

+GF+

Financial Analysts' Conference

2019

financial year

Andreas Müller, Mads Joergensen

26.02.2020



Strong performance at GF Piping Systems – economic headwinds impact results

- Sales declined by 4.1% organically to CHF 3'720 million
- Operating result before one-offs came to CHF 281 million and CHF 235 million after one-offs, corresponding EBIT margins stood at 7.6% and 6.3%
- Strategic transformation came with expected one-off items of CHF 46 million
- Proposed dividend per share of CHF 25 on strong previous year's level

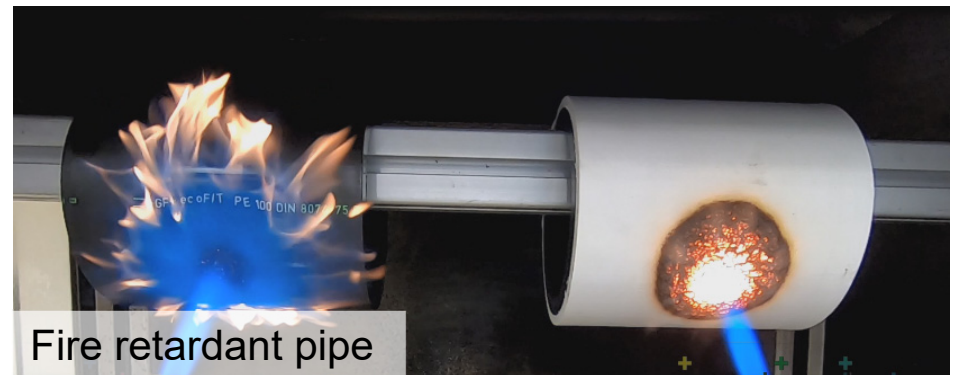


GF headquarters

Strategy 2020 – further achievements



- New corporate-wide innovation process fully leveraging the Design Thinking methodology
- GF Piping Systems' innovations (Hycleen/COOL-FIT) successfully introduced in key markets
- GF Casting Solutions' first 3D printed aerospace components
- GF Machining Solutions launched digital solutions and new Laser technologies



Shift to higher margin business and focus on growing markets

- Accomplished withdrawal from European automotive iron casting
- Consolidated milling activities under one roof in Biel/Bienne (Switzerland)
- Expansion of the marine segment by acquiring a supply chain expert in the US
- Joint venture in Egypt to establish production for GF Piping Systems



Joint venture in Egypt



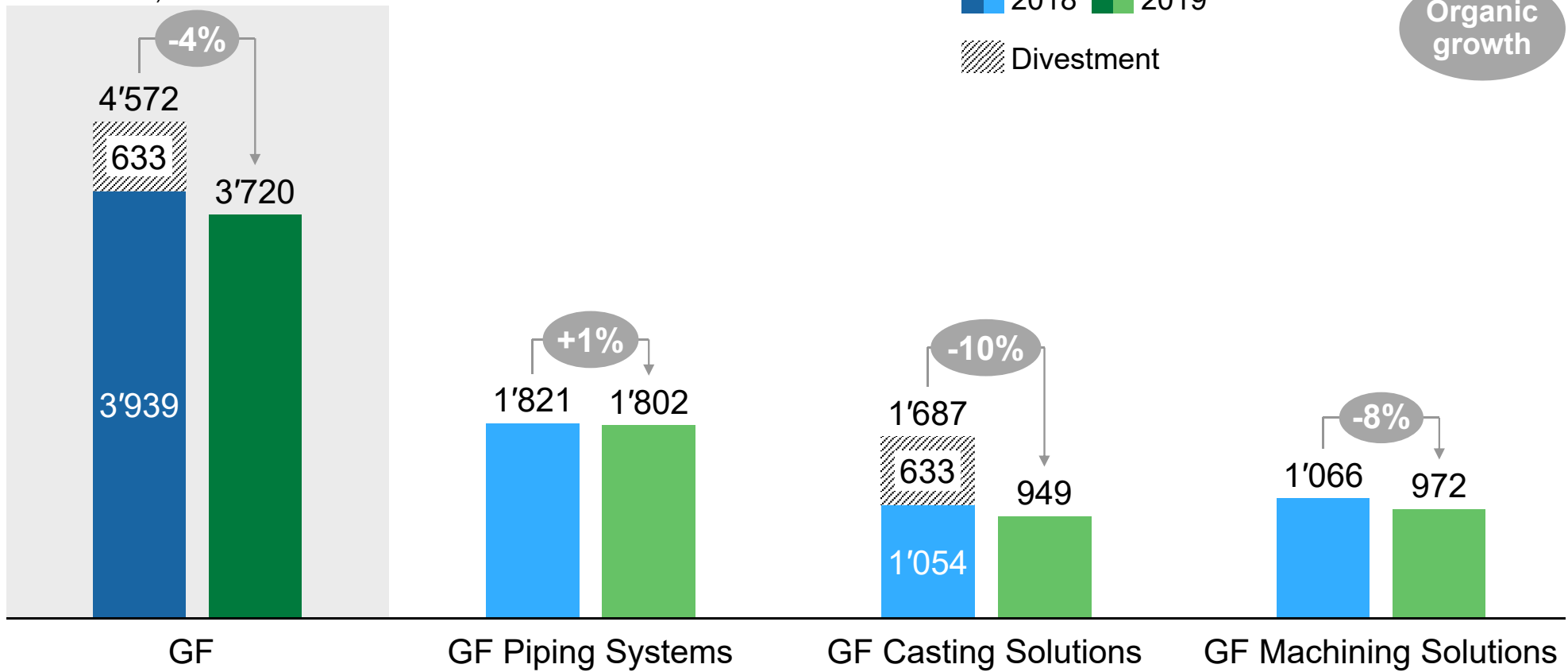
Strong GF Piping Systems, markets subdued



(Sales in CHF million)

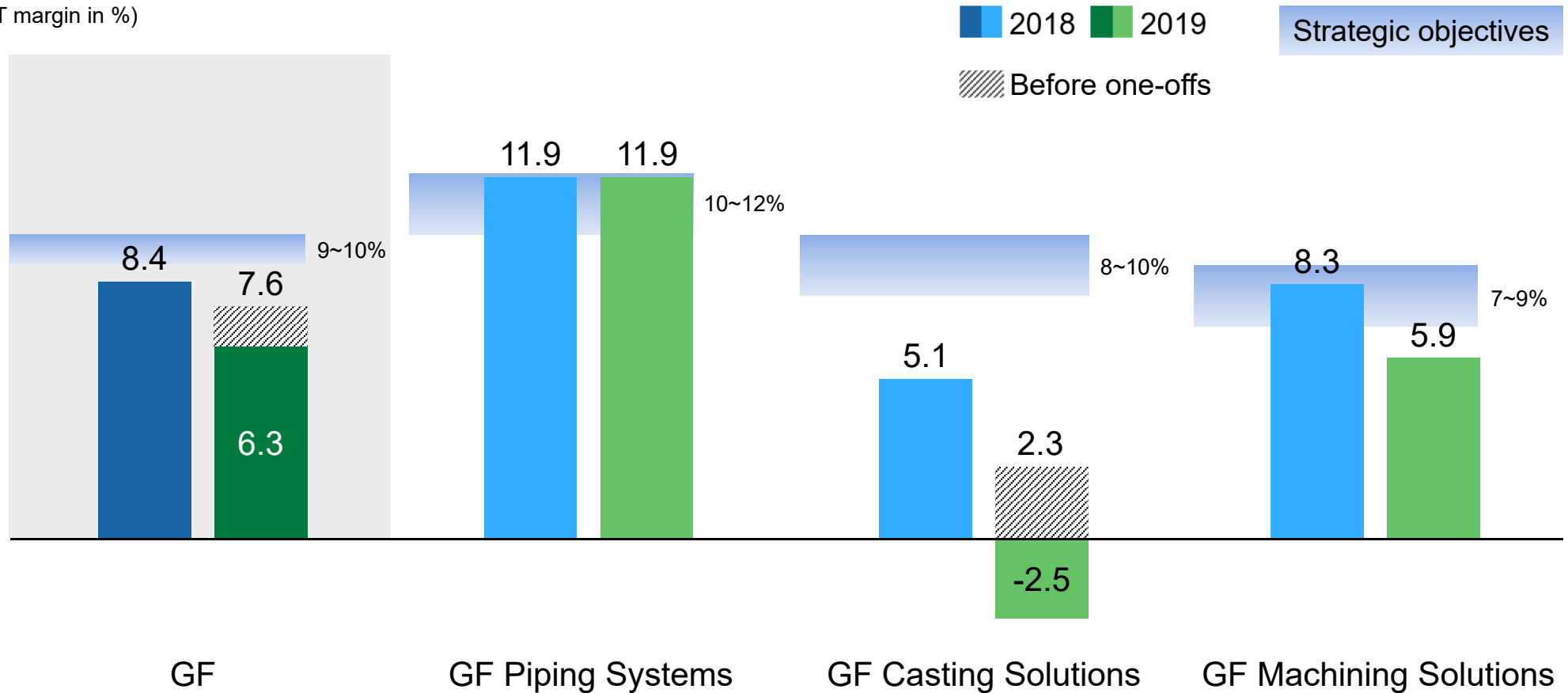


Organic growth



Resilient GF Piping Systems maintained high profitability

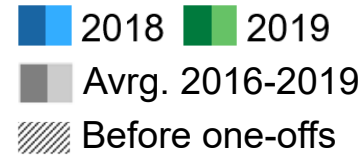
(EBIT margin in %)



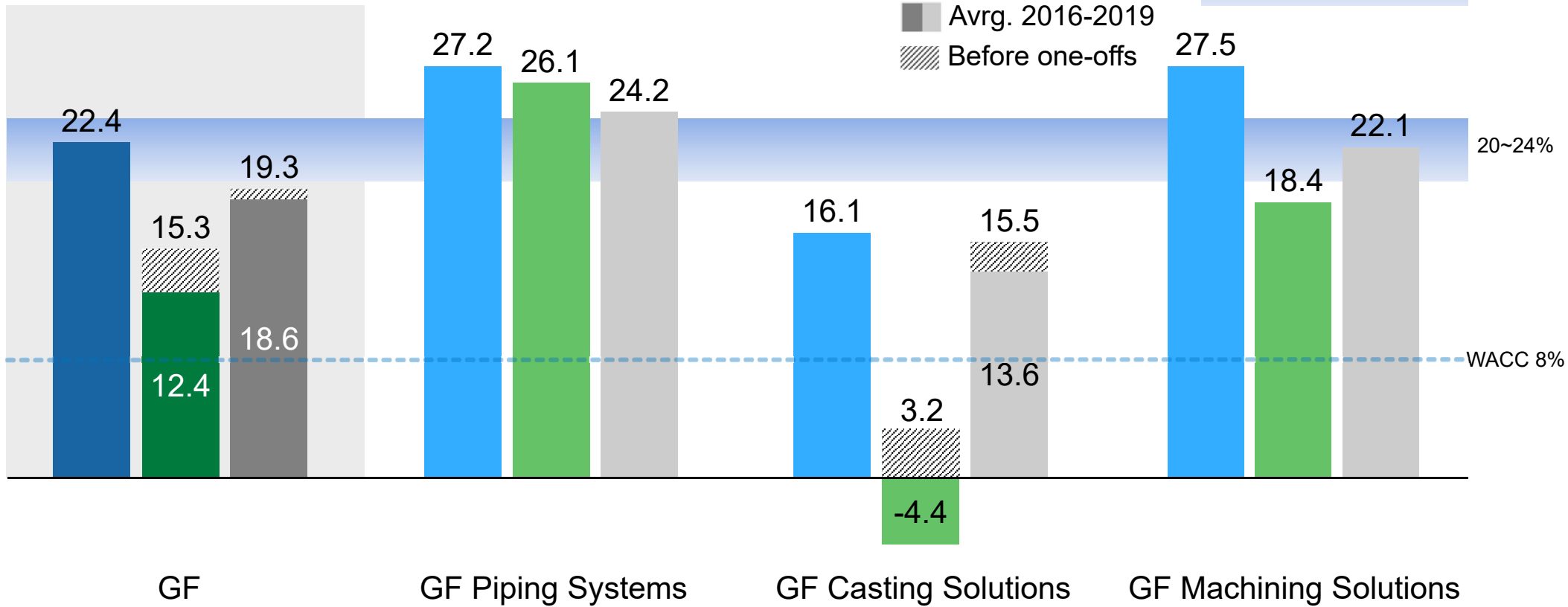
Strategic fundamentals intact



(ROIC in %)



Strategic objectives



Strong resilience despite market headwinds



- Sales of CHF 1'802 million, organic growth 1.3%
- Currencies affected sales negatively by CHF 45 million
- Operating result at CHF 214 million
- Strong performance in Europe – Asia, US suffered from trade tensions
- Organic growth in all three business segments (Industry, Building technology & water and gas utilities)



GF Piping Systems

Sustainability drives business



New COOL-FIT 4.0



Butterfly valve



+12%
Cooling segment



+4%
Water treatment segment

Focus on innovations for our customers



Performance impacted by global automotive industry transformation

- Sales of CHF 949 million, organically -9.7%
- Significant drop of automotive production in Germany (-7%)* and China (-8%)*
- Operating result dropped to CHF 22 million before one-offs and CHF -24 million after one-offs
- Relocation of light metal foundry from Germany to Austria and Romania according to schedule
- Withdrawal of European automotive iron casting completed – focus on lightweight parts and components for the aerospace and energy business

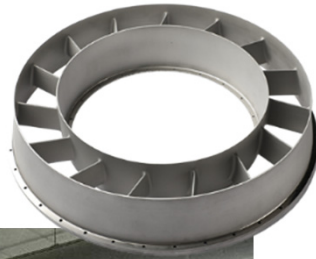


GF Casting Solutions

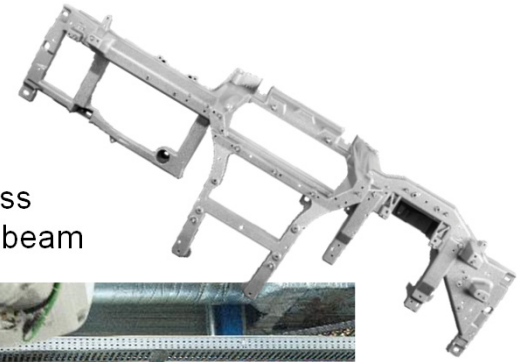
Ongoing focus on promising market segments



Turbine Rear Vane

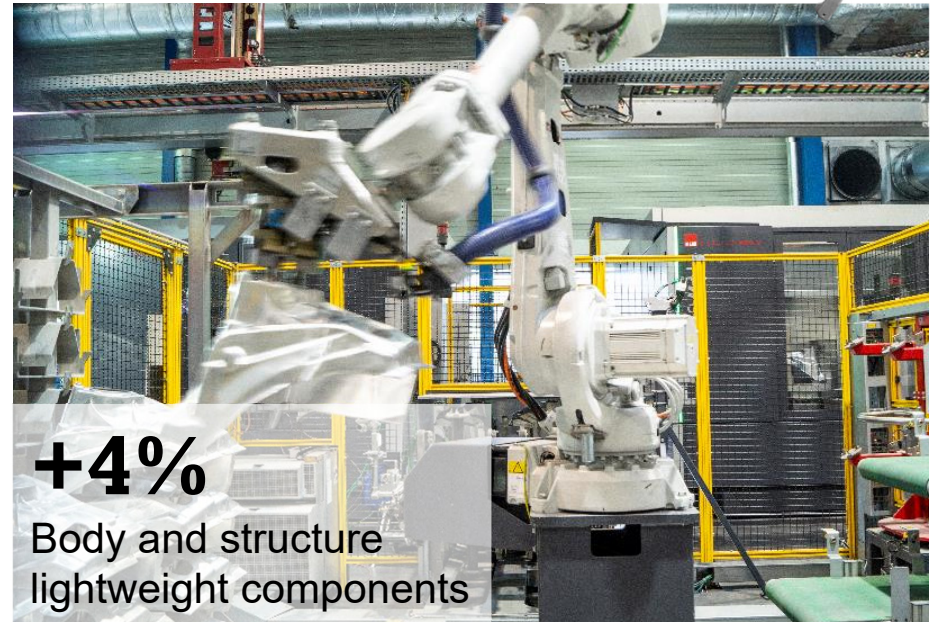


Cross car beam



Aerospace segment

+24%



+4%

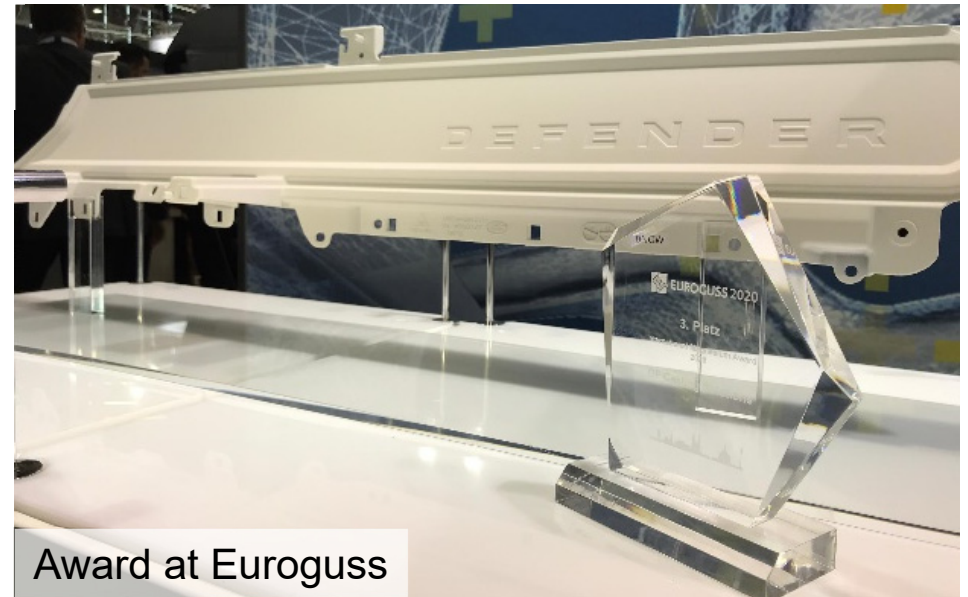
Body and structure
lightweight components

GF Casting Solutions

New innovated lightweight structural components



Aiways Shocktower



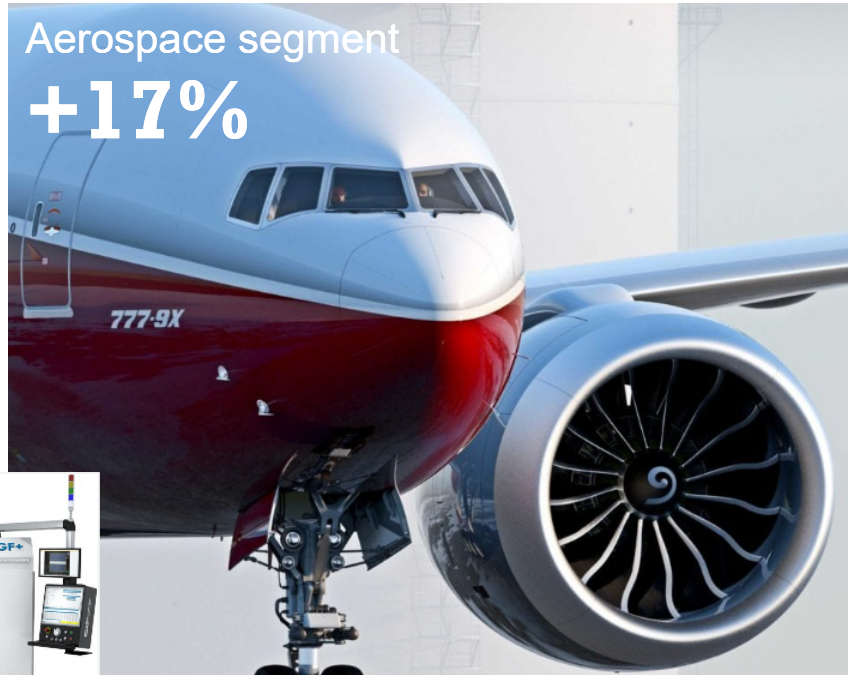
Award at Euroguss

Strong performance of new technologies – result affected by overall market sentiment

- Sales of CHF 972 million, organically -7.5%
- Operating result of CHF 57 million
- European and Asian markets down; growth in US based on the division's strong position in aerospace and medical technology
- Laser and new technologies with ongoing high demand from customers, growing 41% in 2019



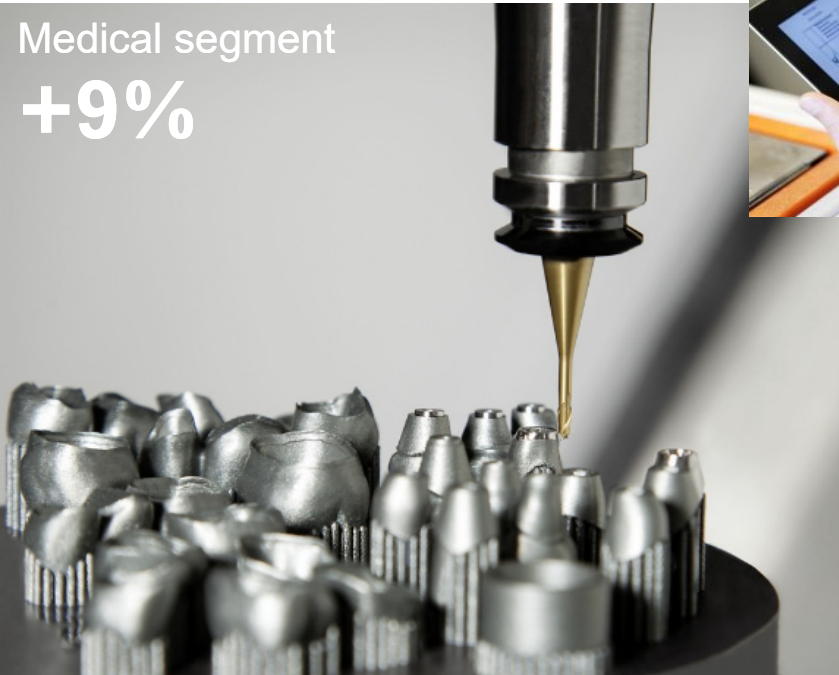
New products for growing market segments



Aerospace segment
+17%

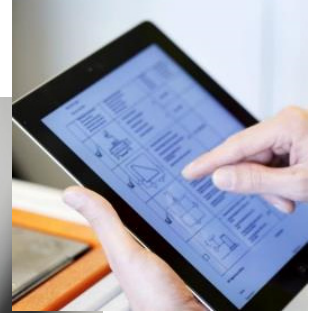


Microlution machine



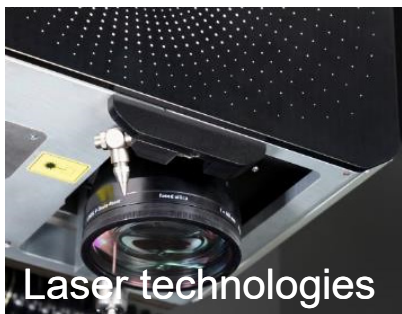
Medical segment
+9%

Digital predictive maintenance



GF Machining Solutions

Excellence in innovation



Laser technologies



EMO



Spark Track



CUT P 550 Pro



Dashboard

Mads Joergensen, CFO

Consolidated financial statements

Sales per division

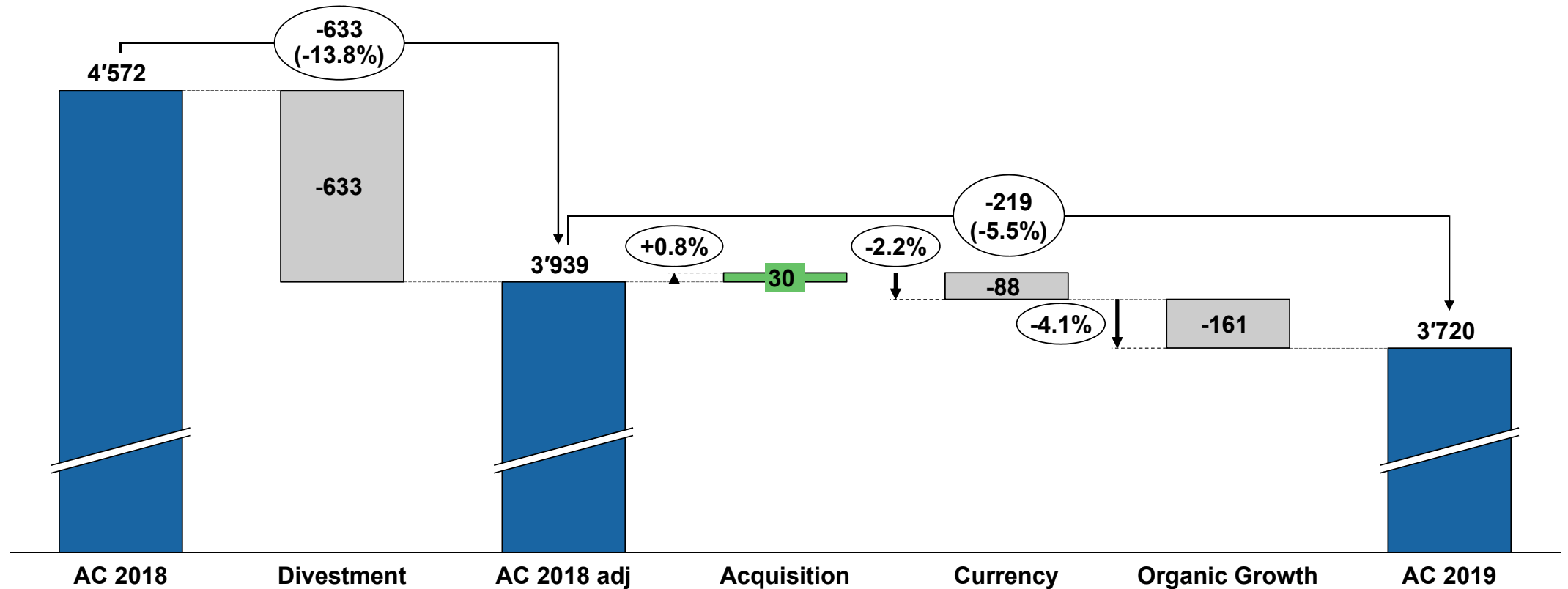


(CHF million)

	2019	2018	Δ % growth	organic growth ¹⁾
GF Piping Systems	1'802	1'821	-1.0 %	1.3 %
GF Casting Solutions	949	1'687	-43.7 %	-9.7 %
GF Machining Solutions	972	1'066	-8.8 %	-7.5 %
Corporation	3'720	4'572	-18.6 %	-4.1 %
Sales H1	1'915	2'396	-20.1 %	-5.5 %
Sales H2	1'805	2'176	-17.0 %	-2.5 %

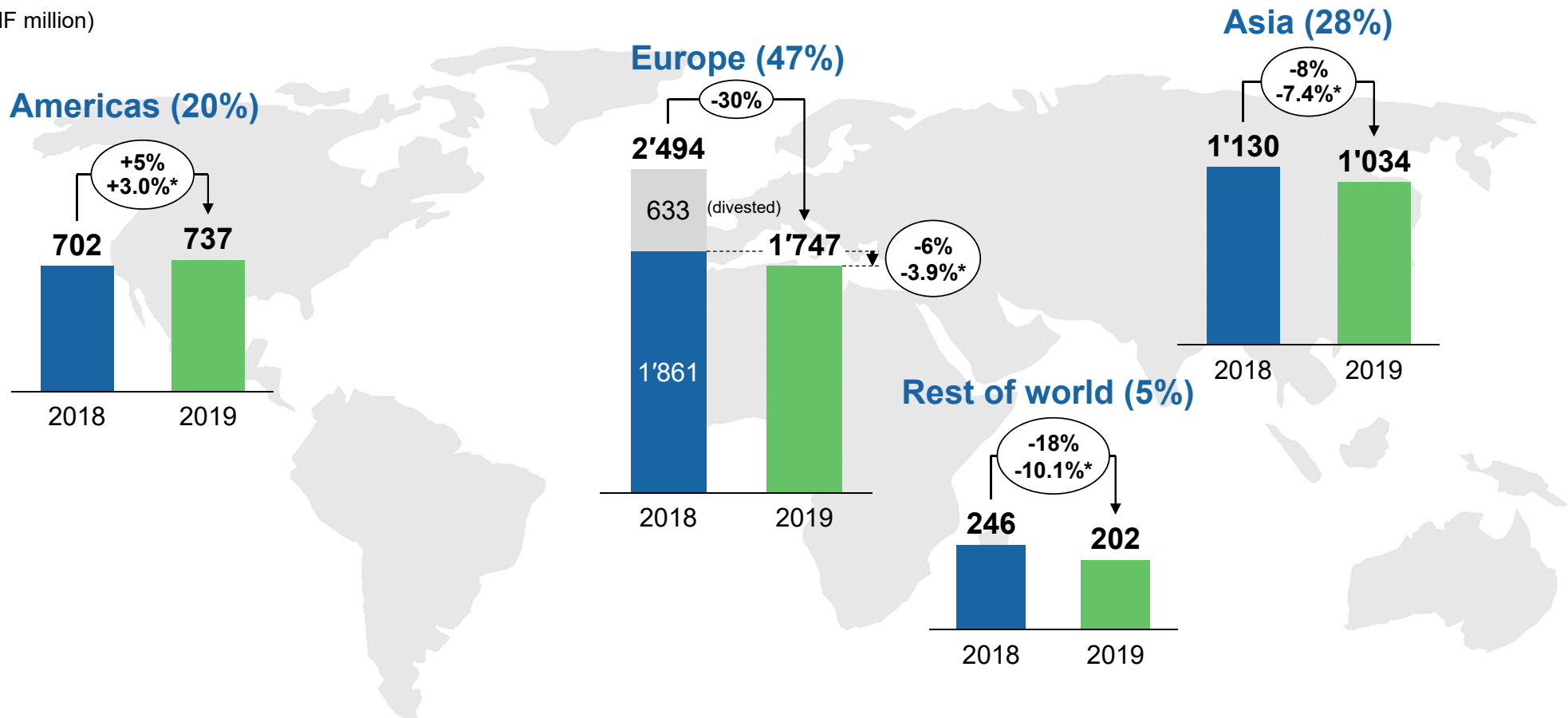
Strategic adjustments and currencies impact sales volume

(CHF million)



Strong growth in North America, but challenging in Asia and Europe

(CHF million)



Strong adverse negative currency impact on sales and EBIT 2019

(CHF million)

Per division:	Sales	EBIT
GF Piping Systems	-45	-22
GF Casting Solutions	-29	-1
GF Machining Solutions	-14	+2
Corporation	-88	-21

Per currency:	Sales	EBIT
EUR	-49	-9
USD	+18	-5
CNY	-23	-2
TRY	-18	-3
Others	-16	-2
Total	-88	-21

EBIT and margin per division

	EBIT CHF million			EBIT margin		
	2019	2019 before one-offs	2018	2019	2019 before one-offs	2018
GF Piping Systems	214		217	11.9 %		11.9 %
GF Casting Solutions	-24	22	86	-2.5 %	2.3 %	5.1 %
GF Machining Solutions	57		88	5.9 %		8.3 %
Corporation	235	281	382	6.3 %	7.6 %	8.4 %
EBIT H1	139	153	208	7.3 %	8.0 %	8.7 %
EBIT H2	96	128	174	5.3 %	7.1 %	8.0 %

One-offs: Cash outflow expected in 2020

(CHF million)

One-offs on EBIT (incl. divestment iron foundry in Herzogenburg)	2019	2020	2021	Total
Guidance H1 2019	~ -48	~ -17		~ -65
Update FY 2019	-46	~ -17		~ -63

One-offs on cash flow (incl. sale of property in Werdohl)				
Guidance H1 2019	~ -6	~ -45	~ +16	~ -35
Update FY 2019		~ -47	~ +16	~ -31

Income statement



(CHF million)	2019	2018	Δ
Sales	3'720	4'572	-19 %
Gross value added	1'386	1'668	-17 %
Personnel expenses	-1'012	-1'139	-11 %
EBITDA	374	529	-29 %
Depreciation, amortization	-139	-147	-5 %
EBIT before one-offs	281	382	-26 %
EBIT	235	382	-38 %
Financial result	-38	-35	9 %
Ordinary result	197	347	-43 %
Non-operating result	6	1	-
Profit before taxes	203	348	-42 %
Income taxes	-31	-69	55 %
Net profit attributable to non-controlling interests	1	2	-50 %
Net profit attributable to shareholders of Georg Fischer Ltd	173	281	-38 %
Earnings per share in CHF	42	69	-39 %

Balance sheet: Assets – Liquidity remains strong

(CHF million)

	2019	%	2018	%
Cash and cash equivalents	530		542	
Trade accounts receivable	597		697	
Inventories on stock	751		779	
Other current assets	121		110	
Current assets	1'999	60	2'128	62
Property, plant, and equipment for own use	1'131		1'130	
Intangible assets	34		34	
Deferred tax assets	70		53	
Other financial assets	110		99	
Non-current assets	1'345	40	1'316	38
Assets	3'344	100	3'444	100

Balance sheet: Liabilities and equity – Further increased equity ratio

(CHF million)

	2019	%	2018	%
Current liabilities	1'012		1'124	
Non-current liabilities	894		892	
Liabilities	1'906	57	2'016	59
Share capital	4		4	
Capital reserves	23		26	
Treasury shares	-7		-9	
Retained earnings	1'376		1'361	
Non-controlling interests	42		46	
Equity	1'438	43	1'428	41
Liabilities and equity	3'344	100	3'444	100

Free cash flow remains on good level

(CHF million)

	2019	2018
EBITDA	374	529
Changes in net working capital	-10	-77
Income taxes/interest paid	-77	-79
Other changes	31	24
Cash flow from operating activities	318	397
Additions to property, plant, and equipment	-178	-234
Cash flow from acquisitions	-5	-154
Other additions/disposals, net	-3	-16
Cash flow from investing activities	-186	-404
Free cash flow	132	-7
Free cash flow before acquisitions/divestments	137	147

Key figures at a glance



	2019	2018
Net debt in CHF	232	238
Net debt / EBITDA (multiple)	0.6x	0.4x
Equity ratio in %	43	41
ROIC in %	12.4	22.4
ROIC in % before one-offs	15.3	
Return on equity in %	12	20
Earnings per share in CHF	42	69
Dividend (proposed) per share in CHF	25	25
Number of employees (incl. trainees)	14'678	15'027

Andreas Müller, CEO

Outlook 2020

**Economic and political uncertainties continue in 2020
Corona-virus impacting Asian business**



- Focus on operational excellence and innovation remains key
- Complementary agility program launched
- Definition of strategy cycle 2025

Resilient GF Piping Systems will continue its shift to higher value businesses

GF Casting Solutions will continue its transformation process, expected to close in 2021

GF Machining Solutions will further develop its digital solutions and medtech segment

Strategic profitability targets intact (ROS 9-10%; ROIC 20-24%)



+GF+

+GF+

Thank you

Disclaimer



This document is for presentation purposes only and should not be construed as an offer, invitation or solicitation to subscribe for, purchase or sell any investment. Neither it nor anything it contains shall form the basis of any contract whatsoever.

Opinions expressed herein reflect the current judgement of the management of GF. The presentation contains forward-looking statements that involve risks and uncertainties. The actual results of GF may differ materially from those anticipated in these forward-looking statements and forecasts as a result of a number of factors.

The management of GF does not accept any liability whatsoever with respect to the use of this presentation.