

Schaffhausen, 20 July 2023

Mid-Year Report 2023

Andreas Müller, CEO | Mads Joergensen, CFO

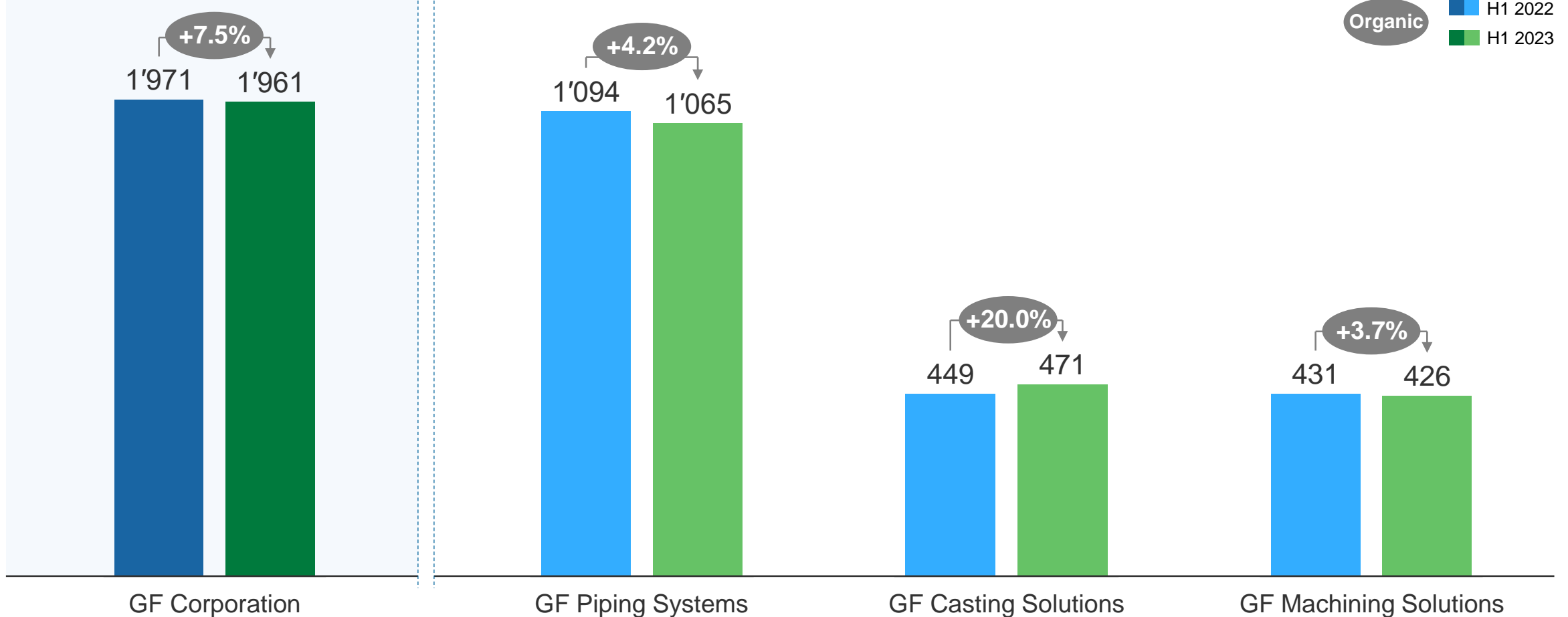
Good performance in challenging times, building on our strengths for long-term growth

- Sales at CHF 1'961 million (2022: CHF 1'971 million), organically up 7.5%
- Operating result increased to CHF 184 million, EBIT margin of 9.4% (2022: 9.1%)
- Geopolitical tensions and challenging macroeconomic environment triggered muted development of selected markets and regions
- Sales with sustainable solutions well on track, CO₂e reduction ahead of plan
- Strategy 2025 implementation well on track
- Public tender offer for Uponor received positive reaction from capital market, customers and employees



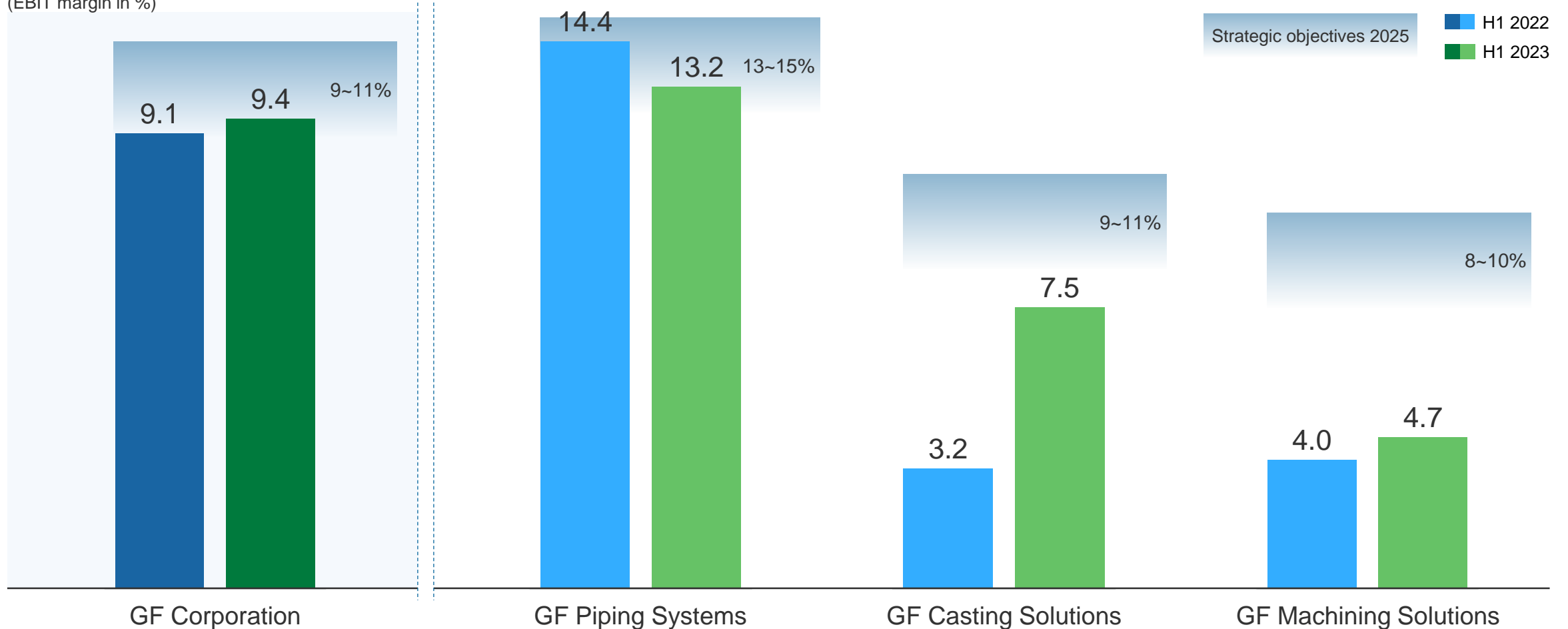
Solid organic sales growth as a result of strong market positions

(Sales in CHF million)



Profitability within strategic corridor – despite material currency headwinds

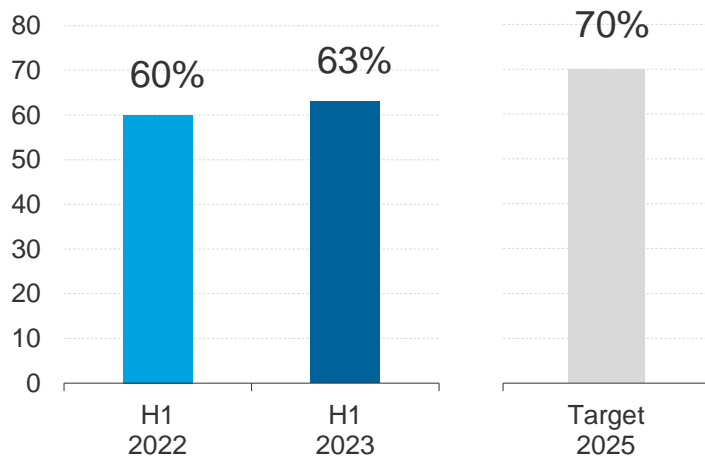
(EBIT margin in %)



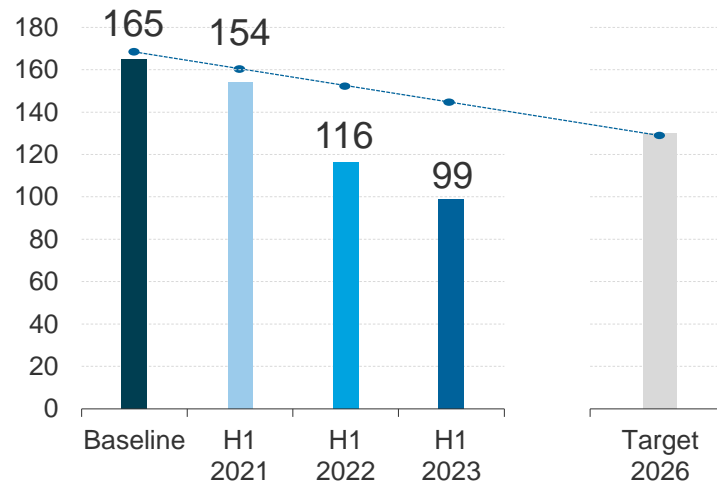
Sustainability targets well on track, CO₂e emissions further reduced by 15%



Sales with social or environmental benefits as % of total sales



CO₂e emissions scope 1 and 2, in '000 tonnes



Successful H1 with strong presence in growth markets and segments

- Sales of CHF 1'065 million, organically +4.2%
- Operating result at CHF 141 million, EBIT margin of 13.2% (2022: 14.4%)
- New sustainable Aquaculture segment with promising demand for piping solutions
- Intel's EPIC Distinguished Supplier Award for the 2nd time; global industrial segments with solid demand
- Recessionary trends worldwide are affecting performance, market slowdown in Building Technology and Utilities (Gas)
- New plant in Yangzhou (China) inaugurated and production at full speed




Global industrial segments with solid growth, Utilities and Building Technologies facing headwinds



2023 AWARD
Intel EPIC
Distinguished Supplier

+38%

Microelectronics and Data Center




+4%

Marine



-2%

Utilities (Gas)



-10%

Building Technology

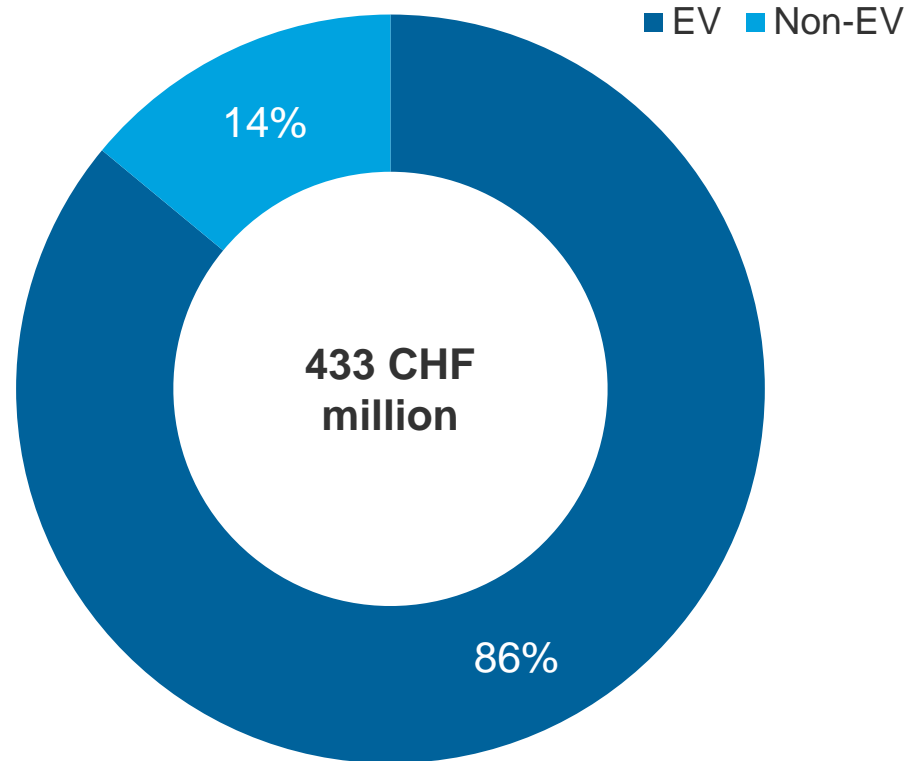
Solid growth in sustainable mobility reaches all-time high

- Sales of CHF 471 million, organically +20%
- Operating result at CHF 35 million, EBIT margin of 7.5% (2022: 3.2%)
- EV sales growth of 31%; HPDC lifetime order intake related to EV's at 86%
- Aerospace (+36%) and IGT (+8%) sales recovered
- EcoVadis gold medal for sustainability performance
- Ramp-up of the factory in Shenyang (China) is progressing according to plan



Innovation strength as key driver for lifetime EV order intake

Lifetime order intake H1 2023 (High Pressure Die Casting)

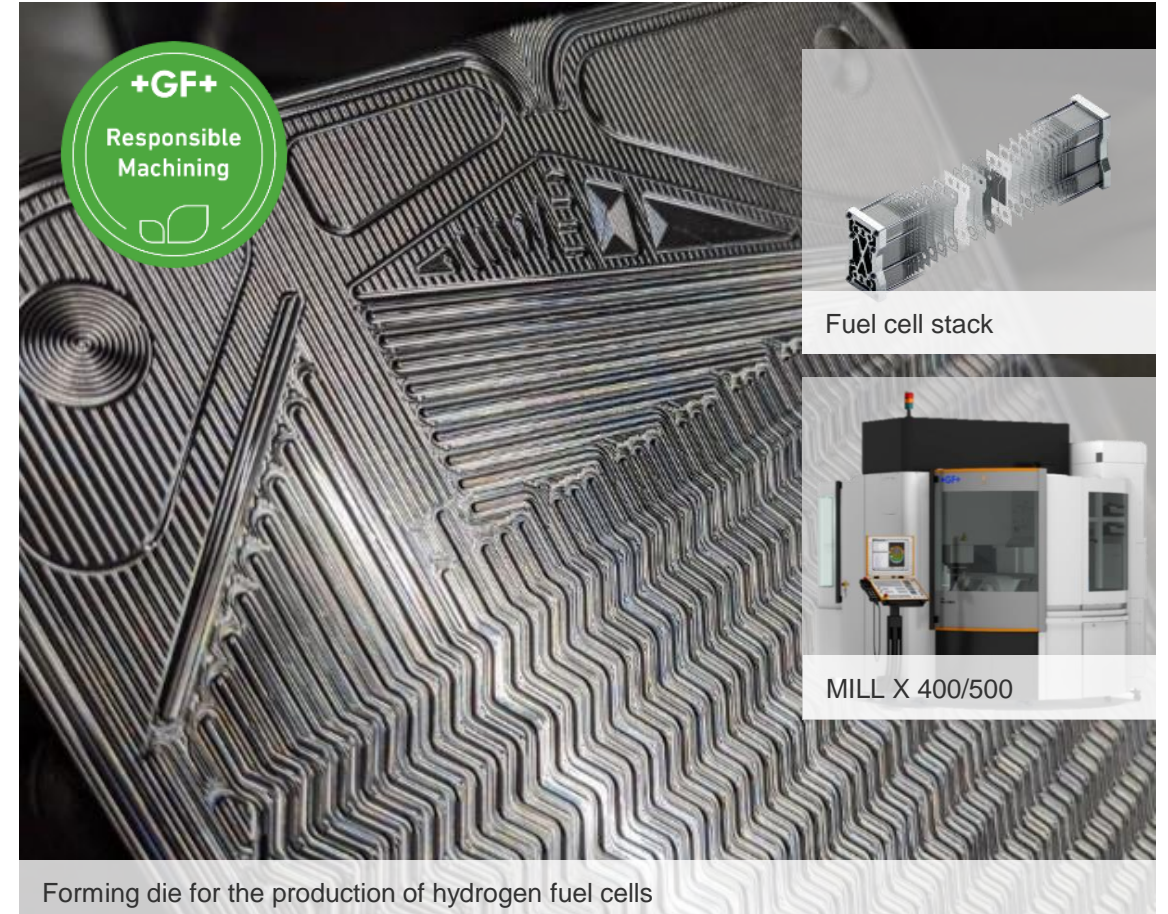


Total lifetime order intake GF Casting Solutions: CHF 645 million



Solid order intake despite headwinds

- Order intake of CHF 461 million, book-to-bill ratio of 1.1
- Sales of CHF 426 million, organically +3.7%
- Operating result at CHF 20 million, EBIT margin of 4.7% (2022: 4.0%)
- Rebound in aerospace business led to increased sales and strong segment order intake
- Subdued ICT segment, especially in China, due to a lack of consumer product innovations
- Launch of innovative high-performance laser machines and additional functionalities on milling machines open new application opportunities



Forming die for the production of hydrogen fuel cells

Aerospace starting to recover, resilient Medical segment with sustainable growth



Turbomill 500g

+22%

Aerospace



MILL P 500 U

+34%

Medical



LASER S 1000 U fs

-31%

ICT

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

Order intake per division

(CHF million)

	H1 2023	H1 2022	Δ%	
			growth	organic growth ¹⁾
GF Piping Systems	986	1'246	-20.9%	-14.0%
GF Casting Solutions	480	488	-1.7%	12.8%
GF Machining Solutions	461	478	-3.5%	1.2%
GF Corporation	1'925	2'209	-12.9%	-5.1%

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

Sales per division

(CHF million)

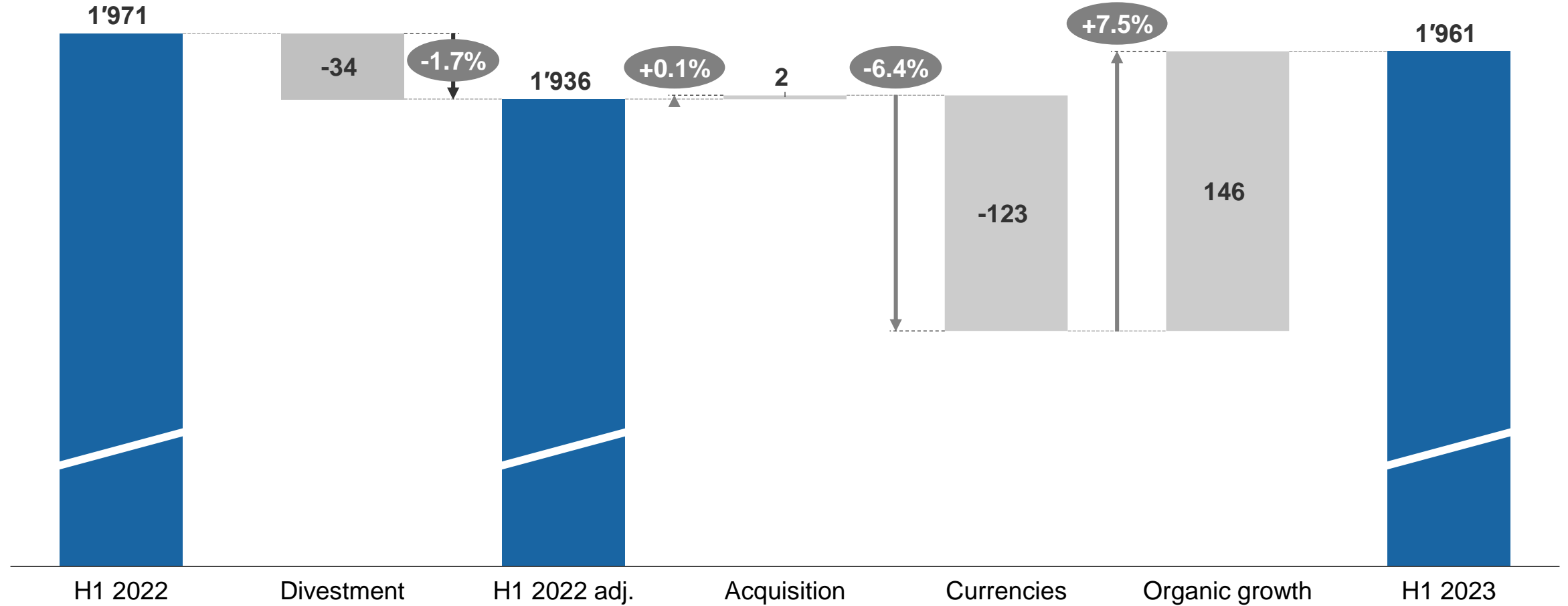
	H1 2023	H1 2022	Δ%	
			growth	organic growth ^{1) 2)}
GF Piping Systems	1'065	1'094	-2.6%	4.2%
GF Casting Solutions	471	449	5.0%	20.0%
GF Machining Solutions	426	431	-1.0%	3.7%
GF Corporation	1'961	1'971	-0.5%	7.5%

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

2) Including pricing adjustments in the range of 6-8% for GF Piping Systems, flat pricing for GF Casting Solutions and 3-5% for GF Machining Solutions

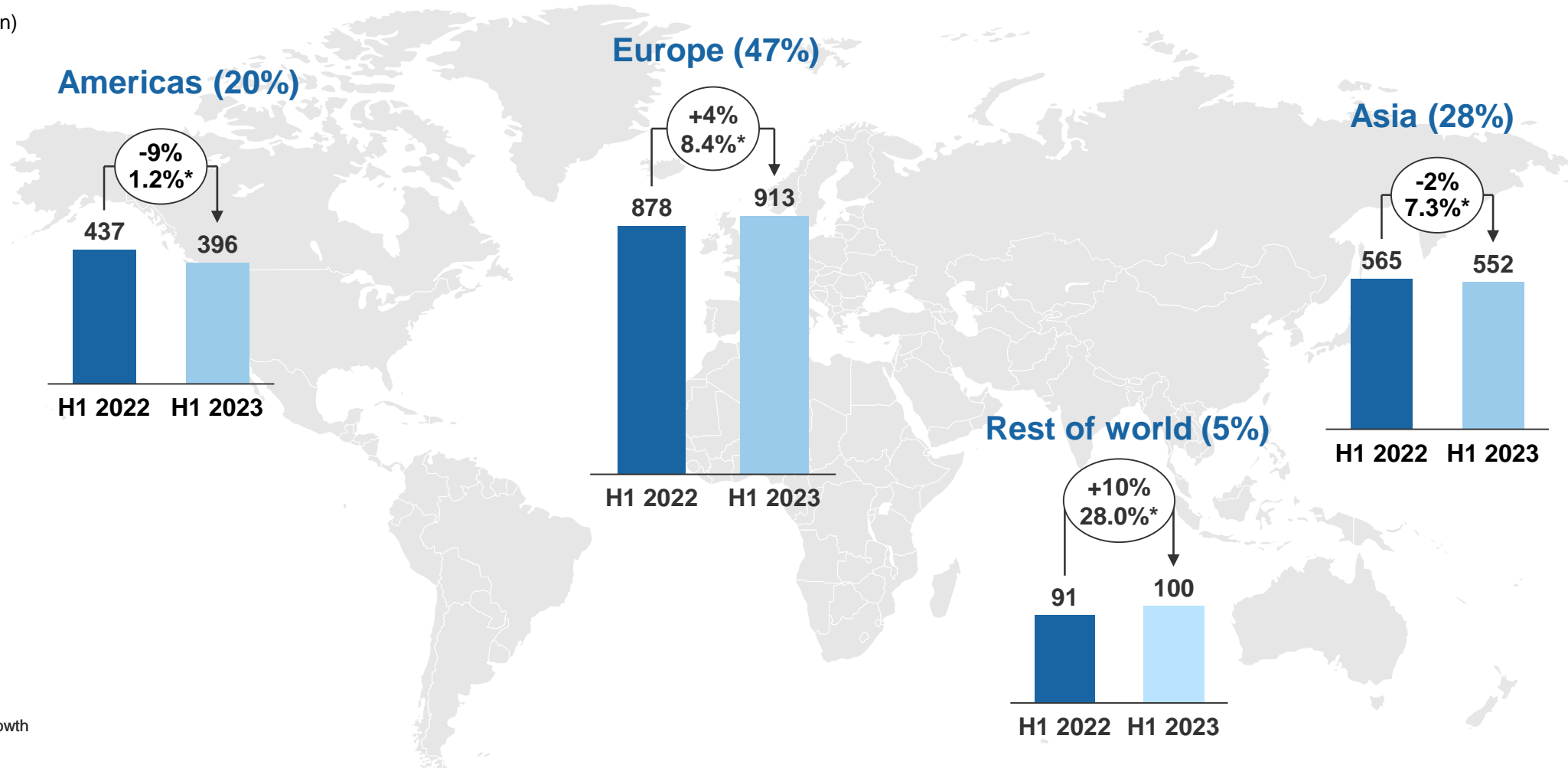
Sales development

(CHF million)



Sales per region

(CHF million)



*) Organic growth

EBIT and EBIT margin per division

EBIT CHF million

	H1 2023	H1 2022
GF Piping Systems	141	158
GF Casting Solutions	35	14
GF Machining Solutions	20	17
GF Corporation	184	179

EBIT margin %

	H1 2023	H1 2022
GF Piping Systems	13.2%	14.4%
GF Casting Solutions	7.5%	3.2%
GF Machining Solutions	4.7%	4.0%
GF Corporation	9.4%	9.1%

Currency effects on sales and EBIT in June 2023

(CHF million)

Per division	Sales	EBIT	Per currency	Average rates			Sales	EBIT
				H1 2023	H1 2022	Δ		
GF Piping Systems	-75	-24	EUR	0.986	1.032	-4.5%	-31	-8
GF Casting Solutions	-26	-3	USD	0.912	0.944	-3.4%	-5	-9
GF Machining Solutions	-22	-1	CNY	0.132	0.146	-9.6%	-40	-6
GF Corporation*	-123	-27	TRY	0.046	0.064	-27.6%	-15	-1
			Others				-32	-3
			Total				-123	-27

*EBIT incl. Corp. Management

Income statement

(CHF million)

	H1 2023	H1 2022	Δ%
Sales	1'961	1'971	-0.5
Gross value added	793	765	3.7
Personnel expenses	-555	-525	5.7
EBITDA	239	240	-0.7
Depreciation, amortization	-55	-61	-10.1
Operating result (EBIT)	184	179	2.6
Return on sales (EBIT margin) in %	9.4	9.1	
Financial result & share of results of associates	-20	-18	7.6
Non-operating result	-1	-1	
Income taxes	-36	-34	6.8
Net profit	128	126	1.0
Net profit minority interests	5	1	
Net profit shareholders GF	123	125	-2.2
Earnings per share in CHF	1.50	1.53	

Balance sheet: assets

(CHF million)

	H1 2023	%	2022	%
Cash, cash equivalents / marketable securities	617		894	
Trade accounts receivable	707		660	
Inventories	867		833	
Other current assets	115		102	
Current assets	2'305	64	2'489	67
Property, plant, and equipment / investment properties	972		966	
Intangible assets	34		36	
Other non-current assets	263		207	
Non-current assets	1'270	36	1'209	33
Assets	3'575	100	3'698	100

Balance sheet: liabilities and equity

(CHF million)

	H1 2023	%	2022	%
Trade accounts payable	503		563	
Other current liabilities	628		639	
Non-current liabilities	832		840	
Liabilities	1'963	55	2'042	55
Share capital / capital reserves	30		30	
Treasury shares	-3		-8	
Retained earnings	1'533		1'579	
Minority interests	53		54	
Equity	1'612	45	1'656	45
Liabilities and equity	3'575	100	3'698	100

Free cash flow

(CHF million)

	H1 2023	H1 2022
EBITDA	239	240
Changes in net working capital	-165	-276
Income taxes / interest paid	-51	-40
Other changes	10	46
Cash flow from operating activities	33	-30
Additions to property, plant, and equipment	-90	-68
Cash flow from acquisitions / divestments	-8	61
Acquisition of Uponor shares	-57	
Other additions / disposals, net	-9	0
Cash flow from investing activities	-164	-7
Free cash flow	-131	-37
Free cash flow before acquisitions / divestments	-66	-98

Key figures at a glance

	H1 2023	H1 2022
Net debt in CHF million	108	52
Net debt / EBITDA (multiple)	0.21x	0.12x
Equity ratio in %	45.1	41.8
ROIC in % GF Corporation	21.7	19.8
GF Piping Systems	30.2	35.6
GF Casting Solutions	18.6	5.7
GF Machining Solutions	15.7	16.0
Return on equity in %	15.6	16.6
Earnings per share in CHF	1.50	1.53
Number of employees (incl. trainees)	15'464	14'957

A blurred background image of a business meeting. Several people in light blue shirts are gathered around a table, looking at documents and laptops. The documents and laptop screens display various charts and graphs, including bar charts and line graphs. The overall color palette is dominated by light blues and greys, creating a professional and modern atmosphere.

Outlook

Andreas Müller, CEO

Public tender offer for Uponor with positive reaction from capital market, customers and employees



Becoming a global leader in sustainable Water and Flow Solutions to accelerate the implementation of GF Piping Systems' Strategy 2025

5.7% shares purchased, resulting in a combined projected shareholding in Uponor of 42.6% – initial tender period ends 1 September 2023 (preliminary)

Expiration of U.S. Hart-Scott-Rodino waiting period occurred on 18 July 2023

Outlook 2023

GF Piping Systems

- Industrial segments sustain its good momentum globally
- Recessionary trends in the construction industry
- Utilities (Gas) in Europe facing headwinds

GF Casting Solutions

- Good position in the e-vehicle segment
- Recovery in the aerospace segment

GF Machining Solutions

- Recovery in the aerospace industry, resilient Medical segment with good prospects
- ICT markets are subdued, especially in China

Organic growth expected in line with Strategy 2025
Profitability in the strategic corridor 2025 (EBIT margin 9–11%)



Thank you



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