross margin	32.8%	31.3%			
Order backlog as of December 31	990.0	1’053.5	–6.0		
Sales	1’551.2	1’444.3	7.4	12.6	12.3
EBITDA	206.6	169.6	21.8	29.1	28.7
EBITDA margin	13.3%	11.7%			
EBIT	149.7	111.8	33.9		
Employees (number of full-time equivalents) as of December 31	5’559	5’492	1.2		

1) Adjusted for currency effects.
2) Adjusted for acquisitions, divestitures / deconsolidations and currency effects.

Growing order intake

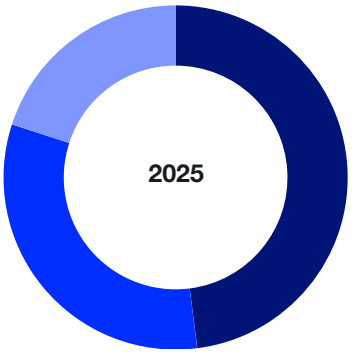
The Flow division’s overall order intake showed with 2.5% an upward trend (2024: 12.3% increase). This result was impacted by the 3.1% order intake decrease in H1 2025 due to one exceptionally large order booked in H1 2024.

Order intake by market segment



- 60% Water and Industrial
- 40% Energy and Infrastructure

Order intake by region



- 48% Europe, the Middle East and Africa
- 32% Americas
- 20% Asia-Pacific

Record profitability

Sales growth has been strong in the Flow division, with both business units contributing to the positive result of +12.3%. A remarkable improvement in profitability was achieved in 2025, also thanks to the implementation of Sulzer Excellence – a pillar of the strategy EBITDA margin increased by 160 basis points from 11.7% to 13.3%.

Abbreviations

EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment
For the definition of the alternative performance measures, please refer to "Supplementary information."

Continued double-digit growth and record profitability

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

In 2025, the Services division delivered for the third consecutive year double-digit growth in both order intake and sales, together with a profit margin improvement to a record level. The strong performance was underpinned by strategic investments to develop the service center network. Order intake increased by +10.8% supported by strong demand for energy security and energy efficiency. Sales grew by +10.7% year-on-year. EBITDA margin reached 18.3%, improving significantly by 150 basis points compared to 2024 (2024: 16.8%), this reflects the first impacts from Sulzer Excellence and successful execution of high-impact projects across multiple regions.

Ensuring reliable operation of critical industrial assets

The division's mission is to ensure the reliable operation of critical industrial assets by minimizing downtime, optimizing lifetime and improving both environmental and cost efficiency. This momentum is supported by a strong gas turbine market, which we expect to continue to grow in the future with the rising demand for electricity and nations prioritizing the stability and security of their power grids. Key successes include overhauling five open-cycle gas turbines in South Africa, bolstering national energy security, as well as executing a seven-day turnaround on gearbox and steam turbine repairs in Indonesia ensuring rapid return to operations. Sulzer strategy of growing across all product lines is exemplified in Iraq, where the team rehabilitated pumps, motors, and compressors for a major gas company. This enabled the recommissioning of idle equipment and ensured the reliability of critical assets.

The division also marked several first milestones in 2025, including its first gas compressor rerate in the Nordics, carried out on a North Sea production platform. Furthermore, Sulzer secured a contract to overhaul three GE Frame 6B generators for a major AI data center in Texas. Once completed, the project will be among the largest in the world.

These successes were driven by implementing lean principles in our Advanced Manufacturing Centers. The division has reduced cycle times and improved on-time delivery globally, underscoring Sulzer's dedication to continuous improvement and customer-centric innovation.

Services continued to expand its global footprint to better serve customers in strategically important growing markets. In Ezeiza, Argentina, the division opened a new rotating equipment service center, supporting industries throughout the country and the broader Latin America region. In the Middle East, Sulzer acquired Bahrain-based Davies and Mills, a leading electromechanical services provider, strengthening Sulzer's offering in the region. In North America, Sulzer invested in additional capacity at one of the world's largest turbomachinery center of excellence in North America to meet growing customer demand.

Key figures Services

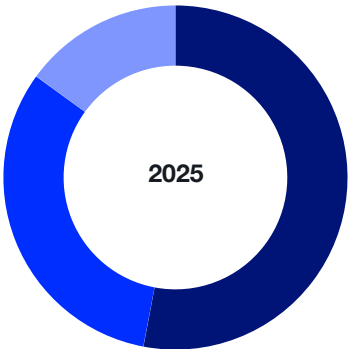
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	1’449.8	1’378.3	5.2	11.5	10.8
Order intake gross margin	39.6%	39.0%			
Order backlog as of December 31	730.3	689.7	5.9		
Sales	1’312.8	1’249.1	5.1	11.3	10.7
EBITDA	240.0	209.6	14.5	24.1	23.0
EBITDA margin	18.3%	16.8%			
EBIT	201.3	171.5	17.3		
Employees (number of full-time equivalents) as of December 31	4’855	4’832	0.5		

1) Adjusted for currency effects.
2) Adjusted for acquisitions, divestitures / deconsolidations and currency effects.

Strong order intake growth across product lines and regions

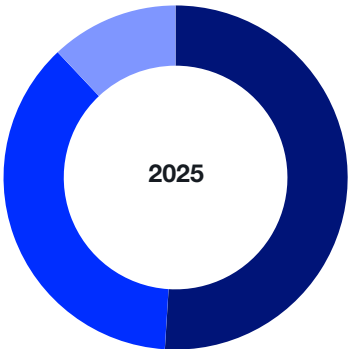
All product lines (market segments) contributed positively to the strong growth. Driven by sustained demand, Europe, the Middle East and Africa (EMEA) achieved 10.5% and Americas (AME) recorded strong high digit growth of 12.7% while Asia-Pacific (APAC) was impacted by softening demand with a growth of 4.2%.

Order intake by market segment



- 53% Pump Services
- 32% Turbo Services
- 15% Electromechanical Services

Order intake by region



- 51% Americas
- 37% Europe, the Middle East and Africa
- 12% Asia-Pacific

EBITDA margin at record level

Sales reached CHF 1’312.8 million in 2025 (up by 10.7%) driven mainly by AME and EMEA. With a continued focus on operational excellence, the division delivered strong improvement in EBITDA margin from 16.8% in 2024 to 18.3% in 2025, notably by reducing order cycle time and improving on-time delivery.

Abbreviations

EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment
For the definition of the alternative performance measures, please refer to “Supplementary information.”

Results reflecting a challenging year

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

Order intake in the Chemtech division decreased by 12.5%, reflecting a challenging market environment due to overcapacity in China and weak investment sentiment in the chemical industry. Nevertheless, the short-cycle and smaller project business remained stable and the aftermarket segment has grown. Chemtech reported a solid Q4 2025 order intake. Sales development showed an increase in H2 compared to H1, while overall sales growth remains negative at -13.6%. This was mainly due to customer induced delays in major projects and lower order intake. Inspite of the significant decrease in sales, the EBITDA margin reached 13.7% (2024: 15.7%). Restructuring, cost measures and good supply chain management have partly compensated for the lower sales volumes.

Expertise for essential industries

In 2025, Chemtech focused more closely on customer needs through increased segmentation and specialization. In response to challenging market conditions and delays in major projects, Chemtech's core business – mass transfer components and services – put greater focus on lifecycle management. Existing aftermarket offerings such as revamps, turnaround services, tower field services and automated weld overlay were strengthened and expanded globally. Existing service centers such as the hub in Essen, Germany, opened in 2024, are now serving as fast response centers, helping customers avoid unplanned downtime. In new markets such as
Carbon Capture Utilization and Storage (CCUS), the division was selected as key supplier for the mega scale Net Zero Teesside Power project. Chemtech will deliver structured packing, capturing up to two million tonnes of CO_2 annually.

Through its Process Solutions unit, Chemtech delivers advanced separation and purification technology for critical chemical processes. In 2025, the offering was standardized and focused on key industries to better align with customer needs. With Avalon Energy, Chemtech signed a strategic alliance to scale up the production of Sustainable Aviation Fuels. Avalon selected BioFlux™ technology for its 200 KTA Sustainable Aviation Fuel project in Panama and secured a global right to deploy BioFlux technology in SAF plants across Latin America, India, South Africa, Kenya, Eswatini, and the United States. Sulzer licenses the BioFlux technology globally under an exclusive cooperation agreement with Duke Technologies LLC.

BioFlux technology has also been selected by SEDC Energy for a sustainable aviation fuel plant project in Sarawak, Malaysia. The plant will convert locally sourced oils from algae, palms and other sources to advance sustainable aviation across Southeast Asia.

In Polymer and Crystallization, the interest for biobased polymers continues to grow. Chemtech is the market leader in PLA (Polylactic Acid), the most important bioplastic today, and provides a one-stop solution from licensing to engineering and services. The division continues to invest in the growing biopolymer market with the opening of a new InTecH (Innovation Technology Hub) facility in Winterthur-Töss in Switzerland. Shortly after the opening, several application development projects together with customers showed the demand for developing advanced biobased materials and circular business models.

Sulzer also started an innovative cooperation project with TripleW, a pioneer in circular chemistry, to launch the world's first PLA (Polylactic Acid) bioplastic made entirely from food waste. With TripleW valorizing the food waste streams, Sulzer's technology transforms the lactic acid into PLA bioplastic at scale, enabling the transition from a pilot project to full industrial production. The division launched a licensed EcoStyrene technology for the chemical recycling of contaminated polystyrene materials. This technology provides a practical and economically viable solution for materials that have been previously considered too contaminated for conventional recycling methods.

As part of Sulzer Excellence, Chemtech launched a global initiative to improve factory efficiency. Standardization and benchmarking across factories give customers more flexibility in choosing production sites and shorten overall delivery times.

Key figures Chemtech

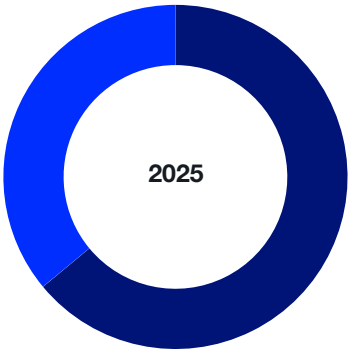
millions of CHF	2025	2024	Change in +/–%	+/–% adjusted [1]	+/–% organic [2]
Order intake	724.9	866.9	–16.4	–12.5	–12.5
Order intake gross margin	34.4%	35.8%			
Order backlog as of December 31	535.3	556.8	–3.9		
Sales	691.3	837.1	–17.4	–13.6	–13.6
EBITDA	94.4	131.6	–28.3	–22.2	–22.2
EBITDA margin	13.7%	15.7%			
EBIT	72.3	110.9	–34.8		
Employees (number of full-time equivalents) as of December 31	2'781	2'934	–5.2		

1) Adjusted for currency effects.
2) Adjusted for acquisitions, divestitures / deconsolidations and currency effects.

Reduced order intake

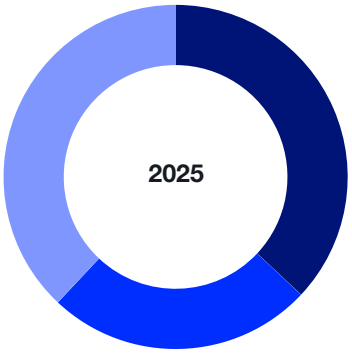
Order intake in the Chemtech division decreased by 12.5%, reflecting a generally challenging market environment with delayed customer decisions. The short-cycle and small projects business remained stable, while the aftermarket business grew. Chemtech reported a solid Q4 2025 order intake.

Order intake by market segment



- 64% Mass Transfer Components & Services
- 36% System Solutions

Order intake by region



- 37% Asia-Pacific
- 25% Americas
- 38% Europe, the Middle East and Africa

Lower sales and profitability

Chemtech sales were also affected by the weak market sentiment and decreased by -13.6%. This was mainly due to phasing of major projects by customers and lower order intake. Thanks to strong excellence and cost cutting measures taken in 2025, the division succeeded to partly compensate the lower sales with the result of a reduced but still high value creating EBITDA margin of 13.7% (2024: 15.7%).

Abbreviations

EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation, amortization and impairment
For the definition of the alternative performance measures, please refer to "Supplementary information."

Safety performance

Sulzer aims to maintain an Accident Frequency Rate (AFR) below 1, an Accident Severity Rate (ASR) below 15 and a Total Accident Rate (TAR) below 13. In 2025, the AFR was recorded at 0.7, below the defined target. The ASR was recorded at 20.4, exceeding the target. The TAR was recorded at 10.6, meeting the target and demonstrating the effectiveness of our safety initiatives.

Sulzer continues to enhance its accident prevention strategy by strengthening risk mitigation measures and reinforcing safety protocols. In November, Sulzer conducted Global Safety Week across all operations worldwide as a coordinated, company-wide initiative. Throughout the week, Sulzer teams all around the world participated in safety walks, workshops, trainings, and surveys, supporting open dialogue and shared learning. These activities reinforce safety and health as a core priority and collective responsibility across the organization.

For 2026, Sulzer will focus on advancing safety initiatives by incorporating new technologies, enhancing training programs, and maintaining employee engagement in safety activities. The aim is to further reduce incidents, continuously improve safety performance, and foster a safe working environment.

Flow

Flow's accident frequency rate (AFR) decreased from 1.4 cases per million working hours in 2024 to 1.2 in 2025. This is above the target of 1.0 cases per million working hours, and concerted efforts will be undertaken in 2026 to decrease the division's AFR through strengthened safety measures and communications. The division's accident severity rate (ASR) decreased to 18.4 lost days per million working hours, down from 29.5 the previous year.

During 2025, Flow introduced the ESH X-Audit, a cross-site assessment program developed to align safety practices and reinforce core operational practices. The audit uses a standardized template covering 15 ESH areas to identify gaps and document required actions. These efforts support the harmonization and standardization of safety processes across sites.

Services

Sulzer Services' accident frequency rate (AFR) was even lower in 2025 than in 2024 – with 0.3 cases per million working hours (2024: 0.4), a figure below the industry standard of 1.0. for the third year in a row. The accident severity rate (ASR) increased in 2025 to 24.8 lost days per million working hours (2024: 6.6).

During the year, Services supervisors and site managers participated in a training program developed in alignment with internationally recognized standards. By the end of 2025, 94% of supervisory and site management personnel had completed the training. The initiative supported consistency in risk-assessment practices, more structured root-cause analysis, and clearer ESH-related discussions across teams.

Chemtech

Chemtech’s accident frequency rate (AFR) decreased from 1.5 cases per million working hours in 2024 to 0.7 in 2025. This figure below the target of 1.0 cases per million working hours shows the concerted efforts undertaken in 2025 to decrease the division’s AFR through strengthened safety measures and communications. The division’s accident severity rate (ASR) also decreased to 17.5 lost days per million working hours, from 21.3 in the previous year.

During 2025, Chemtech developed a Working at Height initiative on reducing fall-related risks, updating and standardizing guidelines, trainings, and reinforcing competencies. The program emphasizes fall-prevention measures such as equipment inspection, use of approved anchor points, secured tools, and access restricted to authorized personnel. These activities form part of Sulzer's ongoing efforts to maintain consistent safety practices across operations.

Corporate governance

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Corporate structure and shareholders

Sulzer is subject to Swiss corporate and stock exchange laws and applies the Swiss Code of Best Practice for Corporate Governance.

Sulzer Ltd is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance. The information in the following sections is set out in the order defined by the SIX Swiss Exchange Directive on Information relating to Corporate Governance (DCG), with subsections summarized as far as possible. Sulzer's consolidated financial statements comply with IFRS Accounting Standards, and in certain sections, readers are referred to the financial reporting section of the 2025 Sulzer Annual Report. Sulzer reports the compensation of the Board of Directors and the Executive Committee in the compensation report. Unless otherwise indicated, the following information refers to the situation on December 31, 2025. Further information on corporate governance is published at www.sulzer.com/governance.

Corporate structure

The company's business is managed on a divisional basis, and the organizational Group structure corresponds to these reporting segments, which consist of the Flow division, the Services division and the Chemtech division. The operational corporate structure is shown under note 2 to the consolidated financial statements in the financial reporting section. Sulzer Ltd is the only Group company listed on a stock exchange. It is based in Winterthur, Switzerland. Its shares are listed and traded on the SIX Swiss Exchange in Zurich (Securities No. 3838891/ISIN CH0038388911). On December 31, 2025, the market capitalization of all issued shares of Sulzer Ltd was CHF 5'050'273'338. Information on the subsidiaries included in the consolidation can be found under note 34 to the consolidated financial statements. The list comprises all consolidated direct subsidiaries of Sulzer Ltd as well as all further consolidated subsidiaries.

Significant shareholders

According to notifications of the company's shareholders, the following shareholders held more than 3% of Sulzer Ltd's share capital on December 31, 2025: Tiwel Holding AG, 48.82% (as published on the SIX disclosure platform on May 29, 2018; the beneficial owner of these shares is Viktor Vekselberg); UBS Fund Management (Switzerland) AG, 3.431% (as published on the SIX disclosure platform on May 7, 2024); and Fidelity Investments Canada ULC and FIL Limited: each 3.015% (as published on the SIX disclosure platform on November 11, 2025). For information on shareholders of Sulzer Ltd that have reported shareholdings of over 3% or a reduction of shareholdings below 3%, please refer to the website of the Disclosure Office of SIX Swiss Exchange. The total number of treasury shares held by Sulzer Ltd as of December 31, 2025, amounted to 524'796. There are no cross-shareholdings where the capital or voting stakes on either side exceed the threshold of 5%. For information on transactions with related parties, see note 30 to the consolidated financial statements.

Capital structure

Share capital

The fully paid-up share capital of Sulzer Ltd amounts to CHF 342’623.70 and is divided into 34’262’370 registered shares with a par value of CHF 0.01 per share. There have not been any changes in the share capital of Sulzer Ltd during the last three reporting periods. The shares are issued in the form of uncertificated securities within the meaning of art. 973c of the Swiss Code of Obligations (CO) and are held as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities of October 3, 2008. Each registered share entitles the holder to one vote at the Shareholders’ Meeting. All shares have equal dividend rights. The company’s Articles of Association provide for the possibility of a share capital increase in a maximum amount of CHF 17’000 through the issuance of up to 1’700’000 registered shares with a par value of CHF 0.01 per share (corresponding to 4.96% of the current share capital) through the voluntary or mandatory exercise of certain conversion, option or similar rights for the subscription of shares granted to shareholders or third parties in connection with bonds, loans or other financial market instruments of Sulzer Ltd or any of the subsidiaries controlled by it (for more details, see § 3a of the Articles of Association). The introduction of this conditional capital was approved by Sulzer Ltd’s shareholders at the AGM on April 14, 2021. There is no capital band, nor are there any participation or dividend certificates.

Restrictions on transferability and nominee registrations

The company’s shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account; that there is no agreement on the redemption of the relevant shares; and that they bear the economic risk associated with the shares. Nominees shall only be entered in the share register with the right to vote if they meet the following conditions: The nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into a written agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register if the above-mentioned conditions are not met (see also § 6a of the Articles of Association). No exceptions were granted in the reporting year. Other than these restrictions on nominee voting, there are no transfer restrictions and no privileges under the Articles of Association. A removal or amendment of the nominee voting restrictions requires a shareholders’ resolution with a majority of at least two-thirds of the votes represented.

Convertible bonds and options

No convertible bonds or warrants are currently outstanding. Details of the restricted share units (RSUs) issued to the members of the Board of Directors, as well as performance share units (PSUs) and RSUs issued to the members of the Executive Committee, are set out under note 29 to the consolidated financial statements and under note 11 to the financial statements of Sulzer Ltd.

Board of Directors

Members of the Board of Directors are elected individually for a term until the end of the next AGM. At the AGM of April 23, 2025, all members of the Board were re-elected. Furthermore, Suzanne Thoma was re-elected as Chair of the Board of Directors. The Board consists of seven members. Except for Suzanne Thoma, who was also appointed the company's CEO as of November 1, 2022, and became the Executive Chair, none of the members of the Board of Directors has ever held an executive position at Sulzer.

Apart from Executive Chair Suzanne Thoma, all members of the Board of Directors are non-executive. None of the non-executive members of the Board of Directors have ever belonged to the management of a Sulzer company or to the Executive Committee, nor do any significant business relationships exist between members of the Board of Directors and Sulzer Ltd or any subsidiary of Sulzer Ltd.

Elections and terms of office

The Articles of Association stipulate that the Board of Directors of Sulzer Ltd shall comprise five to nine members. Each member is elected individually. The term of office for members of the Board of Directors lasts until the end of the next AGM. At the 2025 AGM seven Board members were re-elected to the Board of Directors. The Board consists of seven members: one from Cyprus / Israel, one from Norway, one from Austria, one from Germany, one from France / Switzerland and two from Switzerland. Professional expertise and international experience played a key role in the selection of the members. The members of the Board of Directors and their CVs can be viewed below. Details of the former members of the Board of Directors can be found in the Corporate Governance chapter of the company's Annual Report 2024.

According to the Board of Directors and Organization Regulations, no Board member may serve for more than twelve consecutive terms of office. In exceptional circumstances, the Board can extend this limit.

Internal organization

The Board of Directors constitutes itself, except for the Chair of the Board of Directors who is elected by the Shareholders' Meeting. The Board of Directors appoints from among its members the Vice-Chair of the Board of Directors, the Lead Independent Director and the members and the chairs of the board committees, except for the members of the Remuneration Committee, who are elected by the Shareholders' Meeting. There are currently five standing board committees (for their constitution, see below):

- The Audit Committee (AC)
- The Governance Committee (GC)
- The Nomination Committee (NC)
- The Remuneration Committee (RC)
- The Strategy and Sustainability Committee (SSC)

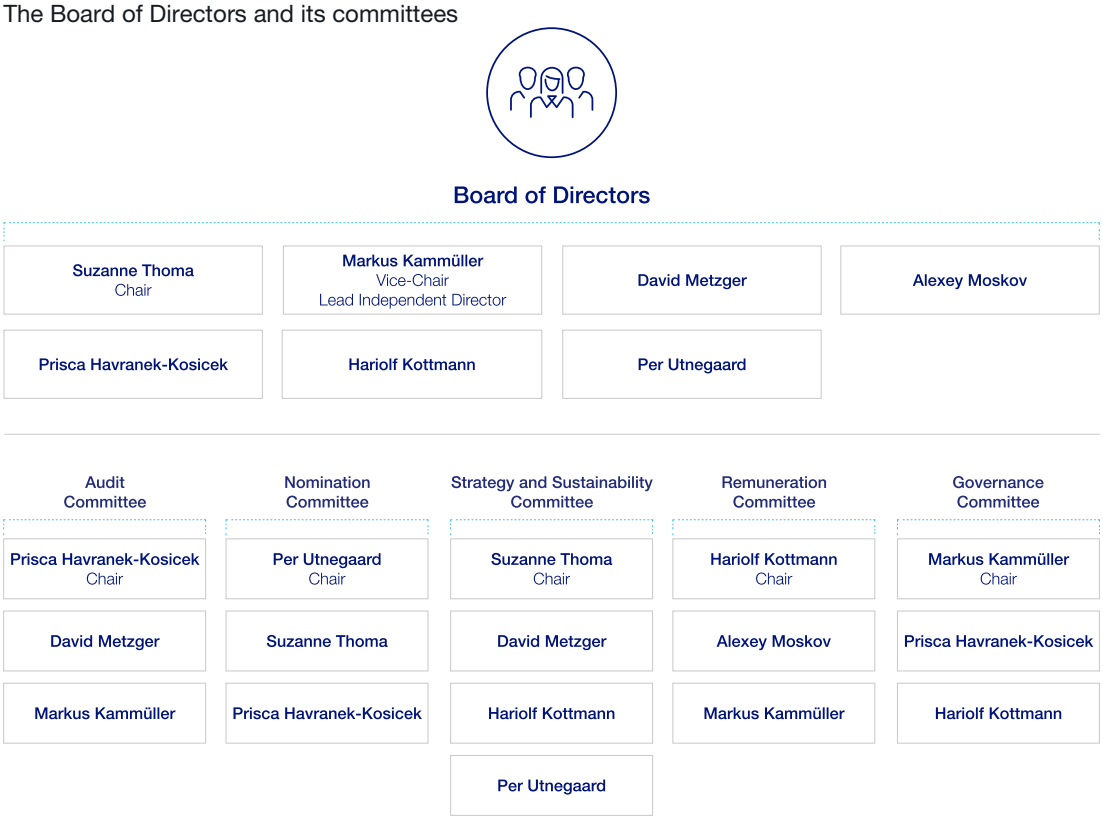
The Board of Directors and Organization Regulations and the relevant Committee Regulations, which are published under corporate governance (see “Regulations”), define the division of responsibilities between the Board of Directors and the Executive Committee. They also define the authorities and responsibilities of the Chair of the Board of Directors and of the five standing board committees.

Executive Chair and Lead Independent Director

The Board of Directors appointed its Chair, Suzanne Thoma, as Executive Chair of Sulzer as of November 1, 2022. In this role, she assumed operational management of the company and also took over the responsibilities of the CEO.

Following the 2023 AGM, Markus Kammüller was appointed as Lead Independent Director. The Lead Independent Director ensures, on behalf of the Board of Directors, that the rules of good corporate governance are adhered to in the decision-making of the Board. In this context, the Lead Independent Director may call for and chair meetings of the non-executive Board members whenever required. He also acts as a point of contact for members of the Board to discuss matters regarding the company’s corporate governance that they would like to raise in the absence of the Executive Chair.

The Board of Directors and its committees



CVs of members of the Board of Directors

Dr. Suzanne Thoma
Executive Chair
Chair of the Strategy and Sustainability Committee
Member of the Nomination Committee

Educational background
- Ph.D. in Technical Sciences, ETH Zurich, Switzerland
- Master of Science in Chemical Engineering, ETH Zurich, Switzerland
- Bachelor of Business Administration, Graduate School of Business Administration (GSBA), Zurich, Switzerland

Other listed company mandates
- None

Other activities and vested interests
- Vice-Chair of the Board of Trustees, Avenir Suisse Foundation, Switzerland
- Member of the Board of Trustees of the ETH Foundation, Switzerland
- Member of the Executive Board, Swissmem Association, Switzerland

Professional background
Suzanne Thoma (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2021 and as Chair in 2022. In addition, she was appointed Executive Chair of Sulzer Ltd as of November 1, 2022. From 2013 to 2025, she served as a non-executive member of the Board of Directors of Beckers Group, Germany and from 2022 to 2025, she served as a non-executive member of the Board of Directors of BayWa r.e., Germany. Before joining Sulzer, Suzanne Thoma served as CEO at the international Energy, Engineering and Service company BKW AG in Bern, Switzerland, from 2013 to 2022. Prior to her appointment as CEO of BKW, she was a member of BKW's Group Executive Committee, responsible for the Networks division. Before that, she was Head of the Automotive business for the WICOR Group in Rapperswil-Jona, Switzerland, and CEO of Rolic Technologies Ltd., Allschwil, Switzerland. Earlier in her career, Suzanne Thoma held various management roles in a number of countries at Ciba Specialty Chemicals Ltd. (now BASF).

Markus Kammüller
Vice-Chair of the Board
Lead Independent Director
Chair of the Governance Committee
Member of the Remuneration Committee
Member of the Audit Committee

Educational background
- Degree in Business Administration, University of Applied Sciences, Lucerne, Switzerland

Other listed company mandates
- None

Other activities and vested interests
- President, Daxin Intl.

Professional background
Markus Kammüller (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2022 and was appointed Lead Independent Director in 2023. Mr. Kammüller has more than 40 years of experience in various industries and professional services through which he developed a reputation as a strong leader for organizational and technological change across different cultures. He is the Founder and Owner of ExecDelta GmbH, a company specializing in transformation and change-management consulting. Prior to establishing his own business in 2019,

he held the position of Global Head of Transformation at BDO International, Brussels (2016 to 2019). Before that, he was a Partner at PwC in the role of EMEA Chief Operating Officer and Global Change Management Leader (2006 to 2016). He also held various managerial positions at IBM Switzerland (2002 to 2006) and PwC Consulting (1996 to 2002), where he was a Partner and acted as Senior Advisor for large listed international corporations. From 1985 to 1996 he held various roles in finance, treasury and risk management at Dow Chemical. From 1978 to 1982 he worked in the credit department of Swiss Volksbank.

David Metzger
Member of the Board
Member of the Audit Committee
Member of the Strategy and Sustainability Committee

Educational background
- MBA, INSEAD, Fontainebleau, France
- Master of Finance (lic. oec. publ.), University of Zurich, Switzerland

Other listed company mandates
- Non-executive member of the Board of Directors, medmix AG, Switzerland

Other activities and vested interests
- None

Professional background
David Metzger (Swiss / French) was elected as a member of Sulzer's Board of Directors in 2021. He is a seasoned investment professional with extensive experience in international investment management, mergers and acquisitions, and portfolio strategy. Since late 2025, he has served as Investment and Portfolio Manager at A2 Link AG. His other previous roles include Investment Director at Liwet Holding AG (2015 to 2025), Good Energies AG (now Bregal Energy, part of COFRA Holding, 2007 to 2011), and Senior Manager at Bain & Company (2000 to 2007). He has also held positions at Novartis and Morgan Stanley. David Metzger has also served on the Boards of Swiss Steel Holding AG (2020 to 2025; delisted in 2025), OC Oerlikon (2016 to 2021; listed), Octo Telematics SpA (Italy, 2014 to 2023), and Norsun (Norway, 2008 to 2009).

Alexey Moskov
Member of the Board
Member of the Remuneration Committee

Educational background
- Master's degree in Software Engineering / Developing, Moscow State University of Railway Engineering, Russia

Other listed company mandates
- Non-executive member of the Board of Directors, OC Oerlikon Corporation AG, Switzerland

Other activities and vested interests
- None

Professional background
Alexey Moskov (Cypriot / Israeli) was elected as a member of Sulzer Ltd's Board of Directors in 2020. Since 2022, he has been the President of the Board of Directors of Liwet Holding AG in Zurich, Switzerland. He is also a member of the Board of Directors of Witel AG in Zurich, Switzerland. Since 2021, he has been the CEO of A2-Link AG, a private investment company in Zurich, Switzerland. He has been a member of the Board of Directors of OC Oerlikon since 2016. From 2019 to 2020, Alexey Moskov was a member of the Board of Directors of SCHMOLZ+BICKENBACH AG (now Swiss Steel Holding AG). From 2004 to 2022, he served as Chief Operating

Officer and later as the Executive Chairman of Witel AG. Previously, he served as Vice-President and member of the Executive Board at Tyumen Oil company (TNK-BP), Russia.

Dr. Prisca Havranek-Kosicek
Member of the Board
Chair of the Audit Committee
Member of the Nomination Committee
Member of the Governance Committee

Educational background
- Ph.D. in Business Administration, Vienna University of Economics and Business, Austria
- Master of Business Administration, Vienna University of Economics and Business, Austria

Other listed company mandates
- CFO, Jenoptik AG, Germany

Other activities and vested interests
- None

Professional background
Prisca Havranek-Kosicek (Austrian) was elected as a member of Sulzer Ltd's Board of Directors in 2023. She has more than 20 years of experience in the finance sector, focusing on finance management in large international companies. She has been the CFO of Jenoptik AG since April 2023. Until June 2023, she was a member of the Supervisory Board and member of the Audit Committee for Allianz-Elementar Versicherungs-AG, Austria. In 2021 she co-founded Arcadia eFuels, a start-up supporting decarbonization of the aviation industry. In 2019, she joined the industrial goods manufacturer Nilfisk A/S, which she left in 2021 after completing the restructuring. From 2018 to 2019, Prisca Havranek-Kosicek was CFO of Novozymes A/S in Denmark, a listed biotech company. There she was instrumental in repositioning the company's portfolio towards stronger, performance-driven growth. Between 2016 and 2018, Prisca Havranek-Kosicek served as CFO at Kuoni Group in Switzerland. From 2011 to 2016, she worked at the life science company Royal DSM as CFO for the pharma contract manufacturing division in the U.S., as well as the Group Treasurer. She held various positions in leading strategy consulting and M&A assignments, Investor Relations and Finance Planning before that.

Dr. Hariolf Kottmann
Member of the Board
Chair of the Remuneration Committee
Member of the Strategy and Sustainability Committee
Member of the Governance Committee

Educational background
- Ph.D. in Chemistry, University of Stuttgart, Germany

Other listed company mandates
- None

Other activities and vested interests
- Member of the Supervisory Board, Plansee Holding, Austria

Professional background
Hariolf Kottmann (German) was elected as a member of Sulzer Ltd's Board of Directors in 2023, bringing broad leadership experience in the roles of CEO and Chairman. As CEO of Clariant International Ltd. (Clariant) from 2008 through 2018, he led the company through highly demanding restructuring phases. Following that, he served as Executive President and later as Chairman of the Board of Directors at Clariant from 2019 until 2021. Before joining

Clariant, Hariolf Kottmann was a member of the Executive Committee at SGL Carbon AG (Wiesbaden, Germany) from 2001 to 2008. At SGL Carbon, he held responsibilities for Asia, Eastern Europe, Technology & Innovation, the Graphite Specialties as well as the Carbon Fibers and Composites businesses. From 1997 to 2001, he ran various businesses as a member of the Executive Committee at Celanese Chemicals Ltd at Summit (NJ), Dallas (TX), USA and Singapore. After completing his Ph.D. in Chemistry at the University of Stuttgart, Hariolf Kottmann began his career at Hoechst AG, (Frankfurt, Germany) in 1985, where he held several positions of increasing seniority in R&D, technology and production, marketing, finance and corporate functions.

Per Utnegaard

Member of the Board
Chair of the Nomination Committee
Member of the Strategy and Sustainability Committee

Educational background

- Bachelor of Science, Business Administration and Marketing, Northern Michigan University, Marquette, USA

Other listed company mandates

- None

Other activities and vested interests

- None

Professional background

Per Utnegaard (Norwegian) was elected as a member of Sulzer Ltd's Board of Directors in 2023. He has over 30 years of experience in strategic management consulting and 20 years of experience as a board member of publicly listed companies. Per Utnegaard has held several international leadership positions in logistics and transportation. From 2019 until 2025 he held Board of Director roles in Alvest Holding (Paris) and Saudi Ground Services (Jeddah). From 2015 to 2016 he served as CEO and Chairman of the Executive Board for Bilfinger SE. He ran Swissport International as CEO and President from 2007 to 2015, where he gained in-depth services experience on a global scale. Before that (2002 to 2005), Per Utnegaard was in charge of the Wholesale division of the pharma and beauty group Alliance Boots Plc. Additionally, he is an acting senior advisor for several stock-listed private equity companies.

Operating principles of the Board of Directors and its committees

All decisions are made by the full Board of Directors. For each application, written documentation is distributed to the members of the Board of Directors prior to the meeting. The Board of Directors and the committees meet as often as required by the circumstances. The Board of Directors meets at least five times per year; the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and Sustainability Committee meet at least twice per year and the Governance Committee meets at least once a year. In 2025, the Board held eight ordinary meetings and one extraordinary meeting, lasting an average of two and a half hours. The Board held physical, virtual and hybrid meetings, with participants joining in person whenever possible. For further details, see the table below. The CFO and the Group General Counsel or the Secretary of the Board of Directors also generally attend the Board meetings in an advisory role. Other members of the Executive Committee are invited to attend Board meetings as required to discuss the midterm planning, the strategy and the budget, as well as division-specific items (such as large investments and acquisitions). In exceptional cases, external consultants (e.g., legal advisors, management consultants or executive compensation experts) are also invited for the presentation or discussion of specific agenda items in meetings of the Board of Directors or any of its committees.

The committees do not make any decisions but rather review and discuss the matters assigned to them and submit the required proposals to the full Board of Directors for a decision. At the next full Board meeting following the committee meeting, the chairs of the committees report to the full Board of Directors on all matters discussed, including key findings, opinions and recommendations.

Board of Directors

					Attending meetings of the					
Name	**Nationality**	**Position**	**Entry**	**Elected until**	**Board**	**AC**	**NC**	**SSC**	**RC**	**GC**
Suzanne Thoma	Switzerland	Chair of the Board, Chair SSC, member NC	April 2021	2026	9	-	4	2	-	-
Markus Kammüller	Switzerland	Vice-Chair of the Board, Lead Independent Director, Chair GC, member RC, member AC	April 2022	2026	9	5	-	-	4	1
David Metzger	Switzerland / France	Member AC, member SSC	April 2021	2026	9	5	-	2	-	-
Alexey Moskov	Cyprus / Israel	Member RC	April 2020	2026	7	-	-	-	4	-
Prisca Havranek-Kosicek	Austria	Chair AC, member NC, member GC	April 2023	2026	9	5	4	-	-	1
Per Utnegaard	Norway	Chair NC, member SSC	April 2023	2026	9	-	4	2	-	-
Hariolf Kottmann	Germany	Chair RC, member SSC, member GC	April 2023	2026	9	-	-	2	4	1

AC = Audit Committee; NC = Nomination Committee; SSC = Strategy and Sustainability Committee; RC = Remuneration Committee; GC = Governance Committee

Additional mandates of members of the Board of Directors outside the Sulzer Group

According to Sulzer's Articles of Association, the maximum number of additional mandates held by members of the Board of Directors outside the Sulzer Group is ten (of which a maximum of four mandates may be with listed companies, § 33). Exceptions (e.g., for mandates held at the request of Sulzer Ltd or a group company or mandates in associations) are defined in the Articles of Association (§ 33, paragraphs a, b and c). All members of the Board of Directors are within the limits of external mandates prescribed by the company's Articles of Association.

Audit Committee

The Audit Committee (members listed above) assesses the midyear and annual consolidated financial statements and activities of the internal and statutory auditor, including effectiveness and independence, as well as the cooperation between the two bodies. It also assesses the Internal Control System (ICS), risk management and compliance; at least one meeting per year is dedicated to risk management and compliance. The Audit Committee is also charged with discussing the report on non-financial matters, or any other similar report that the Board or the company's management chooses to establish. The CFO, the Group General Counsel, the Head of Group Internal Audit (who is also the Secretary of this committee) and the external auditor-in-charge attend the meetings of the Audit Committee. The Executive Chair may attend the meeting unless advised otherwise by the Head of Internal Audit. In 2025, the Audit Committee held five ordinary meetings: One in February, two in July, one in September and one in December. The meetings lasted, on average, one and a half hours. The statutory auditor attended all of these meetings. Internal experts, such as the Group General Counsel and the Heads of Group Internal Audit, Group Accounting, Group IT, Group Compliance and Risk Management, and Group Treasury & Tax, gave presentations to the Audit Committee in 2025.

In February, the Audit Committee is informed of compliance exposures as a result of periodic risk assessments, and it receives an overview of compliance cases under investigation. In September, the Audit Committee is briefed on the present state of risk management within the company and on the results of the risk management process – a process to systematically identify and evaluate significant risks and introduce countermeasures. In the same meeting, an update on Sulzer's compliance approach, including the respective ongoing – and planned – activities, is provided. The major current compliance cases (if any) are reported to and discussed by the Audit Committee regularly. The regulations of the Audit Committee can be viewed at www.sulzer.com/ac-regulations.

Nomination Committee

The Nomination Committee (members listed above) assesses the criteria for the election and re-election of Board members and the nomination of candidates for the top two management levels and deals with succession planning. The Executive Chair and the Chief Human Resources Officer attend the meetings of the Nomination Committee. In 2025, four ordinary meetings were held in January, July, September and December, lasting an average of 40 minutes. The regulations of the Nomination Committee are available at www.sulzer.com/nc-regulations.

Remuneration Committee

The Remuneration Committee (members listed above) assesses the compensation systems and recommends compensation for the members of the Board of Directors and the Executive Committee (including bonus targets for the latter) on behalf of the Board of Directors and in accordance with its specifications. It carries out broad-based compensation benchmarks with an international comparison group, supported by studies of consulting firms such as Mercer and HCM International, and it scrutinizes the work of internal and external consultants. The members of the Remuneration Committee are elected by the Shareholders' Meeting. In 2025, four ordinary meetings were held in January, July, September and December, lasting an average of 30 minutes. The regulations of the Remuneration Committee can be viewed at www.sulzer.com/rc-regulations.

Strategy and Sustainability Committee

The Strategy and Sustainability Committee (members listed above) advises the Board of Directors on strategic matters (such as material acquisitions, divestitures, alliances and joint ventures), strategic planning, definition of development priorities, and the company's sustainability initiatives and objectives as well as on other relevant public policy matters. In 2025, two regular meetings took place in May and November, lasting an average of one and a half hours. The regulations of the Strategy and Sustainability Committee can be viewed at www.sulzer.com/ssc-regulations.

Governance Committee

The Governance Committee (members listed above) advises the Board of Directors with respect to checks and balances in the executive chair model, oversees compliance with the Swiss Code of Best Practice for Corporate Governance as well as legal and regulatory requirements, and periodically reviews the principles of corporate governance. In 2025, one meeting took place in December, lasting one hour. The regulations of the Governance Committee can be viewed at www.sulzer.com/gc-regulations.

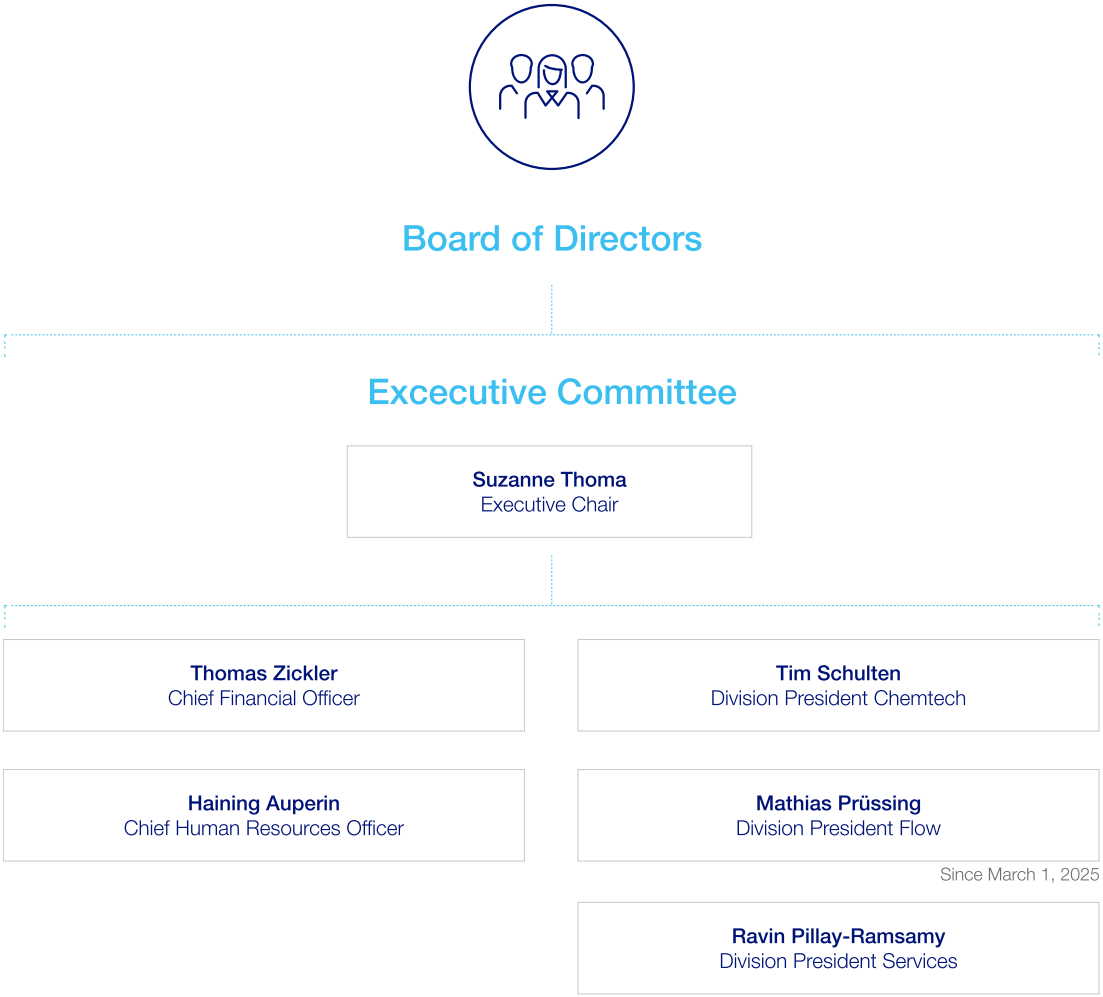
Division of powers between the Board of Directors and the Executive Committee

The Board of Directors has largely delegated executive management powers to the Executive Committee. However, it is still responsible for matters that cannot be delegated in accordance with art. 716a CO. These matters include corporate strategy, the approval of midterm planning and the annual budget, as well as key personnel decisions and the preparation of the annual report and the compensation report. The Board of Directors is also responsible for the report on non-financial matters pursuant to art. 964a et seqq. CO. Furthermore, the Board of Directors remains responsible for acquisition and divestiture decisions involving a transaction value exceeding CHF 30 million; investments in fixed assets exceeding CHF 15 million; major corporate restructurings; approval of dispute settlements with an impact on operating income of more than CHF 20 million; approval of research and development projects exceeding CHF 10 million, as well as other matters relevant to the company; and decisions that must be made by the Board of Directors by law. The competency regulations and the nature of the collaboration between the Board of Directors and the Executive Committee can be viewed in the Board of Directors and Organization Regulations at www.sulzer.com/BoD-organizational-regulations.

Self-assessment

The Board of Directors from time to time reviews its performance as well as that of its committees. Such review focuses on the composition, engagement at the meetings and availability of the members of the Board of Directors, as well as on processes, culture and meeting conduct. Furthermore, it reviews the interaction of the Board of Directors' members with the members of the Executive Committee to assess the need for collective or individual training of members of the Board of Directors, always with the goal of validating the Board of Directors' and the standing committees' work in an efficient and diligent manner.

Management Structure



Information and control instruments

Each member of the Board of Directors receives financial information in advance of the Board meetings, in addition to the midyear and annual financial statements. These updates include information about the balance sheet, the income and cash flow statements, and key figures for the company and its divisions. They incorporate comments on the respective business results and a rolling forecast for the current business year. The Executive Chair and the CFO report at every Board meeting on business developments and all matters relevant to the company; once each year, the Board receives the forecasted annual results. During these Board meetings, the Chairs of the

committees also report on all matters discussed by their committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year and the midterm plan, which is also subject to periodic review. In addition, the Board of Directors receives a status update on investor relations on a regular basis.

Group Internal Audit

Group Internal Audit reports functionally directly to the Chair of the Audit Committee, but administratively to the CFO. Meetings between Group Internal Audit and the statutory auditor take place regularly. They are used to prepare for the meetings of the Audit Committee, to review the interim and final reports of the statutory auditor, and to plan and coordinate internal and external audits. Group companies are audited by Group Internal Audit based on an audit plan that is approved by the Audit Committee. Depending on the risk category, such audits are carried out on a rotational basis either annually or every second, third or fourth year. Group Internal Audit carried out 44 audit assignments (including audit follow-up reviews and internal controls testing) in the year under review. One of the focal points is the internal control system (ICS). The results of each audit are discussed in detail with the entities and (where necessary) the divisions concerned, and key measures are agreed upon. The Executive Chair, the members of the Audit Committee, the CFO, the Group General Counsel as well as the respective Division President and other line managers of the audited entity receive a copy of the audit report. Significant findings and recommendations are also presented to and discussed with the Executive Committee and the Group General Counsel. A follow-up process is in place for all Group internal audits, which allows efficient and effective monitoring of how the improvement measures are being implemented. Each year, the Head of Group Internal Audit compiles a report summarizing activities and results. This report is distributed to members of the Board of Directors and the members of the Executive Committee, and it is presented to the Executive Committee and the Audit Committee. It is discussed in both committees and, thereafter, reported to the Board of Directors.

Risk management and compliance

Sulzer has established and implemented a comprehensive, value- and risk-based compliance program that focuses on prevention, detection and response. It consists of the following main elements:

Strong values and building up a strong ethical compliance culture

Sulzer puts a high priority on conducting its business with integrity, in compliance with all applicable laws and internal rules (“a clean deal or no deal”), and on accepting only reasonable risks. Sulzer follows a zero-tolerance compliance approach. The Board of Directors and the Executive Committee firmly believe that compliant and ethical behavior in all aspects and on all levels is a precondition for successful and sustainable business. The ethical tone is set at the top, carried through to the middle and transmitted throughout the entire organization. Sulzer also fosters a speak-up culture and encourages employees to address potentially non-compliant behaviors. Retaliation against whistleblowers acting in good faith is not tolerated.

Risk assessment

As part of Sulzer's integrated risk management process, compliance risks are assessed regularly and mitigated with appropriate and risk-based actions. The results are discussed both with the company's management and with the Audit Committee. The Group Risk Management Report is discussed in the September Audit Committee meeting. An overview of the main risks and corresponding mitigation measures is provided in the chapter "Risk management" of this corporate governance report.

Internal rules and tools

Sulzer has a Code of Business Conduct, which can be viewed in 18 languages at www.sulzer.com/governance (under "Code of Business Conduct"). Every employee of the company (including employees of newly acquired businesses) has to confirm in writing that he or she has read and understood this code and will comply with it. Every member of the Sulzer Management Team (62 managers), the heads of the operating companies, the headquarters, regional and local compliance officers as well as the legal entity finance heads must reconfirm this compliance commitment in writing annually.

Rules

Although Sulzer follows a behavior- and principle-based approach, compliance directives and processes have been implemented as elements of the governance framework. Sulzer focuses on the major compliance risks. For example:

- Bribery and corruption risks: Sulzer has had a group-wide anti-bribery and anti-corruption program in place since 2010. This program includes a web-based process that addresses the due diligence of intermediaries, a company-wide directive for offering and receiving gifts and hospitalities, and an e-training module (in 11 languages) to familiarize Sulzer employees with the requirements of the directive.
- Antitrust and anticompetition risks: Sulzer has an antitrust directive addressing behaviors in trade associations in place.
- Export control risks: Employees involved in export activities have to comply with all applicable export and re-export laws and regulations. Sulzer rolled out and implemented its global Trade Control Directive in all legal entities concerned. Every exporting legal entity has an internal control program (ICP) in place that includes processes and defines responsibilities on export control matters and other important requirements to comply with export compliance laws and regulations.
- Further risks (e.g., non-compliance with stock exchange laws and regulations; human resource-related issues; insufficient protection of intellectual property and know-how; violations of privacy and data protection laws; product liability; risk related to environment, quality, safety and health, etc.): Focused rules and processes address these and many other potential risks. Sulzer has processes that ensure compliance with insider laws as well as stock exchange reporting and notification duties. In person trainings on anti-harassment and discrimination were performed by Human Resources together with Group Compliance, covering 3'296 employees as well as 22 export control trainings and webinars were conducted covering 313 employees.

Tools

Sulzer has a compliance hotline and an incident reporting system that provides employees with multiple ways to report (potential) violations of laws or internal rules. Reports can be made anonymously or openly via a hotline, a smartphone app or a dedicated website. The company has a directive that sets clear rules for internal investigations. Further tools are available to all employees on Sulzer's intranet (e.g., presentations addressing the major exposures, draft agreements, sales and procurement handbooks with compliance-specific explanations and standard clauses). Sulzer has a compliance risk assessment process in place to identify and assess potential compliance risks on a local entity level and to define appropriate measures. For newly acquired companies, Sulzer sets up a post-merger integration process consisting of a systematic post-merger compliance risk analysis, which provides the foundation for risk-based mitigation actions.

Organization

Since 2013, Sulzer has had a Legal, Compliance and Risk Management Group function (headed by the Group General Counsel). Within this organization, a line reporting structure is in place for the three regions: Americas (AME); Europe, the Middle East and Africa (EMEA); and Asia-Pacific (APAC). The local Compliance Officers ultimately report – via Regional Compliance Officers – to the Group General Counsel and Chief Compliance Officer. In addition, the headquartered Compliance and Risk Management team steers and runs the group-wide compliance program and all compliance investigations. To ensure the consistent rollout of Group Compliance initiatives, the compliance organization uses direct reporting lines. The Group General Counsel informs the Board of Directors and the Executive Committee regularly about legal matters and key changes in legislation that may affect Sulzer, as well as on important litigation. Twice a year, the Audit Committee receives a report about any pending or threatened litigation with worst-case exposure exceeding CHF 0.5 million. Further information on reports to the Audit Committee is provided in the "Audit Committee" section above.

Awareness building and trainings

Sulzer puts substantial effort into training its employees. Training is carried out through e-learning programs (new programs are rolled out and existing programs are updated every year), in person or through web conferences. In 2025, Sulzer employees completed 25'113 compliance e-learning courses.

Controls and sanctions

The Group Function Legal supports the audits done by Group Internal Audit following the same audit process. The Group Function Environment, Safety and Health (ESH) collaborates with Group Internal Audit, Division ESH heads and site representatives to ensure comprehensive governance oversight and organizes annual ESH compliance audits, conducted by external experts, to ensure adherence to applicable regulations. Seven such audits were conducted in the reporting year. The results of each of these audits were discussed directly with the responsible managers, and an agreement was reached on any improvements required. The findings are tracked and monitored using a centralized tool, with significant risks escalated to the Audit Committee as part of Group Internal Audit's reporting. Risks relating to environment, safety and health form part of the annual ESH audit plan, which is reported to the Audit Committee once a year. Apart from these formal audits, internal investigations (triggered by reports from the compliance hotlines, emails, telephone calls or other avenues of communication) were carried out during 2025 and at least 17 employees had to leave Sulzer because of violations of Sulzer's Code of Business Conduct. Others received warnings or faced other disciplinary measures. However, most of the reports received concerned non-material issues.

Continuous improvement

It is Sulzer's goal to constantly improve its compliance and risk management approach. Findings of audits and internal investigations are assessed, internal processes and rules are adjusted, and training modules are improved. Sulzer always reviews compliance violations to determine whether they are rooted in a process weakness. If that is found to be the case, the process will be improved and risk-mitigating measures will be taken.

Executive Committee

The Executive Committee consists of the Executive Chair, the Chief Financial Officer (CFO), the Chief Human Resources Officer, the Division President Services, the Division President Flow and the Division President Chemtech.

The Board of Directors delegates executive management powers to the Executive Chair. The Executive Chair delegates the appropriate powers to the members of the Executive Committee (EC). The Division Presidents define and attain business targets for their respective divisions in accordance with group-wide goals. The Board of Directors and Organization Regulations govern, among other things, the transfer of responsibilities from the Board of Directors to the Executive Chair and the EC. There are no management contracts with third parties. None of the Executive Committee members has a contract with a notice period exceeding 12 months. The members of the Executive Committee and their CVs can be viewed below. Effective March 1, 2025 Mathias Prüssing succeeded Jan Lüder as member of the Executive Committee as Division President Flow. Details on the former members of the Executive Committee can be found in the Corporate Governance chapter of the company's Annual Report 2024.

CVs of Executive Committee members

Dr. Suzanne Thoma
Executive Chair
Chair of the Strategy and Sustainability Committee
Member of the Nomination Committee

Educational background
- Ph.D. in Technical Sciences, ETH Zurich, Switzerland
- Master of Science in Chemical Engineering, ETH Zurich, Switzerland
- Bachelor of Business Administration, Graduate School of Business Administration (GSBA), Zurich, Switzerland

Other listed company mandates
- None

Other activities and vested interests
- Vice-Chair of the Board of Trustees, Avenir Suisse Foundation, Switzerland
- Member of the Board of Trustees of the ETH Foundation, Switzerland
- Member of the Executive Board, Swissmem Association, Switzerland

Professional background
Suzanne Thoma (Swiss) was elected as a member of Sulzer Ltd's Board of Directors in 2021 and as Chair in 2022. In addition, she was appointed Executive Chair of Sulzer Ltd as of November 1, 2022. From 2013 to 2025, she served as a non-executive member of the Board of Directors of Beckers Group, Germany and from 2022 to 2025, she served as a non-executive member of the Board of Directors of BayWa r.e., Germany. Before joining Sulzer, Suzanne Thoma served as CEO at the international Energy, Engineering and Service company BKW AG in Bern, Switzerland, from 2013 to 2022. Prior to her appointment as CEO of BKW, she was a member of BKW's Group Executive Committee, responsible for the Networks division. Before that, she was Head of the Automotive business for the WICOR Group in Rapperswil-Jona, Switzerland, and CEO of Rolic Technologies Ltd., Allschwil, Switzerland. Earlier in her career, Suzanne Thoma held various management roles in a number of countries at Ciba Specialty Chemicals Ltd. (now BASF).

Thomas Zickler
Chief Financial Officer

Educational background
- Studies in Economics (1988-1994), Johann Wolfgang Goethe-University, Faculty of Economic Science, Frankfurt on Main, Frankfurt, Germany

Other listed company mandates
- None

Other activities and vested interests
- None

Professional background
Thomas Zickler (German / Swiss) was appointed Chief Financial Officer and member of the Executive Committee on May 1, 2022. He joined Sulzer as Head of Group Treasury in 2015 and most recently served as Head of Group Corporate Finance & Shared Services. Since 2016, Thomas Zickler has been a Member of the Board of Trustees for the company's pension plans, the Sulzer Vorsorgeeinrichtung (SVE) and Johann Jakob Sulzer-Stiftung (JJS). Before joining Sulzer, he worked as Country Treasurer for ABB Switzerland in Baden (2010 to 2015). From 2006 until 2009, he was Vice President and Head of the External Financial Reporting & Technical Accounting Policies department for ABB Group in Zurich. Prior to that, from 1996 until 2006, he held various positions within Finance (controlling, accounting, treasury, IT consulting) at DaimlerChrysler in Stuttgart and Berlin. Thomas Zickler began his career in 1995 within the controlling department at Sherwood Medical and Metallgesellschaft in Frankfurt on Main. During his studies, he worked for Siemens AG in the Central Finance Department and Siemens Capital Corporation, in Munich and New York City. He was also an analyst at Georg Hauck & Son Bankiers in the equity research department in Frankfurt.

Haining Auperin
Chief Human Resources Officer

Educational background
- Master in Management and Company Policy, Human Resources, Social Development and Employment, Sciences-Po, Paris, France
- Master in Business Management, Capital University of Economics and Business, Beijing, China

Other listed company mandates
- None

Other activities and vested interests
- Non-executive member of the Board of Directors, ADAMA Agricultural Solutions Ltd., Israel
- Non-executive member of the Board of Directors, Beckers Group, Germany

Professional background
Haining Auperin (French) was appointed Chief Human Resources Officer and member of the Executive Committee on January 1, 2023. She joined Sulzer in 2016 as Division Head of HR for Flow and most recently served as Head of Group Human Resources Operations. Before joining Sulzer, Haining Auperin was the Senior Vice President Human Resources Boiler Business for GE Power from 2014 to 2016. Prior to that, she held various senior HR leader positions in different areas within GE, AREVA and Ansaldo.

Tim Schulten
Division President Chemtech

Educational background
- Master of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
- Master of Business Administration, Harvard Business School, Boston, USA

Other listed company mandates
- None

Other activities and vested interests
- Director, JCB Group Holdings SARL, Switzerland

Professional background
Tim Schulten (Swiss) joined the Sulzer Executive Committee as Division President Services in 2022. Prior to that he was the Group Head for Marketing, Strategy and Digital. Tim Schulten relinquished his role as Division President Services to assume the position of Division President Chemtech in October 2024. Before joining Sulzer, Tim Schulten was the General Manager and responsible for global Product Support & Marketing for Caterpillar's Electric Power Business. From 2012 to 2015 he was General Manager for Sales & Distribution for Caterpillar's global gas engine business, responsible for building and leading the organization during the post-acquisition integration of MWM. From 2007 to 2012, he was a Division Manager responsible for Caterpillar's Electric Power Retail business in Europe, Africa and the Middle East. Prior to that he held various positions in sales, marketing and product support with Caterpillar and he spent several years in California working in technology start-ups.

Mathias Prüssing[3]
Division President Flow

Educational background
- MBA in General Management, University of St Gallen, Switzerland
- Attorney at Law, University of Bern, Switzerland

Other listed company mandates
- Advisory Board Member, Wealth Minerals Ltd., Vancouver, Canada

Other activities and vested interests
- President of the Board of Directors, ara region bern AG, Switzerland
- Member of the Board of Directors, Energie Wasser Bern, Switzerland

Professional background
Mathias Prüssing (Swiss) joined the Sulzer Executive Committee as Division President Flow on March 1, 2025. He first joined Sulzer in January 2024 as Head of Group Business Development and Strategic Marketing. Before Sulzer, Mathias Prüssing held executive leadership roles at prominent technology companies. From 2017 to 2023, he served as CEO of BKW Building Solutions AG. Prior to that, he was Head of the Market business division at BKW Energy AG (2016) and held several key positions at Swisscom AG from 2012 to 2016, Comfone AG (2008 to 2011) and Infonet AG (2006 to 2008).

3) Appointed on March 1, 2025

Ravin Pillay-Ramsamy
Division President Services

Educational background
- Master of Business Administration, Columbia Business School, New York, USA, and London Business School, London, England
- Master of Management in Finance, Rensselaer Polytechnic Institute, New York, USA
- Bachelor of Science, Electrical & Computer Engineering, The Ohio State University, Columbus, Ohio, USA

Other listed company mandates
- None

Other activities and vested interests
- None

Professional background
Ravin Pillay-Ramsamy (Mauritian / American) joined the Sulzer Executive Committee as Division President Services on October 1, 2024. He has held several key positions at Sulzer since joining the company in 2015. Prior to his current appointment, he led Sulzer Services' EMEA region (Europe, Middle East and Africa) from 2021, expanding his role in March 2023 to Deputy Division President of the Services Division. From 2018 to 2020, Ravin Pillay-Ramsamy was based in Singapore as President of the Asia-Pacific region. Prior to that, he spent two years between the USA and Switzerland as Head of Business Development & Strategy for the Services division. Before joining Sulzer, he worked at Turbine Services Ltd. from 2005 to 2015, most recently serving as Business Development Director and Vice President Engineering in Saratoga Springs, New York.

Additional mandates of members of the Executive Committee outside the Sulzer Group

No member of the Executive Committee may hold more than five mandates, of which no more than one may be in listed companies (Articles of Association, § 33). Exceptions (e.g., for mandates held at the request of Sulzer Ltd or a Group company or mandates in associations) are defined in the Articles of Association (§ 33, paragraphs a, b and c). All members of the Executive Committee are within the limits for external mandates prescribed by the company's Articles of Association.

Shareholder participation rights

Restrictions and representation of voting rights

Only nominees are subject to restrictions (see "Capital structure" section of this corporate governance report). No exceptions were granted during the reporting year, and no measures to remove these restrictions are planned. According to the Articles of Association, a shareholder may be represented at a Shareholders' Meeting by a legal representative, through a written power of attorney to any other proxy, who does not need to be a shareholder or the independent proxy. Shares held by a shareholder may be represented by only one person.

Statutory quorum

Changes to the Articles of Association may only be approved by a majority of at least two-thirds of the voting rights represented at the Shareholders' Meeting, other than ordinary share capital increases (against payment in cash and without the exclusion of shareholders' preemptive rights), which are decided by a majority of the votes represented. The dissolution or a merger of the company can only be decided upon if at least half the shares issued are represented at the Shareholders' Meeting and two-thirds thereof vote in favor of the corresponding proposal (see also § 16 of the Articles of Association).

Convocation of the Shareholders' Meeting and submission of agenda items

The applicable regulations regarding requests for the convocation of an extraordinary Shareholders' Meeting are in line with the applicable law regarding the convocation of a Shareholders' Meeting. Shareholders representing at least 0.5% of the share capital may submit items for inclusion on the agenda of a Shareholders' Meeting. Such submissions must be requested in writing at least two months prior to the meeting and must specify the agenda items and proposals of the shareholder concerned (see also § 12 of the Articles of Association).

Entry in the share register

Voting rights may be exercised by shareholders who are registered in the share register on the record date stated in the invitation to the respective Shareholders' Meeting.

Independent proxy

At the AGM of April 23, 2025, Proxy Voting Services GmbH was elected as the independent proxy for a term of office extending until completion of the next AGM. The Articles of Association do not contain rules on the granting of instructions to the independent proxy and the electronic participation in the Shareholders' Meeting which deviate from the default Swiss law.

Takeover and defense measures

The Articles of Association contain no opting-out or opting-up clauses. If there is a change of control, all restricted share units (RSUs) allocated to Board members as well as the performance share units (PSUs) allocated to members of the Executive Committee are automatically vested. In case of the PSUs, they vest subject to the Board of Directors' performance assessment, without being subject to blocking restrictions. A change of control includes an acquisition of or a public takeover offer in relation to more than 33.33% (RSUs) or 50% or more (PSUs) of the voting rights.

Auditors

The statutory auditor is elected at the AGM for a one-year term of office. KPMG AG has been acting as the statutory auditor since 2013. As of the financial year 2020, the acting external auditor-in-charge is Rolf Hauenstein. The external auditor-in-charge is replaced at least every seven years. The Audit Committee is in charge of supervising and monitoring the statutory auditor, and it reports to the Board of Directors (see "Audit Committee" section in the chapter "Board of Directors" of this corporate governance report). The members of the Audit Committee receive summaries of audit findings and improvement proposals at least once a year. The external auditor-in-charge and his deputy were invited to attend meetings of the Audit Committee.

In 2025, the statutory auditor was present at all five Audit Committee meetings. The Audit Committee or its Chair meets separately with the Head of Group Internal Audit and the statutory auditor at least once a year to assess (among other things) the independence of the internal and statutory auditors. The Audit Committee evaluates the work done by the statutory auditor based on the documents, reports and presentations provided by the statutory auditor, as well as on the materiality and objectivity of their statements. To do so, the Audit Committee gathers the opinion of the CFO. The Audit Committee reviews the fee paid to the auditor regularly and compares it with the auditing fees paid by other internationally active Swiss industrial companies. Said fee is negotiated by the CFO and approved by the Board of Directors. Further information on the auditor, in particular the auditor's fees and any additional fees received by the auditor for advisory services outside its statutory audit mandate, is listed under note 31 to the consolidated financial statements. All advisory services provided outside the statutory audit mandate (essentially, consulting services related to audit and accounting as well as legal and tax advisory services) are compliant with the applicable independence rules.

Risk management

At Sulzer, risks are assessed regularly as part of the company's integrated risk management process. The results are discussed with the management and the Audit Committee.

Risk	Risk exposure	Main loss controls
External and markets		
Market assessment	Market developments that are assessed inappropriately could lead to missed business opportunities or losses.	— Continuous monitoring and assessment of market developments — Systematic midrange planning based on market developments and expectations
Geopolitical shocks	A geopolitical shock event could have an impact on operations and travel. Also, it could imply currency risks and default risks of countries and banks.	— Monitoring of exposure in critical countries — Monitoring of debt situation of countries and banks — Continuous monitoring of raw material prices and inflation indicators — Monitoring of custom tariffs and implementing mitigation actions by adapting value chains and contractual conditions — Sulzer's global presence mitigates the effect of geopolitical shocks
	48.82% of Sulzer's shares are beneficially owned by Viktor F. Vekselberg, who is listed as a Specially Designated National by the US Office of Foreign Assets Control and subject to sanctions in other jurisdictions including Ukraine, Japan, the UK, Australia, New Zealand, Canada and Poland. These sanctions and possible future sanctions in further countries could result in negative media coverage, damage to Sulzer's reputation and impair existing business relationships with customers, suppliers, banks or other business partners as well as Sulzer's ability to win future business.	— Continuous monitoring of international sanctions environment and seeking of advice by reputable sanctions law firms — Maintaining and enhancing a robust sanctions compliance program
Strategic		
Innovation	Failure in R&D and innovation activities could negatively impact the ability to operate and to grow the business. Insufficient investments in innovation to maintain technology leadership and develop innovative products.	— A phased process, technical risk manageability assessments and key performance indicators to ensure quality of the development — Product development council with strong focus on strategic plans and digitalization — Prototypes and own test beds to test and validate products before market release — Core technology council for research of basic technology — Focus on innovation with strategic customers — Innovation and ideation projects — Implementation of an expert development program for key critical resources
Environment, Social and Governance (ESG)	ESG-related regulations could change. Stakeholder expectations related to ESG commitments could change. Not meeting regulatory requirements could result in fines, limit access to financing, impact banking channels and result in loss of business and reputational damages.	— Board Strategy and Sustainability Committee extended to cover ESG and sustainability — Setting of clear ESG-related objectives and progress tracking — ESG initiatives driven by EC including different group and business functions covering regulatory requirements and supply chain due diligence — ESG assessments in business projects
Operational		
Attraction and retention	Failure to attract, retain and develop people could lead to a lack of critical skills and knowledge, which hinders both daily operations and growth potential.	— Ensuring that Sulzer's people and performance efforts are anchored to the company's values and behaviors — Ongoing feedback through employee opinion survey "Voice of Sulzer" — Robust internal communications strategy — Ongoing engagement in workshops and collaborative activities — Visibility and access to creating development experiences and opportunities — Consistent approach to salary grading and benchmarking
Health and safety	An unsafe working environment could lead to harm to people, reputational damage, fines and liability claims, and could have a serious economic impact.	— Health and safety directives, guidelines, programs (e.g. Safe Behavior Program) and training — ISO 45001 certifications — Monthly health and safety controlling and regular audits, systematic risk assessments — Global network of health and safety officers

Environmental	Environmental damage could lead to harm to people and nature, reputational damage, fines and liability claims, and could have a serious economic impact.	— Mitigation in comprehensive environmental due diligence (EDD) projects for acquisitions and divestitures — Elimination of environmentally damaging substances through Prohibited Substances List — Sulzer sustainability strategy that defines key targets in view of climate change
Compliance	Non-compliant or unethical behavior could lead to reputational damage, fines and liability claims.	— Active fostering of high ethical standards by tone from the top and middle management — Continuous monitoring and assessment of potential exposures — Continuous monitoring of regulatory environment — Sulzer Code of Business Conduct and a number of supporting regulations (e.g. anticorruption, antitrust, trade control) — Third-party due diligence process — Global and centrally led organization of compliance and trade compliance officers — Compliance training (incl. e-learning) and audits — Sensitive country list with escalation process and project-specific compliance assessments in high-risk countries — Speak-up culture, compliance hotline and sanction checks
Quality of products and services	Failure of high-quality products and services could lead to repeated work, reputational damage or liability claims.	— Quality management and assurance systems tailored to specific businesses — Third-party accreditation — Competence development programs and training of employees — Test centers
Business interruptions	Business interruption, such as a fire, could cause damage to people, property and equipment. It could have a negative effect on the ability to operate at the affected site. Security incidents could impact the IT infrastructure or systems, which could result in a business interruption. Business interruption caused by pandemic-related lockdowns or bottlenecks in logistics centers, lack of transport capacities, lack of raw materials or electronic parts or increased demand could have an impact on operations and supply chains and thus could lead to serious economic impact.	— Crisis and emergency management systems (at global and local level) including close monitoring of incidents which could impact supply chains — Risk management policy and guidelines — Global manufacturing footprint and global procurement — IT security standards, measures and incident response team — Disaster recovery plans in IT — Enhancement of IT infrastructure to cope with higher data volumes during extended remote work
Financial		
Financial markets	The unpredictability of financial markets including currency risks may have a negative effect on Sulzer's financial performance and its ability to raise or access capital.	— Group financial policy — Foreign exchange risk policy — Trading loss limits for financial instruments
Credit	Credit risks arising from financial institutions and from customers could have a negative effect on Sulzer's financial performance and ability to operate.	— For financial institutions, only parties with a strong credit quality are accepted (third-party rated) — Individual risk assessment of customers with large order volumes — Continuous monitoring of country risks
Liquidity	Failure in liquidity risk management may have a negative effect on Sulzer's financial performance and its ability to operate.	— Continuous liquidity monitoring — Management of liquidity reserves at group level — Cash flow program to optimize liquidity and cash flow management — Efficient use of available cash through cash pooling

Information policy

Sulzer Ltd reports on its order intake every quarter (media releases) and on its financial results every half-year. In each case, it also comments on the business performance and outlook. In addition, the company reports on important events on an ongoing basis (ad hoc publications). The reporting referred to in the compensation report (including the respective references to the financial reporting section) complies with the recommendations on the content of the compensation report as laid out in section 42 of the Swiss Code of Best Practice for Corporate Governance.

The official means of publication of the company is the Swiss Official Journal of Commerce. In accordance with § 38 of the Articles of Association, the Board of Directors is at any time authorized to designate further publication organs. Notices by the company to the shareholders may, at the election of the Board of Directors, be validly published in the Swiss Official Journal of Commerce or in a form that can be evidenced by text. The address of the company's main registered office is Neuwiesenstrasse 15, 8401 Winterthur, Switzerland.

Sulzer's corporate calendar can be viewed at www.sulzer.com/events. Media releases (sent via email) can be subscribed to at www.sulzer.com/subscribe. Other information is available on the Sulzer website https://www.sulzer.com, or by contacting Investor Relations: https://www.sulzer.com/en/about-us/investors – Thomas Zickler, Chief Financial Officer, +41 52 262 33 15, investor.relations@sulzer.com.

General blackout periods

Generally, and regardless of whether any inside information exists or not, pursuant to Sulzer Ltd's Securities Trading Regulation, the trading of Sulzer Ltd securities is prohibited for (a) the members of the Board of Directors and the Executive Committee, (b) any staff reporting to any member of the Executive Committee that have access to inside information, (c) members of Group Finance, Group Mergers and Acquisitions, Group Legal, Corporate Communications and Investor Relations and any relevant staff with access to inside information, including members of the Sulzer Management Team, and (d) any external advisors having access to inside information in connection with Sulzer Ltd's financial reporting or the preparation of an offering memorandum during the following periods: (i) the periods starting on January 1 and July 1 until and including the trading day of the public releases of the respective full-year or half-year reports (if published prior to 7:30 a.m.) or the following trading day (if published between 5:40 p.m. and midnight) and (ii) the periods starting on April 1 and October 1 until and including the trading day of the public releases of the respective quarterly results (if published prior to 7:30 a.m.) or the following trading day (if published between 5:40 p.m. and midnight). Under certain circumstances (in particular in case of personal hardship), the company may allow exceptions to a blackout period upon reasoned request by an employee or concerned Board member, provided that such employee is not in possession of any inside information. Such exceptions must be issued in writing with a copy to the employee's or Board member's file. No such exceptions were granted in 2025.

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Paying for sustainable performance

Winterthur, February 26, 2026

Dear Shareholder,

On behalf of the Board of Directors and of the Remuneration Committee (RC), I am pleased to present the 2025 Compensation Report.

2025 was marked by global uncertainty, yet Sulzer delivered a strong result, meeting guidance and achieving its business goals. Profitability and ROCE improved through disciplined execution, operational excellence, and efficiency gains. Demand for our products, solutions and services remained robust, although larger project delays tempered order intake growth. These outcomes demonstrated the Executive Committee's ability to navigate volatility, sustain profitable growth, and strengthen the resilience of our systems. In line with our pay-for-performance philosophy, executive compensation outcomes reflect this performance.

First started in 2024, we continued our systematic review of our executive compensation framework, supported by independent market benchmarking. As part of this review, with effect as of 2025, we streamlined the Performance Share Plan (PSP) by reducing the plan cap from 250% to 200% and shifting from a fixed value grant to a percentage-of-base salary approach. We also fully aligned our Bonus and PSP KPIs with our financial reporting KPIs disclosed in our annual report to ensure consistent performance measurement which no longer relies on adjusted numbers that may be open to interpretation.

These adjustments reflect best practice and improve transparency. The resulting pay mix enhances alignment between executive rewards and long-term shareholder value creation. All grants remain subject to our established approval processes and rigorous governance standards.

In parallel, the Board of Directors extended its shareholding period to three years to further reinforce support of long-term shareholder interest. This enhancement strengthens governance discipline and long-term accountability.

The compensation paid to the Board of Directors in 2025 remained below the amounts previously approved by the AGM for the period in scope. The total compensation paid to the Executive Committee for 2025 remains entirely within the maximum compensation approved by the AGM 2024.

Our work to refine Sulzer's compensation framework is a continuous commitment. We remain focused on reinforcing alignment with strategy delivery, profitable growth, capital efficiency as well as the long-term shareholder value.

On behalf of Sulzer, the Board of Directors and the Remuneration Committee, I thank you for your continued trust in our company.

Yours sincerely,

Dr. Hariolf Kottmann
Chairman
Remuneration Committee

Compensation governance and principles

Compensation policies and plans at Sulzer reward performance, sustainable growth and long-term shareholder value creation. The compensation programs are competitive, internally equitable, straightforward and transparent. The compensation report is prepared in accordance with the Articles 732 et seqq. of the Swiss Code of Obligations (CO), the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG) and the principles of the Swiss Code of Best Practice for Corporate Governance.

Remuneration Committee

The Articles of Association, the Board of Directors and Organization Regulations, and the Remuneration Committee Regulations define the functions of the Remuneration Committee (RC). The RC supports the Board of Directors in establishing and reviewing the compensation strategy and principles, and in preparing the proposals for the Shareholders' Meeting regarding the compensation of the members of the Board and the Executive Committee.

The RC is responsible for the activities outlined below and submits proposals to the Board of Directors, which makes the final decisions. For the CEO, the Lead Independent Director performs these tasks in close consultation with the Chair of the RC.

- Regular review of the compensation policies and programs.
- Setting performance targets for Executive Committee members for incentive plans.
- Preparing proposals for the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee.
- Setting target compensation for Executive Committee members.
- Preparing the compensation report.

Stakeholder level of authority

	RC	Board	Shareholders Meeting
Compensation policies and programs	proposes	approves	
Maximum aggregate compensation amounts for the Board of Directors and Executive Committee	proposes	reviews	approves (binding vote)
Remuneration system and Board member fees	proposes	approves	
Compensation of the Executive Committee members	reviews	approves	
Performance objectives and assessment for Executive Committee members	reviews	approves	
Compensation report	proposes	approves	consultative (advisory vote)

As stated in Sulzer Ltd's Remuneration Committee Regulations, the RC has at least three members elected annually by the Shareholders' Meeting for a term of office until the next AGM. The majority of its members shall be non-executive and independent. At the 2025 AGM, Markus Kammüller, Dr. Hariolf Kottmann and Alexey Moskov were re-elected to the RC.

The RC meets as needed, but at least twice a year. In 2025, it held 4 meetings. The agenda topics are included in the following table.

Meeting Topics Discussed

Meeting	Topics
January	Short Term and Long Term Incentive performance review
	Compensation report
	Max. aggregate Board of Directors and Executive Committee
July & September	Compensation benchmark review
	Compensation policies and programs review
December	Short Term and Long Term Incentive performance forecast
	Performance review
	Compensation report skeleton

The CEO, Chief Human Resources Officer and Secretary of the Board (who also serves as the RC Secretary) usually attend the meetings. The Committee Chair may invite other executives for advisory purposes when needed. However, the CEO and other executives do not participate when their own compensation or performance is discussed.

The RC Chair reports to the full Board on the Committee's activities and discussions. The Chair also submits proposals for Board approval as necessary. All Board members have access to the RC meeting minutes.

The RC retained HCM International to analyze benchmarks for the Board of Directors and the Executive Committee. They also retained Mercer | hkp///group for compensation report advice. Neither were awarded additional mandates.

Shareholders' role and engagement

The company values shareholders' feedback on compensation policies and has held advisory votes on the compensation report since 2011. It also regularly meets with shareholders to understand their perspectives. At the 2025 AGM, shareholders approved the maximum aggregate compensation for the Board for the 2025/26 term and for the Executive Committee for 2026.

Additionally, the Articles of Association, approved by shareholders, govern the principles of compensation.

Extract from the Articles of Association related to compensation

Article 31	Non-executive members of the Board of Directors receive only a fixed compensation. Members of the Executive Committee receive both fixed and variable compensation components that are based on their performance. Their compensation can be paid in cash, shares, options or other forms.
Article 29	The Shareholders' Meeting approves the maximum aggregate amount of compensation for the Board of Directors for the next term of office and the maximum aggregate amount of compensation for the Executive Committee for the following financial year. The Board of Directors submits the annual compensation report to an advisory vote at the AGM.
Article 30	In the event that a member of the Executive Committee is appointed after the AGM and the approved maximum compensation is not sufficient for his/her compensation, a supplementary amount of up to 40% of the last approved maximum compensation can be used without further approval by the AGM.
Article 32	Fixed-term employment agreements have a maximum duration of one year and can be renewed. Permanent employment agreements have a maximum termination notice period of twelve months. Non-compete agreements for the period after termination of an employment agreement are permissible. They are limited to one year. The consideration does not exceed the last total annual target compensation to which the member was entitled prior to termination. Furthermore, it should not exceed the average compensation of the last three financial years.
Article 34	The company is not allowed to grant loans or credits to members of the Board of Directors or the Executive Committee.

Activities in other organizations

According to Article 734e of the Swiss Code of Obligations, the compensation report must detail the external mandates of Board of Directors and Executive Committee members in other enterprises with an economic purpose (as defined in Article 626 para. 2 no. 1 of the Swiss Code of Obligations). The table below lists the entities and the functions held.

Other functions of the members of the Board of Directors and the Executive Committee

Member	Name of company	Function	2025	2024
	Beckers Group, Germany	Non-executive member of the Board of Directors	-	x
Dr. Suzanne Thoma	BayWa r.e., Germany	Non-executive member of the Board of Directors	-	x
	ExecDelta GmbH, Switzerland	Sole Partner	x	x
	Gonset Holding SA, Switzerland	President of the Board of Directors	x	x
	Gonset Immeubles d'Entreprises SA, Switzerland	President of the Board of Directors	x	x
	Gonset Immeubles Résidentiels SA, Switzerland	President of the Board of Directors	x	x
Markus Kammüller	Daxin Intl., Hong Kong	President	x	-
	Swiss Steel Holding AG, Switzerland	Non-executive member of the Board of Directors	-	x
	medmix AG, Switzerland	Non-executive member of the Board of Directors	x	x
	Mealda Capital GmbH, Switzerland	Sole Partner	x	x
David Metzger	Sopeli Capital GmbH, Switzerland	Sole Partner	x	x
	OC Oerlikon Corporation AG, Switzerland	Non-executive member of the Board of Directors	x	x
	Witel AG, Switzerland	Member of the Board of Directors	-	x
	Liwet Holding AG, Switzerland	President of the Board of Directors	-	x
Alexey Moskov	A2-Link AG, Switzerland	President of the Board of Directors	x	x
	Jenoptik AG, Germany	Chief Financial Officer	x	x
Dr. Prisca Havranek-Kosicek	Jenoptik North America Inc., United States of America	Director	x	x
	Plansee Holding, Austria	Member of the Board of Directors	x	x
	HK1 AG, Switzerland	Sole member of the Board of Directors	x	x
Dr. Hariolf Kottmann	Kiingle AG, Switzerland	Member of the Board of Directors	x	x
	Saudi Ground Services, Saudi Arabia	Non-executive member of the Board of Directors	-	x
	Alvest Holding, France	Non-executive Director	-	x
Per Utnegaard	Per Utnegaard & Partners GmbH, Switzerland	Sole Partner	x	x
Tim Schulten	JCB Group Holdings Sàrl, Switzerland	Director	x	x
	ara region bern AG, Switzerland	President of the Board of Directors	x	n/a [1]
	Energie Wasser Bern, Switzerland	Member of the Board of Directors	x	n/a [1]
	Ritter Schumacher AG, Switzerland	President of the Board of Directors	x	n/a [1]
Mathias Prüssing	Wealth Minerals Ltd., Canada	Member of the Advisory Board	x	n/a [1]
	ADAMA Agricultural Solutions Ltd., Israel	Non-executive member of the Board of Directors	x	-
Haining Auperin	Beckers Group, Germany	Non-executive member of the Board of Directors	x	-

1) As Mathias Prüssing assumed his position as member of the Executive Committee only in 2025, other functions are not reported for the year 2024.

In each individual case, the number of mandates does not exceed the maximum number of external mandates specified in Article 33 of the Articles of Association.

Compensation architecture for the CEO and members of the Executive Committee

Compensation principles

The Executive Committee's compensation is based on the principle of pay-for-performance. The policy rewards performance, sustainable growth and long-term shareholder value, while offering fair and competitive pay to attract and retain top talent.

Compensation principles

Principle	Description
Pay-for-performance	A substantial portion of the compensation is delivered in the form of variable incentives based on company and individual performance.
Strategy alignment	The performance criteria are selected to create adequate incentives for achieving the operational and strategic objectives.
Ownership	Part of the compensation is delivered in the form of company equity to foster ownership and to align the interests of executives with those of shareholders.
Market competitiveness	Compensation levels are competitive and in line with market practice to attract and retain highly qualified employees.
Internal equity	The internal compensation structure is based on a job-grading methodology applied globally.
Transparency	Compensation programs are straightforward and transparently explained in the compensation report.
Shareholder expectations	Compensation programs are in line with the expectations of shareholders.

Method of determining compensation: benchmarking

To ensure competitive and market-aligned compensation, the compensation for Board and Executive Committee members is benchmarked against similar roles in comparable companies every one to two years.

The RC regularly reviews the composition of the peer group, which is applied for benchmarking purposes. The selection process accounts for the governance landscape, the industry and the company size as well as the respective business complexity to ensure an appropriate fit.

The revised comparison group reflects Sulzer's ambitious business strategy.

Benchmarking Peer Group 2025 [1)]

ALCON	ams-OSRAM	Bucher	Clariant	dormakaba
Geberit	Georg Fischer	Givaudan	Implenia	Logitech
Lonza	Oerlikon	SGS	SIG	SIKA
Straumann	Sonova			

1) Swiss Steel was excluded from the peer group in 2025 following its delisting. Landis + Gyr was excluded in 2025 after falling below the minimum revenue threshold required for inclusion in each of the last two financial years.

The intention is to pay target compensation in line with the relevant market. Nevertheless, compensation is not granted based on benchmark results alone. The role, responsibility and experience, as well as the difference between a new entrant to a role and someone with experience who has already demonstrated his or her impact in a similar role, are also criteria in determining compensation. A globally applied job-grading methodology fosters internal equity.

Compensation elements for the members of the Executive Committee

The Executive Committee's compensation includes fixed, performance-independent elements to provide secure income and prevent unreasonable risks. The RC reviews this compensation annually and, if needed, proposes adjustments for Board approval. To create reasonable incentives, align interests with shareholders, ensure pay-for-performance, and implement the company's strategy, the compensation also includes short- and long-term performance-dependent elements.

The following table provides an overview of the changes made to the compensation architecture in 2025: Aligning Bonus and PSP KPIs with financial reporting and streamlining the Performance Share Plan (PSP) cap and grant approach.

	Previous compensation architecture	**New compensation architecture**
Short-term incentive plan (bonus plan)	**Performance indicators:** — Sales (absolute) (25%) — Operational Profit (25%) — Operational Operating Net Cash Flow (20%)	**Performance indicators aligned with financial reporting:** [1] — Sales growth (20%) — EBITDA-margin (of sales) (30%) — Operating Net Cash Flow (20%)
Long-term incentive plan (PSP)	**Performance indicators:** (Target achievement 0% - 250%) — Operational profit (25%) — Operational ROCEA (25%) — Relative TSR (50%)	**Performance indicators aligned with financial reporting:** (Overall target achievement 0% - 200%) — EBITDA (25%) — ROCE (25%) — Relative TSR (50%)
	Fixed target amount: CEO: 1,000,000 CHF Other members of the Executive Committee: 330,000 to 400,000 CHF	**Target amount as % of base salary:** CEO: 120% of base salary Other members of the Executive Committee: 95% of base salary
	Vesting cap: Vesting capped at 250% of the value of PSUs received at grant	**Vesting cap:** Vesting capped at 200% of the number of PSU received at grant

1) For Division Presidents, the performance indicators are measured both at group and divisional levels.

The following table gives a complete picture of the compensation architecture as revised in 2025 for the CEO and the members of the Executive Committee.

In line with the pay-for-performance principle, a significant portion of the CEO's compensation (68%) and the Executive Committee's compensation (59%) consists of performance-based variable incentives. The compensation structure also promotes sustainable long-term growth, with long-term variable compensation being the largest portion of the target total compensation.

Overview of compensation components

Components	Description					Link to principles	Percentage of total compensation of the CEO
Fixed compensation							
Base Salary	Fixed cash compensation paid in equal monthly installments					Offering a market-compatible compensation	32% of compensation
Benefits	Pension and social security contributions as well as fringe benefits						
Variable Compensation	**Term**	**Performance Indicators**	**Target Amount / Grant Value**	**Maximum target achievement**	**Settlement**		
Short-term incentive plan (bonus plan)	One year	Sales growth, EBITDA-margin (of sales), Operating Net Cash Flow, Individual performance targets	CEO: 90% of base salary Other members of the Executive Committee: 60% of base salary	Financial objectives: 250% Individual objectives: 200 - 250%	In cash Capped at 200% of base salary for CEO	Incentivizing strategic goals and pay-for-performance	29% of compensation
Long-term incentive plan (PSP 2025)	Three years	Earnings before Interest, Tax, Depreciation & Amortization (EBITDA), Return on Capital Employed (ROCE), Total Shareholder Return (rTSR)	CEO: 120% of base salary Other members of the Executive Committee: 95% of base salary	Objectives individually capped at 250% Overall target achievement capped at 200%	Performance share units (PSUs) settled in shares	Incentivizing stratigic goals, pay-for-performance and company ownership	39% of compensation
Other compensation components							
Share Ownership Guidelines (SOG)	Obligation to privately invest in Sulzer shares and to hold these shares until the end of the service period CEO: 200% of the base salary Other members of the Executive Commitee: 100% of the base salary					Ownership	

Base salary

The Board of Directors determines the base salary based on the market value of the position and the incumbent's qualifications, skills and experience. It is paid in cash. An internal job-grading methodology ensures orientation and promotes internal equity.

Benefits

Members of the Executive Committee participate in the regular employee pension fund for all Swiss employees. The retirement plan includes a basic plan covering annual earnings up to CHF 157'236 and a supplementary plan for income above this limit, up to the legal ceiling (including variable cash compensation). Contributions are age-related and shared between the employer and employee.

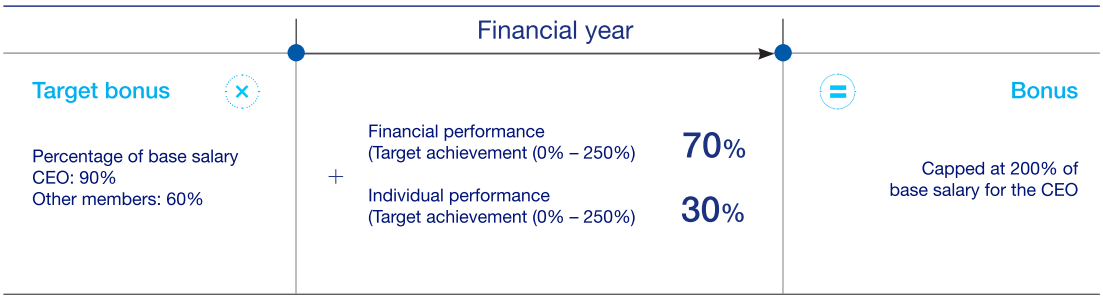
Additionally, each Executive Committee member receives a representation allowance in line with Swiss management expense regulations, approved by tax authorities.

Short-term incentive plan (bonus plan)

The Short-term Incentive Plan (bonus plan) involves a cash payment after the financial year ends, based on predefined objectives. These objectives measure both financial and individual performance for each Executive Committee member. The target bonus is a percentage of the annual base salary: 90% for the CEO and 60% for other members.

The general functionality of the bonus plan is as follows. For all Executive Committee members, the bonus plan objectives are divided into two categories: “Financial performance” and “Individual performance.”

Functionality of the bonus plan



The performance is assessed based on the following appraisal process:

Performance appraisal

Step	Description
Step 1: Target setting	Definition of two to four individual performance objectives at the beginning of the year
Step 2: Performance assessment	Performance assessment at the end of the year
Step 3: Compensation determination	Determination of incentive payouts on the basis of the company’s or division’s performance and achievement of the individual objectives

The financial targets used in the bonus plan as of 2025 are changed to the figures as reported in the annual report to better align with our Sulzer 2028 strategy and provide transparent disclosure in line with the Annual Report to our shareholders. In addition, in order to further emphasize the aim to increase profitability, which forms a central pillar of our Sulzer 2028 ambition, the weighting of the profitability objective, EBITDA-Margin (of sales), was increased by 5%.

Details of these changes are shown in the following table.

Target setting financial objectives

Category	Objectives 2024	Weighting 2024	Rationale of change	Objectives 2025	Weighting 2025
Financial performance	Operational profitability	25%	Alignment to financial reporting and fostering entrepreneurial spirit of the Executive Committee	EBITDA-margin (of sales)	30%
	Sales	25%	Alignment to market practice and Sulzer 2028 strategy	Sales growth	20%
	Operational operating net cash flow (operational ONCF)	20%	Alignment to financial reporting and market standards	Operating Net Cash Flow (ONCF)	20%

The individual performance targets remained unchanged:

Target setting individual objectives

Category	Objectives	Target	Weighting
Individual performance	Sulzer Excellence	Objectives that increase efficiency, reduce unnecessary complexity and drive cross-functional collaboration resulting in advanced competitiveness and profitability.	10%
	Sulzer 2028	Objectives that contribute to the ambition of being a top industrial company with future-proof, differentiated, high-quality business.	10%
	Sustainable Sulzer	Objectives linked to the three major priorities of Sulzer's sustainable plan, namely minimizing our carbon footprint, enabling a low carbon society and engaging our employees and communities.	10%

The objectives for the bonus plan are linked to Sulzer's strategic goal of promoting the sustainable and profitable growth of the company as shown below.

Strategic link of bonus plan

Objective	Growth	Profitability	Long-term shareholder-value creation
Bonus plan	✓	✓	✓
EBITDA-margin (of sales)		✓	✓
Sales growth	✓		✓
Operating Net Cash Flow (ONCF)			✓
Sulzer Excellence		✓	✓
Sulzer 2028	✓	✓	✓
Sustainable Sulzer	✓	✓	✓

Target achievement under the bonus plan

For each financial objective, parameters are set in advance. An expected performance level ("target") results in a 100% payout factor. A minimum performance level ("threshold") is defined, below which the payout factor is zero, and a maximum performance level ("cap") is set, above which the payout factor is capped. The payout factor is interpolated linearly between the threshold and target, and between the target and cap.

The CEO's, CFO's and CHRO's financial objectives are measured 100% based on Sulzer group results. To better enable the One Sulzer culture and to align with common market practice, the measurement of the financial objectives for Division Presidents was changed to 50% based on group results and 50% on their respective division results.

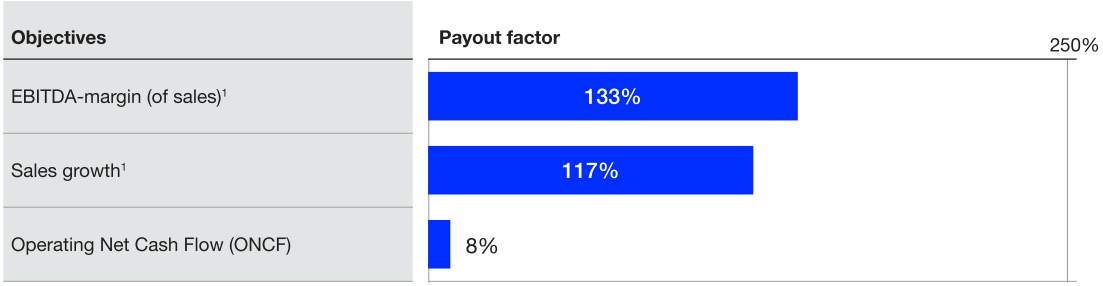
Each Executive Committee member receives personal objectives aligned with the Sulzer 2028 ambition in three performance categories: "Sulzer Excellence," "Sulzer 2028" and "Sustainable Sulzer" at the start of the financial year. The CEO reviews the individual performance of each Executive Committee member based on their personal objectives, and this review is then evaluated by the RC. The Lead Independent Director, in close consultation with the Chair of the RC, assesses the CEO's individual performance.

A payout factor is determined for each objective based on actual performance. The weighted average of these payout factors is multiplied by the target bonus amount to calculate the actual bonus, which is paid out in March of the following year.

Sulzer strives for transparency in relation to pay-for-performance. To ensure transparency while avoiding competitive risk, Sulzer provides a general performance assessment for each financial objective as well as the aggregated individual performance at the end of the performance cycle.

In 2025, the bonus plan target achievement for the financial performance was as follows:

Bonus plan target achievement



1) For actual financial performance refer to the financial review section of the annual report.

For 2025, the financial component of the bonus averaged at 98%. While 2025 was another year with strong results for the Group, the target achievement is below 100% due to the ambitious targets which were set intentionally at a stretch level in line with our Sulzer 2028 ambition. The unforeseen development arising from US tariffs and increasing geopolitical tensions led to postponements of larger customer investments which impacted our businesses in Flow and Chemtech to grow more ambitiously as planned for the targets in 2025.

Overall, the combined financial and individual performance resulted in a bonus payout factor ranging from 90% to 140% (average 124%) for Executive Committee members.

Performance share plan (PSP)

The Performance Share Plan (PSP) incentivizes long-term shareholder value creation by granting performance share units (PSUs) to Executive Committee members. PSUs are conditional rights to company shares, subject to achieving strategic/financial targets at the Group level over a three-year period.

The PSP aligns participants' interests with shareholders by delivering a substantial portion of compensation as company equity. This supports Sulzer's focus on pay-for-performance, sustainable growth, and employee retention. It is a fair and attractive element of long-term variable compensation for key management, emphasizing excellent, sustainable performance.

In line with the Sulzer 2028 strategy and in order to drive and reward above-market growth, improved margins, and top level revenue, the structure and underlying performance objectives of the PSP were revised for 2025 and going forward.

The number of PSUs granted is calculated by dividing the grant value by the three-month volume-weighted average share price before the grant date. The grant value of the PSP in 2025 and going forward is defined as a percentage of base salary which reflects the executive's role. The PSP grant in 2025 and going forward amounts to:

- Chief Executive Officer: 120% of base salary
- Members of the Executive Committee: 95% of base salary

The fundamental change in the grant methodology serves to align the grant levels amongst all the Executive Committee members to provide equal incentivization amongst them. The slight increase in the grant levels which accompanied this harmonization also brought the levels of the long-term compensation closer to the lower end of the market as defined by the compensation benchmarking while strengthening the alignment of the Executive Committee with the long-term success of the company.

In order to ensure a more transparent link between pay and performance, as well as to reduce the complexity of the PSP overall, the adjusted KPIs Operational Profit and Average Operational ROCEA were replaced in favor of EBITDA and ROCE, respectively. In doing so the performance objectives measured in determining the PSP target achievement are now aligned with those reported in the financial statements. Moreover, the PSP performance objectives are aligned with Sulzer's overall strategic goal of promoting sustainable and profitable growth and with the Sulzer 2028 strategy in particular. They are designed to incentivize growth and create shareholder value.

The following table outlines the performance objectives for the 2025 PSP.

Key performance criteria measured over the three-year performance period of the PSUs

EBITDA	Earnings before interest, tax, depreciation, amortization and impairment, based on audited figures. This is an absolute value reflecting the planned value in the last year of the performance period.
ROCE	Adjusted returns on capital employed. This is a percentage reflecting the planned value in the last year of the performance period.
Relative Total Shareholder Return	Relative Total Shareholder Return (TSR) is defined as share price growth plus dividends during the vesting period divided by the ending share price, measured against peers.

The performance objectives for the PSP tranches are determined yearly on the basis of the three-year plan for the respective financial year, which in turn is generally aligned with the overall aims and objectives of the Sulzer 2028 ambition. Consequently, the PSP objectives are designed to incentivize growth and create shareholder value due to their long-term outlook aligned with the Sulzer 2028 ambition. Moreover, as illustrated in the graphic below, following financial years in which the actual company performance fell short of the planned objectives, the alignment of the three-year plans on which the PSP objectives are based with the Sulzer 2028 ambition leads to an even stronger incentivization of the long-term growth as the objectives are set at a more ambitious level to ensure that the Sulzer 2028 ambition can still be achieved.

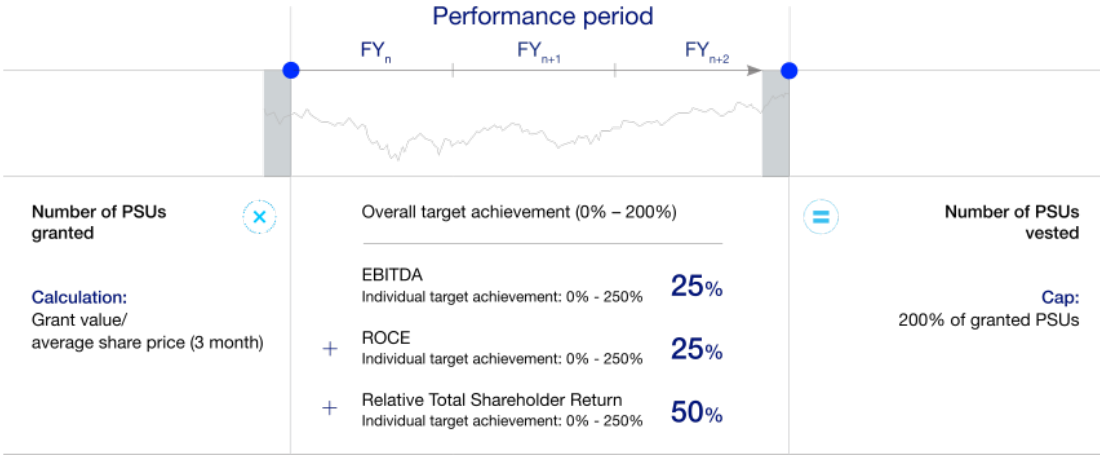
Determination of objectives

The link between the individual selected objectives of the Performance Share Plan and each individual element of the Sulzer 2028 ambition is shown below:

Strategic link of PSP

	Growth	Profitability	Long-term shareholder value creation
PSP	✓	✓	✓
EBITDA	✓	✓	
ROCE		✓	
Relative TSR	✓	✓	✓

Functioning of the PSP Performance at a glance



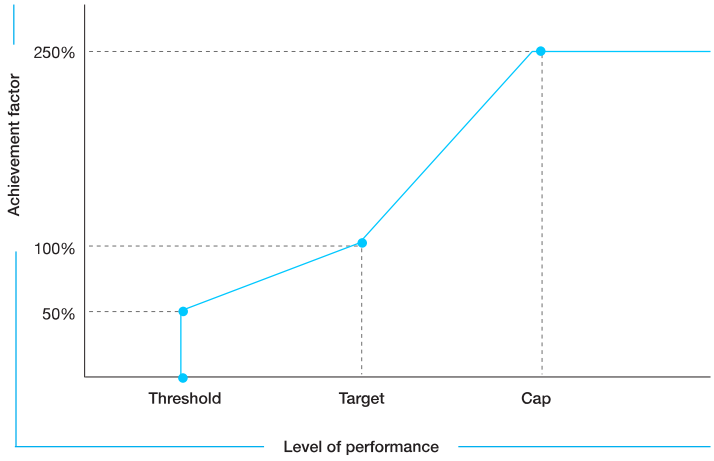
Target achievement under the Performance Share Plan

In addition to the changes made to the applicable performance objectives in the PSP, the calculation of the target achievement and subsequent payout from the LTI was changed with the 2025 PSP grant. The additional maximum payout cap of 250% of the grant value on top of the 250% cap on target achievement of the performance objectives was removed. To compensate for the potentially higher upside resulting from removing this cap, the maximum number of units which may vest at the end of the performance period was reduced from 250% to 200%. These changes ensure that the pay of the Executive Committee members is better aligned with the performance of both the key internal financial figures as well as the Sulzer share price and thus the alignment between the plan participants and the shareholders.

An expected performance level (“target”) is defined for each PSP performance objective, resulting in a 100% target achievement. A minimum performance level (“threshold”) is set, below which the target achievement is zero, and a maximum level (“cap”) is set, capping the target achievement at 250%. The target achievement is interpolated linearly between the threshold and target, and between the target and cap. At the end of the performance period the target end achievement of each individual performance objective is calculated to determine the weighted average of the overall target achievement of the PSP which is capped at 200%

The target achievement can be illustrated in a target achievement curve as follows:

Target achievement curve of the PSP performance conditions

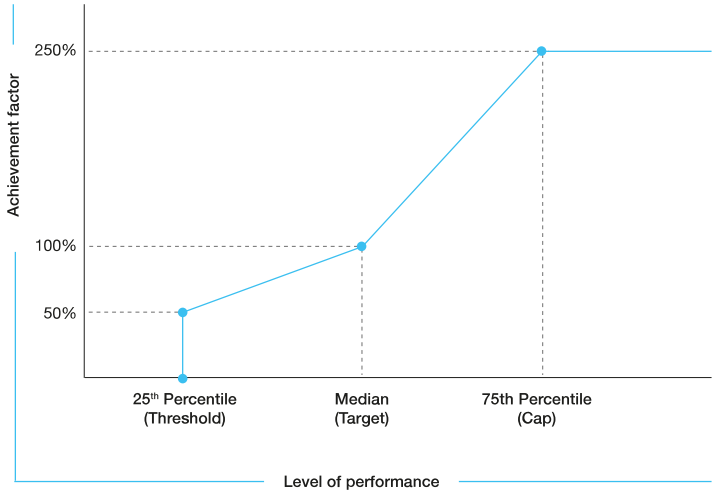


Relative total shareholder return (TSR) is measured based on the performance against a predefined peer group of international peers, measured as a percentile ranking, aligned with the target achievement curve as follows:

- Threshold: 25th percentile ranking
- Target: median ranking
- Outperformance (cap): 75th percentile ranking

The target achievement curve of the relative TSR can be illustrated as follows:

Target achievement curve of the relative TSR



The current peer group for the measurement of the relative TSR consists of the following companies:

Peer group for relative TSR performance of PSP 2025

Andritz	Burckhardt Compression	Ebara	Flowserve	Georg Fischer
ITT	OC Oerlikon	Pentair	Rieter [1]	Xylem

1) Wood Group was replaced by Rieter due to its trading suspension and takeover in 2025.

The Board of Directors can change the peer group composition if necessary, such as in cases of mergers, acquisitions, delistings or significant business changes in a peer company. In such situations, the Board will select new peer companies from a predefined successor list.

Provisions at termination of employment

In the event of termination of employment, the following provisions apply:

Provisions by the event of termination

Type of termination	Provision
By the employer for cause	Unvested PSUs are forfeited.
As a result of retirement	Vesting and performance measurement of PSUs continues according to plan, no early allocation of the shares.
Any other reason	The number of unvested PSUs vest on pro rata basis according to the achievement factor at the end of the vesting period. There is no early allocation of the shares.

In the event of an Executive Committee member's death, pro-rated PSUs will vest immediately, pending a performance assessment by the Board of Directors. If a change of control occurs, PSUs will also vest immediately, subject to the Board's performance assessment. The Board may opt for a cash settlement of the awards in such cases.

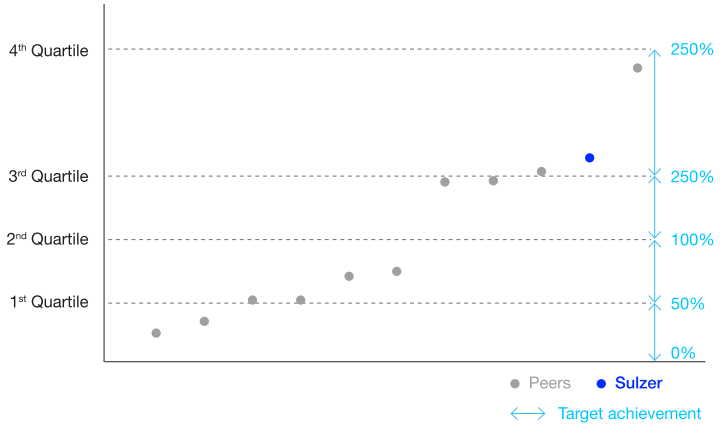
PSP 2023 performance and vesting

The overall target achievement of the PSP 2023 depends on the objectives operational profit growth, operational ROCEA and relative TSR over the performance period. Over the past three years, Sulzer significantly grew its operational profit through the Sulzer 2028 strategy and leveraged strong market momentum in 2025. This performance resulted in an achievement factor of 250% compared to the original PSP target set by the Board.

Operational ROCEA also achieved a factor of 250%, thanks to continuous profitability improvements and better capital management through the Sulzer 2028 strategy.

The Sulzer share performed strongly in uncertain economic conditions over the previous 3 years, especially compared to Sulzer's peers. As a result the development of Sulzer's TSR is positioned at the 90th percentile compared to international peers, leading to an achievement factor of 250% for the relative TSR. The performance of Sulzer's TSR and the TSR of the peers over the 3-year performance period of the PSP 2023 is shown below:

TSR positioning of Sulzer with the peer group of PSP 2023



The weighted average of the achievement factors of the three individual performance objectives of the PSP 2023 results in a total payout factor of 250% for the PSP 2023, subject to the original grant value cap. The payout of the PSP 2023 was based on targets set prior to the redesign of the LTI in 2025.

PSP target achievement

Objectives[1]	Target achievement (250%)
Operational profit growth	250%
Operational ROCEA	250%
Relative TSR Lower threshold 25th percentile / Target 50th percentile / Upper threshold 75th percentile	250%

1) The PSP 2023 award was assessed based on the KPI framework in place at the time of grant. For the detailed definitions of these legacy KPIs, please refer to the Compensation Report 2024. From 2025 onward Sulzer applies the updated PSP KPI framework aligned with the Group's financial reporting KPIs detailed in the PSP section of this compensation report.

Overall, the PSP vesting levels accurately reflected operational performance, also against direct peers, over the three-year cycle.

On the vesting date, the number of vested PSUs is calculated by multiplying the initial PSUs granted by the weighted average achievement factor. Each vested PSU results in one Sulzer share for the participant.

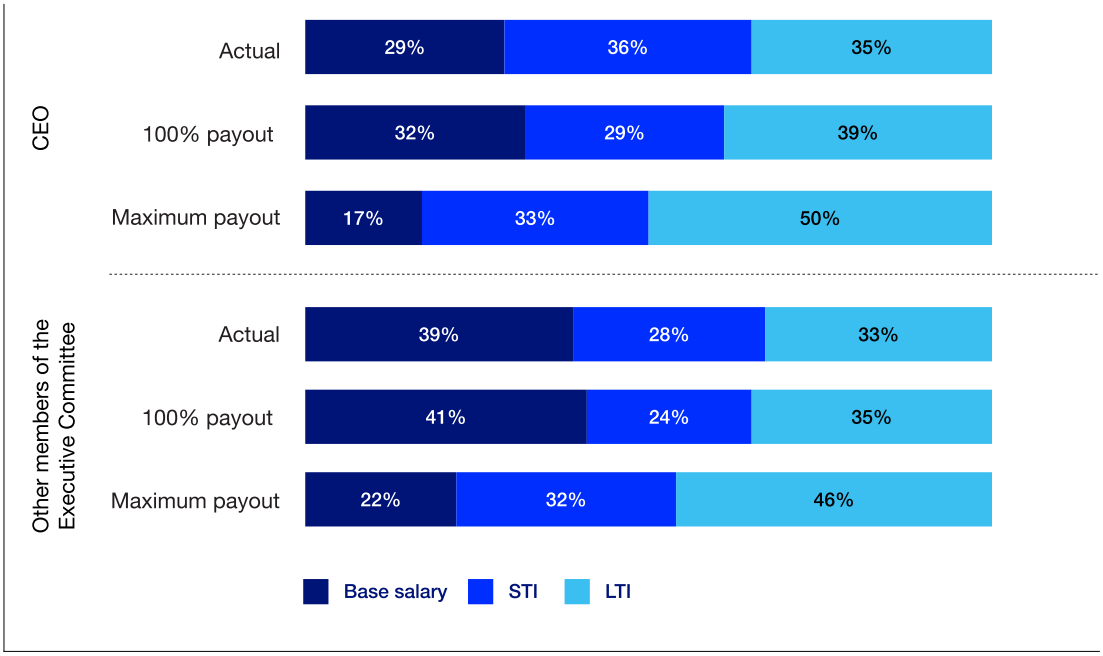
Finally, for PSP grants prior to 2025, the number of vested PSUs is capped at 250% of the original grant value. After applying this cap, the overall payout factor for the PSP 2023 is reduced to 143%.

Compensation of the Executive Committee for 2025

Compensation of the Executive Committee: overview

Over the past three years, Sulzer has enhanced its sales, operational profitability and operational net cash flow through the Sulzer 2028 strategy. In 2025, we aligned the performance objectives used for the measurement of the variable compensation with the Sulzer 2028 ambition and were able to deliver another high-performing year. In line with our pay-for-performance principle, this resulted in a proportionate variable compensation payout.

Compensation for the Executive Committee: Compensation paid and granted compared to target and maximum compensation



In 2025, the Executive Committee received a total compensation of kCHF 12’022 (previous year: kCHF 12’548). This included kCHF 6’380 in base salary and bonus (previous year: kCHF 7’086), kCHF 4’046 in PSUs (previous year: kCHF 3’850), kCHF 1’567 in pension and social security contributions (previous year: kCHF 1’591), and kCHF 29 in other payments (previous year: kCHF 21).

Compensation of the Executive Committee

	2025						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus [2]	Other [3]	Pension and social security contributions [4]	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) [5]	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	1’050	1’321	-	432	2’803	1’558	4’361
Total Executive Committee [1]	**3’390**	**2’990**	**29**	**1’567**	**7’976**	**4’046**	**12’022**

1) Members of the Executive Committee whose notice period extends over two financial years are considered current members for both periods.
2) Expected bonus for the performance year 2025, to be paid out in the following year (accrual principle).
3) Other consists of tax services and relocation costs.
4) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2025 (PSP).
5) Represents the full fair value of the PSUs granted under the PSP in 2025. PSUs granted in 2025 had a fair value of CHF 175.14 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 141.63 per PSU for 2025 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values. Further information on share-based compensation can be found in note 29 to the consolidated financial statements of Sulzer.

	2024						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus [1]	Other [2]	Pension and social security contributions [3]	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) [4]	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	1’050	1’566	-	427	3’043	1’318	4’361
Total Executive Committee	3’405	3’681	21	1’591	8’698	3’850	12’548

1) Expected bonus for the performance year 2024, to be paid out in the following year (accrual principle).
2) Other consists of tax services and relocation costs.
3) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2024 (PSP).
4) Represents the full fair value of the PSUs granted under the PSP in 2024. PSUs granted in 2024 had a fair value of CHF 125.65 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 95.33 per PSU for 2024 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values.

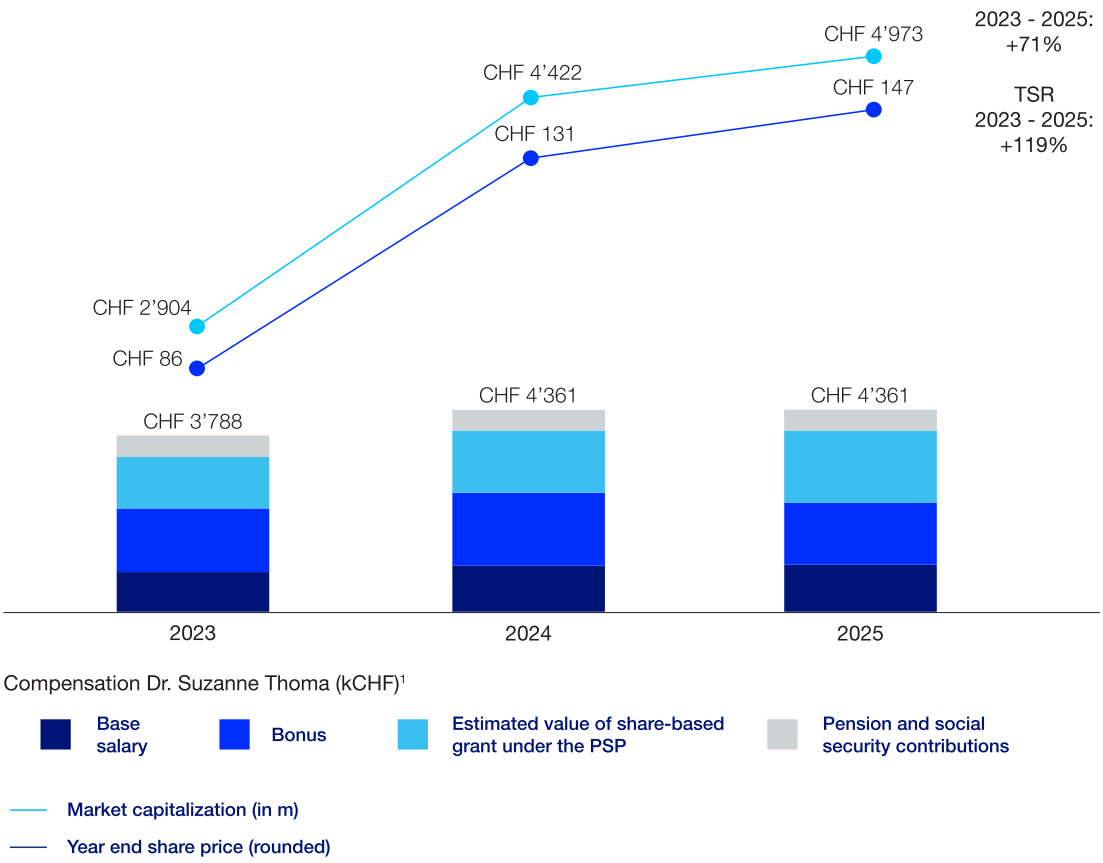
The Executive Committee’s total compensation in 2025 decreased by 4.2% from the previous year, driven primarily by a lower average payout factor of 124% for the 2025 bonus plan (27% lower than in 2024).

The total compensation of kCHF 12’022 awarded to the Executive Committee members for 2025 is within the maximum aggregate amount of kCHF 17’500 approved by shareholders at the 2024 AGM. No severance payments were made to Executive Committee members in the current or prior year. Additionally, no compensation was granted to any related parties of the Executive Committee members in either year.

The below graphic shows the link between the development of Dr. Suzanne Thoma’s compensation for the past three years and the development of the TSR of Sulzer to illustrate the pay-for-performance principle visually.

Since Dr. Suzanne Thoma's first full year as CEO in 2023, Sulzer's TSR increased by 119% and the market capitalization increased by 71%. This strong pay-for-performance relationship underscores Sulzer's high-performance orientation and highlights the company's strong emphasis on aligning the interests of the Executive Committee with those of the shareholders to create long-term shareholder value and profitable growth.

Pay-for-performance link: total compensation versus TSR



1) Total compensation includes all compensation elements reported for the respective financial year, including conditional share-based grants.

As of December 31, 2025, and December 31, 2024, there were no outstanding loans or credits granted to Executive Committee members, former members or related parties.

Malus and clawback

The Board of Directors may determine that variable compensation is forfeited in full or in part (malus) or that a vested award will be recovered in full or in part (clawback) in situations of material misstatement of the financial results, an error in assessing a performance condition or in the information or assumptions on which the award was granted or vested, serious reputational damage to the company, gross negligence, or willful misconduct on the part of the participant.

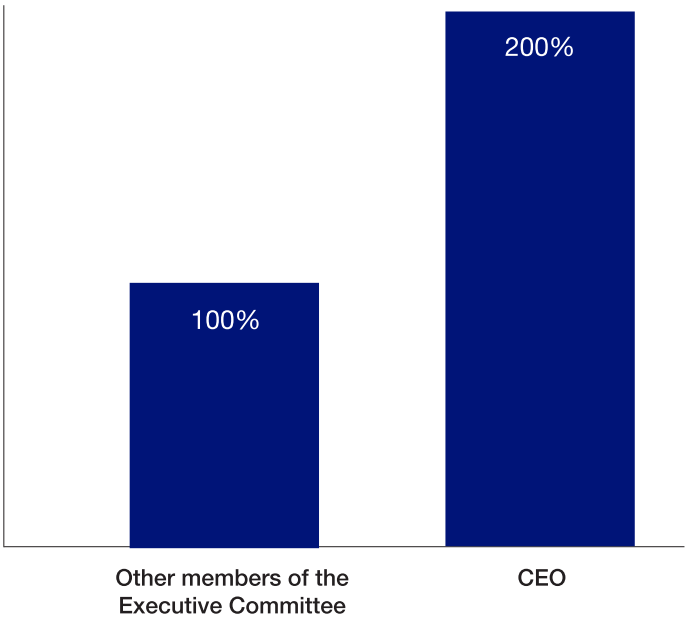
Sulzer may recover in full or in part any variable compensation from Executive Committee members in situations of material misstatement of the financial results, an error in assessing a performance condition or gross misconduct of the participant.

In 2025, no malus or clawback were applied.

Shareholding requirements

The members of the Executive Committee are obliged to hold part of their shares until the end of their service period as follows:

Shareholding requirements as a percentage of annual gross base salary



Shareholdings of the members of the Executive Committee

As of the end of 2024 and 2025, the members of the Executive Committee held the following shares, share-based instruments or options in the company:

Shareholdings at December 31, 2025

				2025
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares [1]	Performance share units (PSU) 2023	Performance share units (PSU) 2024	Performance share units (PSU) 2025
Executive Committee	**29’756**	**28’753**	**25’028**	**23’187**
Suzanne Thoma, CEO	12’292	12’778	10’490	8’897
Thomas Zickler, CFO	12’749	5’112	4’196	3’354
Haining Auperin, CHRO	-	4’217	3’462	2’751
Tim Schulten, Division President Chemtech	3’552	5’112	4’196	3’019
Ravin Ramsamy, Division President Services	1’163	1’534	1’897	2’549
Mathias Prüssing, Division President Flow	-	-	787	2’617

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No Executive Committee member holds any options. No related parties own any shares, share-based instruments or options.

Shareholdings at December 31, 2024

				2024
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares [1]	Performance share units (PSU) 2022	Performance share units (PSU) 2023	Performance share units (PSU) 2024
Executive Committee	**11’171**	**14’679**	**33’865**	**28’437**
Suzanne Thoma, CEO	4’374	2’120	12’778	10’490
Thomas Zickler, CFO	5’697	5’074	5’112	4’196
Haining Auperin, CHRO	-	1’142	4’217	3’462
Tim Schulten, Division President Chemtech	1’100	5’074	5’112	4’196
Jan Lüder, Division President Flow	-	-	5’112	4’196
Ravin Ramsamy, Division President Services	-	1’269	1’534	1’897

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No related parties own any shares.

Compensation architecture for the Board of Directors

The compensation of the Board of Directors is fixed and does not contain any performance-based variable component. This ensures that the Board of Directors is truly independent in fulfilling its supervisory duties towards the Executive Committee.

The compensation of the Board of Directors is governed by a compensation regulation, is reviewed by the Remuneration Committee (RC) annually and, if necessary, adjusted by a decision of the full Board of Directors based on a proposal by the RC.

The compensation of the Board of Directors consists of a fixed cash component and a share component with a fixed grant value. The share component strengthens the long-term alignment of the interests of the Board members with those of the shareholders. Non-executive Board members are not entitled to pension benefits.

The amount of compensation for the Chairperson and for the other members of the Board of Directors is determined based on the relevant compensation benchmarks. The list of companies is the same peer group as listed under the compensation benchmark of the members of the Executive Committee (see the Benchmark Peer Group graph in the Compensation Architecture for the CEO and members of the EC chapter). The compensation reflects the responsibility and complexity of their respective functions, the professional and personal requirements placed on them, and the expected time required to fulfill their duties. The ongoing Board compensation structure and amounts are described in the table below:

Annual compensation of the Board of Directors[1]

in CHF	Cash component (net of social security contributions)	Grant value of BLS (net of social security contributions)
Base fee for Board Chair [2]	420’000	
Base fee for Board Vice Chair	100’000	155’000
Base fee for Board members	70’000	125’000
Additional committee fees:		
Audit Committee / Strategy and Sustainability Committee Chair	60’000	
Audit Committee / Strategy and Sustainability Committee members	35’000	
Nomination / Remuneration Committee / Governance Committee Chair	35’000	
Nomination / Remuneration / Governance Committee members	20’000	

1) Compensation for the period of service (from AGM to AGM).
2) The Chair of the Board of Directors does not receive additional remuneration for committee activities.

Board members are compensated for their service from AGM to AGM. Cash compensation is paid quarterly for Board members and monthly for the Chairperson. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are granted annually and blocked for three years from the allocation date on March 1st of the following year. The number of shares is determined by dividing the fixed grant value by the volume-weighted average share price of the trading days in the last three months before the allocation date.

Compensation of the Board of Directors for 2025

Overview

In 2025, the Board of Directors received total compensation of kCHF 2’355 (previous year: kCHF 2’349). This included kCHF 1’310 in cash fees (previous year: kCHF 1’302), kCHF 780 in blocked shares (same value as previous year) and kCHF 265 in social security contributions (previous year: kCHF 267).

The total Board compensation paid in 2025 was 0.2% higher than in 2024. The aggregate Board compensation was below the maximum amount approved at the AGM 2025.

The portion of compensation delivered in blocked shares ranged between 74% and 139% of the cash compensation for Board members.

Compensation of the Board of Directors

				2025
thousands of CHF	Cash fees [1]	Blocked shares (BLSs) plan [2]	Social security contributions [3]	Total
Board of Directors	**1’310**	**780**	**265**	**2’355**
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	0	55	475
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	190	155	40	385
Alexey Moskov, Member of the Remuneration Committee	90	125	30	245
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	36	301
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee	140	125	31	296
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee	160	125	33	318
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee	170	125	40	335

1) Disclosed gross.
2) Value of the blocked shares to be granted in March 2026 for the period from AGM 2025 to AGM 2026.
3) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the BLS and includes both the employer and employee contributions paid by the company on behalf of the Board members.

thousands of CHF	Cash fees [1]	Restricted share unit (RSUs) plan [2]	Social security contributions [3]	Total
				2024
Board of Directors	**1'302**	**780**	**267**	**2'349**
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	-	53	472
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	190	155	44	389
Alexey Moskov, Member of the Remuneration Committee	90	125	28	243
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	34	299
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee	136	125	34	295
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee	156	125	36	318
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee	170	125	38	333

1) Disclosed gross.
2) RSU awards granted in 2024 had a fair value of CHF 112.58 at grant date. The amount represents the full fair value of grants made in 2024.
3) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) and includes both the employer and employee contributions paid by the company on behalf of the Board members.

At the 2024 and 2025 AGMs, shareholders approved a maximum aggregate compensation amount of kCHF 2'984 for the Board of Directors. The table below shows the reconciliation between the compensation paid or to be paid for the two periods of office and the maximum amounts approved by the shareholders.

Maximum aggregate for the period from AGM to AGM

thousands of CHF	Total compensation earned for the period from AGM to AGM	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
AGM 2025–AGM 2026	2025 AGM to 2026 AGM	2025 AGM	2025 AGM
Board (total)	**2'355**	**2'984**	**78.9%**
AGM 2024–AGM 2025	2024 AGM to 2025 AGM	2024 AGM	2024 AGM
Board (total)	**2'357**	**2'984**	**79.0%**

As of December 31, 2025, and December 31, 2024, no outstanding loans or credits were granted to current or former Board members or related parties.

In both 2025 and 2024, no compensation was granted to former Board members or related parties.

Shareholdings of the members of the Board of Directors

As of the end of 2025 and 2024, the members of the Board of Directors held the following shares, share-based instruments or options in the company:

Shareholdings at December 31, 2025

			2025
	Sulzer shares [1]	Restricted share units (RSU)	Total share awards and shares
Board of Directors	**34’858**	**8’004**	**42’862**
Suzanne Thoma	12’292	-	12’292
Markus Kammüller	3’409	1’589	4’998
Alexey Moskov	5’239	1’283	6’522
David Metzger	4’861	1’283	6’144
Per Utnegaard	5’375	1’283	6’658
Hariolf Kottmann	2’623	1’283	3’906
Prisca Havranek-Kosicek	1’059	1’283	2’342

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No Board member holds any options. The total shares include shares held by related parties. No related parties own any share-based instruments or options.

Shareholdings at December 31, 2024

			2024
	Sulzer shares [1]	Restricted share units (RSU)	Total share awards and shares
Board of Directors	**15’866**	**16’373**	**27’865**
Suzanne Thoma	4’374	1’071	1’071
Markus Kammüller	1’743	3’255	4’998
Alexey Moskov	3’791	2’731	6’522
David Metzger	3’413	2’731	6’144
Per Utnegaard	1’375	2’195	3’570
Hariolf Kottmann	1’170	2’195	3’365
Prisca Havranek-Kosicek	-	2’195	2’195

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire.

KPMG

Report of the Statutory Auditor

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Sulzer Ltd (the Company) for the year ended December 31, 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in the sections "Activities in other organizations", "Compensation of the Executive Committee", "Shareholdings of the members of the Executive Committee", "Compensation of the Board of Directors", "Maximum aggregate for the period from AGM to AGM" and "Shareholdings of the members of the Board of Directors" of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections "Activities in other organizations", "Compensation of the Executive Committee", "Shareholdings of the members of the Executive Committee", "Compensation of the Board of Directors", "Maximum aggregate for the period from AGM to AGM" and "Shareholdings of the members of the Board of Directors" in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge

Miriam von Gunten
Licensed Audit Expert

Zurich, February 25, 2026

KPMG AG, Badenerstrasse 172, CH-8036 Zurich
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Consolidated income statement

January 1 – December 31

millions of CHF	Notes	2025	2024
Sales	2, 18	3’555.4	3’530.6
Cost of goods sold		–2’332.1	–2’347.4
Gross profit		**1’223.2**	**1’183.2**
Selling and distribution expenses		–321.9	–335.2
General and administrative expenses		–372.1	–382.5
Research and development expenses	8	–77.6	–76.4
Net impairment loss on contract assets and trade accounts receivable		–7.0	–0.6
Other operating income / (expenses), net	9	–11.5	–6.0
Operating income (EBIT)		**433.1**	**382.5**
Interest and securities income	10	11.6	19.6
Interest expenses	10	–29.5	–29.3
Other financial income / (expenses), net	10	–16.7	–15.5
Share of profit / (loss) of associates and joint ventures	15	–11.4	–3.8
Income before income tax expenses		**387.1**	**353.5**
Income tax expenses	11	–92.4	–88.2
Net income		**294.7**	**265.4**
– thereof attributable to shareholders of Sulzer Ltd		292.8	261.9
– thereof attributable to non-controlling interests		1.9	3.5
Earnings per share (in CHF)			
Basic earnings per share	23	8.68	7.73
Diluted earnings per share	23	8.57	7.64

Consolidated statement of comprehensive income

January 1 – December 31

millions of CHF	Notes	2025	2024
Net income		**294.7**	**265.4**
Items that may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax	**27**	8.0	–7.5
Currency translation differences		–113.1	30.7
Total of items that may be reclassified subsequently to the income statement		**–105.1**	**23.2**
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit plans, net of tax	**7**	25.9	0.8
Equity investments at FVOCI – net change in fair value, net of tax	**16**	1.0	–4.9
Total of items that will not be reclassified to the income statement		**26.9**	**–4.0**
Total other comprehensive income		**–78.1**	**19.1**
Total comprehensive income for the period		**216.6**	**284.5**
- thereof attributable to shareholders of Sulzer Ltd		214.8	280.6
- thereof attributable to non-controlling interests		1.8	3.9

Consolidated balance sheet

December 31

millions of CHF	Notes	December 31, 2025	December 31, 2024
Non-current assets			
Goodwill	12	644.1	661.4
Other intangible assets	12	143.4	178.5
Property, plant and equipment	13	398.2	387.8
Lease assets	14	110.3	105.2
Associates and joint ventures	15	37.1	53.0
Other non-current financial assets	16	31.9	30.2
Defined benefit assets	7	176.8	144.0
Non-current receivables		1.2	1.9
Deferred income tax assets	11	132.1	153.6
Total non-current assets		**1'675.1**	**1'715.5**
Current assets			
Inventories	17	500.7	515.1
Current income tax receivables		36.1	28.4
Advance payments to suppliers		91.0	94.7
Contract assets	18	572.5	500.1
Trade accounts receivables	19	628.7	680.2
Other current receivables and prepaid expenses	20	131.4	118.8
Current financial assets	16	0.1	1.0
Cash and cash equivalents	21	927.3	1'060.6
Total current assets		**2'887.8**	**2'998.8**
Total assets		**4'562.9**	**4'714.3**
Equity			
Share capital	22	0.3	0.3
Reserves		1'292.9	1'223.3
Equity attributable to shareholders of Sulzer Ltd		**1'293.2**	**1'223.6**
Non-controlling interests		12.1	11.5
Total equity		**1'305.4**	**1'235.1**
Non-current liabilities			
Non-current borrowings	24	779.3	745.0
Non-current lease liabilities	14	81.7	78.3
Deferred income tax liabilities	11	69.6	67.9
Non-current income tax liabilities	11	9.4	8.1
Defined benefit obligations	7	93.0	106.1
Non-current provisions	25	51.0	46.2
Other non-current liabilities		2.6	7.3
Total non-current liabilities		**1'086.8**	**1'058.9**
Current liabilities			
Current borrowings	24	304.9	312.0
Current lease liabilities	14	28.9	26.6
Current income tax liabilities		31.9	43.1
Current provisions	25	124.8	143.8
Contract liabilities	18	500.8	531.3
Trade accounts payable		386.4	388.2
Other current and accrued liabilities	26	793.1	975.2
Total current liabilities		**2'170.8**	**2'420.3**
Total liabilities		**3'257.5**	**3'479.1**
Total equity and liabilities		**4'562.9**	**4'714.3**

Consolidated statement of changes in equity

January 1 – December 31

		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, 2025		**0.3**	**2'095.2**	**–51.6**	**–3.2**	**–817.2**	**1'223.6**	**11.5**	**1'235.1**
Comprehensive income for the period:									
Net income			292.8				292.8	1.9	294.7
- Cash flow hedges, net of tax	**27**	–	–	–	8.0	–	8.0	–	8.0
- Remeasurements of defined benefit plans, net of tax	**7**	–	25.9	–	–	–	25.9	–	25.9
- Equity investments at FVOCI – net change in fair value, net of tax	**16**	–	1.0	–	–	–	1.0	–	1.0
- Currency translation differences		–	–	–	–	–112.9	–112.9	–0.1	–113.1
Other comprehensive income		–	26.9	–	8.0	–112.9	–78.0	–0.1	–78.1
Total comprehensive income for the period		**–**	**319.7**	**–**	**8.0**	**–112.9**	**214.8**	**1.8**	**216.6**
Transactions with owners of the company:									
Allocation of treasury shares to share plan participants		–	–11.6	11.6	–	–	–		–
Purchase of treasury shares	**22**	–	–	–18.9	–	–	–18.9		–18.9
Share-based payments	**29**	–	17.3	–	–	–	17.3		17.3
Dividends	**22**	–	–143.6	–	–	–	–143.6	–1.2	–144.7
Equity as of December 31, 2025	**22**	**0.3**	**2'277.1**	**–58.6**	**4.8**	**–930.4**	**1'293.2**	**12.1**	**1'305.4**

January 1 – December 31

		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, 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			261.9				261.9	3.5	265.4
- Cash flow hedges, net of tax	**27**	–	–	–	–7.5	–	–7.5	–	–7.5
- Remeasurements of defined benefit plans, net of tax	**7**	–	0.8	–	–	–	0.8	–	0.8
- Equity investments at FVOCI – net change in fair value, net of tax	**16**	–	–4.9	–	–	–	–4.9	–	–4.9
- Currency translation differences		–	–	–	–	30.3	30.3	0.4	30.7
Other comprehensive income		–	–4.0	–	–7.5	30.3	18.7	0.4	19.1
Total comprehensive income for the period		**–**	**257.8**	**–**	**–7.5**	**30.3**	**280.6**	**3.9**	**284.5**
Transactions with owners of the company:									
Changes in non-controlling interests			–3.2	–	–	–	–3.2	3.2	0.0
Transactions with non-controlling interests	**3**	–	–6.1	–	–	4.6	–1.5	1.5	0.0
Contribution from medmix		–	0.1	–	–	–	0.1	–	0.1
Allocation of treasury shares to share plan participants		–	–18.3	18.3	–	–	–	–	–
Purchase of treasury shares	**22**	–	–	–33.2	–	–	–33.2	–	–33.2
Share-based payments	**29**	–	12.7	–	–	–	12.7	–	12.7
Dividends	**22**	–	–127.3	–	–	–	–127.3	–0.3	–127.6
Equity as of December 31, 2024	**22**	**0.3**	**2'095.2**	**–51.6**	**–3.2**	**–817.2**	**1'223.6**	**11.5**	**1'235.1**

Consolidated statement of cash flows

January 1 – December 31

millions of CHF	Notes	2025	2024
Cash and cash equivalents as of January 1		**1'060.6**	**974.7**
Net income		294.7	265.4
Interest and securities income	**10**	–11.6	–19.6
Interest expenses	**10**	29.5	29.3
Income tax expenses	**11**	92.4	88.2
Depreciation, amortization and impairments	**12, 13, 14**	123.1	120.2
Gain from disposals of tangible and intangible assets, net	**9**	–1.9	–0.3
Changes in inventories		–19.2	–7.0
Changes in advance payments to suppliers		–3.2	–5.9
Changes in contract assets		–115.7	–55.6
Changes in trade accounts receivable		2.3	–124.7
Changes in contract liabilities		3.9	66.6
Changes in trade accounts payable		24.3	14.4
Changes in employee benefit plans		–8.5	–2.1
Changes in provisions		–3.3	–6.3
Changes in other net current assets		–34.8	51.9
Other non-cash items		49.3	11.4
Interest received		10.0	17.3
Interest paid		–23.9	–23.7
Income tax paid		–104.5	–95.6
Total cash flow from operating activities		**303.0**	**323.8**
Purchase of intangible assets	**12**	–3.6	–9.7
Proceeds from the sale of intangible assets	**12**	1.1	0.0
Purchase of property, plant and equipment	**13**	–90.0	–82.7
Proceeds from the sale of property, plant and equipment	**13**	2.1	3.5
Acquisitions of subsidiaries, net of cash acquired	**3**	–16.9	–13.1
Divestitures of associates and joint ventures	**15**	6.8	-
Dividends from associates	**15**	–	0.1
Purchase of other non-current financial assets	**16**	–1.0	–1.7
Purchase of current financial assets	**16**	–0.0	–0.4
Repayments of financial assets	**16**	0.6	5.8
Total cash flow from investing activities		**–101.0**	**–98.2**

Dividends paid to shareholders of Sulzer Ltd	**22**	–264.6	–86.5
Dividends paid to non-controlling interests in subsidiaries		–1.2	–0.3
Purchase of treasury shares	**22**	–18.9	–33.2
Payments of lease liabilities	**14**	–33.4	–29.7
Divestiture (Acquisition) of non-controlling interests	**3**	–	–0.3
Proceeds from non-current borrowings	**24**	329.2	249.3
Proceeds from current borrowings	**24**	51.4	42.3
Repayments of current borrowings	**24**	–352.7	–293.3
Total cash flow from financing activities		**–290.1**	**–151.6**
Exchange gains / (losses) on cash and cash equivalents		–45.1	11.9
Net change in cash and cash equivalents		**–133.3**	**85.9**
Cash and cash equivalents as of December 31	**21**	**927.3**	**1’060.6**

For the calculation of free cash flow (FCF), reference is made to the section “Financial review”.

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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 consolidated financial statements for the year ended December 31, 2025, 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. Sulzer was founded in 1834 in Winterthur, Switzerland, and employs 13'526 people. The company serves clients in 160 production and service sites around the world. Sulzer Ltd is listed on 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 financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorized for issue by the Board of Directors on February 25, 2026.

Details of the group’s accounting policies are included in note 32.

2 Segment information

Segment information by division

	Flow		Services		Chemtech	
millions of CHF	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Order intake (unaudited) [1]	**1’576.3**	**1’603.3**	**1’449.8**	**1’378.3**	**724.9**	**866.9**
Sales [2]	**1’551.2**	**1’444.3**	**1’312.8**	**1’249.1**	**691.3**	**837.1**
EBITDA	**206.6**	**169.6**	**240.0**	**209.6**	**94.4**	**131.6**
EBITDA margin	**13.3%**	**11.7%**	**18.3%**	**16.8%**	**13.7%**	**15.7%**
Amortization	–25.8	–25.8	–4.9	–4.6	–7.2	–6.9
Impairments on tangible and intangible assets [3]	–0.0	–	–4.5	–4.5	–	–
Depreciation	–31.1	–31.9	–29.4	–29.0	–14.9	–13.8
EBIT	**149.7**	**111.8**	**201.3**	**171.5**	**72.3**	**110.9**
Restructuring expenses	–3.4	–1.2	–0.9	–2.3	–0.1	–0.2
Total assets as of December 31	**1’514.8**	**1’495.9**	**1’056.8**	**1’078.1**	**595.0**	**633.1**
Total liabilities as of December 31	**795.9**	**750.3**	**461.0**	**488.8**	**374.5**	**473.6**
Capital expenditure (incl. lease assets)	–42.8	–44.5	–51.8	–46.0	–28.1	–38.6
Employees (number of full-time equivalents) as of December 31	5’559	5’492	4’855	4’832	2’781	2’934

1) Order intake from external customers.
2) Sales from external customers.
3) The amounts reported in 2025 mainly consist of an intangible asset impairment and was disclosed in the consolidated income statement in the line research and development expenses. In 2024, an impairment of tangible assets was reported in the consolidated income statement in the line cost of goods sold.

Segment information by division

	Total divisions		Others [4]		Total Sulzer	
millions of CHF	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Order intake (unaudited) [1]	**3'751.0**	**3'848.6**	**–**	**-**	**3'751.0**	**3'848.6**
Sales [2]	**3'555.4**	**3'530.6**	**–**	**-**	**3'555.4**	**3'530.6**
EBITDA	**541.0**	**510.9**	**15.2**	**–8.1**	**556.2**	**502.7**
EBITDA margin	**15.2%**	**14.5%**	**n/a**	**n/a**	**15.6%**	**14.2%**
Amortization	–37.9	–37.4	–2.3	–1.1	–40.2	–38.5
Impairments on tangible and intangible assets [3]	–4.5	–4.5	–	-	–4.5	–4.5
Depreciation	–75.4	–74.7	–3.1	–2.4	–78.5	–77.1
EBIT	**423.3**	**394.2**	**9.8**	**–11.7**	**433.1**	**382.5**
Restructuring expenses	–4.3	–3.7	–	-	–4.3	–3.7
Total assets as of December 31	**3'166.6**	**3'207.1**	**1'396.3**	**1'507.2**	**4'562.9**	**4'714.3**
Total liabilities as of December 31	**1'631.2**	**1'712.7**	**1'626.2**	**1'766.4**	**3'257.5**	**3'479.1**
Capital expenditure (incl. lease assets)	–122.8	–129.1	–10.0	–1.8	–132.8	–130.9
Employees (number of full-time equivalents) as of December 31	13'195	13'257	330	198	13'526	13'455

1) Order intake from external customers.
2) Sales from external customers.
3) The amounts reported in 2025 mainly consist of an intangible asset impairment and was disclosed in the consolidated income statement in the line research and development expenses. In 2024, an impairment of tangible assets was reported in the consolidated income statement in the line cost of goods sold.
4) The most significant activities under "Others" relate to Corporate Center.

The Group has updated the information disclosed in the "Segment information" to align with current reporting reviewed by the Chief Executive Officer. The modification involves using a different profit measure, EBITDA.

The definitions of the Alternative Performance Measures (APM) remain unchanged (see "Supplementary information" and comparative information has not been changed. For the new APM EBITDA margin, added reference is made to the section "Supplementary information" of this report.

For the reconciliation statements to the section "Financial review".

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 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 bio-based chemicals, polymers and fuels, recycling technologies for 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 total assets and liabilities.

The Chief Executive Officer primarily uses EBITDA to assess the performance of the operating segments. However, the Chief Executive Officer also receives information about the segments' order intake, sales, capital expenditures and EBIT 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.

Segment information by region

The allocation of assets is based on their geographical location. Non-current assets exclude deferred income tax assets, non-current receivables, defined benefit assets and other non-current financial assets. The allocation of sales from external customers is based on the location of the customer.

Non-current assets by region

millions of CHF	2025	2024
Europe, the Middle East and Africa	**828.8**	**842.9**
– thereof Switzerland	206.4	222.2
– thereof United Kingdom	168.9	181.9
– thereof Finland	124.4	128.2
– thereof Sweden	102.7	100.2
– thereof the Netherlands	74.2	76.0
Americas	**373.7**	**409.3**
– thereof USA	327.1	367.3
Asia-Pacific	**130.6**	**133.7**
– thereof China	43.3	46.1
Total	**1’333.1**	**1’385.8**

Sales by region

				2025
millions of CHF	Flow	Services	Chemtech	**Total Sulzer**
Europe, the Middle East and Africa	**732.0**	**489.8**	**208.2**	**1'430.1**
– thereof Saudi Arabia	128.5	40.3	33.9	202.7
– thereof United Arab Emirates	94.8	29.3	38.7	162.8
– thereof United Kingdom	31.1	111.6	9.9	152.6
– thereof Germany	60.7	43.9	13.5	118.2
– thereof France	35.8	31.9	16.3	83.9
– thereof Switzerland	4.2	2.1	3.3	9.6
Americas	**514.0**	**652.6**	**184.9**	**1'351.5**
– thereof USA	277.1	501.5	132.5	911.1
Asia-Pacific	**305.2**	**170.4**	**298.1**	**773.8**
– thereof China	189.9	31.6	158.4	380.0
Total	**1'551.2**	**1'312.8**	**691.3**	**3'555.4**

				2024
millions of CHF	Flow	Services	Chemtech	**Total Sulzer**
Europe, the Middle East and Africa	**624.6**	**460.3**	**188.2**	**1'273.1**
– thereof United Kingdom	30.3	110.7	20.4	161.4
– thereof Saudi Arabia	83.4	31.6	27.8	142.9
– thereof Germany	63.9	48.0	29.7	141.5
– thereof France	35.6	30.5	5.0	71.0
– thereof United Arab Emirates	21.8	25.0	13.2	60.1
– thereof Switzerland	5.8	1.7	3.1	10.6
Americas	**500.4**	**619.5**	**213.6**	**1'333.5**
– thereof USA	314.8	483.7	157.4	955.9
Asia-Pacific	**319.3**	**169.3**	**435.3**	**924.0**
– thereof China	196.9	34.0	271.9	502.7
Total	**1'444.3**	**1'249.1**	**837.1**	**3'530.6**

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	2025	2024
Water & Industrial	899.7	873.6
Energy & Infrastructure	651.5	570.7
Total Flow	**1’551.2**	**1’444.3**

Sales by market segment – Services

millions of CHF	2025	2024
Pumps Services	725.8	670.9
Turbo Services	387.1	366.7
Electro-Mechanical Services	200.0	211.5
Total Services	**1’312.8**	**1’249.1**

Sales by market segment – Chemtech

millions of CHF	2025	2024
Mass Transfer Components & Services	440.3	558.5
System Solutions	251.0	278.6
Total Chemtech	**691.3**	**837.1**

3 Acquisitions of subsidiaries and transactions with non-controlling interests

Acquisitions in 2025

Davies and Mills Co.W.L.L

On January 30, 2025, Sulzer acquired 100% of Davies & Mills Co.W.L.L. (“Davies and Mills”), a Services business specializing in maintenance and repair for rotating equipment including generators, alternators, motors and pumps headquartered in Ras Zuwayed, Bahrain.

The goodwill is attributable to the know-how of the workforce and favorable synergies. The goodwill is not deductible for tax purposes.The fair value of the trade accounts receivable amounts to CHF 0.9 million, which is equal to the gross contractual amount.

The total consideration amounted to CHF 12.3 million paid in cash at the date of the completion. Additional payments will be transferred upon completion of certain criteria on a yearly basis until 2028. A liability of CHF 0.7 million was recorded as an employee benefit in non-current and current provisions. These payments are not considered as part of the total consideration.

Probig Holding GmbH

On August 27, 2025, Sulzer acquired a controlling stake in Probig Holding GmbH (“Probig”), a provider of water and wastewater treatment solutions headquartered in Austria. Sulzer acquired shares representing an ownership of 70 percent in Probig and entered into a binding agreement to acquire the remaining 30 percent of the shares over the next 3 years. The total consideration amounted to CHF 8.0 million, of which CHF 5.2 million was paid in cash and CHF 2.8 million relate to contingent consideration for the purchase price not yet paid for the remaining 30 percent shares not yet transferred.

The goodwill is attributable to the know-how 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 1.3 million, which is equal to the gross contractual amount.

The contingent consideration for the purchase price not yet paid was recorded in other current and non-current liabilities. The shares were agreed to be transferred in three tranches, with payments expected in the years 2026, 2027 and 2028. The payments depend on the achieved operating income (EBIT) in the year preceeding each payment, with an agreed payment amount for each tranche. The recorded liability represents the discounted expected payments estimated with the expected value method.

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.

millions of CHF	Davies and Mills	Probig	Total
Intangible assets	5.7	1.9	7.7
Property, plant and equipment	0.3	0.4	0.7
Other non-current assets	0.1	1.1	1.3
Other current assets	2.8	4.0	6.7
Cash and cash equivalents	1.0	0.5	1.5
Non-current liabilities (excluding borrowings)	–0.4	–1.3	–1.7
Current borrowings	–	–0.3	–0.3
Current liabilities (excluding borrowings)	–0.2	–3.0	–3.3
Net identifiable assets	**9.3**	**3.3**	**12.7**
Goodwill	2.9	4.6	7.6
Total consideration	**12.3**	**8.0**	**20.3**
Purchase price paid in cash	12.3	5.2	17.5
Contingent consideration	–	2.8	2.8
Total consideration	**12.3**	**8.0**	**20.3**

Acquisitions in 2024

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 acquire the remaining 40 percent of the shares over the next five years.

On September 23, 2025, an amendment for the settlement to purchase of 35 percent of the shares was concluded leading to a payment of CHF 0.9 million. The liability for the contingent consideration in the amount of CHF 4.9 million was derecognized, with a corresponding income recorded in other operating income (see note 9). The remaining outstanding shares of 5 percent are subject to an unconditional written put option, granting the seller the right to sell all or part of the shares to the purchaser. In accordance with IAS 32, the liability was initially recognized at the present value of the option's exercice price. As of year end 2025, the put option amounted to CHF 0.2 million and was recorded in other current liabilities.

Cash flow from acquisition of subsidiaries

millions of CHF	2025	2024
Cash consideration paid	–17.5	–12.7
Cash acquired	1.5	0.5
Contingent consideration paid	–0.9	–0.9
Total cash flow from acquisitions, net of cash acquired	**–16.9**	**–13.1**

Contingent consideration for acquisitions

millions of CHF	2025	2024 [1]
Balance as of January 1	5.2	
Assumed in a business combination	2.8	8.5
Unrealized fair value gain/(loss), net	0.4	–0.4
Reclassifications	–0.7	–
Payment of contingent consideration [2]	–0.9	–0.9
Release to other operating income	–3.9	–2.0
Total contingent consideration as of December 31	**2.8**	**5.2**
– thereof non-current	1.8	5.2
– thereof current	1.0	–

1) The liability for the purchase price not yet paid of CHF 5.6m was reclassified as contingent consideration related to a change in accounting policy.
2) The payments are presented in the cash flow statement in “Acquisitions of subsidiaries, net of cash acquired”.

Transactions with non-controlling interests

millions of CHF	2025	2024
Carrying amount of non-controlling interests acquired (disposed)	–	–1.5
Consideration received (paid) in cash	–	0.0
Decrease in equity attributable to owners of Sulzer Ltd	**–**	**–1.5**

After entering into a collaboration with a local partner, the group’s ownership in Sulzer Pumps (Nigeria) Ltd. decreased in the second half of 2024. The group continues to exercise strategic and management control over the subsidiary following the group’s reduction in ownership.

As of December 31, 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 Critical accounting estimates and judgments

All estimates and assessments are continually reviewed and are based on historical experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances. The group makes estimates and assumptions that relate to the future. By their nature, these estimates will only rarely correspond to actual subsequent events. The estimates and assumptions that carry a significant risk, in the form of a substantial adjustment to the measurement of assets and liabilities within the next financial year, are set out below.

Employee benefit plans

Assets, liabilities and costs for defined benefit pension plans and other post-employment plans are determined on an actuarial basis using a number of assumptions. Assumptions used in determining the defined benefit assets / obligations include the discount rate, future salary, pension increases, and mortality rates. The assumptions are reviewed and reassessed at the end of each year based on observable market data, i.e., market yields of high-quality corporate bonds denominated in the corresponding currency and asset management studies. In case a defined benefit plan results in a surplus, the group needs to calculate the asset ceiling and the present value of the economic benefits available in the form of refunds or reductions in future contributions to the plan. For the calculation of the economic benefits, the future benefits are discounted with the applicable discount rate and adjusted for estimated future salary increases. These estimates might significantly impact the balance sheet. Further details on the defined benefit plans are provided in note 7 and note 32.

Income taxes

The group is subject to income taxes in numerous jurisdictions. Assumptions are required in order to determine income tax provisions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Management believes that the estimates are reasonable, and that the recognized liabilities for income tax-related uncertainties are adequate. Further details are disclosed in note 11.

Goodwill and other intangible assets

The group carries out an annual impairment test on goodwill in the first quarter of the year (after the budget and the strategic plan have been approved by the Board of Directors), or when indications of a potential impairment exist. The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations, with the terminal growth rate, the discount rate, and the projected cash flows as the main variables. Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment are disclosed in note 12. The accounting policies are disclosed in note 32.

Lease assets and lease liabilities

The group has applied judgment to determine the lease term for lease contracts that include renewal and termination options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and lease assets recognized. This assessment depends on economic incentives, such as removal and relocation costs. Further details are disclosed in note 14 and note 32.

Sales

At contract inception, the group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation. The group considers the terms of the contract and all other relevant facts, including the economic substance of the transaction. Judgment is needed to determine whether there is a single performance obligation or multiple separate performance obligations.

If the consideration promised in a contract includes a variable amount (e.g., expected liquidated damages, early payment discounts, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects to better predict the amount of consideration to which it will be entitled: the expected value or the most likely amount. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled. Depending on the outcome of the respective transactions, actual payments may differ from these estimates.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

The group recognizes sales either over time or at a point in time. Sales are recognized over time if any of the conditions described in note 32 are met. The most critical estimate in determining whether sales should be recorded over time or at a point in time is the existence of a right to payment. The group estimates if an enforceable right to payment (including reasonable profit margin) for performance to date exists in case the customer terminates the contract for convenience. For this estimate, the group reviews the contracts and considers relevant laws, legal precedents and customary business practice.

Applying the over time method requires the group to estimate the proportional sales and costs. To measure the stage of completion, generally, the cost-to-cost method is applied. Work progress of sub-suppliers is considered in determining the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Further details are disclosed in note 18 and note 32.

Provisions

Provisions are made, among other reasons, for warranties, disputes, litigation and restructuring. A provision is recognized in the balance sheet when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The nature of these costs is such that judgment has to be applied to estimate the timing and amount of cash outflows. Depending on the outcome of the respective transactions, actual payments may differ from these estimates. Further details are disclosed in note 25 and note 32.

Financial assets

The fair value needs to be measured for the financial assets measured at fair value through P&L. If there is no observable fair value, valuation approaches relying on unobservable inputs are used. These inputs inherently require a higher level of judgement. Assumptions and estimates of unobservable market inputs in the fair valuation of financial assets require significant judgment and could affect amounts recognized in the income statement.

5 Financial risk management

5.1 Financial risk factors

The group's activities expose it to market, credit and liquidity risks. The group's overall risk management program focuses on the mitigation of such risks to minimize potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's subsidiaries. Principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity exist in writing.

a) Market risk

(I) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The group is exposed to transactional foreign currency risk to the extent that sales, purchases, license fees, borrowings and other balance sheet items are denominated in currencies other than the functional currencies of group companies. The exposure originates mainly from group companies with the functional currencies CHF, EUR, CNY, USD, GBP and BRL. Management has set up a policy to require subsidiaries to manage their foreign exchange risk against their functional currency. The subsidiaries are required to hedge their major foreign exchange risk exposure using forward contracts or other standard instruments, usually transacted with Group Treasury. The group's management policy is to hedge 90% to 100% of the contractual FX exposures.

The group uses forward exchange contracts to hedge its currency risk, all of them with a maturity of less than one year from the reporting date. The contracts are generally designated for hedge accounting as cash flow hedges. The group determines the existence of an economic relationship between the hedging instruments and the hedged item based on the currency, amount and timing of the respective cash flows. For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated.

External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis. The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. If required, currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The Group considers derivative financial instruments on an ad hoc basis to manage foreign currency translation risk.

The following tables show the hypothetical influence on the income statement for 2025 and 2024 related to foreign exchange risk of financial instruments. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. For 2025, the currency pair with the most significant exposure and inherent risk was the GBP versus the USD. If, on December 31, 2025, the GBP had increased by 7.2% against the USD with all other variables held

constant, profit after tax for the year would have been CHF 1.4 million higher due to foreign exchange gains. A decrease of the rate would have caused a loss of the same amount.

Hypothetical impact of foreign exchange risk on income statement

millions of CHF				2025
Currency pair	GBP/USD	EUR/ZAR	USD/INR	EUR/BRL
Exposure	25.6	13.8	–20.7	–7.1
Volatility	7.2%	10.1%	4.6%	12.8%
Effect on profit after tax (rate increase)	1.4	1.1	–0.7	–0.7
Effect on profit after tax (rate decrease)	–1.4	–1.1	0.7	0.7

millions of CHF				2024
Currency pair	CHF/CNY	GBP/USD	EUR/ZMK	EUR/BRL
Exposure	–17.8	17.1	–3.0	–3.8
Volatility	6.6%	6.2%	18.4%	11.6%
Effect on profit after tax (rate increase)	–0.9	0.8	–0.4	–0.3
Effect on profit after tax (rate decrease)	0.9	–0.8	0.4	0.3

The following tables show the hypothetical influence on equity for 2025 and 2024 related to foreign exchange risk of financial instruments for the most important currency pairs as of December 31 of the respective year. The volatility used for the calculation is the one-year historic volatility on December 31 for the relevant currency pair and year. Most of the hypothetical effect on equity is a result of fair value changes of derivative financial instruments designated as cash flow hedges.

Hypothetical impact of foreign exchange risk on equity

millions of CHF							2025
Currency pair	GBP/USD	USD/MXN	EUR/CHF	USD/BRL	EUR/USD	USD/CAD	USD/INR
Exposure	131.8	–80.3	–88.7	–26.7	28.9	–37.0	–40.2
Volatility	7.2%	9.2%	5.0%	11.5%	8.6%	5.5%	4.6%
Effect on equity, net of taxes (rate increase)	7.2	–5.6	–3.4	–2.3	1.9	–1.5	–1.4
Effect on equity, net of taxes (rate decrease)	–7.2	5.6	3.4	2.3	–1.9	1.5	1.4

millions of CHF							2024
Currency pair	USD/MXN	GBP/USD	USD/BRL	EUR/CHF	EUR/BRL	EUR/USD	EUR/SEK
Exposure	–50.7	96.5	–34.8	–66.2	22.7	34.6	–27.2
Volatility	13.1%	6.2%	12.5%	5.3%	11.6%	5.9%	5.7%
Effect on equity, net of taxes (rate increase)	–5.0	4.5	–3.0	–2.6	2.0	1.5	–1.2
Effect on equity, net of taxes (rate decrease)	5.0	–4.5	3.0	2.6	–2.0	–1.5	1.2

(II) Price risk
As of December 31, 2025, and 2024, the group was not exposed to significant price risk related to investments in equity securities.

(III) Interest rate risk
The group's interest rate risk arises from interest-bearing assets and liabilities. Financial assets and liabilities at variable rates expose the group to cash flow interest rate risk. The group analyzes its interest rate exposure on a net basis, and if required, enters into derivative instruments in order to keep the volatility of net interest income or expense limited. The group's non-current interest-bearing liabilities mainly comprise of bonds with a fixed interest rate.

The following table shows the hypothetical influence on the income statement for variable interest-bearing assets net of liabilities at variable interest rates, assuming market interest rate levels would have increased / decreased by 100 basis points. For the most significant currencies, CHF, EUR, CNY, USD and INR, increasing interest rates would have had a positive impact on the income statement, since the value of variable interest-bearing assets (comprising mainly cash and cash equivalents) exceed the value of variable interest-bearing liabilities.

Hypothetical impact of interest rate risk on income statement

millions of CHF				**2025**
			Impact on post-tax profit	
Variable interest-bearing assets (net)	Amount	Sensitivity in basis points	rate increase	rate decrease
EUR	226.9	100	1.7	–1.7
CHF	218.0	100	1.7	–1.7
USD	165.6	100	1.3	–1.3
CNY	144.4	100	1.1	–1.1
INR	37.5	100	0.3	–0.3

millions of CHF				**2024**
			Impact on post-tax profit	
Variable interest-bearing assets (net)	Amount	Sensitivity in basis points	rate increase	rate decrease
CHF	373.0	100	2.8	–2.8
EUR	227.3	100	1.7	–1.7
CNY	145.1	100	1.1	–1.1
USD	127.6	100	1.0	–1.0
INR	40.5	100	0.3	–0.3

On December 31, 2025, if the interest rates on EUR-denominated assets net of liabilities had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 1.7 million higher, as a result of higher interest income on EUR-denominated assets. A decrease of interest rates on EUR-denominated assets net of liabilities would have caused a loss of the same amount. As of December 31, 2024, if the interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been CHF 1.7 million higher, as a result of higher interest income on EUR-denominated assets.

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions or corporates and credit exposures to customers, including outstanding trade receivables and contract assets. The maximum exposure to credit risk per class of financial asset is disclosed by carrying amounts in the fair value table. Equity instruments are not exposed to credit risks. The carrying amounts of financial assets and contract assets represent the maximum credit risk exposure.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

For every customer with a large order volume, an individual risk assessment of the credit quality of the customer is performed that considers independent ratings, financial position, past experience and other factors. Additionally, bank guarantees and letters of credit are requested. For more details on the credit risk of contract assets, please refer to note 18, and on the credit risk of trade accounts receivable, please refer to note 19.

c) Liquidity risk

Prudent liquidity risk management includes the maintenance of sufficient cash and marketable securities, the availability of funding from an adequate number of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding through committed and uncommitted credit lines.

Management anticipates the future development of the group's liquidity reserve on the basis of expected cash flows by performing regular group-wide cash forecasts. As of December 2025, 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 following table analyzes the group's financial liabilities in relevant maturity groupings based on the remaining period from the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows translated at year-end closing rates, if not denominated in CHF. Borrowings include the notional amount and interest payments.

Maturity profile of financial liabilities

					2025
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	**Total**
Borrowings	1’084.2	311.1	703.1	102.5	1’116.7
Lease liabilities	110.6	28.4	57.4	37.7	123.5
Trade accounts payable	386.4	386.4	-	–	386.4
Other current and non-current liabilities (excluding derivative liabilities)	339.7	337.1	2.1	0.5	339.8
Total non-derivative financial liabilities	**1’921.0**	**1’063.1**	**762.6**	**140.8**	**1’966.4**
Derivative liabilities	**4.6**	**4.6**	**-**	**–**	**4.6**
– thereof outflow	–	958.7	–	–	958.7
– thereof inflow	–	954.1	–	–	954.1

					2024
millions of CHF	Carrying amount	<1 year	1–5 years	>5 years	**Total**
Borrowings	1’057.1	327.0	767.3	–	1’094.3
Lease liabilities	104.9	27.0	58.2	31.6	116.9
Trade accounts payable	388.2	388.2	–	–	388.2
Other current and non-current liabilities (excluding derivative liabilities)	473.0	465.7	7.3	1.0	474.0
Total non-derivative financial liabilities	**2’023.2**	**1’208.0**	**832.8**	**32.6**	**2’073.4**
Derivative liabilities	**10.3**	**10.3**	**–**	**–**	**10.3**
– thereof outflow	–	761.0	–	–	761.0
– thereof inflow	–	750.7	–	–	750.7

5.2 Capital risk management

The group’s objectives when managing capital are to safeguard the group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In this respect, the group aims at maintaining an investment-grade credit rating, either as a perceived rating or an external rating issued by a credit rating agency.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The following table shows the net debt / EBITDA ratio as of December 31, 2025, and 2024.

Net debt / EBITDA ratio

millions of CHF	2025	2024
Cash and cash equivalents	–927.3	–1’060.6
Current financial assets	–0.1	–1.0
Non-current borrowings	779.3	745.0
Non-current lease liabilities	81.7	78.3
Current borrowings	304.9	312.0
Current lease liabilities	28.9	26.6
Net debt as of December 31	**267.4**	**100.4**
Operating income (EBIT)	**433.1**	**382.5**
Depreciation	78.5	77.1
Impairments on tangible and intangible assets	4.5	4.5
Amortization	40.2	38.5
EBITDA	**556.2**	**502.7**
Net debt	267.4	100.4
EBITDA	556.2	502.7
Net debt / EBITDA ratio	**0.48**	**0.20**

Another important ratio for the group is the gearing ratio (borrowings-to-equity ratio), which is calculated as total borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

As of December 31, 2025, and 2024, the gearing ratio was as follows:

Gearing ratio (borrowings-to-equity ratio)

millions of CHF	2025	2024
Non-current borrowings	779.3	745.0
Non-current lease liabilities	81.7	78.3
Current borrowings	304.9	312.0
Current lease liabilities	28.9	26.6
Total borrowings and lease liabilities	**1’194.8**	**1’161.9**
Equity attributable to shareholders of Sulzer Ltd	1’293.2	1’223.6
Gearing ratio (borrowings-to-equity ratio)	**0.92**	**0.95**

For the definition of net debt, EBIT, EBITDA and gearing ratio, please refer to the section “Supplementary information”.

5.3 Fair value estimation

The following tables present the carrying amounts and fair values of financial assets and liabilities as of December 31, 2025, and 2024, 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 the following three different levels in a fair value hierarchy based on the inputs used in the valuation techniques:

The fair value of financial instruments traded in active markets, including the 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. This 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 determined using unobservable inputs are categorized within level 3 of the fair value hierarchy. Level 3 instruments consist of non-current financial assets at fair value through profit or loss. Non-current financial assets at fair value through profit or loss consist of unquoted equity or debt instruments including private equity or fund investments. Fair values are mainly determined based on external valuations. Unrealized fair value gains are recorded in other financial income / (expenses), net. For the partial release of a contingent consideration, an income of CHF 3.9 million (2024: CHF 2.0 million) was recorded in other operating income. For more information, please refer to note 3.

Level 3 financial assets at fair value through profit or loss

millions of CHF	2025	2024
Balance as of January 1	22.2	22.0
Additions	0.5	0.4
Divestments	–1.2	–0.0
Realized and unrealized fair value gains / (losses), net	1.4	–0.2
Currency translation differences	–0.5	-
Total level 3 financial assets at fair value through profit or loss as of December 31	**22.4**	**22.2**

Fair value table

											December 31, 2025
		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)	**16**		22.6	6.0			28.6	6.2	–	22.4	28.6
Derivative assets – current	**20,27**	5.1					5.1	–	5.1	–	5.1
Current financial assets (at fair value)	**16**		0.0				0.0	0.0	–	–	0.0
Total financial assets measured at fair value		**5.1**	**22.6**	**6.0**	**–**	**–**	**33.7**	**6.2**	**5.1**	**22.4**	**33.7**
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	**16**				3.3		3.3				
Non-current receivables					1.2		1.2				
Trade accounts receivable	**19**				628.7		628.7				
Other current receivables (excluding current derivative assets and other taxes)	**20**				9.3		9.3				
Current financial assets (at amortized cost)	**16**				0.1		0.1				
Cash and cash equivalents	**21**				927.3		927.3				
Total financial assets not measured at fair value		**–**	**–**	**–**	**1’569.9**	**–**	**1’569.9**				
Financial liabilities measured at fair value											
Derivative liabilities – current	**26,27**	4.6					4.6	–	4.6	–	4.6
Contingent considerations	**3**		2.8				2.8	–	–	2.8	2.8
Total financial liabilities measured at fair value		**4.6**	**2.8**	**–**	**–**	**–**	**7.3**	**–**	**4.6**	**2.8**	**7.3**
Financial liabilities not measured at fair value											
Outstanding non-current bonds	**24**					778.7	778.7	787.9	–	–	787.9
Other non-current borrowings	**24**					0.6	0.6				
Other non-current liabilities (excluding non-current derivative liabilities and contingent considerations)						0.9	0.9				
Outstanding current bonds	**24**					294.9	294.9	298.9	–	–	298.9
Other current borrowings and bank loans	**24**					10.0	10.0				
Trade accounts payable						386.4	386.4				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	**26**					336.1	336.1				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**–**	**1’807.6**	**1’807.6**	**1’086.9**	**–**	**–**	**1’086.9**

Fair value table

											December 31, 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)	**16**		22.4	4.7			27.1	4.9	–	22.2	27.1
Derivative assets – current	**20,27**	3.0					3.0	–	3.0	–	3.0
Current financial assets (at fair value)	**16**		0.6				0.6	0.6	–	–	0.6
Total financial assets measured at fair value		**3.0**	**23.0**	**4.7**	**–**	**–**	**30.7**	**5.5**	**3.0**	**22.2**	**30.7**
Financial assets not measured at fair value											
Other non-current financial assets (at amortized cost)	**16**				3.2		3.2				
Non-current receivables					1.9		1.9				
Trade accounts receivable	**19**				680.2		680.2				
Other current receivables (excluding current derivative assets and other taxes)	**20**				18.2		18.2				
Current financial assets (at amortized cost)	**16**				0.4		0.4				
Cash and cash equivalents	**21**				1’060.6		1’060.6				
Total financial assets not measured at fair value		**–**	**–**	**–**	**1’764.5**	**–**	**1’764.5**				
Financial liabilities measured at fair value											
Derivative liabilities – current	**26,27**	10.3					10.3	–	10.3	–	10.3
Contingent considerations [1]	**3**		5.2				5.2	–	–	5.2	5.2
Total financial liabilities measured at fair value		**10.3**	**5.2**	**–**	**–**	**–**	**15.5**	**–**	**10.3**	**5.2**	**15.5**
Financial liabilities not measured at fair value											
Outstanding non-current bonds	**24**					744.0	744.0	759.5	–	–	759.5
Other non-current borrowings	**24**					1.0	1.0				
Other non-current liabilities (excluding non-current derivative liabilities and contingent considerations) [1]						2.1	2.1				
Outstanding current bonds	**24**					299.9	299.9	299.7	–	–	299.7
Other current borrowings and bank loans	**24**					12.1	12.1				
Trade accounts payable						388.2	388.2				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)	**26**					465.8	465.8				
Total financial liabilities not measured at fair value		**–**	**–**	**–**	**–**	**1’913.1**	**1’913.1**	**1’059.2**	**–**	**–**	**1’059.2**

1) The liability for the purchase price not yet paid of CHF 5.6m was reclassified as contingent consideration related to a change in accounting policy.

6 Personnel expenses

millions of CHF	2025	2024
Salaries and wages	868.0	889.3
Defined contribution plan expenses	32.9	33.5
Defined benefit plan expenses	13.8	21.1
Cost of share-based payment transactions	18.4	13.4
Social benefit costs	127.4	123.8
Other personnel costs	34.1	36.7
Total personnel expenses	**1’094.7**	**1’117.9**

7 Employee benefit plans

The present value of the defined benefit obligations and costs of the defined benefits are calculated using the projected unit credit method. For active members the calculation considers future salary increases, future pension increases as well as the probability of departures, and for retirees, current and future pension benefits considering future pension increases.

Reconciliation of the amount recognized in the balance sheet as of December 31

						2025
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	**Total**
Present value of funded defined benefit obligation	–707.3	–301.3	–41.0	–76.7	–	–1’126.3
Fair value of plan assets (funded plans)	878.3	245.1	40.7	55.0	–	1’219.2
Overfunding / (underfunding)	**171.0**	**–56.2**	**–0.3**	**–21.6**	**–**	**92.9**
Present value of unfunded defined benefit obligation	–	–	–	–	–9.1	–9.1
Adjustment to asset ceiling	–	–	–	–0.1	–	–0.1
Net asset / (liability) recognized in the balance sheet	**171.0**	**–56.2**	**–0.3**	**–21.7**	**–9.1**	**83.7**
– thereof defined benefit obligations	–	–56.2	–0.8	–27.0	–9.1	–93.0
– thereof defined benefit assets	171.0	–	0.5	5.3	–	176.8

						2024
millions of CHF	Funded plans Switzerland	Funded plans United Kingdom	Funded plans USA	Funded plans others	Unfunded plans	**Total**
Present value of funded defined benefit obligation	–759.7	–323.9	–46.7	–81.6	–	–1’211.9
Fair value of plan assets (funded plans)	899.9	258.9	44.5	56.9	–	1’260.2
Overfunding / (underfunding)	**140.2**	**–65.0**	**–2.2**	**–24.7**	**–**	**48.3**
Present value of unfunded defined benefit obligation	–	–	–	–	–10.4	–10.4
Adjustment to asset ceiling	–	–	–	–0.0	–	–0.0
Net asset / (liability) recognized in the balance sheet	**140.2**	**–65.0**	**–2.2**	**–24.7**	**–10.4**	**37.9**
– thereof defined benefit obligations	–	–65.0	–2.3	–28.4	–10.4	–106.1
– thereof defined benefit assets	140.2	–	0.1	3.7	–	144.0

The group operates major funded defined benefit pension plans in Switzerland, the UK and the USA. The main unfunded defined benefit plan is a German pension benefit plan. The plans are exposed to actuarial risks, e.g., longevity risk, currency risk and interest rate risk, and the funded plans additionally to market (investment) risk.

In Switzerland, the group contributes to two pension plans funded via two different pension funds, i.e., a base plan for all employees and a supplementary plan for employees with salaries exceeding a certain limit. Both plans provide benefits depending on the pension savings at retirement. They include certain legal minimum interest credits to the pension savings (i.e., investment return) and guaranteed rates of conversion of pension savings into an annuity at retirement. In addition, the plans offer death in service and disability benefits. The two pension funds are collective funds administrating pension plans of group companies and also unrelated companies. In case of a material underfunding of the pension plans, the regulations include predefined steps, such as higher contributions by employer and employees or lower interest on pension savings, to eliminate the underfunding. The pension funds are legally separated from the group. The vast majority of the active participants in the two pension funds are employed by companies not belonging to the group. The Board of Trustees for the base plan comprises nine employee representatives and nine employer representatives. The discount rate in 2025 increased compared to 2024 (from 1.0% to 1.3% for active employees and from 0.9% to 1.1% for pensioners). In 2025 and 2024, there was no gain or loss from the change in effect of asset ceiling recorded in other comprehensive income (OCI) related to the Swiss pension plans. The net pension asset increased from CHF 140.2 million to CHF 171.0 million. The total expenses recognized in the income statement in 2025 amounted to CHF 9.2 million (2024: CHF 15.7 million). In 2025, the group recognized a curtailment adjustment which arose from a reduction in the number of plan participants eligible for future benefits. This event resulted in a gain of CHF 4.2m within past service costs. In 2024, the past service costs included an expense related to a plan amendment to both of the pension plans, which consisted of an increase in the conversion rate.

In the UK, the plan is a final salary plan and provides benefits linked to salary at closure to future accrual adjusted for inflation to retirement or earlier date of leaving service. The scheme is fully closed to new entrants and future accruals. The scheme is managed by eight trustees forming the Board. The plan is a multiemployer scheme with Sulzer (UK) Holding being the principal sponsor. The discount rate decreased in 2025 by 0.1 percentage points to 5.5% (2024: 5.6%). The net pension liability decreased from CHF 65.0 million in 2024 to CHF 56.2 million in 2025, with a gain recognized in OCI amounting to CHF 0.1 million (2024: gain of CHF 11.8 million). In 2025, the total expenses recognized in the income statement amounted to CHF 3.3 million (2024: CHF 3.7 million).

In the USA, the group operates non-contributory defined benefit retirement plans. The salaried plans provide benefits that are based on years of service and the employee's compensation, averaged over the five highest consecutive years preceding retirement. The hourly plans' benefits are based on years of service and a flat dollar benefit multiplier. All plans are closed to new entrants. The discount rate decreased in 2025 to 5.1% (2024: 5.4%). The net pension liability decreased from CHF 2.2 million in 2024 to CHF 0.3 million in 2025 with a gain recognized in OCI amounting to CHF 1.0 million (2024: gain of CHF 8.0 million). The total expenses recognized in 2025 amounted to CHF 0.2 million (2024: CHF 0.9 million).

In Germany, the group operates a range of different defined benefit pension plans, with one unfunded plan and two funded plans. All defined benefit plans are closed for new entrants and a new defined contribution plan for all employees was introduced in 2007. Existing employees who participated in the defined benefit plans continued to be eligible for these defined benefit pensions but also became eligible for the new defined contribution pensions. However, benefits received under the defined contribution plan are offset against the benefits under the defined benefit plans. The different defined benefit plans offer retirement pension, disability pension and survivor's pension benefits.

Employee benefit plans

millions of CHF	2025	2024
Reconciliation of effect of asset ceiling		
Adjustment to asset ceiling at January 1	–	–
Interest (expenses) / income on effect of asset ceiling	–	–
Change in effect of asset ceiling excl. interest (expenses) / income	–0.1	–0.0
Currency translation differences	0.0	0.0
Adjustment to asset ceiling at December 31	**–0.1**	**–**
Reconciliation of net asset / (liability) recognized in the balance sheet		
Net asset / (liability) recognized at January 1	37.9	43.2
Defined benefit income / (expenses) recognized in the income statement	–17.3	–24.3
Defined benefit income / (expenses) recognized in OCI	31.7	–2.4
Employer contributions	25.7	26.3
Reclassification	–	–0.0
Currency translation differences	5.7	–4.9
Net asset / (liability) recognized at December 31	**83.7**	**37.9**
Components of defined benefit income / (expenses) in the income statement		
Current service costs (employer)	–17.3	–15.8
Past service costs	3.8	–4.7
Gains and (losses) on settlement	–0.0	–0.2
Interest expenses	–29.3	–32.2
Interest income on plan assets	25.8	29.0
Interest expenses / (income) on effect of asset ceiling	–0.0	–
Other administrative costs	–0.3	–0.4
Income / (expenses) recognized in the income statement	**–17.3**	**–24.3**
– thereof charged to personnel expenses	–13.8	–21.1
– thereof charged to interest income / (expenses), net	–3.5	–3.2
Components of defined benefit gains / (losses) in OCI		
Actuarial gains / (losses) on defined benefit obligation	–6.4	–19.5
Returns on plan assets excl. interest income	38.1	17.0
Changes in effect of asset ceiling excl. interest expenses / (income)	–0.1	–0.0
Returns on reimbursement right excl. interest income / (expenses)	0.2	0.1
Others	–0.1	–
Defined benefit gains / (losses) recognized in OCI [1)]	**31.7**	**–2.4**

1) The tax effect on defined benefit cost recognized in OCI amounted to CHF 5.7 million (2024: CHF 3.3 million).

Employee benefit plans

millions of CHF	2025	2024
Reconciliation of defined benefit obligation (funded and unfunded plans)		
Defined benefit obligation as of January 1	–1’222.3	–1’220.0
Interest expenses	–29.3	–32.2
Current service costs (employer)	–17.3	–15.8
Past service costs	3.8	–4.7
Contributions by plan participants	–8.5	–8.5
Benefits paid / (deposited)	117.3	100.9
Gains and (losses) on settlement	–0.0	–0.2
Other administrative costs	–0.3	–0.4
Actuarial gains / (losses)	–6.4	–19.5
Reclassification	–	–0.0
Currency translation differences	27.7	–22.0
Defined benefit obligation as of December 31	**–1’135.4**	**–1’222.3**
Reconciliation of the fair value of plan assets		
Fair value of plan assets as of January 1	1’260.2	1’263.2
Interest income on plan assets	25.8	29.0
Employer contributions	25.7	26.3
Contributions by plan participants	8.5	8.5
Benefits (paid) / deposited	–117.3	–100.8
Returns on plan assets excl. interest income	38.1	17.0
Currency translation differences	–21.9	17.0
Fair value of plan assets as of December 31	**1’219.2**	**1’260.2**
Total plan assets at fair value – quoted market price		
Cash and cash equivalents	60.6	45.4
Equity instruments	249.1	261.1
Debt instruments	256.7	275.8
Real estate funds	16.1	18.7
Investment funds	4.8	5.5
Others	70.1	74.3
Total assets at fair value – quoted market price as of December 31	**657.4**	**680.7**
Total plan assets at fair value – non-quoted market price		
Properties occupied by or used by third parties (real estate)	275.7	275.6
Others	286.0	303.9
Total assets at fair value – non-quoted market price as of December 31	**561.8**	**579.5**
Best estimate of contributions for upcoming financial year		
Contributions by the employer	25.2	27.0

Employee benefit plans

millions of CHF	2025	2024
Components of defined benefit obligation, split		
Defined benefit obligation for active members	–267.0	–278.1
Defined benefit obligation for pensioners	–723.1	–753.9
Defined benefit obligation for deferred members	–145.2	–190.3
Total defined benefit obligation as of December 31	**–1'135.4**	**–1'222.3**
Components of actuarial gains / (losses) on obligations		
Actuarial gains / (losses) arising from changes in financial assumptions	16.6	–4.7
Actuarial gains / (losses) arising from changes in demographic assumptions	–0.1	5.6
Actuarial gains / (losses) arising from experience adjustments	–22.9	–20.4
Total actuarial gains / (losses) on defined benefit obligation	**–6.4**	**–19.5**
Maturity profile of defined benefit obligation		
Weighted average duration of defined benefit obligation in years	10.1	10.6

The defined benefit obligations for the Swiss and UK pension plans represent 88.8% (2024: 88.6%) of the group. The following significant actuarial assumptions were used for these two countries:

Principal actuarial assumptions as of December 31

	2025		2024	
	Funded plans Switzerland	Funded plans United Kingdom	Funded plans Switzerland	Funded plans United Kingdom
Discount rate for active employees	1.3%	n/a	1.0%	n/a
Discount rate for pensioners	1.1%	5.5%	0.9%	5.6%
Future salary increases	2.3%	n/a	2.3%	n/a
Future pension increases	0.0%	2.6%	0.0%	2.7%
Life expectancy at retirement age (male / female) in years	22/24	21/24	22/24	21/24

Sensitivity analysis of defined benefit obligations

millions of CHF	2025	2024
Discount rate (decrease 0.25 percentage points)	–28.9	–32.7
Discount rate (increase 0.25 percentage points)	27.6	31.0
Future salary growth (decrease 0.25 percentage points)	2.2	2.2
Future salary growth (increase 0.25 percentage points)	–2.2	–2.8
Life expectancy (decrease 1 year)	58.0	65.3
Life expectancy (increase 1 year)	–59.5	–64.4

Negative amounts in the above table indicate an increase in defined benefit obligations, positive amounts indicate a decrease in defined benefit obligations. The sensitivity analysis is based on reasonably possible changes of the significant actuarial assumptions as of year end. The sensitivities provided are based on the change in one assumption while holding the other assumptions unchanged. Interdependencies were not considered.

8 Research and development expenses

A breakdown of the research and development expenses per division is shown in the table below:

millions of CHF	2025	2024
Flow	40.1	39.1
Services	5.9	1.6
Chemtech	31.6	35.7
Total	**77.6**	**76.4**

9 Other operating income and expenses

millions of CHF	2025	2024
Income from release of contingent consideration	3.9	2.0
Gain from sale of property, plant and equipment	1.2	1.2
Gain from sale of intangible assets	1.0	–
Gain from disposal of associates	3.7	–
Total other operating income	**9.9**	**3.2**
Cost for mergers and acquisitions	–1.0	–1.9
Loss from sale of property, plant and equipment	–0.3	–0.9
Loss from deconsolidation of subsidiaries	–	–0.1
Operating currency exchange losses, net	–16.8	–4.4
Other operating expenses	–3.3	–1.9
Total other operating expenses	**–21.4**	**–9.2**
Total other operating income / (expenses), net	**–11.5**	**–6.0**

In 2025, other operating income includes CHF 1.2 million gain from sale of property, plant and equipment, CHF 1.0 million gain from sale of intangible assets, CHF 3.9 million income from a release of a contingent consideration (see note 3) and CHF 3.7 million profit from disposal of Tamturbo Oyi (see note 15).

In 2024, other operating income includes CHF 1.2 million gain from sale of property, plant and equipment and CHF 2.0 million income from a partial release of a contingent consideration (see note 3).

In 2025 and 2024 other operating expenses includes mainly currency exchange losses on operating assets and liabilities and expenses from litigation cases and other taxes.

10 Financial income and expenses

millions of CHF	2025	2024
Interest and securities income	10.0	17.3
Interest income on employee benefit plans	1.6	2.4
Total interest and securities income	**11.6**	**19.6**
Interest expenses on borrowings and lease liabilities	–24.4	–23.8
Interest expenses on employee benefit plans	–5.1	–5.5
Total interest expenses	**–29.5**	**–29.3**
Total interest income / (expenses), net	**–17.9**	**–9.7**
Income from investments and other financial assets	0.5	0.0
Fair value changes	–5.4	–12.7
Other financial income / (expenses), net	0.5	–0.0
Currency exchange gains / (losses), net	–12.3	–2.8
Total other financial income / (expenses), net	**–16.7**	**–15.5**
Total financial income / (expenses), net	**–34.6**	**–25.2**
- thereof fair value changes on financial assets at fair value through profit or loss	–5.4	–12.7
- thereof other income / (expenses) from financial assets at fair value through profit or loss	0.5	0.0
- thereof interest income on financial assets at amortized costs	10.0	17.3
- thereof other financial income / (expenses), net	0.5	–0.0
- thereof currency exchange gains / (losses), net	–12.3	–2.8
- thereof interest expenses on borrowings	–20.8	–20.8
- thereof interest expenses on lease liabilities	–3.6	–3.0
- thereof interest expenses on employee benefit plans, net	–3.5	–3.2

In 2025, the total financial expenses, net amounted to CHF 34.6 million, compared with CHF 25.2 million in 2024.

The total interest and securities income amounted to CHF 11.6 million (2024: CHF 19.6 million), including interest income on employee benefit plans of CHF 1.6 million (2024: CHF 2.4 million).

The line “Fair value changes” mainly includes fair value changes of derivative financial instruments used as hedging instruments to hedge foreign exchange risks amounting to CHF 6.9 million (2024: CHF 13.0 million) as well as gains from fair value changes of investments in financial instruments classified at fair value through profit or loss.

Currency exchange gains / losses are related to foreign currency differences of assets and liabilities that are not directly used for business related activities (financing activities or other support functions) recorded at the prevailing rate at the time of acquisition (or preceding year-end closing rate) as against the current balance sheet rate.

11 Income taxes

millions of CHF	2025	2024
Current income tax expenses	–85.2	–102.9
Deferred income tax (expenses) income	–6.3	14.7
Pillar II tax expenses	–0.9	–
Total income tax expenses	**–92.4**	**–88.2**

The weighted average tax rate results from applying each subsidiary's statutory income tax rate to the income before taxes. Since the group operates in countries that have differing tax laws and rates, the consolidated weighted average effective tax rate may vary from year to year according to variations in income per country and changes in applicable tax rates.

Reconciliation of income tax expenses

millions of CHF	2025	2024
Income before income tax expenses	387.1	353.5
Weighted average tax rate	**20.6%**	**22.0%**
Income taxes at weighted average tax rate	–79.7	–77.9
Income taxed at different tax rates	–21.5	–25.5
Effect of tax loss carryforwards and allowances for deferred income tax assets	1.5	4.4
Expenses not deductible for tax purposes	–0.6	–1.2
Effect of changes in tax rates and legislation	–0.6	1.0
Prior year items and others	8.4	11.0
Total income tax expenses	**–92.4**	**–88.2**
Effective income tax rate	23.9%	24.9%

The effective income tax rate for 2025 was 23.9% (2024: 24.9%). In 2025, the effective income tax rate was impacted by income taxed at different tax rates in the amount of CHF 21.5 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests.

Expenses not deductible for tax purposes in the amount of CHF 0.6 million mainly relate to disallowances of group charges for services, financing and other expenses in Mexico, India and Indonesia.

The effect of tax loss carryforwards and the related allowances for deferred income tax assets amounted to CHF 1.5 million and primarily reflects the utilization of tax losses under the U.S. Consolidated Federal Income Tax regime.

Prior-year items and other reconciling effects include tax benefits of CHF 8.0 million arising from the increased Foreign Tax Credit and the Foreign-Derived Deduction Eligible Income introduced by the U.S. One Big Beautiful Bill Act. In addition, this reconciling item comprises current tax refunds and receivables related to the Research and Development super-deduction in China (CHF 3.0 million), as well as refunds from Research and Development tax credits in Brazil (CHF 2.6 million) and the United Kingdom (CHF 0.7 million).

The effective income tax rate for 2024 was 24.9% impacted by income taxed at different tax rates in the amount of CHF 25.5 million due to participation exemptions on dividend income and withholding taxes on dividends, trademark royalties and interests. Expenses not deductible for tax purposes in the amount of CHF 1.2 million mainly related to disallowances of group charges for services, financing and other expenses in India, Mexico, the UK and the USA. Effect of tax loss carryforwards and allowances for deferred income tax assets related to the utilization of tax losses in Germany, Ireland, UK and the USA due to the positive business development. Prior year items and others include current tax refunds and receivables from a Mutual Agreement Procedure in Switzerland (CHF 2.3 million), Research and Development super-deduction in China (CHF 1.5 million) and the refunds from Research and Development tax credit in Brazil and the USA. Additionally, a deferred income tax asset of CHF 2.1 million was recognized on a step-up in relation to the Swiss Corporate Tax Reform (TRAF) enacted in prior periods.

Summary of deferred income tax assets and liabilities in the balance sheet

			2025			2024
millions of CHF	Assets	Liabilities	**Net**	Assets	Liabilities	**Net**
Intangible assets	18.9	–48.2	–29.3	20.9	–55.0	–34.2
Property, plant and equipment	8.4	–12.4	–4.0	4.8	–16.2	–11.5
Other financial assets	7.6	–2.0	5.5	12.6	–0.9	11.7
Inventories	22.0	–2.5	19.5	26.4	–3.8	22.6
Other assets	20.8	–48.7	–27.8	15.6	–44.0	–28.4
Defined benefit obligations	16.9	–3.4	13.5	21.4	–2.6	18.7
Non-current provisions	7.5	–	7.5	6.4	–	6.4
Current provisions	22.4	–1.1	21.3	23.7	–0.7	23.0
Other liabilities	34.0	–12.2	21.9	52.7	–11.5	41.2
Tax loss carryforwards	34.0	–	34.0	35.1	–	35.1
Elimination of intercompany profits	0.6	–	0.6	0.8	–	0.8
Tax assets / liabilities	**193.0**	**–130.6**	**62.5**	**220.4**	**–134.8**	**85.6**
Offset of assets and liabilities	–60.9	60.9	–	–66.9	66.9	–
Net recorded deferred income tax assets and liabilities	132.1	–69.6	62.5	153.6	–67.9	85.6

Cumulative deferred income taxes recorded in equity as of December 31, 2025, amounted to CHF –13.9 million (2024: CHF –4.8 million). The group does not recognize any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e., the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Movement of deferred income tax assets and liabilities in the balance sheet

						2025
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired through business combination	Currency translation differences	**Balance as of December 31**
Intangible assets	–34.2	3.4	–	–0.5	2.0	–29.3
Property, plant and equipment	–11.5	6.7	–	–	0.8	–4.0
Other financial assets	11.7	–4.9	–	–	–1.3	5.5
Inventories	22.6	–2.0	–	–	–1.1	19.5
Other assets	–28.4	9.3	–8.4	–	–0.4	–27.8
Defined benefit obligations	18.7	–3.8	–0.7	–	–0.7	13.5
Non-current provisions	6.4	1.8	–	–	–0.7	7.5
Current provisions	23.0	–0.4	–	–	–1.4	21.3
Other liabilities	41.2	–17.1	–	–	–2.2	21.9
Tax loss carryforwards	35.1	0.9	–	–	–2.0	34.0
Elimination of intercompany profits	0.8	–0.2	–	–	–	0.6
Total	**85.6**	**–6.3**	**–9.1**	**–0.5**	**–7.1**	**62.5**

						2024
millions of CHF	Balance as of January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired through business combination	Currency translation differences	**Balance as of December 31**
Intangible assets	–37.4	5.3	–	–0.9	–1.2	–34.2
Property, plant and equipment	–8.4	–2.5	–	–	–0.6	–11.5
Other financial assets	15.6	–4.9	–	–	1.0	11.7
Inventories	25.1	–3.3	–	–	0.8	22.6
Other assets	–32.1	–9.5	12.9	–	0.4	–28.4
Defined benefit obligations	21.7	1.2	–5.1	–	0.9	18.7
Non-current provisions	9.5	–3.6	–	–	0.4	6.4
Current provisions	22.4	0.3	–	–	0.3	23.0
Other liabilities	21.3	20.3	–	–	–0.5	41.2
Tax loss carryforwards	23.1	11.4	–	–	0.7	35.1
Elimination of intercompany profits	1.0	–0.2	–	–	–	0.8
Total	**61.8**	**14.7**	**7.8**	**–0.9**	**2.2**	**85.6**

Tax loss carryforwards (TLCF)

					2025
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	**Unrecognized TLCF**
Expiring in the next 3 years	15.8	3.7	–0.6	3.1	1.5
Expiring in 4–7 years	8.1	1.4	–1.0	0.4	4.2
Available without limitation	230.2	43.6	–13.1	30.5	88.9
Total tax loss carryforwards as of December 31	**254.1**	**48.7**	**–14.6**	**34.0**	**94.7**

					2024
millions of CHF	Amount	Potential tax assets	Valuation allowance	Carrying amount	**Unrecognized TLCF**
Expiring in the next 3 years	0.3	0.0	–	0.0	–
Expiring in 4–7 years	10.6	2.6	–0.0	2.6	0.1
Available without limitation	237.5	43.9	–11.4	32.5	88.7
Total tax loss carryforwards as of December 31	**248.3**	**46.6**	**–11.4**	**35.1**	**88.8**

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. No deferred income tax assets have been recognized on tax loss carryforwards in the amount of CHF 94.7 million (2024: CHF 88.8 million) or on some step-ups in relation with the Swiss corporate tax reform (TRAF), which entered into effect on January 1, 2020.

Global minimum top-up tax

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% and top-up tax is levied on Sulzer under the Income Inclusion Rule or domestic minimum top-up tax. Sulzer benefits from transitional safe harbors in 44 countries. The Group recognized a current tax expense of CH 0.9 million related to the top-up tax (2024: nil).

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 a current tax when it incurs.

12 Goodwill and other intangible assets

millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	2025 Total
Acquisition cost						
Balance as of January 1	1'001.4	93.6	21.5	60.6	385.9	1'563.1
Acquired through business combination	7.6	0.5	–	0.0	7.2	15.3
Additions	–	0.0	0.0	2.9	0.7	3.6
Disposals	–	–0.1	–	–0.3	–0.1	–0.5
Reclassifications	–	0.0	3.4	0.1	–	3.5
Currency translation differences	–16.6	–5.5	–0.3	–1.9	–8.4	–32.7
Balance as of December 31	**992.3**	**88.6**	**24.7**	**61.4**	**385.3**	**1'552.2**
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	61.6	12.0	35.7	273.9	723.2
Additions [1]	–	8.0	2.2	5.7	24.3	40.2
Disposals	–	–0.1	–	–0.3	–0.0	–0.4
Impairments	–	–	4.5	–	–	4.5
Currency translation differences	8.3	–3.7	–0.1	–1.4	–5.5	–2.6
Balance as of December 31	**348.3**	**65.8**	**18.5**	**39.6**	**292.7**	**764.8**
Net book value						
As of January 1	661.4	32.1	9.5	24.9	112.1	839.9
As of December 31	644.1	22.8	6.2	21.7	92.7	787.4

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

millions of CHF	Goodwill	Trademarks and licenses	Research and development	Computer software	Customer relationship	2024 Total
Acquisition cost						
Balance as of January 1	977.9	88.0	18.6	53.4	378.5	1'516.3
Acquired through business combination	10.8	2.4	0.6	–	3.9	17.8
Additions	–	0.1	2.2	6.6	0.9	9.7
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Reclassifications	–	–	–	0.4	–	0.4
Currency translation differences	12.6	3.2	0.1	0.6	4.2	20.8
Balance as of December 31	**1'001.4**	**93.6**	**21.5**	**60.6**	**385.9**	**1'563.1**
Accumulated amortization and impairment losses						
Balance as of January 1	340.0	51.3	10.6	31.5	248.1	681.5
Additions [1]	–	8.1	1.4	4.2	24.8	38.5
Disposals	–	–0.0	–	–0.4	–1.5	–1.9
Currency translation differences	–	2.2	0.0	0.3	2.5	5.1
Balance as of December 31	**340.0**	**61.6**	**12.0**	**35.7**	**273.9**	**723.2**
Net book value						
As of January 1	637.9	36.6	8.0	21.8	130.4	834.8
As of December 31	661.4	32.1	9.5	24.9	112.1	839.9

1) In the consolidated income statement, the amortization expense for trademark and licenses is recognized in "Research and development expense" and in "Selling and distribution expense", the amortization expense for Customer relationship is primarily recognized in "Selling and distribution expense".

Goodwill impairment test

				2025
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	373.7	597.4	2.0%	11.7%
Services	191.1	996.4	2.0%	13.4%
Chemtech	79.3	1’120.3	2.0%	10.9%
Total as of December 31	**644.1**	**2’714.1**		

				2024
millions of CHF	Goodwill	Headroom	Growth rate residual value	Pretax discount rate
Flow	375.4	647.7	2.0%	12.7%
Services	202.1	1’087.1	2.0%	14.1%
Chemtech	83.9	1’085.8	2.0%	11.9%
Total as of December 31	**661.4**	**2’820.7**		

Goodwill is allocated to the smallest cash-generating unit (CGU) at which goodwill is monitored for internal management purposes (i.e., division). The recoverable amount has been determined based on a value-in-use calculation. A five-year strategic plan approved by the Board of Directors in February 2024 forms the basis for the projected cash flows. Cash flows beyond the planning period are extrapolated using a terminal value including a growth rate as stated above.

The calculated value-in-use exceeded the carrying amount of the cash-generating unit with a substantial margin (i.e., headroom) and an update of the impairment test at the end of the year would not have resulted in any goodwill impairment. As of December 31, 2025, there is no indication of a goodwill impairment.

Sensitivity analyses

The recoverable amount from cash-generating units is measured on the basis of value-in-use calculations significantly impacted by the terminal growth rate used to determine the residual value, the discount rate and the projected cash flows. The table above shows the amount by which the estimated recoverable amount of the CGU exceeds its carrying amount (headroom).

Sensitivity analyses were performed with regards to key assumptions, that would not change the conclusions of the impairment test. An increase of the discount rate by 5.0 percentage points or a decrease of the terminal growth rate by 5.0 percentage points would still lead to a recoverable amount exceeding the carrying amount for all CGU’s.

13 Property, plant and equipment

millions of CHF	Land and buildings	Machinery and technical equipment	Other property, plant and equipment	Assets under construction	Total
					2025
Acquisition cost					
Balance as of January 1	342.1	494.4	172.0	58.8	1'067.3
Acquired through business combination	0.3	0.3	0.1	-	0.7
Additions	2.0	13.7	7.5	66.8	90.0
Disposals	–4.2	–8.5	–9.5	–2.5	–24.8
Reclassifications	12.5	31.5	6.9	–54.4	–3.5
Currency translation differences	–26.9	–34.2	–9.5	–4.1	–74.7
Balance as of December 31	**325.8**	**497.2**	**167.4**	**64.5**	**1'055.0**
Accumulated depreciation					
Balance as of January 1	166.0	362.9	143.7	6.9	679.6
Additions	10.6	25.4	9.9	-	45.8
Disposals	–3.9	–7.8	–9.4	–2.5	–23.6
Reclassifications	0.2	–0.2	–0.0	-	–0.0
Currency translation differences	–12.5	–25.0	–7.5	–0.0	–45.1
Balance as of December 31	**160.3**	**355.3**	**136.6**	**4.4**	**656.7**
Net book value					
As of January 1	176.1	131.5	28.2	51.9	387.8
As of December 31	165.5	141.9	30.8	60.1	398.2

millions of CHF	Land and buildings	Machinery and technical equipment	Other property, plant and equipment	Assets under construction	Total
					2024
Acquisition cost					
Balance as of January 1	314.6	459.4	165.6	39.9	979.5
Acquired through business combination	3.5	1.3	0.1	-	4.9
Additions	4.2	18.3	7.8	52.4	82.7
Disposals	–0.8	–11.8	–11.5	–	–24.1
Reclassifications	10.5	16.0	6.8	–34.3	–1.0
Currency translation differences	10.1	11.3	3.1	0.8	25.3
Balance as of December 31	**342.1**	**494.4**	**172.0**	**58.8**	**1'067.3**
Accumulated depreciation					
Balance as of January 1	150.4	338.7	139.7	2.4	631.3
Additions	9.5	27.0	11.0	-	47.5
Disposals	–0.3	–10.3	–10.3	-	–20.9
Reclassifications	1.6	–1.6	0.0	-	–0.0
Impairments	-	-	-	4.5	4.5
Currency translation differences	4.8	9.1	3.4	–0.0	17.2
Balance as of December 31	**166.0**	**362.9**	**143.7**	**6.9**	**679.6**
Net book value					
As of January 1	164.2	120.6	25.9	37.5	348.2
As of December 31	176.1	131.5	28.2	51.9	387.8

In 2025, the group sold property, plant and equipment with a book value of CHF 1.1 million for CHF 2.1 million resulting in a net gain of CHF 0.9 million (2024: property, plant and equipment with a book value of CHF 3.2 million was sold for CHF 3.5 million, resulting in a net gain of CHF 0.3 million).

In 2024, an impairment of machinery and equipment under construction amounting to CHF 4.5 million was booked in one of the service centers, it was recorded within cost of goods sold.

The contractual commitments to acquire property, plant and equipment as of December 31, 2025, amounted to CHF 8.0 million (December 31, 2024: CHF 9.8 million).

14 Leases

Lease assets

millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
				2025
Balance as of January 1	80.8	7.4	17.1	105.2
Acquired through business combination	1.0	–	0.1	1.1
Additions	26.7	2.3	10.3	39.2
Disposals	–0.7	–0.0	–0.1	–0.8
Depreciation	–22.2	–2.5	–7.9	–32.6
Remeasurements and contract modifications	3.3	–	0.1	3.4
Currency translation differences	–4.1	–0.7	–0.5	–5.2
Total lease assets as of December 31	**84.7**	**6.5**	**19.1**	**110.3**

millions of CHF	Land and buildings, leased	Machinery and technical equipment, leased	Other non-current assets, leased	Total
				2024
Balance as of January 1	74.1	5.7	13.4	93.2
Acquired through business combination	0.0	0.4	0.0	0.5
Additions	24.2	3.6	10.6	38.4
Depreciation	–20.0	–2.3	–7.4	–29.7
Remeasurements and contract modifications	0.4	–0.3	0.2	0.4
Currency translation differences	2.2	0.3	0.3	2.8
Total lease assets as of December 31	**80.8**	**7.4**	**17.1**	**105.2**

Lease liabilities

	2025	2024
Balance as of January 1	104.9	93.0
Acquired through business combination	1.1	0.5
Additions	39.2	38.4
Interest expenses	3.6	3.0
Cash flow for repayments – principal portion	–33.4	–29.7
Cash flow for repayments – interest portion	–3.6	–3.0
Remeasurements and contract modifications	3.9	0.3
Currency translation differences	–5.1	2.4
Total lease liabilities as of December 31	**110.6**	**104.9**
- thereof non-current lease liabilities	81.7	78.3
- thereof current lease liabilities	28.9	26.6

The group leases land and buildings used for production, storage or office space. The terms are typically fixed for a period of three to five years. Various lease contracts for buildings contain extension options, providing the group with operational flexibility and planning security. Extension options are included in the measurement of the lease liability and the lease assets only if Management assesses these extension options as reasonably certain to be exercised.

Other leasing disclosures

millions of CHF	2025	2024
Recognized in the income statement		
Expenses relating to short-term leases	–18.5	–17.1
Expenses relating to low-value asset leases, excluding short-term leases of low-value assets	–0.5	–1.0
Expenses relating to variable lease payments not included in the lease liability	–3.7	–2.9
Income from subleasing right-of-use assets	0.3	0.4
Interest expenses on lease liabilities	–3.6	–3.0
Total recognized in the income statement	**–26.0**	**–23.6**
Recognized in the statement of cash flows		
Cash flow for short-term, low-value asset and variable leases (included within cash flow from operating activities)	–22.7	–21.0
Cash flow from subleasing right-of-use assets (included within cash flow from operating activities)	0.3	0.4
Cash flow for repayments of interest on lease liabilities (included within cash flow from operating activities)	–3.6	–3.0
Cash flow for repayments of the principal portion on lease liabilities (included within cash flow from financing activities)	–33.4	–29.7
Total cash outflow	**–59.4**	**–53.2**

15 Associates and joint ventures

millions of CHF	2025	2024
Balance as of January 1	53.0	54.7
Impairment [1]	–10.1	–
Acquired through business combination	0.1	–
Disposal	–2.5	–
Share of profit / (loss) of associates and joint ventures	–1.3	–3.8
Dividend payments received	–	–0.1
Currency translation differences	–2.0	2.1
Total investments in associates and joint ventures as of December 31	**37.1**	**53.0**
- thereof investments in associates:	36.9	52.8
- thereof investments in joint ventures:	0.2	0.2

1) Impairment has been reported in the consolidated income statement within line share of profit / (loss) of associates and joint ventures.

In March 2025, the Group sold its shares in Tamturbo Oyi for CHF 6.8 million which resulted in a net gain of CHF 3.7 million in other operating income. In 2025, Sulzer recorded an impairment loss of CHF 8.0 million related to its shareholding in Fuenix Ecogy Holding B.V.

16 Other financial assets

				2025
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	**Total**
Balance as of January 1	23.0	4.7	3.5	31.2
Additions	0.5	–	0.5	1.0
Repayments	–0.4	–	–0.3	–0.6
Changes in fair value	0.3	1.3	–	1.6
Currency translation differences	–0.8	–0.0	–0.2	–1.0
Balance as of December 31	**22.6**	**6.0**	**3.4**	**32.0**
– thereof non-current	22.6	6.0	3.3	31.9
– thereof current	0.0	–	0.1	0.1

				2024
millions of CHF	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized costs	**Total**
Balance as of January 1	23.8	9.5	7.4	40.7
Acquired through business combination	–	–	0.2	0.2
Additions	0.8	1.3	–	2.1
Repayments	–1.6	–	–4.2	–5.8
Changes in fair value	–0.1	–6.1	0.0	–6.2
Currency translation differences	0.0	–	0.2	0.2
Balance as of December 31	**23.0**	**4.7**	**3.5**	**31.2**
– thereof non-current	22.4	4.7	3.2	30.2
– thereof current	0.6	–	0.4	1.0

Financial assets that belong to the category “financial assets at fair value through profit or loss” include investments in equity securities.

The financial assets in the category “financial assets at fair value through other comprehensive income” are primarily comprised of medmix shares amounting to CHF 5.6 million (2024: CHF 4.4 million), which were received as part of the Applicator Systems spin-off in 2021. The financial investment in medmix Ltd is recognized at its fair value based on the share price of medmix Ltd (a level 1 hierarchy valuation). Management has designated this investment at fair value through other comprehensive income at initial recognition. In 2025, fair value changes of financial assets at fair value through other comprehensive income amounting to CHF 1.3 million (2024: CHF –6.1 million) were recorded in other comprehensive income, with an associated deferred tax effect of CHF 0.3 million (2024: CHF 1.2 million). The dividend received amounted to CHF 0.2 million (2024: CHF 0.2 million).

17 Inventories

millions of CHF	2025	2024
Raw materials, supplies and consumables	169.5	160.7
Work in progress	260.1	282.5
Finished products and trade merchandise	71.1	71.9
Total inventories as of December 31	**500.7**	**515.1**

In 2025, the group recognized write-downs of CHF 17.8 million in the income statement. In 2024, the total write-downs amounted to CHF 19.1 million. The accumulated write-downs on inventories amounted to CHF 73.9 million as of December 31, 2025 (2024: CHF 77.6 million). Material expenses in 2025 amounted to CHF 1’263.6 million (2024: CHF 1’238.8 million).

18 Assets and liabilities related to contracts with customers

millions of CHF	2025	2024
Sales recognized over time related to ongoing performance obligations	993.8	870.1
Sales recognized over time related to satisfied performance obligations	623.2	500.3
Sales recognized over time	**1’617.0**	**1’370.4**
Sales recognized at a point in time	1’938.4	2’160.2
Sales	**3’555.4**	**3’530.6**
– thereof sales recognized included in the contract liability balance at the beginning of the period	531.3	451.0
– thereof sales recognized from performance obligations satisfied (or partially satisfied) in previous periods	0.5	4.9
Contract assets from sales recognized over time relating to ongoing performance obligations	1’464.1	1’220.4
Expected loss rate	0.2%	0.1%
Allowance for expected losses	–2.2	–1.5
Netting with contract liabilities	–889.4	–718.8
Contract assets	**572.5**	**500.1**
Contract liabilities from costs recognized over time relating to ongoing performance obligations	210.4	175.8
Advance payments from customers relating to point in time contracts	220.8	248.7
Advance payments from customers relating to over time contracts	959.1	825.7
Netting with contract assets	–889.4	–718.8
Contract liabilities	**500.8**	**531.3**
Order backlog (aggregate amount of transaction price allocated to unsatisfied performance obligations)	2’255.6	2’300.0
– thereof expected to be recognized as revenue within 12 months	2’040.3	2’151.9
– thereof expected to be recognized in more than 12 months	215.3	148.1

19 Trade accounts receivable

Aging structure of trade accounts receivable

	2025				2024			
millions of CHF	Expected loss rate	Gross amount	Allowance	**Net book value**	Expected loss rate	Gross amount	Allowance	**Net book value**
Not past due	0.2%	419.1	–1.0	418.1	0.1%	493.8	–0.5	493.3
Past due								
1–30 days	1.3%	70.4	–0.9	69.5	1.7%	76.5	–1.3	75.2
31–60 days	1.1%	28.5	–0.3	28.2	2.2%	30.1	–0.7	29.4
61–120 days	2.0%	30.8	–0.6	30.2	3.6%	35.7	–1.3	34.4
>120 days	29.2%	116.9	–34.2	82.8	45.5%	87.8	–39.9	47.9
Total trade accounts receivable as of December 31		**665.7**	**–37.0**	**628.7**		**723.8**	**–43.6**	**680.2**

Allowance for doubtful trade accounts receivable

millions of CHF	**2025**	**2024**
Balance as of January 1	43.6	43.8
Reclassifications	–	3.1
Additions	13.2	13.1
Released as no longer required	–6.2	–12.7
Utilized	–10.5	–4.9
Currency translation differences	–3.1	1.2
Balance as of December 31	**37.0**	**43.6**

The recoverability of trade accounts receivable is regularly reviewed, and the credit quality of new customers is thoroughly assessed. Due to the large and heterogeneous customer base, the credit risk from individual customers of the group is limited. The allowance for doubtful trade accounts receivable is based on expected credit losses by country and by division. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP).

Accounts receivable by geographical region

millions of CHF	2025	2024
Europe, the Middle East and Africa	**283.4**	**318.1**
– thereof United Kingdom	46.3	77.9
– thereof Saudi Arabia	45.6	48.4
– thereof Spain	21.6	20.1
– thereof France	21.4	21.4
– thereof Germany	17.8	18.3
Americas	**182.7**	**178.3**
– thereof USA	101.3	110.0
Asia-Pacific	**162.6**	**183.8**
– thereof China	101.2	114.9
Total as of December 31	**628.7**	**680.2**

20 Other current receivables and prepaid expenses

millions of CHF	2025	2024
Taxes (VAT, withholding tax)	83.2	69.4
Derivative financial instruments	5.1	3.0
Other current receivables	9.3	18.2
Total other current receivables as of December 31	**97.6**	**90.7**
Prepaid expenses	33.8	28.1
Total prepaid expenses as of December 31	**33.8**	**28.1**
Total other current receivables and prepaid expenses as of December 31	**131.4**	**118.8**

For further details on derivative financial instruments, refer to note 27. Other current receivables and prepaid expenses do not include any material positions that are past due or impaired.

21 Cash and cash equivalents

millions of CHF	2025	2024
Cash	894.4	871.7
Cash equivalents	32.9	188.9
Total cash and cash equivalents as of December 31	**927.3**	**1’060.6**

As of December 31, 2025, the group held restricted cash and cash equivalents of CHF 32.4 million (2024: CHF 10.7 million).

22 Equity

Share capital

	2025		2024	
thousands of CHF	Number of shares	Share capital	Number of shares	Share capital
Balance as of December 31 (par value CHF 0.01)	34’262’370	342.6	34’262’370	342.6

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 December 31, 2025, conditional share capital amounted to CHF 17’000 (2024: CHF 17’000), consisting of 1’700’000 shares with a par value of CHF 0.01.

Share ownership

Sulzer shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account. Nominees will only be entered in the share register with the right to vote provided that they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into an agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed. The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register, provided that the above-mentioned conditions are met (see also paragraph 6a of the Articles of Association at https://www.sulzer.com/en/shared/about-us/corporate-governance).

Shareholders holding more than 3%

	Dec 31, 2025		Dec 31, 2024	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16’728’414	48.82	16’728’414	48.82
UBS Fund Management (Switzerland) AG	1’175’624	3.43	1’175’624	3.43
Fidelity Investments Canada ULC	1’032’911	3.02	-	

Retained earnings

The retained earnings include prior years’ undistributed income of consolidated companies and all remeasurements of the net defined benefit assets and liabilities and other transactions recorded directly in retained earnings.

Treasury shares

During 2025, the group acquired 128’500 treasury shares for CHF 18.9 million (2024: 282’500 shares for CHF 33.2 million). The total number of shares held by the group as of December 31, 2025, amounted to 524’796 treasury shares (December 31, 2024: 509’455 shares).

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

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. Amounts are reclassified to profit or loss when the associated hedged transaction affects the income statement.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of controlled entities, whose functional currency differs from the reporting currency of the group. The cumulative amount is reclassified to profit or loss when the net investment is derecognized.

Transactions with non-controlling interests

In 2024, the group reduced its ownership in Sulzer Pumps (Nigeria) Ltd.; reference is made to note 3.

Dividends

On April 23, 2025, the Annual General Meeting approved an ordinary dividend of CHF 4.25 (2024: ordinary dividend of CHF 3.75) per share to be paid out of reserves. The dividend was paid to shareholders on April 29, 2025. The total amount of the dividend to shareholders of Sulzer Ltd relating to 2024 results was CHF 143.6 million (2024: CHF 127.3 million), thereof paid dividends of CHF 97.3 million (2024: CHF 86.5 million) and unpaid dividends of CHF 46.2 million (2024: CHF 40.8 million). The unpaid dividends are reflected in the balance sheet position “Other current and accrued liabilities” (see note 26).

The Board of Directors decided to propose to the Annual General Meeting 2026 a dividend for the year 2025 of CHF 4.75 per share (2024: CHF 4.25).

23 Earnings per share

	2025	2024
Net income attributable to shareholders of Sulzer Ltd (millions of CHF)	**292.8**	**261.9**
Issued number of shares	34’262’370	34’262’370
Adjustment for average treasury shares held	–513’682	–406’494
Average number of shares outstanding as of December 31	**33’748’688**	**33’855’876**
Adjustment for share participation plans	416’234	411’402
Average number of shares for calculating diluted earnings per share as of December 31	**34’164’922**	**34’267’278**
Earnings per share, attributable to a shareholder of Sulzer Ltd (in CHF) as of December 31		
Basic earnings per share	8.68	7.73
Diluted earnings per share	8.57	7.64

24 Borrowings

millions of CHF	Non-current borrowings	Current borrowings	2025 Total
Balance as of January 1	745.0	312.0	1’057.1
Acquired through business combination	–	0.3	0.3
Cash flow from proceeds	329.2	51.4	380.6
Cash flow for repayments	–	–352.7	–352.7
Changes in amortized costs	0.3	0.1	0.5
Reclassifications	–295.3	295.3	–
Currency translation differences	–0.0	–1.4	–1.5
Total borrowings as of December 31	**779.3**	**304.9**	**1’084.2**

millions of CHF	Non-current borrowings	Current borrowings	2024 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	249.3	42.3	291.6
Cash flow for repayments	–	–293.3	–293.3
Changes in amortized costs	0.3	0.1	0.4
Reclassifications [1]	–301.3	300.2	–1.1
Currency translation differences	–0.0	0.3	0.3
Total borrowings as of December 31	**745.0**	**312.0**	**1’057.1**

1) Including a reclass to other non-current liabilities of CHF -0.9 million and to other current and accrued liabilities of CHF -0.2 million.

Borrowings by currency

	2025			2024		
	millions of CHF	in %	Interest rate	millions of CHF	in %	Interest rate
CHF	1’073.6	99.0	1.6%	1’043.9	98.8	1.5%
IDR	3.2	0.3	7.2%	4.3	0.4	8.4%
USD	3.1	0.3	0.2%	2.2	0.2	0.2%
MAD	2.2	0.2	12.0%	–	–	0.0%
EUR	1.5	0.1	2.7%	1.6	0.1	6.0%
INR	–	–	0.0%	4.7	0.4	7.3%
Other	0.7	0.1	6.5%	0.4	0.0	0.0%
Total as of December 31	**1’084.2**	**100.0**	**–**	**1’057.1**	**100.0**	**–**

As of December 2025, Sulzer has access to a syndicated credit facility of CHF 500 million maturing in December 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 December 31, 2025, and 2024, the syndicated facility was not used.

Outstanding bonds

	2025		2024	
millions of CHF	Amortized costs	Nominal	Amortized costs	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
0.800% 09/2020–09/2025	-	-	299.9	300.0
0.875% 11/2020–11/2027	199.9	200.0	199.8	200.0
3.350% 12/2022–11/2026	169.9	170.0	169.8	170.0
1.773% 10/2024–10/2028	249.5	250.0	249.3	250.0
1.138% 09/2025–09/2029	229.5	230.0	–	–
1.365% 09/2025–09/2032	99.7	100.0	–	–
Total as of December 31	**1'073.6**	**1'075.0**	**1'043.9**	**1'045.0**
– thereof non-current	778.7	780.0	744.0	745.0
– thereof current	294.9	295.0	299.9	300.0

Carrying amount excludes accrued interest amounting to CHF 3.5 million (2024: CHF 3.0 million), which is presented in other current and accrued liabilities.

On September 23, 2025, Sulzer repaid CHF 300.0 million for the single tranche of a bond issued in 2020. This bond had a term of five years and carried a coupon of 0.800%.

On October 22, 2024, Sulzer repaid CHF 250.0 million for the single tranche of a bond issued in 2018. This bond had a term of six years and carried a coupon of 1.600%.

On September 17, 2025, Sulzer issued a CHF 100.0 million single tranche bond. The bond has a term of seven years and carries a coupon of 1.365% at a price of 100.000%.

On September 17, 2025, Sulzer issued a CHF 230.0 million single tranche bond. The bond has a term of four years and carries a coupon of 1.138% at a price of 100.000%.

On October 21, 2024, Sulzer issued a CHF 250.0 million single tranche bond. The bond has a term of four years and carries a coupon of 1.7725% at a price of 100.000%.

All the outstanding bonds are traded on SIX Swiss Exchange.

25 Provisions

millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
						2025
Balance as of January 1	35.7	98.3	3.4	12.4	40.1	189.9
Acquired through business combination	0.2	0.3	–	–	0.0	0.5
Additions	16.0	41.2	4.6	0.1	12.4	74.2
Released as no longer required	–4.6	–16.3	–0.3	–0.0	–6.3	–27.5
Utilized	–8.4	–26.1	–4.5	–	–11.1	–50.0
Reclassification	–	1.3	–	–	–1.3	0.0
Currency translation differences	–2.7	–6.2	–0.1	–0.3	–2.0	–11.3
Total provisions as of December 31	**36.2**	**92.5**	**3.0**	**12.2**	**31.9**	**175.8**
– thereof non-current	19.8	10.0	0.4	12.2	8.7	51.0
– thereof current	16.4	82.5	2.6	0.0	23.2	124.8

millions of CHF	Other employee benefits	Warranties / liabilities	Restructuring	Environmental	Other	Total
						2024
Balance as of January 1	33.2	98.8	5.0	12.4	42.6	192.0
Acquired through business combination	–	0.0	–	–	0.1	0.2
Additions	8.6	39.3	4.6	–	30.5	83.0
Released as no longer required	–1.8	–19.8	–0.9	–0.2	–15.1	–37.8
Utilized	–5.5	–20.7	–5.4	–0.0	–19.8	–51.5
Reclassification	–	–0.8	–	–	0.8	–0.0
Currency translation differences	1.2	1.5	0.1	0.3	1.1	4.1
Total provisions as of December 31	**35.7**	**98.3**	**3.4**	**12.4**	**40.1**	**189.9**
– thereof non-current	20.8	2.7	0.4	12.4	9.9	46.2
– thereof current	14.8	95.6	2.9	0.0	30.3	143.8

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 2025, the group utilized CHF 4.5 million (2024: CHF 5.4 million) of restructuring provisions mainly relating to reorganization in the Flow and Services division. The group recorded restructuring provisions of CHF 4.6 million (2024: CHF 4.6 million), partly offset by released restructuring provisions of CHF 0.3 million (2024: CHF 0.9 million). Restructuring costs mainly relate to reorganization in the Flow division. The remaining restructuring provision as of December 31, 2025, is CHF 3.0 million, of which CHF 2.6 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 is of the opinion that the 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 2025, by their nature, the amounts and timing of any cash outflows are difficult to predict.

26 Other current and accrued liabilities

millions of CHF	2025	2024
Liability related to the purchase of treasury shares	90.4	90.4
Outstanding dividend payments	197.0	318.0
Taxes (VAT, withholding tax)	41.4	41.9
Derivative financial instruments	4.6	10.3
Contingent consideration	1.0	–
Other current liabilities	48.7	57.3
Total other current liabilities as of December 31	**383.0**	**518.0**
Contract-related costs	101.9	136.3
Salaries, wages and bonuses	121.3	140.1
Vacation and overtime claims	26.1	26.6
Other accrued liabilities	160.7	154.2
Total accrued liabilities as of December 31	**410.0**	**457.2**
Total other current and accrued liabilities as December 31	**793.1**	**975.2**

In 2025, outstanding dividends increased by CHF 46.2 million in connection with the 2024 dividend (see note 22). In addition, Sulzer provided CHF 167.2 million to settle a loan between Tiwel Holding AG and a Russian bank. The settlement did not require any flow of funds from Switzerland or any other country to Russia. The loan, secured by Sulzer shares, fell due in July 2025. The payment was executed based on approval from all relevant national and international authorities.

27 Derivative financial instruments

	2025				2024			
	Derivative assets		Derivative liabilities		Derivative assets		Derivative liabilities	
millions of CHF	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
Forward exchange rate contracts	457.0	5.1	954.1	4.6	376.5	3.0	750.7	10.3
Total as of December 31	**457.0**	**5.1**	**954.1**	**4.6**	**376.5**	**3.0**	**750.7**	**10.3**
– thereof due in <1 year	457.0	5.1	954.1	4.6	376.5	3.0	750.7	10.3
– thereof due in 1–5 years	-	-	-	-	-	-	-	-

In 2025, the notional value and the fair value of derivative assets and liabilities consists of current derivative financial instruments. Most of these derivative assets and liabilities are dedicated as hedging instruments for cash flow hedges. The cash flow hedges of expected future sales were assessed as highly effective. In 2025, the net unrealized gains for cash flow hedges recorded in the cash flow hedge reserves in other comprehensive income amount to CHF 8.0 million (2024: net unrealized losses of CHF 7.5 million), net of a deferred tax impact of CHF –3.2 million (2024: CHF 3.3 million). As of December 31, 2025, the accumulated cash flow hedge reserve amounts to CHF 5.7 million (2024: CHF –5.5 million) with recognized net deferred tax assets of CHF 0.9 million (2024: net deferred tax liabilities of CHF 2.2 million) relating to these cash flow hedges included in the cash flow hedge reserves. In 2025, losses of CHF 6.6 million (2024: gains of CHF 3.4 million) were reclassified from the cash flow hedge reserves to the income statement. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

The hedged, highly probable forecast transactions denominated in foreign currencies are mostly expected to occur at various dates during the next 12 months. Gains and losses recognized in the cash flow hedge reserve in equity on forward foreign exchange contracts as of December 31, 2025, are recognized either in sales, cost of goods sold or other operating income / expenses in the period or periods during which the hedged transaction affects the income statement. This is generally within 12 months from the balance sheet date unless the gain or loss is included in the initial amount recognized for the purchase of fixed assets, in which case recognition is over the lifetime of the asset (5 to 10 years).

The group enters into derivative financial instruments under enforceable master netting arrangements. These agreements do not meet the criteria for offsetting derivative assets and derivative liabilities in the consolidated balance sheet. As of December 31, 2025, the amount subject to such netting arrangements was CHF 1.6 million (2024: CHF 2.0 million). Considering the effect of these agreements, the amount of derivative assets would reduce from CHF 5.1 million to CHF 3.5 million (2024: from CHF 3.0 million to CHF 1.0 million), and the amount of derivative liabilities would reduce from CHF 4.6 million to CHF 3.0 million (2024: from CHF 10.3 million to CHF 8.3 million).

28 Contingent liabilities

millions of CHF	2025	2024
Guarantees in favor of third parties	8.1	8.2
Total contingent liabilities as of December 31	**8.1**	**8.2**

As of December 31, 2025, guarantees provided to third parties amounted to CHF 8.1 million (2024: CHF 8.2 million) and relate to disposed businesses.

29 Share participation plans

Share-based payments charged to personnel expenses

millions of CHF	2025	2024
Restricted share unit plan	0.6	0.7
Blocked shares	0.7	0.0
Performance share plan	17.1	12.7
Total charged to personnel expenses	**18.4**	**13.4**

The compensation charged to personnel expenses for the services received during the period amounts to CHF 18.4 million including CHF 17.3 million (2024: CHF 12.7 million) relating to equity-settled plans credited in the retained earnings. The remaining CHF 1.1 million (2024: CHF 0.7 million) corresponds to cash-settled plans.

Restricted share unit plan settled in Sulzer shares

This long-term incentive plan covers the Board of Directors. Restricted share units (RSU) are granted annually. Awards to members of the Board of Directors automatically vest with the departure from the Board members. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. The fair value of the RSU granted is measured at the grant date closing share price of Sulzer Ltd, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds for the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. Consequently, the grant date fair value of the RSU is reduced by the present value of the dividends expected to be paid during the vesting period.

Restricted share units

Grant year	2024	2023	2022	2021	Total
Outstanding as of January 1, 2024	**–**	**10’128**	**5’358**	**1’944**	**17’430**
Granted	6’942	–	–	–	6’942
Exercised	–	–3’376	–2’679	–1’944	–7’999
Outstanding as of December 31, 2024	**6’942**	**6’752**	**2’679**	**–**	**16’373**
Outstanding as of January 1, 2025	**6’942**	**6’752**	**2’679**	**–**	**16’373**
Exercised	–2’314	–3’376	–2’679	–	–8’369
Outstanding as of December 31, 2025	**4’628**	**3’376**	**–**	**–**	**8’004**
Average fair value at grant date in CHF	112.58	77.05	77.82	106.32	

Blocked shares

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

Performance share plan settled in Sulzer shares

This long-term incentive plan covers the members of the Executive Committee and the members of the Sulzer Management Group. Performance share units (PSU) are granted annually, depending on the organizational position of the employee.

Vesting of the PSUs is generally subject to continuous employment and to the achievement of performance conditions over the performance period. Participants are not entitled to dividends declared during the vesting period. Vesting of the performance share plans (PSP) is based on three performance conditions: operational income before restructuring, amortization, impairments and non-operational items (operational profit) in the last year of the performance period (weighted 25%), average operational return on capital employed (operational ROCEA) (weighted 25%), and Sulzer's total return to shareholders (TSR), compared to a selected group of peer companies (weighted 50%).

TSR is measured with a starting value of the volume-weighted average share price (VWAP) over the last three months prior to the first year, and an ending value of the VWAP over the last three months of the vesting period. The rank of Sulzer's TSR at the end of the performance period determines the effective number of total shares.

For PSU granted in 2025, the Group redefined its profit measures. Newly granted plans are still subject to the achievement of performance conditions over the performance period. However , vesting of the performance share plans of (PSP) is now based on three performance conditions: earnings before interests ,taxes, depreciation and amortization (EBITDA) in the last year of the performance period (weighted 25%), return on capital employed in the last (ROCE) in the last year of the performance period (weighted 25%), and Sulzer's total return to shareholders (TSR), compared to a selected group of peer companies (weighted 50%). Definition of newly introduced performance conditions can be found in the Compensation Report.

The group neutralized the consequences of the spin-off of the Applicator Systems division in 2021. The number of originally granted PSUs was recalculated to neutralize the effect of the spin-off on share price, resulting in the same fair value before and after the spin-off.

The following inputs were used to determine the fair value of the PSUs at grant date using a Monte Carlo simulation:

Grant year	2025	2024	2023	2022	2021
Fair value at grant date	175.14	125.65	88.38	84.69	124.95
Share price at grant date	156.00	109.70	77.45	76.35	101.12
Expected volatility	25.98%	27.50%	28.76%	35.59%	34.68%
Risk-free interest rate	0.18%	1.03%	1.96%	0.39%	–0.58%

The expected volatility of the Sulzer share and the peer group companies is determined by the historical volatility. The zero-yield curves of those countries in which the companies and indices are listed were used as the relevant risk-free rates. Historical data was used to arrive at an estimate for the correlation between Sulzer and the peer companies. For the TSR calculation, all dividends paid during the vesting period are added to the closing share price.

Performance share units – terms of awards

Grant year	2025	2024	2023	2022	2021
Number of awards granted	58’600	77’697	99’244	97’930	90’527
Grant date	March 1, 2025	April 1, 2024	April 1, 2023	April 1, 2022	April 1, 2021
Performance period for cumulative operational profit	01/25–12/27	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23
Performance period for TSR	01/25–12/27	01/24–12/26	01/23–12/25	01/22–12/24	01/21–12/23
Fair value at grant date in CHF	175.14	125.65	88.38	84.69	124.95

Performance share units

Grant year	2025	2024	2023	2022	2021	Total
Initially granted	58’600	77’697	99’244	97’930	90’527	423’998
APS division spin-off restatement	–	–	–	–	44’801	44’801
Outstanding as of January 1, 2024	**–**	**77’697**	**94’282**	**76’933**	**108’732**	**357’644**
Granted	–	–	–	–		–
Exercised	–	–27	–3’778	–5’526	–108’732	–118’063
Forfeited	–	–131	–4’664	–1’900		–6’695
Outstanding as of December 31, 2024	**–**	**77’539**	**85’840**	**69’507**	**–**	**232’886**
Outstanding as of January 1, 2025	**–**	**77’539**	**85’840**	**69’507**	**–**	**232’886**
Granted	58’600	–	–	–	–	58’600
Exercised	–345	–2’835	–4’066	–69’507	–	–76’753
Forfeited	–998	–2’846	–3’219	–	–	–7’063
Outstanding as of December 31, 2025	**57’257**	**71’858**	**78’555**	**–**	**–**	**207’670**

30 Transactions with members of the Board of Directors, Executive Committee and related parties

Key management compensation

	2025				2024			
thousands of CHF	Short-term employee benefits	Share-based payment	Post-employment benefits	**Total**	Short-term employee benefits	Share-based payment	Post-employment benefits	**Total**
Board of Directors	1’310	780	265	2’355	1’302	780	267	2’349
Executive Committee	6’409	4’046	1’567	12’022	7’107	3’850	1’591	12’548

As of December 31, 2025, there are no outstanding loans with members of the Board of Directors or the Executive Committee. No shares have been granted to members of the Board of Directors, the Executive Committee, or related persons, with the exception of shares granted in connection with equity-settled plans and service awards.

Transactions and balances with associates and joint ventures

In 2025, the group recorded transactions and balances with associates and joint ventures. Sales with associates amounted to zero (2024: zero), other operating income amounted to zero (2024: CHF 0.3 million), the operating expenses amounted to CHF 0.3 million (2024: CHF 0.2 million), and as of December 31, 2025, trade receivables with associates amounted to zero (2024: CHF 0.3 million), and trade payables amounted to CHF 0.3 million (2024: CHF 0.0 million). The operating expenses with joint ventures amounted to CHF 5.8 million (2024: CHF 4.3 million), and interest income to CHF 0.1 million (2024: CHF 0.1 million). As of December 31, 2025, loan receivables amounted to CHF 1.7 million (2024: CHF 1.7 million), other receivables amounted to zero (2024: CHF 0.1 million), and payables amounted to zero (2024: CHF 0.6 million). See note 15 for details on the investments in associates and joint ventures.

Transactions and balances with other related parties

In 2025, open payables with related parties amounted to CHF 288.7 million (2024: CHF 408.4 million million), of which CHF 90.4 million (2024: CHF 90.4 million) related to the purchase of treasury shares (see note 26) and CHF 197.0 million (2024: CHF 318.0 million) related to outstanding dividend payments (see note 22 and note 26).

All related party transactions are priced on an arm’s-length basis.

31 Auditor remuneration

Fees for the audit services by KPMG as the appointed group auditor amounted to CHF 3.9 million (2024: CHF 4.1 million). Additional services provided by the group auditor amounted to a total of CHF 2.6 million (2024: CHF 2.0 million). This amount includes CHF 0.3 million (2024: CHF 0.3 million) for tax services and CHF 2.3 million (2024: CHF 1.7 million) for other services.

32 Key accounting policies and valuation methods

32.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards using the historical cost convention except for:

- financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income; and
- net position from defined benefit plans, where plan assets are measured at fair value and the plan liabilities are measured at the present value of the defined benefit obligations (see note 32.18 a).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Rounding

Due to rounding, numbers presented throughout the consolidated financial statements 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.

32.2 Change in accounting policies

a) Standards, amendments and interpretations which were effective for 2025

Starting from January 1, 2025, the group applied changes in standards, amendments and interpretations that became effective January 1, 2025. These include:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability – The amendments provide guidance on how to assess whether a currency is exchangeable and how to determine the spot exchange rate when it is not. The Group concluded that the impact on the consolidated financial statements is not material.

b) Standards, amendments and interpretations issued but not yet effective, which the group decided not to adopt early in 2025

In 2025, the group has not adopted early any standard, amendment, or interpretation issued but not yet effective. The following relevant amendments will become effective from January 1, 2026. The group does not expect these to have a material impact on the consolidated financial statements:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Classification and Measurement of Financial Instruments. 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).
- Annual Improvements to IFRS Accounting Standards – Volume 11 – These minor amendments clarify the initial measurement of trade receivables and contract assets when they include a significant financing component, aligning IFRS 9 with IFRS 15 and how a lessee applies derecognition requirements to lease liabilities.

The following amended or new standards will become effective from January 1, 2027 or later. The group is in the process of assessing the below amendments:

- IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and will become effective from January 1, 2027. The accounting standard introduces new requirements to the presentation structure of the financial statements as well as additional disclosure requirements. The group is still in the process of assessing the impact of the new accounting standard, particularly with respect of how information is grouped in the financial statements, the statement of cash flows and the additional disclosures required for Management-defined performance measures (MPMs).

32.3 Consolidation

a) Business combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at the fair value of the assets given, the liabilities incurred to the former owner of the acquiree and the equity interest issued by the group. Any goodwill arising is tested annually for impairment. Any gain on a bargain purchase is recognized in the income statement immediately. Acquisition-related costs are expensed as incurred, except if related to the issue of debt or equity securities. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

b) Subsidiaries

Subsidiaries are all entities controlled by the group. The group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

According to the full consolidation method, all assets and liabilities and income and expenses of the subsidiaries are included in the consolidated financial statements. The share of non-controlling interests in the net assets and results is presented separately as non-controlling interests in the consolidated balance sheet and income statement, respectively.

c) Non-controlling interests

The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions.

d) Loss of control

When the group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

e) Associates and joint ventures

Associates are those entities in which the group has significant influence, but no control, over the financial and operating policies. Significant influence is presumed to exist when the group holds, directly or indirectly, between 20% and 50% of the voting rights. Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

f) Transactions eliminated on consolidation

All material intercompany transactions and balances and any unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

32.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The Chief Executive Officer, who is responsible for allocating resources and assessing performance (e.g., EBITDA) of the operating segments, has been identified as chief operating decision maker.

32.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swiss francs (CHF).

The following table shows the major currency exchange rates for the reporting periods 2025 and 2024:

	2025		2024	
CHF	**Average rate**	**Year-end rate**	**Average rate**	**Year-end rate**
EUR 1	0.94	0.93	0.95	0.94
GBP 1	1.09	1.07	1.12	1.13
USD 1	0.83	0.79	0.88	0.90
CNY 100	11.53	11.34	12.23	12.38
INR 100	0.95	0.88	1.05	1.05

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

c) Subsidiaries

The results and balance sheet positions of subsidiaries that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates.

Translation differences resulting from consolidation are taken to other comprehensive income. In the event of a sale or liquidation of foreign subsidiaries, exchange differences that were recorded in other comprehensive income are recognized in the income statement as part of the gain or loss on sale or liquidation.

If a loan is made to a group company, and the loan in substance forms part of the group's investment in the group company, translation differences arising from the loan are recognized directly in other comprehensive income as foreign currency translation differences. When the group company is sold or partially disposed of, and control no longer exists, gains and losses accumulated in equity are reclassified to the income statement as part of the gain or loss on disposal.

32.6 Intangible assets

Intangible assets with finite useful life are amortized in line with the expected useful life, usually on a straight-line basis. The period of useful life is to be assessed according to business rather than legal criteria. This assessment is made at least once a year. An impairment might be required in the event of sudden or unforeseen value changes.

a) Goodwill

Goodwill represents the difference between the consideration transferred and the fair value of the group's share in the identifiable net asset value of the acquired business at the time of acquisition. Any goodwill arising as a result of a business combination is included within intangible assets.

Goodwill is subject to an annual impairment test and valued at its original acquisition cost less accumulated impairment losses. In cases where circumstances indicate a potential impairment, impairment tests are conducted more frequently. Profits and losses arising from the sale of a business include the book value of the goodwill assigned to the business being sold.

For impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill originating from the acquisition of an associate or joint venture is included in the book value of the investment.

b) Trademarks and licenses

Trademarks, licenses and similar rights acquired from third parties are stated at acquisition cost. Such assets are amortized over their expected useful life, generally not exceeding 10 years.

c) Computer software

Acquired computer software licenses in control of the group are capitalized on the basis of the cost incurred to acquire the specific software and bring to use. These costs are amortized over their estimated useful lives (three to max. five years).

d) Customer relationships

As part of a business combination, acquired customer rights are recorded at fair value (cost at the time of acquisition). These costs are amortized over their estimated useful lives, generally not exceeding 15 years.

32.7 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less depreciation and impairments. Acquisition cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the estimated useful life. Land is stated at cost and is not depreciated.

The useful lives are as follows:
Buildings: 20–50 years
Machinery: 5–15 years
Technical equipment: 5–10 years
Other non-current assets: max. 5 years

32.8 Impairment of property, plant and equipment and intangible assets

Assets with a finite useful life are only tested for impairment if relevant events or changes in circumstances indicate that the book value is no longer recoverable. An impairment loss is recorded equal to the excess of the carrying value over the recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and its value in use. The value in use is based on the estimated cash flow over a five-year period and the extrapolated projections for subsequent years. The results are discounted using an appropriate pretax, long-term interest rate. For the purposes of the impairment test, assets are grouped together at the lowest level for which separate cash flows can be identified (cash-generating units).

32.9 Lease assets and lease liabilities

The group recognizes lease assets and lease liabilities for most leases (these leases are on-balance-sheet). However, the group has elected not to recognize lease assets and lease liabilities for leases of low-value assets and short-term leases. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group presents lease assets and lease liabilities as separate line items on the balance sheet.

The group recognizes lease assets and lease liabilities at the lease commencement date. The lease asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements. The lease liability is initially measured at the present value of the lease payments that are not paid on commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses currency and duration-specific incremental borrowing rates for the discounting.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised.

32.10 Financial assets

Financial assets are classified into the following three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

Debt instruments

Financial assets measured at amortized cost

Initially, financial assets are recognized at fair value. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement and presented in other financial income / (expenses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the income statement.

Equity instruments

The group measures all equity investments at fair value. Where the group is holding equity instruments not for trading and group's management has elected to present fair value gains and losses on equity investments in other comprehensive income (OCI), there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognized in the income statement as other income when the group's right to receive payments is established. A gain or loss on an equity investment that is subsequently measured at FVTPL is recognized in the income statement and presented within other operating income and expenses or other financial income and expenses, depending on the nature of the investment, in the period in which it arises.

32.11 Derivative financial instruments and hedging activities

The group uses derivative financial instruments, such as forward currency contracts and other forward contracts, to hedge its risks associated with fluctuations in foreign currencies arising from operational and financing activities. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on the derivatives during the year that do not qualify for hedge accounting are taken directly into profit or loss.

The group applies hedge accounting to secure the foreign currency risks of future cash flows that have a high probability of occurrence. These hedges are classified as “cash flow hedges”, whereas the hedge instrument is recorded on the balance sheet at fair value and the effective portions are booked against “Other comprehensive income” in the column “Cash flow hedge reserve”. If the hedge relates to a non-financial transaction that will subsequently be recorded on the balance sheet, the adjustments accumulated under “Other comprehensive income” at that time will be included in the initial book value of the asset or liability. In all other cases, the cumulative changes of fair value of the hedging instrument that have been recorded in other comprehensive income are included as a charge or credit to income when the forecasted transaction is recognized or when hedge accounting is discontinued as the criteria are no longer met. In general, the fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

At the inception of the transaction, the group documents the relationship between hedging instruments and hedged items and its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

32.12 Inventories

Raw materials, supplies and consumables are stated at the lower of cost or net realizable value. Finished products and work in progress are stated at the lower of production cost or net realizable value. Production cost includes the costs of materials, direct and indirect manufacturing costs, and contract-related costs of construction. Inventories are valued by reference to weighted average costs. Provisions are made for slow-moving and excess inventories and are recognized in the income statement in Costs of goods sold.

32.13 Trade receivables

Trade and other accounts receivable are recognized initially at their transaction price and subsequently measured at amortized cost, less allowances for doubtful trade accounts receivable.

The allowance for doubtful trade accounts receivable is based on expected credit losses. The group applies the simplified approach, measuring the loss amount based on lifetime expected credit losses. These are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information such as development of gross domestic product (GDP) and oil price development.

32.14 Cash and cash equivalents

Cash and cash equivalents comprise bills, postal giros and bank accounts, together with other short-term highly liquid investments with a maturity of three months or less from the date of acquisition. Bank overdrafts are reported within borrowings in the current liabilities.

32.15 Trade payables

Trade payables and other payables are stated at face value. The respective value corresponds approximately to the amortized cost.

32.16 Borrowings

Financial debt is stated at fair value when initially recognized, after recognition of transaction costs. In subsequent periods, it is valued at amortized cost. Any difference between the amount borrowed (after deduction of transaction costs) and the repayment amount is reported in the income statement over the duration of the loan using the effective interest method. Borrowings are classified as current liabilities unless the group has a right to defer settlement of the liability for at least 12 months after the balance sheet date or the liability is due to be settled in more than 12 months after the balance sheet date.

32.17 Current and deferred income taxes

The current income tax charge comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group's subsidiaries operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The liability method is used to provide deferred taxes on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are valued by applying tax rates (and regulations) substantially enacted on the balance sheet date or any that have essentially been legally approved and are expected to apply at the time when the deferred tax asset is realized or the deferred tax liability is settled.

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that a taxable profit will be available against which they can be used. Deferred tax liabilities arising as a result of temporary differences relating to investments in subsidiaries, associates and joint venture are applied, unless the group can control when temporary differences are reversed and it is unlikely that they will be reversed in the foreseeable future.

32.18 Employee benefits

a) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan. The calculation of defined benefit assets / obligations is performed annually by a qualified actuary using the projected unit credit method. The net obligation is estimated based on the discounted future benefit that employees have earned in the current and prior periods, deducting the fair value of any plan assets. The discount rate is determined with reference to the interest rates on high-quality corporate bonds denominated in the currency of the expected cash flows and aligned with the estimated term.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income on plan assets), and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

Defined contribution plans are defined as pure savings plans, under which the employer makes certain contributions into a separate legal entity (fund) and does not have a legal or an extendible (constructive) liability to contribute any additional amounts in the event this entity does not have enough funds to pay out benefits. A “constructive” commitment exists when it can be assumed that the employer will voluntarily make additional contributions in order not to endanger the relationship with its employees. Company contributions to such plans are considered in the income statement as personnel expenses.

c) Other employee benefits

Some subsidiaries provide other employee benefits such as jubilee gifts to their employees. Jubilee gifts are other long-term benefits. For example, in Switzerland, the group makes provisions for jubilee benefits based on a Swiss local directive. The provisions are reported in the category “Other employee benefits”.

Short-term benefits are payable within 12 months after the end of the period in which the employees render the related employee service. In the case of liabilities of a long-term nature, the discounting effects and employee turnover are to be taken into consideration.

Obligations to employees arising from restructuring measures are included under the category “Restructuring provisions”.

32.19 Share-based compensation

The group operates two equity-settled share-based payment plans. A performance share plan (PSP) covers the members of the Executive Committee and the members of the Sulzer Management Group. A restricted share plan (RSP) and Blocked shares plan cover the members of the Board of Directors.

a) Performance share plan (PSP)

The fair value of the employee services received in exchange for the grant of the performance share units (PSU) is recognized as a personnel expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share units granted, excluding the impact of any non-market vesting conditions (e.g., target profit levels). At each balance sheet date, the group reassesses its estimates of the number of share units that are expected to vest. It recognizes the impact of the reassessment of original estimates, if any, in the income statement, and a corresponding adjustment to equity. The fair value of PSUs granted is measured by external valuation specialists based on a Monte Carlo simulation.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the PSP. The dilution effect of the share-based awards is considered when calculating diluted earnings per share.

b) Restricted share plan (RSP)

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which the specified service conditions are expected to be met.

The fair value of the restricted share units (RSU) granted for services rendered is measured at the Sulzer closing share price at grant date, and discounted over the vesting period using a discount rate that is based on the yield of Swiss government bonds with maturities matching the duration of the vesting period. Participants are not entitled to dividends declared during the vesting period. The grant date fair value of the RSUs is consequently reduced by the present value of dividends expected to be paid during the vesting period.

The group accrues for the expected cost of social charges in connection with the allotment of shares under the RSP. The dilutive effect of the share-based awards is considered when calculating diluted earnings per share.

c) Blocked shares

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

The fair value of the employee services received in exchange for the grant of the share units is recognized as a personnel expense with a corresponding increase in equity.

32.20 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to a single item included in the class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

32.21 Sales

Sales comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the group's activities. This includes standard products (off the rack) and configured and engineered or tailor-made products. Sales are shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The core principle is that sales are recognized at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring goods or services to a customer.

Sales are recognized when (or as) the group satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

A customer obtains control of a good or service if it has the ability to direct the use of, and obtain substantially all of the remaining benefits from, that good or service (e.g., use, consume, sale, hold). A customer could have the future right to direct the use of the asset and obtain substantially all of the benefits from it (i.e., upon making a prepayment for a specified product).

There are two methods to recognize sales:

- **Over time method (OT):** sales, costs and profit margin recognition in line with the progress of the project
- **Point in time method (PIT):** sales recognition when the performance obligation is satisfied at a certain point in time

The group determines at contract inception whether control of each performance obligation transfers to a customer over time or at a point in time. Arrangements where the performance obligations are satisfied over time are not limited to services arrangements. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition.

Over time method (OT)

Sales are recognized over time if any of the following is met:

- The customer simultaneously receives / consumes as the group performs.
- The group creates / enhances an asset and the customer controls it during this process.
- The created asset has no alternative use for the group and the group has an enforceable right to payment (including reasonable profit margin) for performance completed to date if the customer terminates the contract for convenience.

The over time method is based on the percentage of costs to date compared with the total estimated contract costs (cost-to-cost method). In rare cases, other methods, such as a milestones method, may be used for a particular project, assuming that the stage of completion can be better estimated than by applying the cost-to-cost method. Work progress of sub-suppliers is considered to determine the stage of completion. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs, and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

The income statement contains a share of sales, including an estimated share of profit. The balance sheet includes the corresponding contract assets if the assets exceed the advance payments from the customer of the project. When it appears probable that the total costs of an order will exceed the expected income, the total amount of expected loss is recognized immediately in the income statement.

Point in time method (PIT)

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time is met. Sales are recognized when (or as) the customer obtains control of that asset (depending on international commercial terms). The following points indicate that a customer has obtained control of an asset:

- The entity has a present right to payment
- The customer has legal title
- The customer has physical possession
- The customer has the significant risks and rewards of ownership
- The customer has accepted the asset

For contracts applying the point in time method, the transfer of risks and rewards of ownership (depending on international commercial terms) typically depicts the transfer of control most appropriately.

Disaggregation of sales

In the segment information (note 2), sales are disaggregated by:

- Divisions (group's reportable segments)
- Timing of sales recognition (sales recognition method: over time, point in time) and divisions
- Market segments and divisions
- Geographical regions and divisions

Payment terms

The group's general terms and conditions of supply require payments within 30 days after the invoice date.

If the group's general terms and conditions apply for a contract, the group is entitled to issue the invoices as follows: for one-third of the contract value within five days after effective date (date when the purchase order has been accepted by the supplier, or the date of the latest signing), for one-third after expiration of half of the delivery time, and for one-third within 45 days prior to delivery. Payments for prices calculated on a time basis are invoiced on a biweekly basis or after completion of the scope of supply, whichever occurs first.

Other payment terms may apply if otherwise defined in the customer contract, the purchase order, the respective change order or the quotation.

Variable considerations

If the consideration promised in a contract includes a variable amount (e.g., liquidated damages, early payment discount, volume discounts), the group estimates the amount of consideration to which the group will be entitled in exchange for transferring the promised goods or services to a customer. The amount of the variable consideration is estimated by using either of the following methods, depending on which method the group expects will better predict the amount of consideration to which it will be entitled: the expected value method or the most likely amount method. The method selected is applied consistently throughout the contract and to similar types of contracts when estimating the effect of uncertainty on the amount of variable consideration to which the group is entitled.

If the group fails to meet the delivery date and a purchase order expressly provides liquidated damages for such failure, the purchaser is entitled to demand that the group pay liquidated damages at the rate stated in the purchase order. The group's obligation for estimated liquidated damages are recorded as a reduction in revenue.

Allocation of the transaction price

To allocate the transaction price to each performance obligation on a relative stand-alone, selling-price basis, the group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. If the stand-alone selling price is not directly observable, then the group estimates the amount with the expected cost-plus-margin method.

33 Subsequent events after the balance sheet date

The Board of Directors authorized these consolidated financial statements for issue on February 25, 2026. They are subject to approval at the Annual General Meeting, which will be held on April 15, 2026. At the time when these consolidated financial statements were authorized for issue, the Board of Directors and the Executive Committee were not aware of any events that would materially affect these financial statements.

34 Major subsidiaries

December 31, 2025

	Subsidiary	Sulzer ownership and voting rights	Registered capital (including paid-in capital in the USA and Canada)	Direct participation by Sulzer Ltd	Research and development	Production and engineering	Sales	Service
Europe								
Switzerland	Sulzer Chemtech AG, Winterthur	100%	CHF 10’000’000	•	•	•	•	•
	Sulzer Markets and Technology AG, Winterthur	100%	CHF 4’000’000	•				
	Sulzer Management AG, Winterthur	100%	CHF 500’000	•	•			
	Tefag AG, Winterthur	100%	CHF 500’000	•				
	Sulzer International AG, Winterthur	100%	CHF 100’000	•				
Belgium	Sulzer Pumps Wastewater Belgium N.V.,Anderlecht	100%	EUR 123’947	•			•	•
	Ensival Moret Belgium SA, Thimister-Clermont	100%	EUR 7’400’000	•	•			
Germany	Sulzer Pumpen (Deutschland) GmbH, Bruchsal	100%	EUR 3’000’000	•	•	•	•	•
	Sulzer Flow Germany GmbH, Bonn	100%	EUR 300’000	•			•	•
	Sulzer Chemtech GmbH, Krefeld	100%	EUR 300’000	•			•	•
Denmark	Sulzer Pumps Denmark A/S, Farum	100%	DKK 501’000	•			•	•
Finland	Sulzer Pumps Finland Oy, Kotka	100%	EUR 16’000’000	•	•	•	•	•
France	Sulzer Pompes France SASU, Buchelay	100%	EUR 6’600’000	•	•	•	•	•
	Sulzer Ensival Moret France SASU, Saint-Quentin	100%	EUR 10’000’000	•	•	•	•	•
UK	Sulzer Pumps (UK) Ltd., Leeds	100%	GBP 9’610’000		•	•	•	•
	Sulzer Chemtech (UK) Ltd., Stockton on Tees	100%	GBP 100’000		•		•	•
	Sulzer Services (UK) Ltd., Birmingham	100%	GBP 48’756			•	•	•
	Sulzer (UK) Holdings Ltd., Leeds	100%	GBP 6’100’000	•				
	Sulzer GT Aero Services Ltd.,Aberdeen	100%	GBP 1		•	•	•	•
	Sulzer (Aberdeen) Ltd.	100%	GBP 198’000			•	•	•
Ireland	Sulzer Pump Solutions Ireland Ltd., Wexford	100%	EUR 2’222’500	•	•	•	•	•
	Sulzer Finance (Ireland) Limited, Wexford	100%	EUR 100					
Italy	Sulzer Italy S.r.l., Casalecchio di Reno	100%	EUR 600’000	•			•	
Norway	Sulzer Pumps Wastewater Norway A/S, Sandvika	100%	NOK 502’000	•			•	•
	Sulzer Services Norway A/S, Klepp Stasjon	100%	NOK 500’000	•			•	•
	Nordic Water Products A/S, Straume	100%	NOK 150’000				•	•
The Netherlands	Sulzer Pumps Wastewater Netherlands B.V., Maastricht-Airport	100%	EUR 45’378				•	•
	Sulzer Chemtech Nederland B.V., Breda	100%	EUR 1’134’451				•	•
	Sulzer Turbo Services Venlo B.V., Lomm	100%	EUR 443’940		•	•	•	•
	Sulzer Netherlands Holding B.V., Lomm	100%	EUR 10’010’260	•				
	Sulzer Capital B.V., Lomm	100%	EUR 50’000					
Austria	Sulzer Austria GmbH, Wiener Neudorf	100%	EUR 350’000	•			•	•
Romania	Sulzer GTC Technology Romania S.R.L., Bucharest	100%	RON 1’345’070	•		•		
Sweden	Sulzer Pumps Sweden AB, Vadstena	100%	SEK 3’000’000	•	•	•	•	•
	Nordic Water Products AB, Mölndal	100%	SEK 200’000		•	•	•	•
Spain	Sulzer Pumps Spain S.A., Madrid	100%	EUR 1’750’497	•		•	•	•

	Sulzer Pumps Wastewater Spain S.A.U., Rivas Vaciamadrid	100%	EUR 2’000’000				•	•
North America								
Canada	Sulzer Pumps (Canada) Inc., Burnaby	100%	CAD 2’771’588		•	•	•	•
	Sulzer Chemtech Canada Inc., Edmonton	100%	CAD 1’000’000	•		•	•	•
	Sulzer Rotating Equipment Services (Canada) Ltd., Edmonton	100%	CAD 7’000’000	•		•	•	•
	JWC Environmental Canada ULC, Burnaby	100%	CAD 1’832’816			•	•	
USA	Sulzer Pumps (US) Inc., Houston, Texas	100%	USD 40’381’108		•	•	•	•
	Sulzer Pumps Solutions Inc., Easley, South Carolina	100%	USD 25’589’260			•	•	•
	Sulzer Pump Services (US) Inc., Houston, Texas	100%	USD 1’000			•	•	•
	Sulzer Chemtech USA, Inc., Tulsa, Oklahoma	100%	USD 47’895’000		•	•	•	•
	Sulzer Turbo Services Houston Inc., La Porte, Texas	100%	USD 18’840’000			•	•	•
	Sulzer Turbo Services New Orleans Inc., Belle Chasse, Louisiana	100%	USD 4’006’122			•	•	•
	Sulzer Electro-Mechanical Services (US) Inc., Pasadena, Texas	100%	USD 12’461’286			•	•	•
	Sulzer US Holding Inc., Houston, Texas	100%	USD 310’335’340	•				
	JWC Environmental Inc., Santa Ana, California	100%	USD 220’818’520		•	•	•	•
Mexico	Sulzer Pumps México, S.A. de C.V., Cuautitlán Izcalli	100%	MXN 4’887’413	•		•	•	•
	Sulzer Chemtech, S. de R.L. de C.V., Cuautitlán Izcalli	100%	MXN 231’345’500	•		•	•	•
Central and South America								
Argentina	Sulzer Turbo Services Argentina S.A., Buenos Aires	100%	ARS 9’730’091	•		•	•	•
Brazil	Sulzer Brasil S.A., Jundiaí	100%	BRL 81’789’432	•	•	•	•	•
	Sulzer Pumps Wastewater Brasil Ltda., Jundiaí	100%	BRL 37’966’785	•	•	•	•	•
Chile	Sulzer Bombas Chile Ltda., Vitacura	100%	CLP 46’400’000	•			•	
Colombia	Sulzer Pumps Colombia S.A.S., Cota	100%	COP 7’142’000’000	•			•	•
Africa								
South Africa	Sulzer Pumps (South Africa) (Pty) Ltd., Elandsfontein	75%	ZAR 100’450’000		•	•	•	•
	Sulzer (South Africa) Holdings (Pty) Ltd., Elandsfontein	100%	ZAR 16’476	•		•	•	•
Morocco	Sulzer Maroc S.A.R.L. A.U., Nouaceur	100%	MAD 3’380’000	•				•
Nigeria	Sulzer Pumps (Nigeria) Ltd., Lagos	49%	NGN 10’000’000	•			•	•
Zambia	Sulzer Zambia Ltd., Chingola	100%	ZMK 15’000’000	•			•	•
Middle East								
United Arab Emirates	Sulzer Pumps Middle East FZCO, Dubai	100%	AED 500’000	•			•	•
Saudi Arabia	Sulzer Saudi Pump Company Limited, Riyadh	100%	SAR 44’617’000	•		•	•	•
Bahrain	Sulzer Chemtech Middle East W.L.L., Al Seef	100%	BHD 50’000	•			•	
Asia								
India	Sulzer Pumps India Pvt. Ltd., Navi Mumbai	100%	INR 24’893’500	•		•	•	•
	Sulzer India Pvt. Ltd., Pune	100%	INR 34’500’000	•		•	•	•
	Sulzer Tech India Pvt. Ltd., Navi Mumbai	100%	INR 100’000	•		•		
Indonesia	PT. Sulzer Indonesia, Purwakarta	95%	IDR 28’234’800’000	•		•	•	•
Japan	Sulzer Daiichi K.K., Tokyo	60%	JPY 30’000’000	•			•	
	Sulzer Japan Ltd., Tokyo	100%	JPY 30’000’000	•		•	•	•

Malaysia	Sulzer Pumps Wastewater Malaysia Sdn. Bhd., Selangor Darul Ehsan	100%	MYR 1’000’000	•			•	
Singapore	Sulzer Singapore Pte. Ltd., Singapore	100%	SGD 1’000’000	•		•	•	•
South Korea	Sulzer Korea Ltd., Seoul	100%	KRW 222’440’000	•			•	
	Sulzer GTC Technology Korea Co. Ltd., Seoul	100%	KRW 4’870’000’000	•		•	•	•
Thailand	Sulzer (Thailand) Co., Ltd., Rayong	100%	THB 25’000’000	•				•
People’s Republic of China	Sulzer Dalian Pumps & Compressors Ltd., Dalian	100%	CHF 28’021’816	•	•	•	•	•
	Sulzer Pumps Suzhou Ltd., Suzhou	100%	CNY 282’069’324	•	•	•	•	•
	Sulzer Pump Solutions (Kunshan) Co., Ltd., Kunshan	100%	USD 5’760’000	•	•	•		
	Sulzer Chemtech (Shanghai) Co., Ltd., Shanghai	100%	CNY 54’267’608	•	•	•	•	•
	Sulzer Pumps Wastewater Shanghai Co. Ltd., Shanghai	100%	USD 1’550’000	•	•		•	•
	Sulzer GTC (Beijing) Technology Inc., Beijing	100%	USD 150’000	•	•	•	•	•
	Nordic Water Products (Beijing) Co., Ltd., Beijing	100%	USD 800’000				•	•
Australia								
	Sulzer Australia Pty Ltd., Brisbane	100%	AUD 5’308’890				•	•
	Sulzer Australia Holding Pty Ltd., Brendale	100%	AUD 34’820’100	•				

KPMG

Statutory Auditor's Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sulzer Ltd and its subsidiaries (the Group), which comprise the "Consolidated balance sheet" as at December 31, 2025, the "Consolidated income statement", the "Consolidated statement of comprehensive income", the "Consolidated statement of changes in equity" and the "Consolidated statement of cash flows" for the year then ended, and "Notes to the consolidated financial statements", including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities

Key Audit Matter

As per December 31, 2025, revenue from customer contracts amounts to CHF 3'555.4 million, contract assets amount to CHF 572.5 million, contract liabilities to CHF 500.8 million and the balance of work in progress (WIP) amounts to CHF 260.1 million.

Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.

Revenue and related costs from long-term customer orders (construction and service contracts) are recognized over time (OT), provided they fulfill the criteria of IFRS Accounting Standards, specifically having the right to payment in case of termination for convenience. The OT method allows recognizing revenues by reference to the stage of completion of the contract. The application of the OT method is complex and requires judgments by management when estimating the stage of completion, total project costs and the costs to complete the work. Incorrect assumptions and estimates can lead to revenue being recognized in the wrong reporting period or in amounts inadequate to the actual stage of completion, and therefore to an incorrect result for the period.

During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require write-offs of contract assets and the immediate recognition of the expected loss as a provision.

Our response

Our procedures included, among others, obtaining an understanding of the project execution processes and relevant controls relating to the accounting for customer contracts.

For the revenue recognized throughout the year, we evaluated selected key controls, including results reviews by management, and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.

These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed inquiries with management to understand their project risk assessments and inspected meeting minutes from project reviews performed by management to identify relevant changes in their assessments and estimates. We challenged these assessments and estimates for OT projects including comparing estimated project financials between reporting periods and assessed the historical accuracy of these estimates.

On a sample basis, we reconciled revenue to the supporting documentation, validated estimates of costs to complete, tested the mathematical accuracy of calculations and the adequacy of project accounting. We also examined costs included within contract assets on a sample basis by verifying the amounts back to source documentation and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete. Where estimated project costs exceeded total contract revenue, we assessed the recognition of a provision.

Regarding the projects recognized at a point in time (PIT), the risks include inappropriate revenue recognition from revenue being recorded in the wrong accounting period as well as overstated WIP that requires impairment adjustments.

We further performed testing for PIT projects on a sample basis to confirm the appropriate application of revenue recognition policies and to verify valuation of WIP balances. This included reconciling accounting entries to supporting documentation. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.

For further information on Customer contracts – existence and accuracy of revenue, valuation of contract assets, work in progress (WIP) and accuracy of contract liabilities refer to the following:

- Note 17 to the consolidated financial statements
- Note 18 to the consolidated financial statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge

Miriam von Gunten
Licensed Audit Expert

Zurich, February 25, 2026

KPMG AG, Badenerstrasse 172, CH-8036 Zurich
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Supplementary information

Alternative performance measures (APM)

The financial information included in this report includes certain alternative performance measures (APMs), which are not accounting measures as defined by IFRS. These APMs should not be used instead of, or considered as alternatives to, the group's consolidated financial results based on IFRS. These APMs may not be comparable to similarly titled measures disclosed by other companies. All APMs presented relate to the performance of the current reporting period and comparative periods.

Certain APMs previously disclosed are no longer presented as APMs in 2025. These APMs are "Operating Profit", "Operating Profitability", "Operational ROCEA", "Capital employed" and "EBIT Margin". The definitions of these APMs are deleted from the "Supplementary information" section.

Additionally, "EBITDA margin" has been introduced as a new APM.

Definition of alternative performance measures (APM)

Order intake

Order intake includes all registered orders of the period that will be recorded or have already been recorded as sales. The reported value of an order corresponds to the undiscounted value of sales that the group expects to recognize following delivery of goods or services subject to the order, less any trade discounts and excluding value added or sales tax. Adjustments, corrections and cancellations resulting from updating the order backlog are respectively included in the amount of the order intake.

Order intake gross margin

The order intake gross margin is defined as the expected gross profit of order intake divided by order intake.

Order backlog

Order backlog represents the undiscounted value of sales the group expects to generate from orders on hand at the end of the reporting period.

Return on sales (ROS)

ROS measures the profitability relative to sales. ROS is calculated by dividing EBIT by sales.

Operating income (EBIT)

Operating income (EBIT) as presented in the consolidated income statement is the profit before income tax expenses, interest income and expenses, other financial income and expenses and share of profit / (loss) of associates and joint ventures.

EBITDA (earnings before interest, taxes, depreciation and amortization)

EBITDA is used to assess the performance of the business. EBITDA is defined as EBIT before depreciation, amortization and impairment.

EBITDA margin

EBITDA margin measures EBITDA relative to sales. EBITDA margin is calculated by dividing EBITDA by sales.

Core net income

Core net income is used to determine the dividend proposal. Sulzer's long-term target is to maintain a dividend payout ratio of approximately 40% to 70% of core net income with due consideration to liquidity and funding requirements as well as continuity. Core net income is defined as net income before tax-adjusted effects on restructuring, amortization, impairments and non-operational items.

Free cash flow (FCF)

FCF is used to assess the group's ability to generate the cash required to conduct and maintain its operations. It also indicates the group's ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. FCF is calculated based on the IFRS cash flow from operating activities and adjusted for capital expenditures (investments in property, plant and equipment and intangible assets).

Net debt

Net debt is used to monitor the group's overall short- and long-term liquidity. Net debt is calculated as the sum of total current and non-current borrowings and lease liabilities less cash and cash equivalents and current financial assets.

Net debt / EBITDA ratio

Net debt / EBITDA is a ratio measuring the amount of income generated and available to pay down debt before covering interest, taxes, depreciations and amortization expenses.The net debt / EBITDA ratio is used as a measurement of leverage. It is calculated as net debt divided by EBITDA.

Gearing ratio (borrowings-to-equity ratio)

The gearing ratio compares the borrowings and lease liabilities relative to the equity. The gearing ratio represents the group's leverage, comparing how much of the business's funding comes from borrowed funds (lenders) versus company owners (shareholders). The gearing ratio is defined as borrowings and lease liabilities divided by equity attributable to shareholders of Sulzer Ltd.

Currency-adjusted growth

Certain percentage changes in the financial review and the business review divisions have been calculated using constant exchange rates, which allow for an assessment of the group's financial performance with the effects of exchange rate fluctuations eliminated. The currency-adjusted growth is calculated by applying the previous year's exchange rates for the current year and calculating the growth without currency effects.

Organic growth

Organic growth measures changes with the same period in the previous year after adjusting for effects arising from acquisitions, divestitures / deconsolidations and foreign exchange differences.

The impact of the organic growth is determined as follows:

- Currency-adjusted growth as described above
- For the current-year acquisitions, by deducting the currency-adjusted amount generated during the current-year by the acquired entities
- For prior-year acquisitions, by deducting the currency-adjusted amount generated over the months during which the acquired entities were not consolidated in the previous year
- For current-year disposals, by adding the currency-adjusted amount generated by the divested entities in the previous year over the months during which those entities were no longer consolidated in the current year
- For the prior-year disposals, by adding for the current year the currency-adjusted amount generated in the previous year by the divested entities

Reconciliation statements for alternative performance measures (APM)

For reconciliation statements of core net income, EBITDA and free cash flow, please refer to the section “Financial review”, for EBITDA, net debt and gearing ratio to note 5.

Five-year summaries of key financial data

Key figures from consolidated income statement and statement of cash flows[1)]

millions of CHF	2025	2024	2023	2022	2021
Order intake	3’751.0	3’848.6	3’580.3	3’425.4	3’167.6
Order intake gross margin	35.7%	35.0%	33.9%	33.5%	33.1%
Order backlog	2’255.6	2’300.0	1’946.8	1’844.7	1’724.1
Sales	3’555.4	3’530.6	3’281.7	3’179.9	3’155.3
Operating income (EBIT)	433.1	382.5	329.7	111.4	221.8
EBITDA [2)]	556.2	502.7	437.9	270.7	357.2
EBITDA margin [2)]	15.6%	14.2%	13.3%	8.5%	11.3%
Net income attributable to shareholders of Sulzer Ltd	292.8	261.9	229.1	28.6	1’416.7
– in percentage of equity attributable to shareholders of Sulzer Ltd (ROE)	22.6%	21.4%	20.9%	2.8%	111.2%
Basic earnings per share (in CHF)	8.68	7.73	6.76	0.85	41.93
Depreciation	–78.5	–77.1	–71.4	–76.0	–81.0
Amortization	–40.2	–38.5	–36.6	–38.8	–50.2
Impairments of tangible and intangible assets	–4.5	–4.5	–0.2	–44.5	–4.2
Research and development expenses	–77.6	–76.4	–70.8	–66.4	–64.4
Personnel expenses	–1’094.7	–1’117.9	–1’030.8	–1’002.4	–1’018.1
Capital expenditure (incl. lease assets)	–132.8	–130.9	–103.1	–100.0	–119.4
Free cash flow (FCF)	212.5	234.9	301.3	58.3	210.5
FCF conversion (free cash flow / net income)	0.72	0.88	1.31	2.08	1.50
Employees (number of full-time equivalents) as of December 31	13’526	13’455	13’130	12’868	13’816

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.
2) Comparative information has been re-presented due to discontinued operations in 2021.

Key figures from consolidated balance sheet [1)]

millions of CHF	2025	2024	2023	2022	2021
Non-current assets	1’675.1	1’715.5	1’685.9	1’584.2	1’834.2
– thereof property, plant and equipment	398.2	387.8	348.2	360.5	394.0
Current assets	2’887.8	2’998.8	2’683.5	3’036.0	3’176.2
– thereof cash and cash equivalents	927.3	1’060.6	974.7	1’196.3	1’505.4
Total assets	4’562.9	4’714.3	4’369.5	4’620.2	5’010.4
Equity attributable to shareholders of Sulzer Ltd	1’293.2	1’223.6	1’095.4	1’024.3	1’273.8
Non-current liabilities	1’086.8	1’058.9	1’125.3	1’348.6	1’568.8
– thereof non-current borrowings	779.3	745.0	795.2	1’043.9	1’164.6
– thereof non-current lease liabilities	81.7	78.3	69.0	67.2	64.5
Current liabilities	2’170.8	2’420.3	2’145.6	2’242.9	2’162.3
– thereof current borrowings	304.9	312.0	261.1	311.4	345.5
– thereof current lease liabilities	28.9	26.6	23.9	22.4	24.3
Net debt	267.4	100.4	172.3	234.6	66.8
EBITDA [2)]	556.2	502.7	437.9	270.7	357.2
Net debt / EBITDA ratio [2)]	0.48	0.20	0.39	0.87	0.19
Equity ratio [3)]	28.3%	26.0%	25.1%	22.2%	25.4%

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.
2) Comparative information has been re-presented due to discontinued operations in 2021.
3) Equity attributable to shareholders of Sulzer Ltd in relation to total assets.

Five-year summaries by division

	Order intake [1]					Sales [1]				
millions of CHF	**2025**	2024	2023	2022	2021	**2025**	2024	2023	2022	**2021**
Flow	1’576.3	1’603.3	1’466.5	1’419.2	1’324.7	1’551.2	1’444.3	1’354.4	1’323.0	1’389.0
Services	1’449.8	1’378.3	1’271.3	1’171.3	1’163.4	1’312.8	1’249.1	1’154.8	1’117.0	1’117.7
Chemtech	724.9	866.9	842.5	834.9	679.5	691.3	837.1	772.5	739.9	648.5
Total	**3’751.0**	**3’848.6**	**3’580.3**	**3’425.4**	**3’167.6**	**3’555.4**	**3’530.6**	**3’281.7**	**3’179.9**	**3’155.3**

	Order backlog [1]					Employees [2]				
millions of CHF	**2025**	2024	2023	2022	2021	**2025**	2024	2023	2022	**2021**
Flow	990.0	1’053.5	878.3	850.1	811.5	5’559	5’492	5’465	5’263	5’325
Services	730.3	689.7	547.3	492.9	479.5	4’855	4’832	4’630	4’559	4’571
Chemtech	535.3	556.8	521.2	501.7	433.2	2’781	2’934	2’849	2’852	3’734
Divisions	**2’255.6**	**2’300.0**	**1’946.8**	**1’844.7**	**1’724.1**	**13’195**	**13’257**	**12’944**	**12’674**	**13’631**
Others	–					330	198	186	194	185
Total	**2’255.6**	**2’300.0**	**1’946.8**	**1’844.7**	**1’724.1**	**13’526**	**13’455**	**13’130**	**12’868**	**13’816**

	EBITDA [1]					EBITDA margin				
millions of CHF	**2025**	2024	2023	2022	2021 [3]	**2025**	2024	2023	2022	**2021** [3]
Flow	206.6	169.6	128.4	97.7	107.4	13.3%	11.7%	9.5%	7.4%	7.7%
Services	240.0	209.6	210.6	111.7	187.4	18.3%	16.8%	18.2%	10.0%	16.8%
Chemtech	94.4	131.6	104.6	70.8	73.6	13.7%	15.7%	13.5%	9.6%	11.3%
Divisions	**541.0**	**510.9**	**443.6**	**280.2**	**368.4**	**15.2%**	**14.5%**	**13.5%**	**8.8%**	**11.7%**
Others	15.2	–8.1	–5.7	–9.5	–11.2	n/a	n/a	n/a	n/a	n/a
Total	**556.2**	**502.7**	**437.9**	**270.7**	**357.2**	**15.6%**	**14.2%**	**13.3%**	**8.5%**	**11.3%**

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.
2) Number of full-time equivalents as of December 31.
3) Comparative information has been re-presented due to discontinued operations in 2021.

Five-year summaries by region

Order intake by region[1)]

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	1’566.3	1’507.5	1’278.3	1’322.9	1’281.2
Americas	1’423.2	1’435.1	1’353.8	1’193.2	1’051.8
Asia-Pacific	761.5	906.0	948.2	909.3	834.6
Total	**3’751.0**	**3’848.6**	**3’580.3**	**3’425.4**	**3’167.6**

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

Sales by region[1)]

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	1’430.0	1’273.1	1’246.0	1’207.9	1’297.5
Americas	1’351.5	1’333.5	1’199.8	1’142.8	978.1
Asia-Pacific	773.8	924.0	836.0	829.2	879.7
Total	**3’555.4**	**3’530.6**	**3’281.7**	**3’179.9**	**3’155.3**

1) The comparatives are based on the foreign currency exchange rates of the respective year and are not adjusted for changes in currency exchange rates.

Employees by company location[1)]

millions of CHF	2025	2024	2023	2022	2021
Europe, the Middle East and Africa	5’716	5’625	5’445	5’602	5’795
Americas	3’923	3’780	3’642	3’422	4’207
Asia-Pacific	3’887	4’050	4’043	3’845	3’815
Total	**13’526**	**13’455**	**13’130**	**12’868**	**13’816**

1) Number of full-time equivalents as of December 31.

Balance sheet of Sulzer Ltd

December 31

millions of CHF	Notes	2025	2024
Current assets			
Cash and cash equivalents	3	94.1	259.1
Accounts receivable from subsidiaries		374.9	364.6
Other current accounts receivable		3.6	2.8
Prepaid expenses and accrued income		0.9	1.7
Total current assets		**473.5**	**628.2**
Non-current assets			
Loans to subsidiaries		610.2	541.8
Financial assets		21.8	22.4
Investments in subsidiaries	4	1’566.5	1’546.2
Investments in associates		6.6	19.6
Total non-current assets		**2’205.1**	**2’130.0**
Total assets		**2’678.6**	**2’758.2**
Current liabilities			
Current interest-bearing liabilities	6	294.9	299.9
Current liabilities with subsidiaries		–	5.7
Current liabilities with shareholders		287.7	408.7
Other current liabilities		1.6	0.1
Accrued expenses and deferred income		8.5	7.8
Current provisions		3.6	3.6
Total current liabilities		**596.3**	**725.8**
Non-current liabilities			
Non-current interest-bearing liabilities	6	778.7	744.0
Other non-current liabilities		1.7	5.2
Non-current provisions		34.0	33.2
Total non-current liabilities		**814.4**	**782.4**
Total liabilities		**1’410.7**	**1’508.2**
Equity			
Registered share capital	5	0.3	0.3
Legal capital reserves			
– Reserves from capital contribution	5	200.7	200.7
– Other legal capital reserve		155.5	155.5
Voluntary retained earnings			
– Free reserve	5	791.5	791.5
Treasury shares	5	–58.6	–51.6
Available earnings			
– Profit brought forward		10.0	0.1
– Net income for the year		168.5	153.5
Total equity		**1’267.9**	**1’250.0**
Total equity and liabilities		**2’678.6**	**2’758.2**

Income statement of Sulzer Ltd

January 1 – December 31

millions of CHF	Notes	2025	2024
Income			
Investment income	9	223.3	204.8
Financial income	11	35.4	44.7
Other income	10	55.3	49.3
Total income		**314.0**	**298.8**
Expenses			
Administrative expenses	8	74.2	101.4
Financial expenses	11	54.0	17.2
Investment and loan expenses	9	9.6	18.0
Other expenses		7.6	8.0
Direct taxes		0.1	0.7
Total expenses		**145.5**	**145.3**
Net income for the year		**168.5**	**153.5**

Statement of changes in equity of Sulzer Ltd

January 1 – December 31

millions of CHF	Share capital	Reserves from capital contribution	Other legal capital reserve	Free reserve	Treasury shares	Profit brought forward	Net income for the year	Total
Equity as of January 1, 2024	**0.3**	**200.7**	**155.5**	**791.5**	**–36.7**	**31.7**	**95.7**	**1'238.7**
Dividend							–127.3	–127.3
Allocation of net income						–31.6	31.6	–
Net income for the year							153.5	153.5
Change in treasury shares					–14.9			–14.9
Equity as of December 31, 2024	**0.3**	**200.7**	**155.5**	**791.5**	**–51.6**	**0.1**	**153.5**	**1'250.0**
Dividend							–143.6	–143.6
Allocation of net income						9.9	–9.9	–
Net income for the year							168.5	168.5
Change in treasury shares					–7.0			–7.0
Equity as of December 31, 2025	**0.3**	**200.7**	**155.5**	**791.5**	**–58.6**	**10.0**	**168.5**	**1'267.9**

Notes to the financial statements of Sulzer Ltd

1 General information

Sulzer Ltd, Winterthur, Switzerland ("company"), is the parent company of the Sulzer group. Its financial statements are prepared in accordance with Swiss law and serve as complementary information to the consolidated financial statements.

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2 Key accounting policies and principles

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Investments in subsidiaries and third parties

The participations are valued at acquisition cost or if the value is lower, at value in use, using generally accepted valuation principles.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are recognized in the balance sheet at amortized cost. Discounts and issue costs for bonds are amortized on a straight-line basis over the bond's maturity period.

Share-based payments

Sulzer Ltd operates a share-based payment program that covers the Board of Directors. Restricted share units (RSU) are granted annually. The plan features graded vesting over a three-year period. One RSU award is settled with one Sulzer share at the end of the vesting period. Awards automatically vest with the departure from the Board. The fair value of the Sulzer share at vesting date is recognized as compensation to the Board of Directors.

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer's closing share price on the grant date.

Foregoing a cash flow statement and additional disclosures in the notes

As Sulzer Ltd has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on audit fees and interest-bearing liabilities in the notes and a cash flow statement in accordance with the law.

3 Cash and cash equivalents

As of December 2025, 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.

4 Investments in subsidiaries

A list of the major subsidiaries held directly or indirectly by Sulzer Ltd is included in note 34 to the consolidated financial statements.

5 Equity

Share capital

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.

Shareholders holding more than 3%

	Dec 31, 2025		Dec 31, 2024	
	Number of shares	in %	Number of shares	in %
Viktor Vekselberg (direct shareholder: Tiwel Holding AG)	16'728'414	48.82	16'728'414	48.82
UBS Fund Management (Switzerland) AG	1'175'624	3.43	1'175'624	3.43
Fidelity Investments Canada ULC	1'032'911	3.02	-	

Treasury shares held by Sulzer Ltd

	2025		2024	
millions of CHF	Number of shares	Total transaction amount	Number of shares	Total transaction amount
Balance as of January 1	509'455	51.6	451'074	36.7
Purchase	128'500	18.9	282'500	33.2
Share-based remuneration	–113'159	–11.9	–224'119	–18.3
Balance as of December 31	**524'796**	**58.6**	**509'455**	**51.6**

The total number of treasury shares held by Sulzer Ltd as of December 31, 2025, amounted to 524'796 (December 31, 2024: 509'455 shares), which are mainly held for the purpose of issuing shares under the management share-based payment programs.

6 Interest-bearing liabilities

	2025		2024	
millions of CHF	Book value	Nominal	Book value	Nominal
0.875% 07/2016–07/2026	125.0	125.0	125.0	125.0
0.800% 09/2020–09/2025	–	–	299.9	300.0
0.875% 11/2020–11/2027	199.9	200.0	199.8	200.0
3.350% 12/2022–12/2026	169.9	170.0	169.8	170.0
1.773% 10/2024–10/2028	249.5	250.0	249.3	250.0
1.138% 09/2025–09/2029	229.5	230.0	–	–
1.365% 10/2025–10/2032	99.7	100.0	–	–
Total as of December 31	**1’073.6**	**1’075.0**	**1’043.9**	**1’045.0**
– thereof non-current	778.7	780.0	744.0	745.0
– thereof current	294.9	295.0	299.9	300.0

All the outstanding bonds are traded on SIX Swiss Exchange.

7 Contingent liabilities

millions of CHF	**2025**	**2024**
Guarantees, sureties and comfort letters for subsidiaries		
– to banks and insurance companies	941.4	967.7
– to customers	243.9	183.7
– to others	431.1	453.4
Guarantees for third parties	7.7	7.7
Total contingent liabilities as of December 31	**1’624.1**	**1’612.5**

As of December 31, 2025, CHF 363.0 million (2024: CHF 397.4 million) in guarantees, sureties and comfort letters for subsidiaries to banks and insurance companies were utilized.

8 Administrative expenses

millions of CHF	**2025**	**2024**
Compensation of Board of Directors	2.8	3.1
Other administrative expenses	71.4	98.3
Total administrative expenses	**74.2**	**101.4**

Sulzer Ltd does not have any employees. The compensation of the Board of Directors includes share-based payments and remuneration. Other administrative expenses contain management services and recharges from subsidiaries.

9 Investment income, investment and loan expenses

In 2025, the investment income contains ordinary and extraordinary dividend payments from subsidiaries amounting to CHF 223.3 million (2024: CHF 204.8 million).

The investment and loan expenses contain allowances on investments amounting to CHF 0.5 million (2024: CHF 15.3 million). The share of loss from associates amounts to CHF 10.3 million (2024: CHF 2.7 million).

10 Other income

The income from trademark license amounts to CHF 48.0 million (2024: CHF 47.7 million).

11 Financial income and expenses

The financial income contains interests on loans with subsidiaries amounting to CHF 27.5 million (2024: CHF 32.6 million) and CHF 0.5 million (2024: CHF 1.8 million) with banks. The realized and unrealized gain on marketable securities amounts to CHF 6.2 million (2024: loss of CHF 0.4 million). The foreign currency revaluation on intercompany loans resulted in a loss of CHF 36.2 million (2024: gain of CHF 9.7 million).

The financial expenses contain mainly interest expenses on interest-bearing liabilities of CHF 16.5 million (2024: CHF 15.5 million).

12 Share participation of the Board of Directors, Executive Committee and related parties

Restricted share units for members of the Board

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The number of RSU is determined by dividing the fixed grant value by the volume-weighted share price of the last ten days prior to the grant date. One-third of the RSU each vest after the first, second and third anniversaries of the grant date, respectively. Upon vesting, one vested RSU is converted into one share in Sulzer Ltd. The vesting period for RSU granted to the members of the Board of Directors ends no later than on the date on which the member steps down from the Board.

					2025
	Sulzer shares	Restricted share units (RSU) [1]	Performance share units (PSU) 2023 [3]	Performance share units (PSU) 2024 [4]	Performance share units (PSU) 2025 [4]
Board of Directors	**34’858**	**8’004**	**–**	**–**	**–**
Suzanne Thoma	12’292	–	–	–	–
Markus Kammüller	3’409	1’589	–	–	–
Alexey Moskov	5’239	1’283	–	–	–
David Metzger	4’861	1’283	–	–	–
Per Utnegaard	5’375	1’283	–	–	–
Hariolf Kottmann	2’623	1’283	–	–	–
Prisca Havranek-Kosicek	1’059	1’283	–	–	–
Executive Committee	**29’756**	**–**	**28’753**	**25’028**	**23’187**
Suzanne Thoma	12’292	–	12’778	10’490	8’897
Thomas Zickler	12’749	–	5’112	4’196	3’354
Haining Auperin	–	–	4’217	3’462	2’751
Tim Schulten	3’552	–	5’112	4’196	3’019
Ravin Pillay-Ramsamy	1’163	–	1’534	1’897	2’549
Mathias Prüssing	–	–	–	787	2’617

1) Restricted share units assigned by Sulzer.
2) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.
3) The average fair value of one performance share unit 2024 at grant date amounted to CHF 125.65
4) The average fair value of one performance share unit 2025 at grant date amounted to CHF 175.14

					2024
	Sulzer shares	Restricted share units (RSU) [1]	Performance share units (PSU) 2022 [2]	Performance share units (PSU) 2023 [3]	Performance share units (PSU) 2024 [4]
Board of Directors	**15’866**	**16’373**	**–**	**–**	**–**
Suzanne Thoma	4’374	1’071	–	–	–
Markus Kammüller	1’743	3’255	–	–	–
Alexey Moskov	3’791	2’731	–	–	–
David Metzger	3’413	2’731	–	–	–
Per Utnegaard	1’375	2’195	–	–	–
Hariolf Kottmann	1’170	2’195	–	–	–
Prisca Havranek-Kosicek	–	2’195	–	–	–
Executive Committee	**11’171**	**–**	**14’679**	**33’865**	**28’437**
Suzanne Thoma	4’374	–	2’120	12’778	10’490
Thomas Zickler	5’697	–	5’074	5’112	4’196
Haining Auperin	–	–	1’142	4’217	3’462
Tim Schulten	1’100	–	5’074	5’112	4’196
Jan Lüder	–	–	–	5’112	4’196
Ravin Pillay-Ramsamy	–	–	1’269	1’534	1’897

1) Restricted share units assigned by Sulzer.
2) The average fair value of one performance share unit 2022 at grant date amounted to CHF 84.69.
3) The average fair value of one performance share unit 2023 at grant date amounted to CHF 88.38.
4) The average fair value of one performance share unit 2024 at grant date amounted to CHF 125.65

Granted Sulzer shares to members of the Board of Directors

In 2025, the Group introduced a new long-term incentive plan, Blocked Shares, which replaces the former Restricted Share Unit Plan (RSU) for the Board of Directors. As of the 2025 AGM, the Board members receive a blocked share grant. The shares are blocked for three years from the allocation date on March 1st of the following year. The fair value of the granted shares is measured at Sulzer’s closing share price on the grant date. The number of shares allocated is calculated by dividing the individual grant value by the three-month volume-weighted average share price (VWAP) preceding the relevant allocation date. Participants are entitled to receive dividends declared during the blocking period.

In 2025, the grant value to the members of the Board of Directors amount to CHF 0.8 million. The number of shares is determined by dividing the fixed grant value by the volume-weighted average share price of the trading days in thel ast three months before the allocation date.

13 Subsequent events after the balance sheet date

At the time when these financial statements were authorized for issue, the Board of Directors was not aware of any events that would materially affect these financial statements.

Proposal of the Board of Directors for the appropriation of the available profit

in CHF	2025	2024
Net income for the year	168’479’000	153’530’000
Unallocated profit carried forward from previous year [1]	10’139’923	168’701
Total available profit	**178’618’923**	**153’698’701**
Ordinary dividend [2]	–160’253’477	–143’449’889
Balance carried forward	**18’365’446**	**10’248’812**
Dividend distribution per share CHF 0.01		
Gross dividend	4.75	4.25
Withholding tax (35%)	–1.66	–1.49
Net dividend	**3.09**	**2.76**

1) The profit carried forward is derived from the total available profit for 2024 of CHF 153’698’701 reduced by the dividend paid of CHF 143’558’778, calculated based on 33’778’536 dividend-entitled shares as of the dividend payment date.
2) For the 2025 dividend proposal, the ordinary dividend is calculated based on 34’262’370 issued shares, reduced by 524’796 treasury shares held as of December 31, 2025, resulting in 33’737’574 dividend-entitled shares.

The Board of Directors proposes the payment of a dividend of CHF 4.75 per share to the Annual General Meeting on April 15, 2026. The company will not pay a dividend on treasury shares held by Sulzer Ltd or one of its subsidiaries.

KPMG

Statutory Auditor's Report

To the General Meeting of Sulzer Ltd, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sulzer Ltd (the Company), which comprise the "Balance sheet of Sulzer Ltd" as at December 31, 2025, the "Income statement of Sulzer Ltd" and the " Statement of changes in equity of Sulzer Ltd" for the year then ended, and the "Notes to the financial statements of Sulzer Ltd", including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

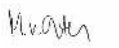
Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge



Miriam von Gunten
Licensed Audit Expert

Zurich, February 25, 2026

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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 Annual Report 2025 have been translated into German. Please note that the English-language version of the Sulzer Annual Report is the binding version.