



Schaffhausen, 3 March 2021

2020 Financial Year Steady on course – ready for the future

Andreas Müller, Mads Joergensen



Annual Media Conference – Agenda

1. Good performance in challenging times – strong free cash flow
2. Consolidated financial statements
3. Outlook
4. Strategy 2025 – profitable growth through higher customer value



Good performance in challenging times – strong free cash flow

- Sales decreased 14.4% to CHF 3'184 million, organically by 8.4%
- Operating result (EBIT) before one-off items of CHF 185 million, reported EBIT of CHF 166 million
- EBIT margin stood at 5.8% before one-off items, 5.2% after one-off items
- Strong free cash flow before acquisitions / divestments of CHF 230 million
- Proposed dividend per share of CHF 15



GF headquarters



Fast adaptation of work processes

Strong commitment of our employees throughout the pandemic crisis

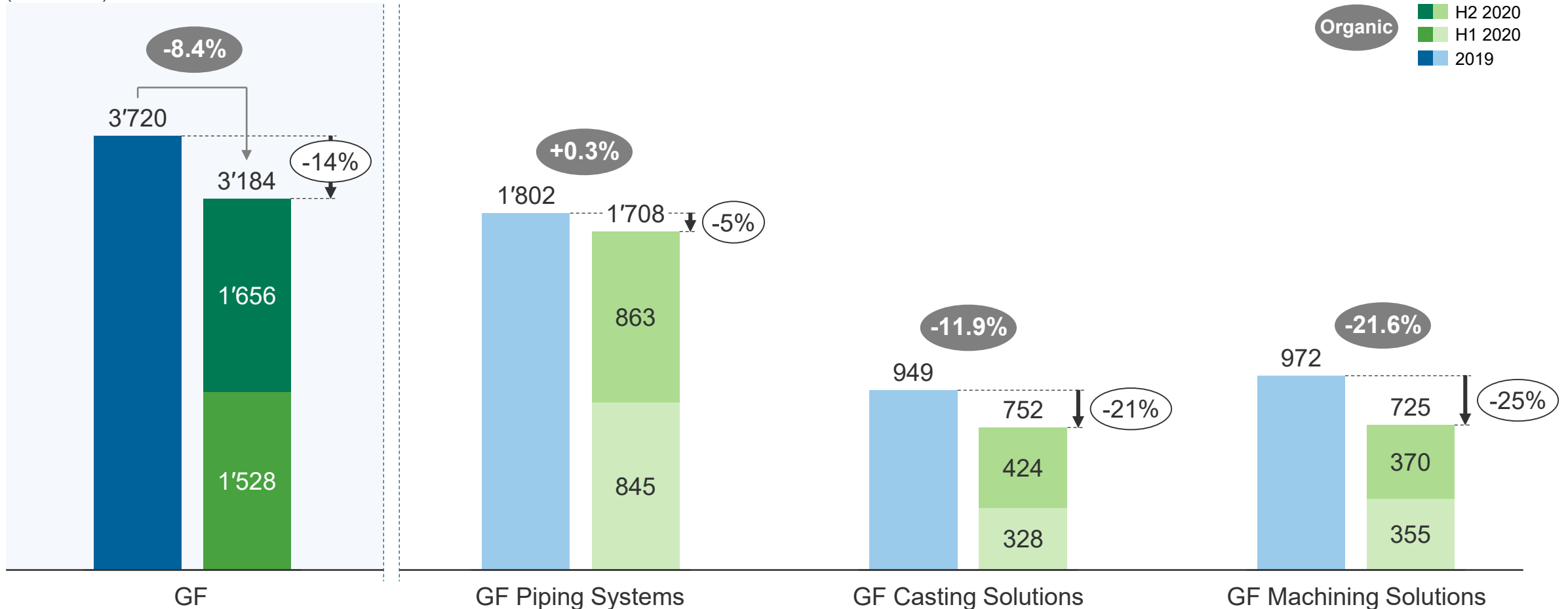


- Productivity and efficiency maintained despite the pandemic
- Various GF Piping Systems and GF Machining Solutions sites declared essential businesses
- Virtual became the new normal
- Measures to safeguard health but also business successfully implemented

A big thank you to all our employees

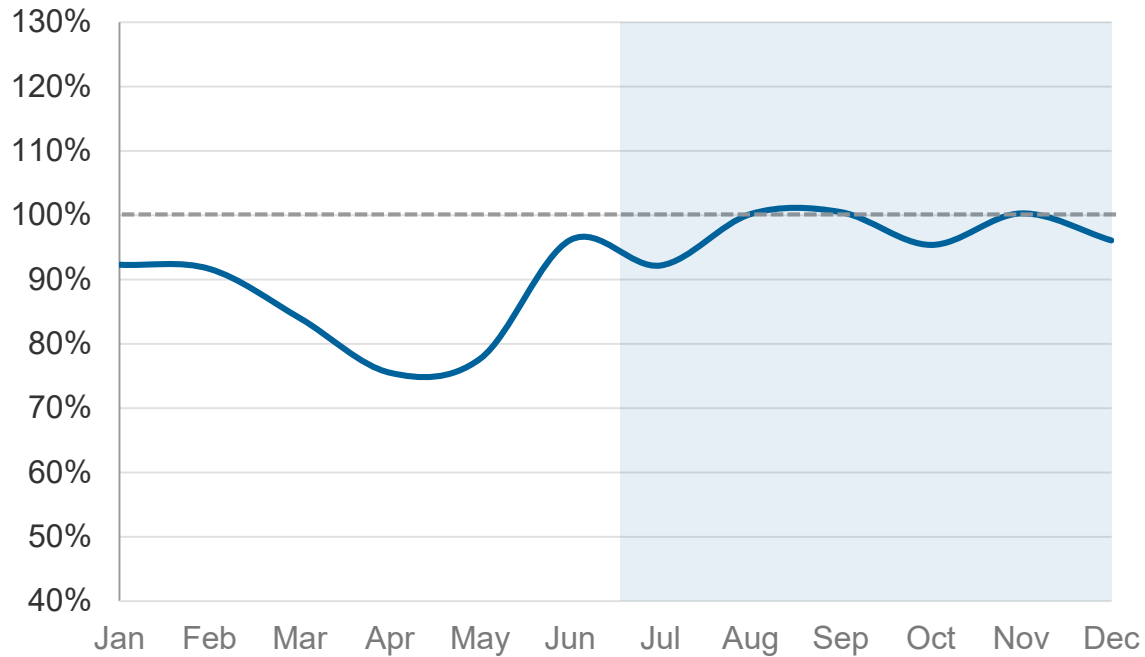
Positive momentum in market development in second half

(CHF million)

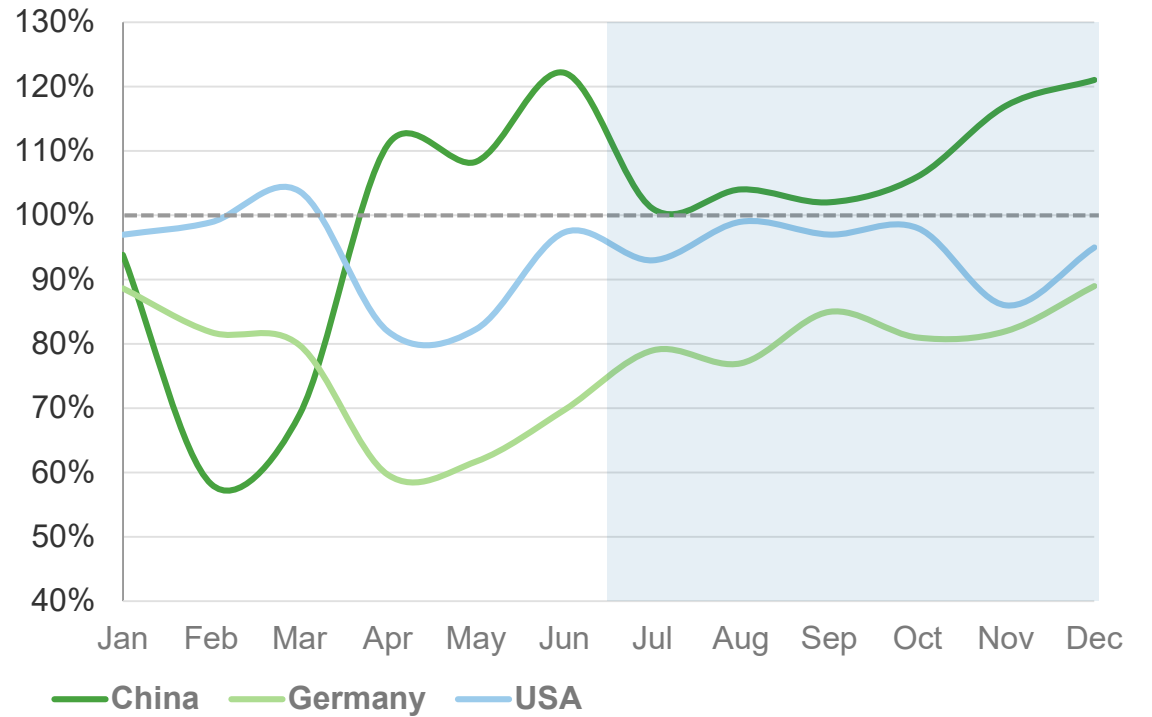


Rebound in key markets towards the end of 2020

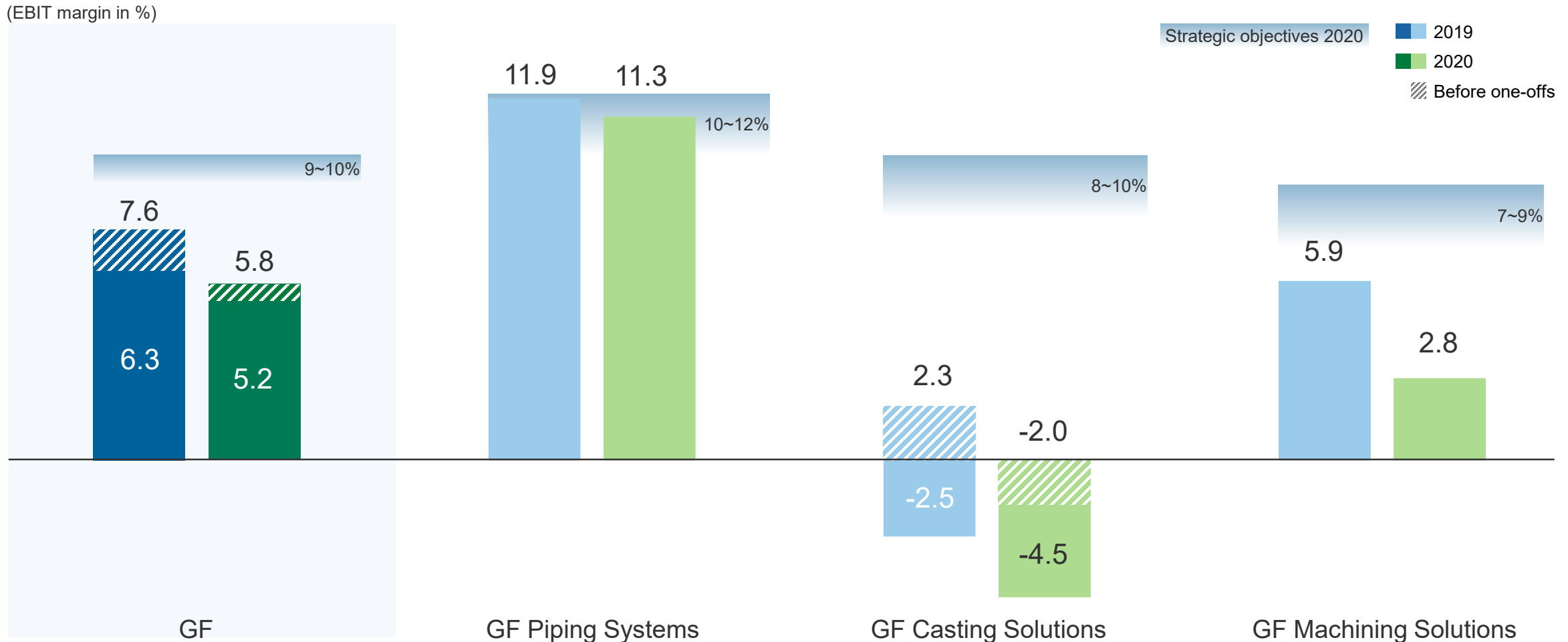
Monthly organic sales development in 2020 – year-over-year comparison (worldwide)



Monthly organic sales development in 2020 – year-over-year comparison (selected countries)

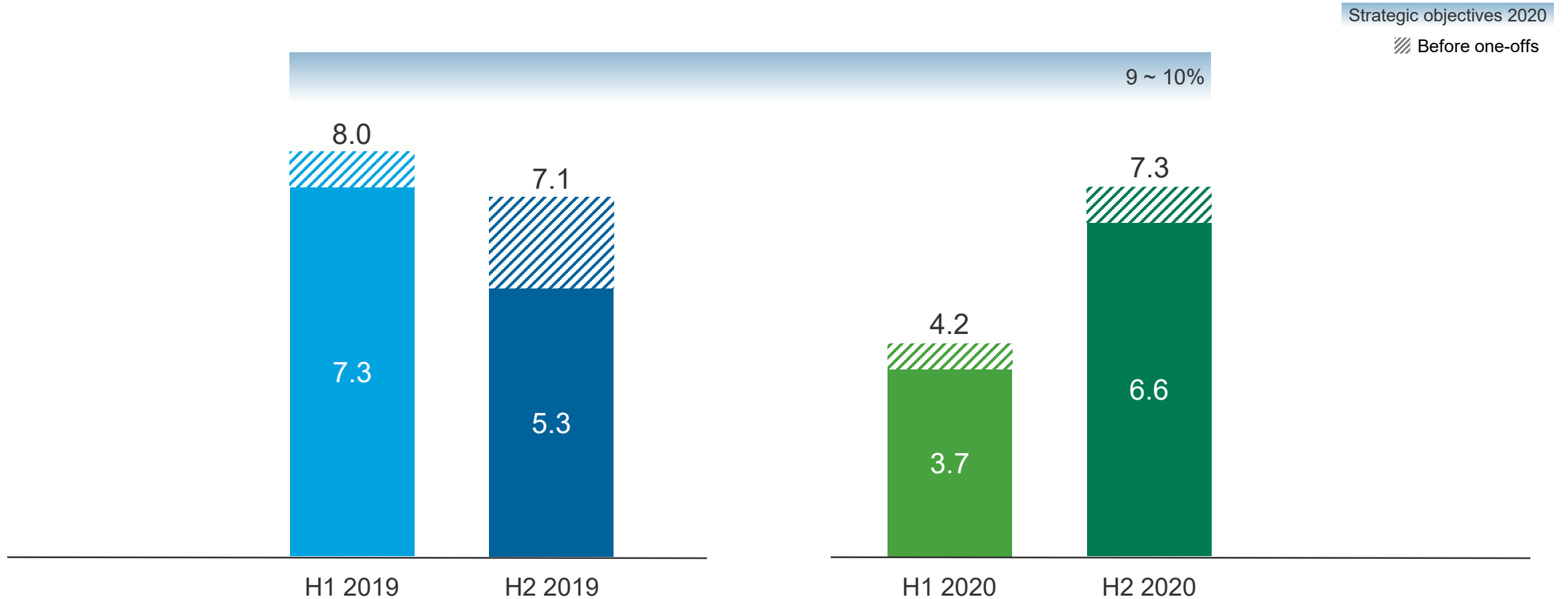


GF Piping Systems with strong performance



Profitability momentum turned around in H2 2020 – above H2 2019 level

(EBIT margin in %)



Globally well balanced – building on resilient market segments

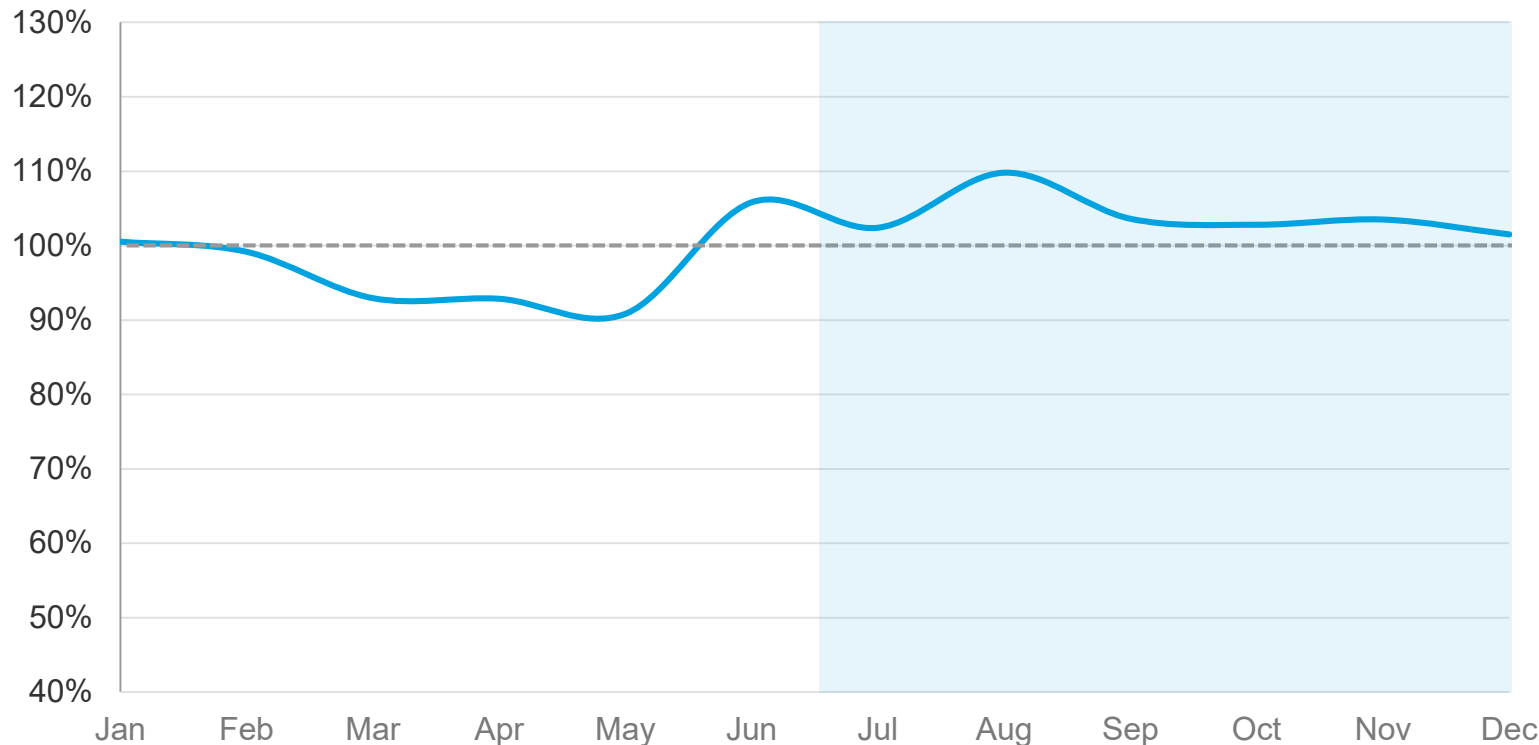
- Sales of CHF 1'708 million (-5.2%), organically 0.3%
- Negative FX impact of CHF 103 million
- Operating result at CHF 193 million, EBIT margin of 11.3%
- Strong microelectronics and data center segment
- Step into the large South American market – acquisition of leading piping systems manufacturer in Brasil



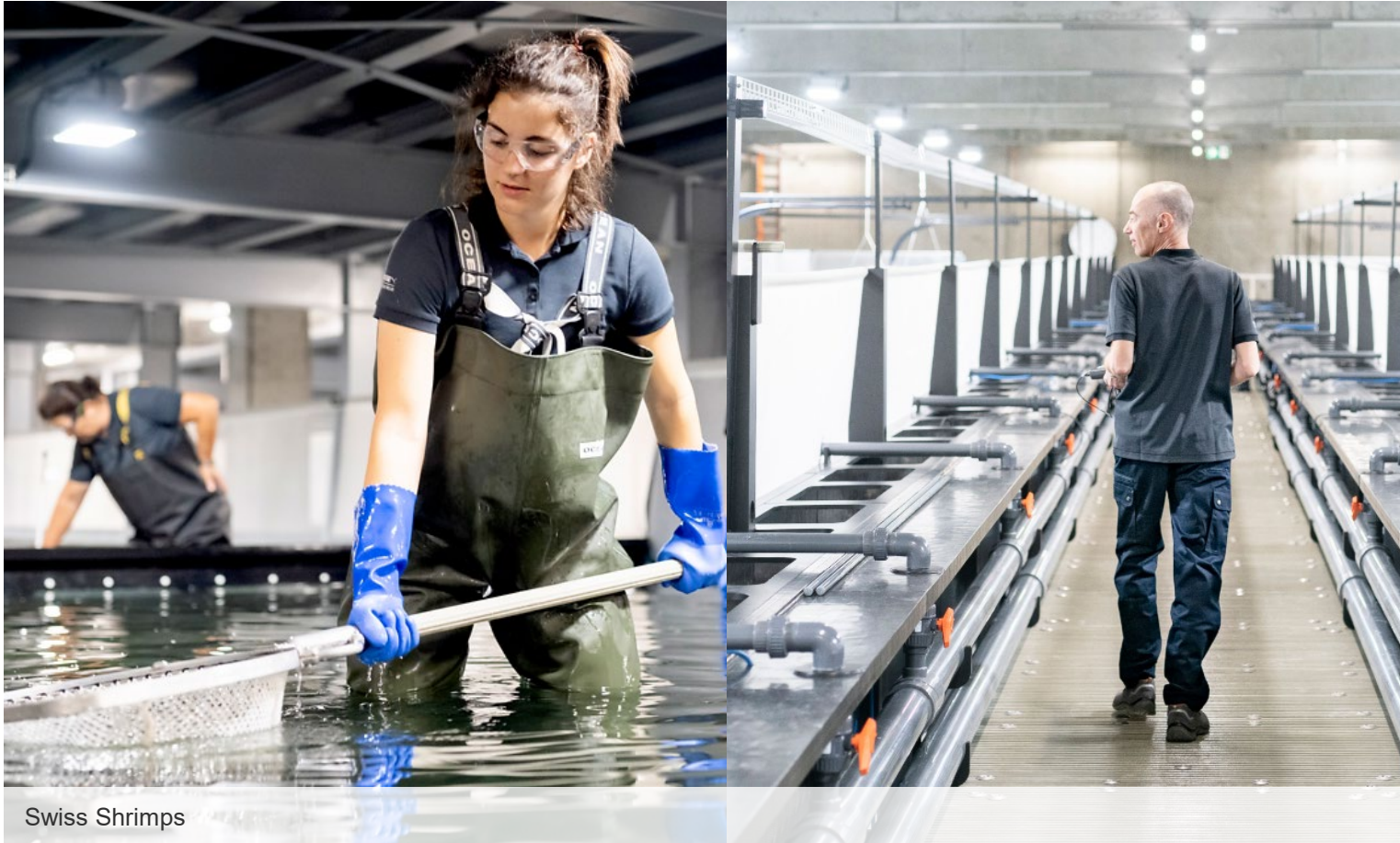
Acquisition of FGS Brazil

Pandemic crisis well managed – sites declared as essential businesses

Monthly organic sales development in 2020 – year-over-year comparison (GF Piping Systems worldwide)



Focus on innovation and sustainability



Swiss Shrimps



Neo flow valve as solution for non revenue water

Strong Q4 2020 – promising momentum



Building on sustainable partnerships

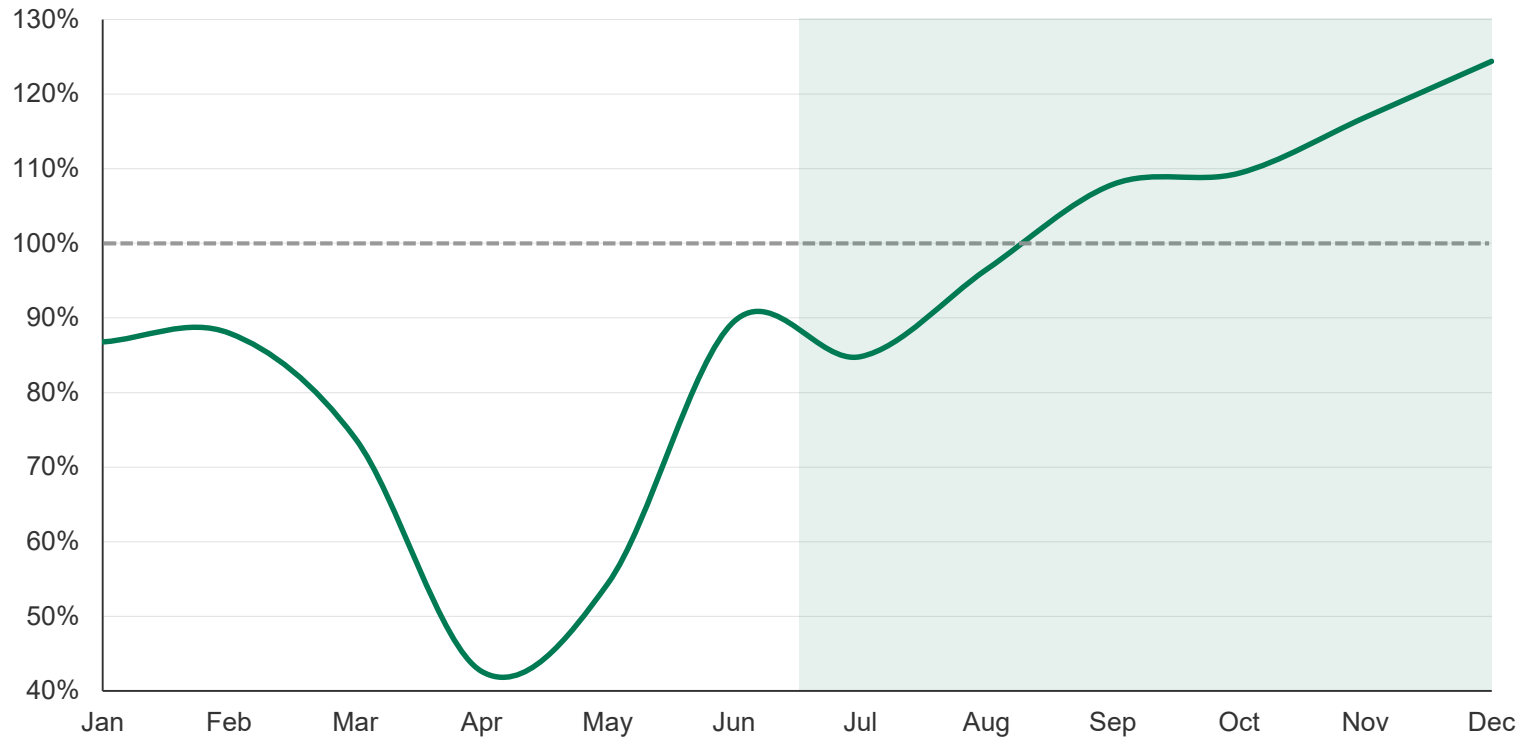


Awarded collaboration

- Sales of CHF 752 million (-20.8%), organically -11.9%
- Operating result dropped to CHF -15 million before one-offs, due to plant underutilization
- Well positioned with global production footprint
- Strong rebound in China and positive sales momentum since May 2020
- Strategic transformation accomplished – good order book for lightweight components supplying sustainable mobility

COVID-19 rebound effects in second half

Monthly organic sales development in 2020 –
year-over-year comparison (GF Casting Solutions worldwide)



Structural components for E-cars

- Call-offs for hybrid and e-mobility at high level
- Subdued aerospace market
- Strong rebound in China

Focus on innovation and sustainability – global lightweight design and casting competence



InnoFactory / R & D center Schaffhausen (CH)



Recognized as innovative partner for lightweight components, design and mold shop (Suzhou)

New technologies and resilient new market segments softened severe COVID-19

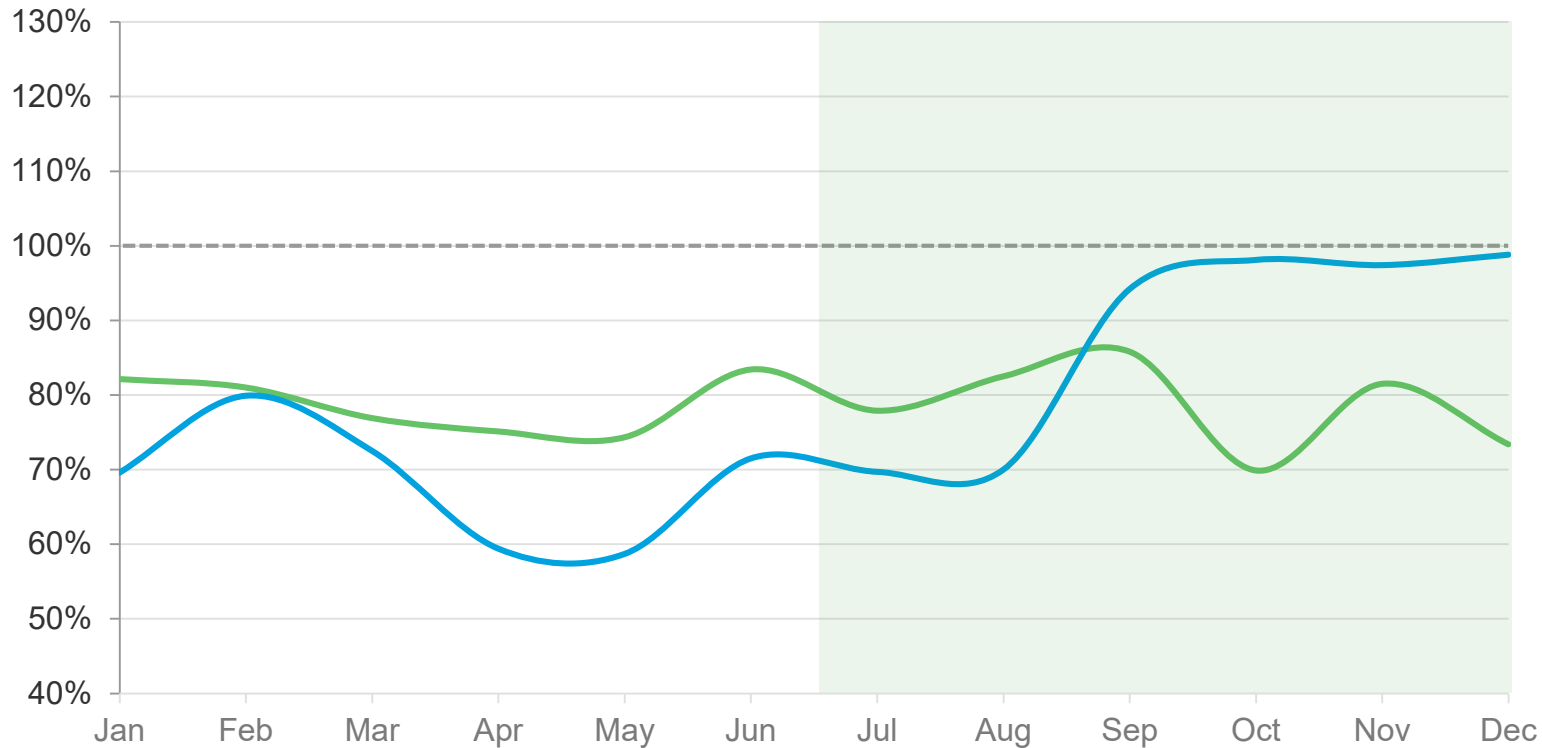
- Sales of CHF 725 million decreased 25.4%, organically -21.6%
- Operating result came in at CHF 20 million (2019: CHF 57 million)
- Strong Chinese market with new business segments and applications
- Medtech weathers crisis across the world
- E-mobility offers new opportunities for latest machine tool innovations



Innovative Laser technologies replace harmful chemicals

Recovery of order book in second half

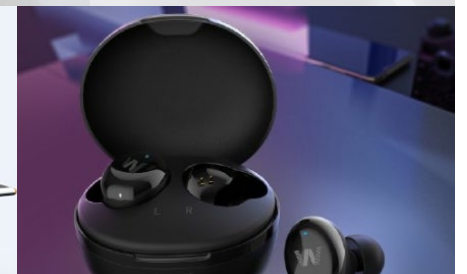
— Monthly organic development in 2020
year-over-year comparison (GF Machining Solutions worldwide)
— Order intake



Several machine tool innovations ready for launch



LUXSHARE ICT



Focus on innovation and sustainability



A blurred background image of a business meeting. Several people in business attire are seated around a table, looking at documents and laptops. The documents feature various financial charts, including bar graphs and line graphs. The overall color palette is cool, with blues and greys.

Consolidated financial statements

Mads Joergensen, CFO

Sales per division

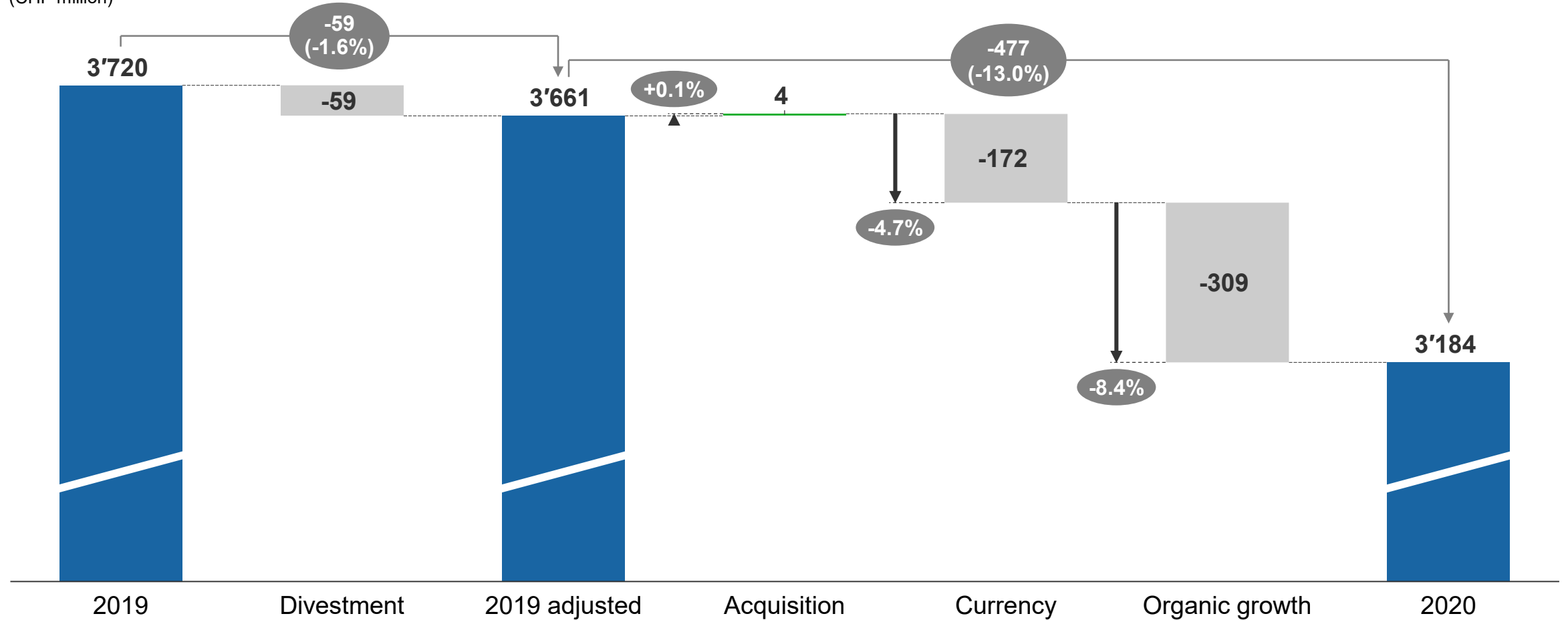
(CHF million)

| | 2020 | 2019 | Δ % | |
|------------------------|--------------|--------------|---------------|------------------------------|
| | | | growth | organic growth ¹⁾ |
| GF Piping Systems | 1'708 | 1'802 | -5.2% | +0.3% |
| GF Casting Solutions | 752 | 949 | -20.8% | -11.9% |
| GF Machining Solutions | 725 | 972 | -25.4% | -21.6% |
| GF Corporation | 3'184 | 3'720 | -14.4% | -8.4% |
| Sales H1 | 1'528 | 1'915 | -20.2% | -14.0% |
| Sales H2 | 1'656 | 1'805 | -8.3% | -2.6% |

¹⁾ Adjusted for changes in scope of consolidation and stated at previous year's foreign exchange rates

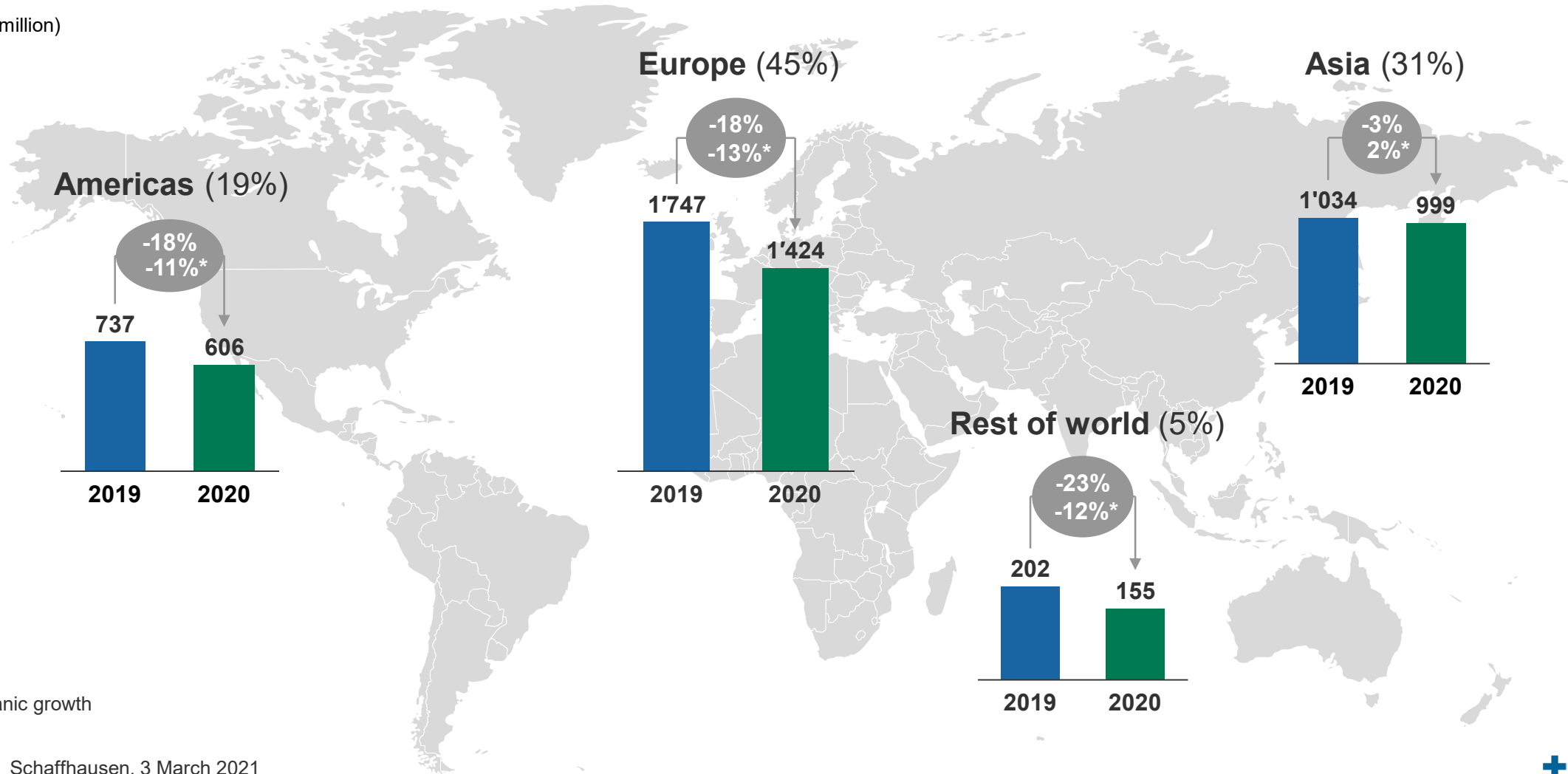
Severe impact from COVID-19 and currencies

(CHF million)



Asia is highlight – challenging situation in Europe

(CHF million)



* Organic growth

Headwind from currencies in 2020

(CHF million)

| Per division: | Sales | EBIT |
|------------------------|--------------|-------------|
| GF Piping Systems | -103 | -29 |
| GF Casting Solutions | -33 | -1 |
| GF Machining Solutions | -36 | -12 |
| GF Corporation | -172 | -42 |

| Per currency: | Rates | | | Sales | EBIT |
|----------------------|--------------|--------------|---------------|--------------|-------------|
| | AC 19 | AC 20 | Change | | |
| EUR | 1.112 | 1.071 | -3.8% | -36 | -12 |
| USD | 0.994 | 0.938 | -5.6% | -28 | -17 |
| CNY | 0.144 | 0.136 | -5.5% | -38 | -7 |
| TRY | 0.175 | 0.135 | -22.9% | -24 | -4 |
| Others | | | | -46 | -2 |
| Total | | | | -172 | -42 |

EBIT and EBIT margin per division

| | EBIT CHF million | | | EBIT margin % | | |
|------------------------|------------------|----------------------|----------------------|---------------|----------------------|----------------------|
| | 2020 | 2020 before one-offs | 2019 before one-offs | 2020 | 2020 before one-offs | 2019 before one-offs |
| GF Piping Systems | 193 | 193 | 214 | 11.3% | 11.3% | 11.9% |
| GF Casting Solutions | -34 | -15 | 22 | -4.5% | -2.0% | 2.3% |
| GF Machining Solutions | 20 | 20 | 57 | 2.8% | 2.8% | 5.9% |
| GF Corporation | 166 | 185 | 281 | 5.2% | 5.8% | 7.6% |
| EBIT H1 | 57 | 64 | 153 | 3.7% | 4.2% | 8.0% |
| EBIT H2 | 109 | 121 | 128 | 6.6% | 7.3% | 7.1% |

One-offs: EBIT and cash impact

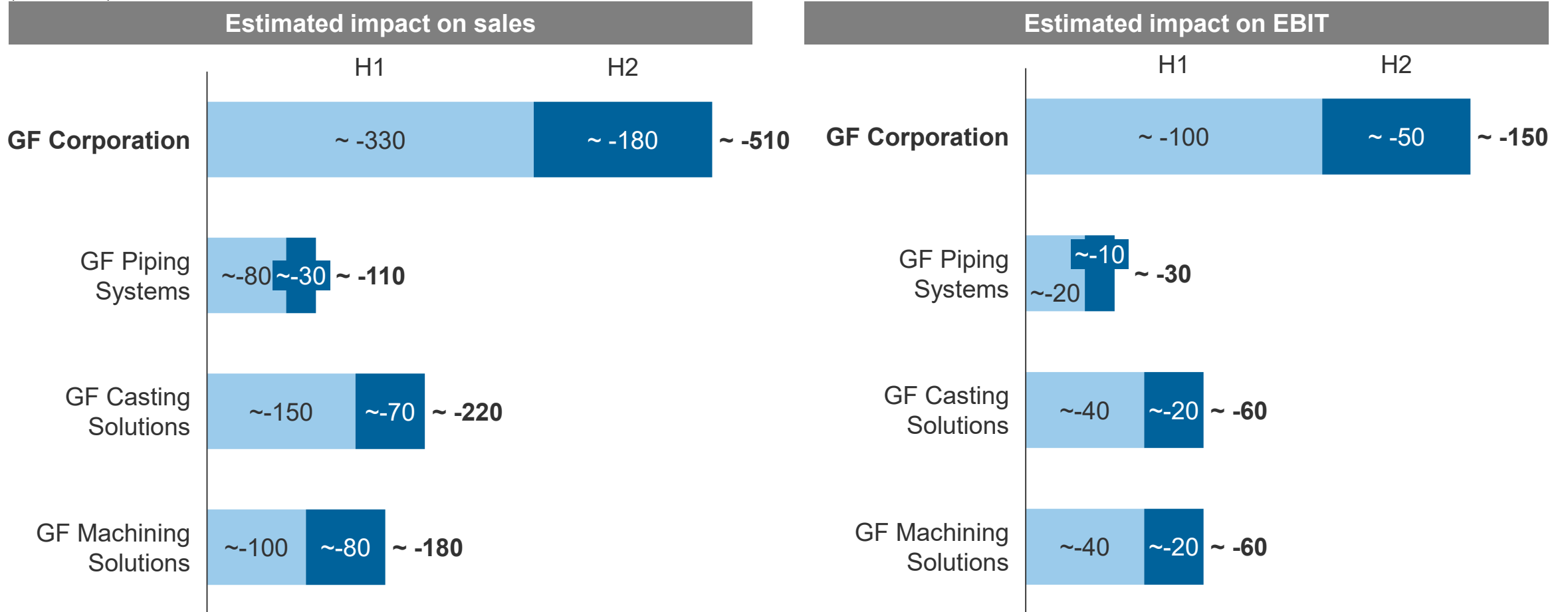
(CHF million)

| EBIT impact of one-offs | 2019 | 2020 | 2021 | Total | Initial estimates |
|---|-------------|-------------|-------------|--------------|--------------------------|
| Divestment iron foundry in Herzogenburg (Austria) | -10 | | | -10 | ~ -10 |
| Relocation and restructuring Werdohl (Germany) | -36 | -19 | | -55 | ~ -55 |
| | | | | -65 | ~ -65 |

| Cash flow impact of one-offs | 2019 | 2020 | 2021 | Total | |
|--|-------------|-------------|-------------|--------------|-------|
| Relocation and restructuring Werdohl (Germany) | -6 | -36 | ~ -4 | ~ -46 | ~ -35 |

Estimated COVID-19 impact 2020

(CHF million)



Income statement

(CHF million)

| | 2020 | 2019 | Δ |
|--|--------------|--------------|-------------|
| Sales | 3'184 | 3'720 | -14% |
| Gross value added | 1'182 | 1'386 | -15% |
| Personnel expenses | -883 | -1'012 | 13% |
| EBITDA | 299 | 374 | -20% |
| Depreciation, amortization | -133 | -139 | 4% |
| Operating result (EBIT) before one-offs | 185 | 281 | -34% |
| Return on sales (EBIT margin) before one-offs in % | 5.8 | 7.6 | |
| Operating result (EBIT) | 166 | 235 | -29% |
| Return on sales (EBIT margin) in % | 5.2 | 6.3 | |
| Financial result | -19 | -25 | 24% |
| Non-operating result | -4 | -7 | 43% |
| Income taxes | -31 | -31 | 0% |
| Net profit | 112 | 172 | -35% |
| Net profit shareholders GF | 116 | 173 | -33% |
| Earnings per share in CHF | 28 | 42 | -33% |

Free cash flow

(CHF million)

| | 2020 | 2019 |
|--|-------------|-------------|
| EBITDA | 299 | 374 |
| Changes in net working capital | 76 | -10 |
| Income taxes/interest paid | -53 | -77 |
| Other changes | 20 | 31 |
| Cash flow from operating activities | 342 | 318 |
| Additions to property, plant, and equipment | -137 | -178 |
| Cash flow from acquisitions/divestitures | -6 | -5 |
| Other additions/disposals, net | 25 | -3 |
| Cash flow from investing activities | -118 | -186 |
| Free cash flow | 224 | 132 |
| Free cash flow before acquisitions/divestitures | 230 | 137 |

Key figures at a glance

| | 2020 | 2019 |
|--------------------------------------|--------|--------|
| Net debt in CHF million | 117 | 232 |
| Net debt/EBITDA (multiple) | 0.39x | 0.62x |
| Equity ratio in % | 40.3 | 43.0 |
| ROIC in % | 9.3 | 12.4 |
| ROIC in % before one-offs | 10.3 | 15.3 |
| Return on equity in % | 8 | 12 |
| Earnings per share in CHF | 28 | 42 |
| Dividend (proposed) per share in CHF | 15 | 25 |
| Number of employees (incl. trainees) | 14'118 | 14'678 |

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Outlook

Andreas Müller, CEO

Outlook full year 2021



- Well positioned to continue the recovery (seen in H2 2020)
- Order intake and outlook remain solid
- Organic growth to be expected in the mid to high single-digit, with further increase in profitability

Start of the first year of Strategy 2025

Strategy 2025 – profitable growth through higher customer value



Global trends offer great opportunities

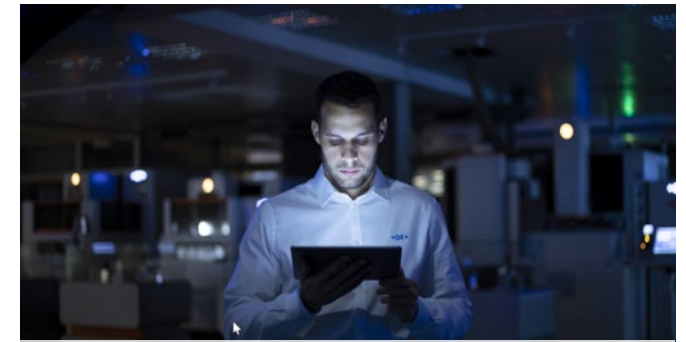
Global trends driven by sustainability needs



Cleaner



Lighter



Digital

Our Vision



GF is a sustainability and innovation leader providing superior customer value



Our strategy is about profitable growth with emphasis on resilience and learning

CHF 4.4 – 5.0 bn

Sales

including acquisitions

9 – 11%

Return on sales (ROS)

20 – 22%

Return on invested capital (ROIC)



1 **Drive profitable growth**
through intelligent and
sustainable solutions

2 **Increase robustness**
through resilient portfolio
and operational excellence

3 **Evolve culture**
towards more performance
and learning

Divisional strategic targets



GF Piping Systems

13 – 15%
ROS

20 – 24%
ROIC

GF Casting Solutions

9 – 11%
ROS

18 – 22%
ROIC

GF Machining Solutions

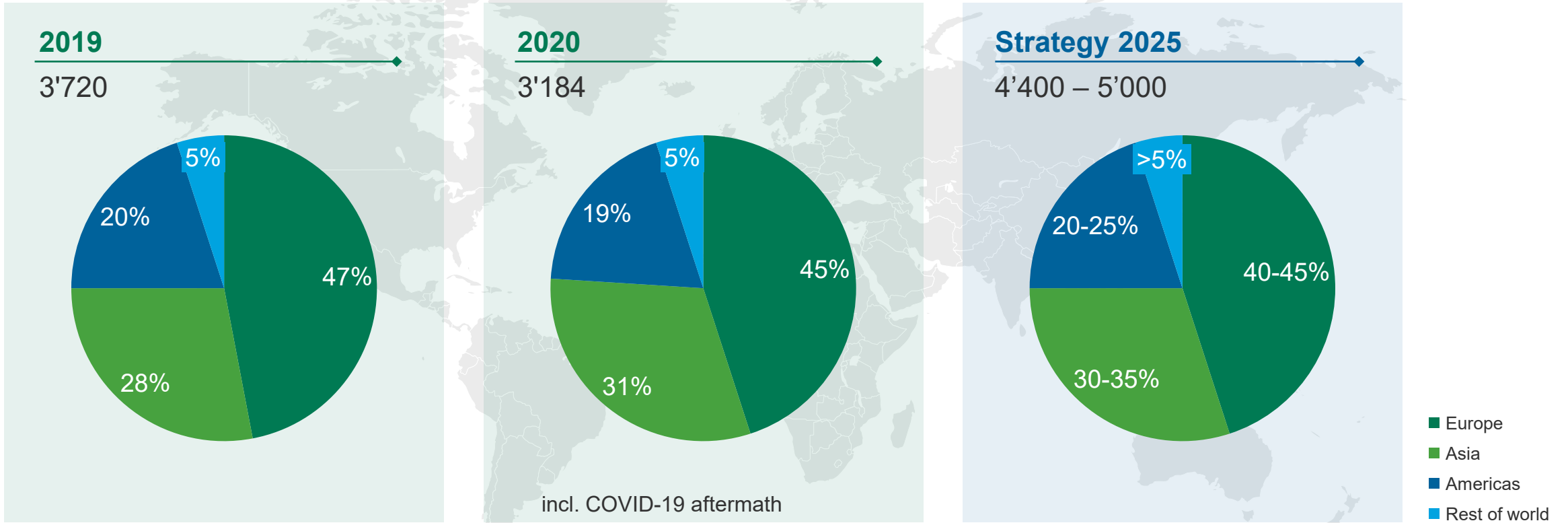
8 – 10%
ROS

20 – 24%
ROIC

We will further strengthen our global presence

(CHF million)

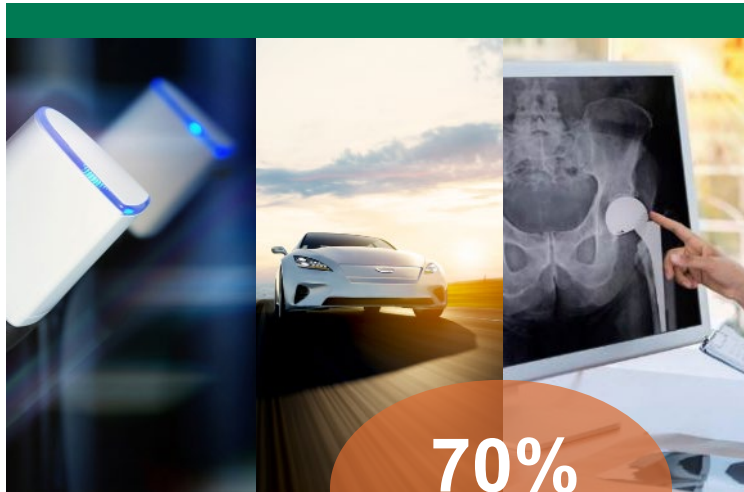
Sales per region



Sustainability is an integral part of our strategy



**Product
Portfolio**



70%

of sales with social or environmental benefits



**Climate
& Resources**



12.5%

absolute CO2 emissions footprint reduction



**People
& Well-being**



30%

accident rate reduction

Drive profitable growth
through intelligent and sustainable solutions



Intelligent flow solutions at GF Piping Systems ...

... to reduce Non Revenue Water ...

... and ensure safe drinking water quality



 **OXFORD FLOW**

Pressure/flow management
2x more stable and precise



... unique global solutions at GF Casting Solutions ...

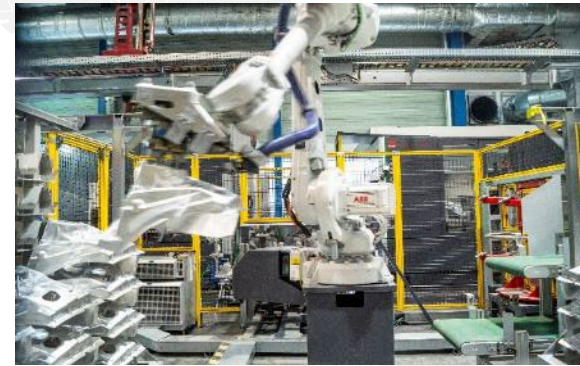
... leveraging our global capabilities



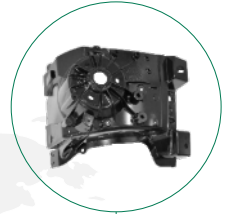
Key account management



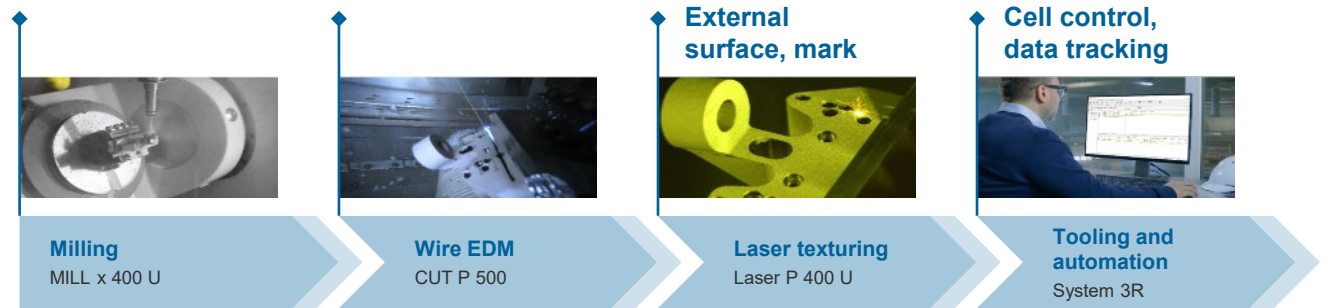
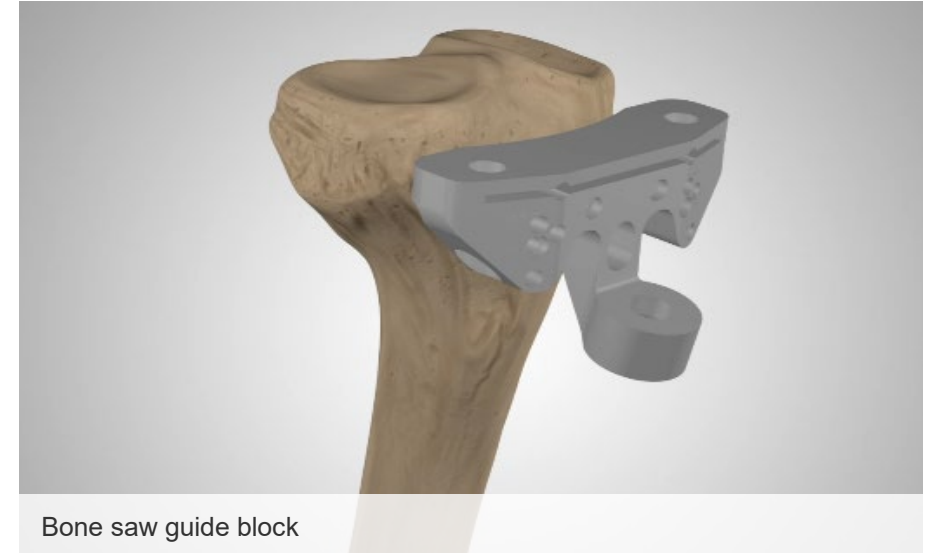
Research & development



Operations



... dedicated solutions at GF Machining Solutions



Increase robustness

through resilient portfolio and operational excellence



We continue to invest in more resilient market segments...

Water treatment

(advanced process automation)



Lightweight / e-vehicle parts

(aluminum / magnesium)



Medical

(instruments / implants)



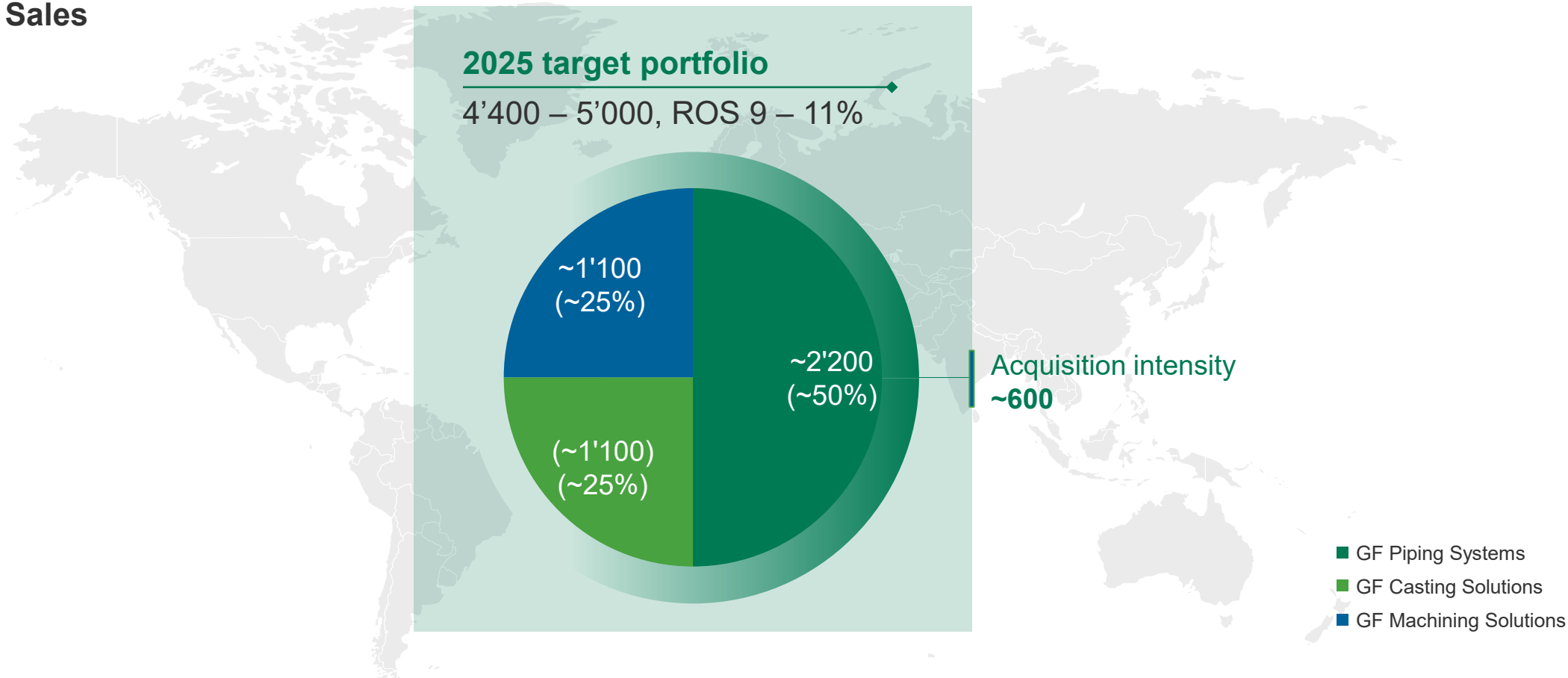
Examples

Globally balanced

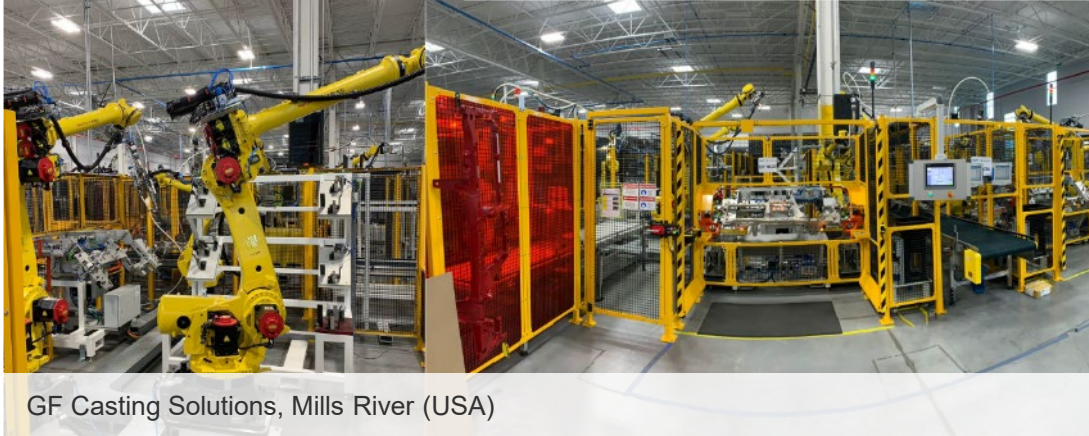
... to further increase our portfolio robustness

(CHF million)

Corporate Sales



We will strive for best in class operations worldwide



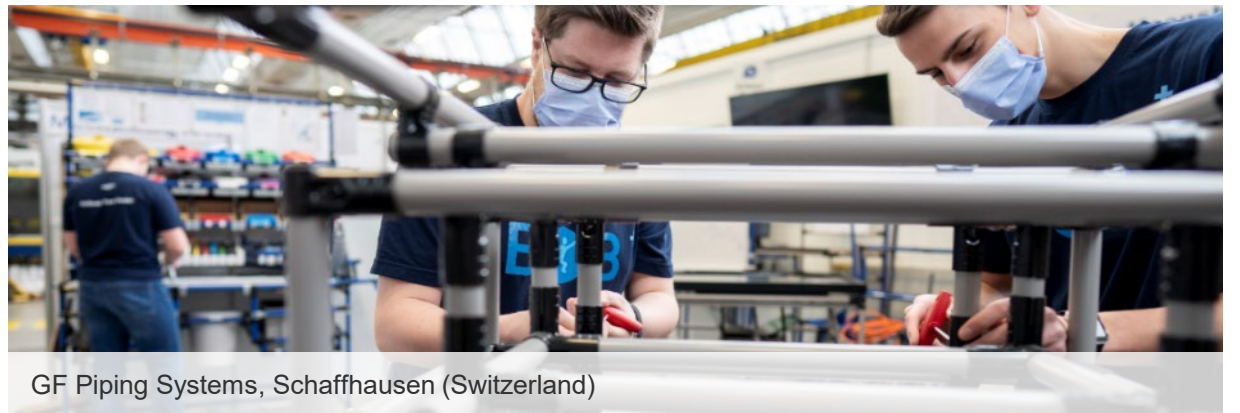
GF Casting Solutions, Mills River (USA)



GF Machining Solutions, Biel (Switzerland)



GF Piping Systems, Irvine (USA)



GF Piping Systems, Schaffhausen (Switzerland)

Evolve culture

towards more performance and learning



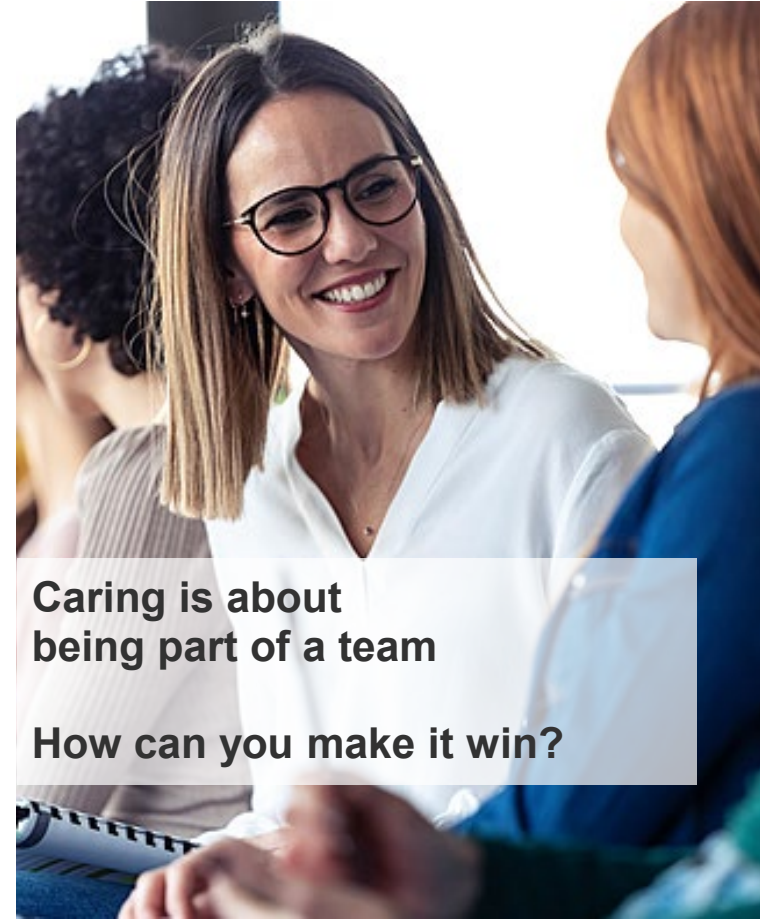
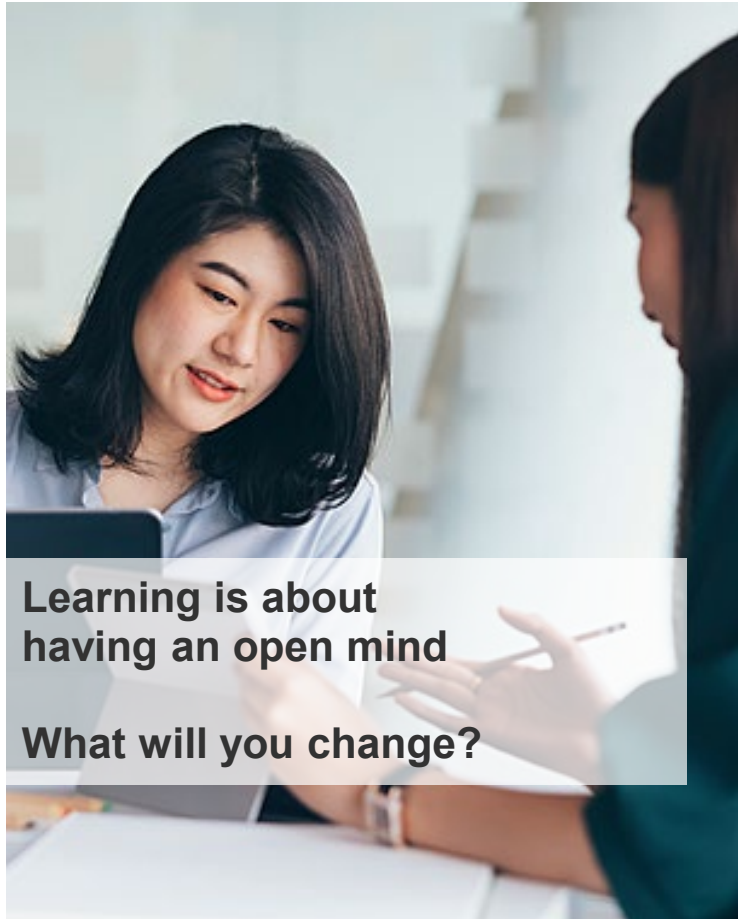
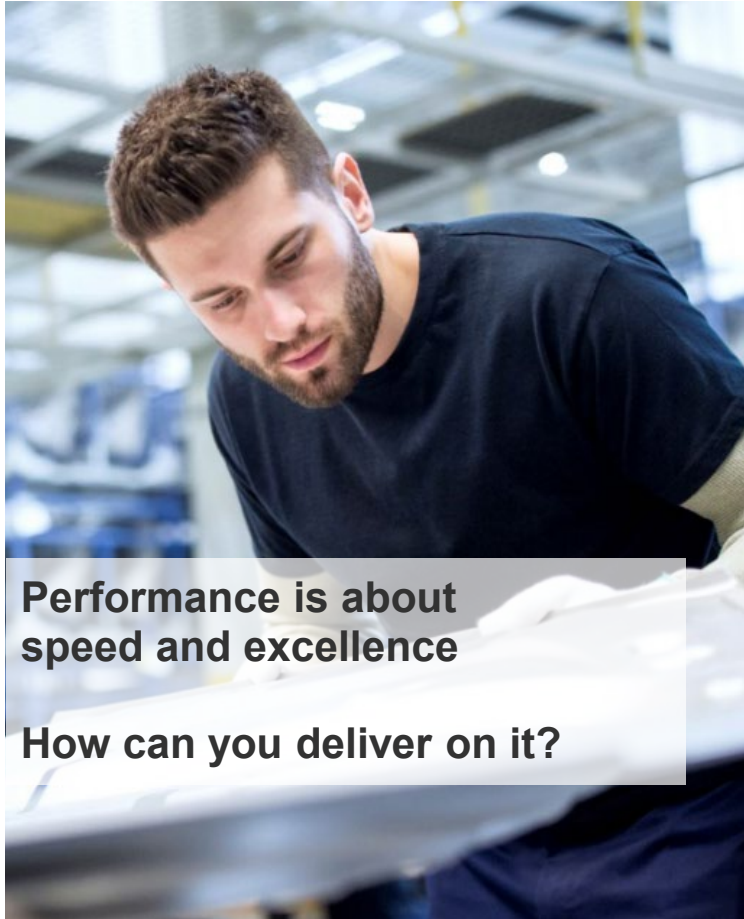
**As a global company with deep Swiss roots,
we cannot afford to be average**



**Our strong culture
will drive our strategy**



Our values are in line with our aspiration



Our purpose



**Becoming better
every day – since 1802**





Thank you



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