



**+GF+**

Financial Analysts' Conference

# **2017 financial year**

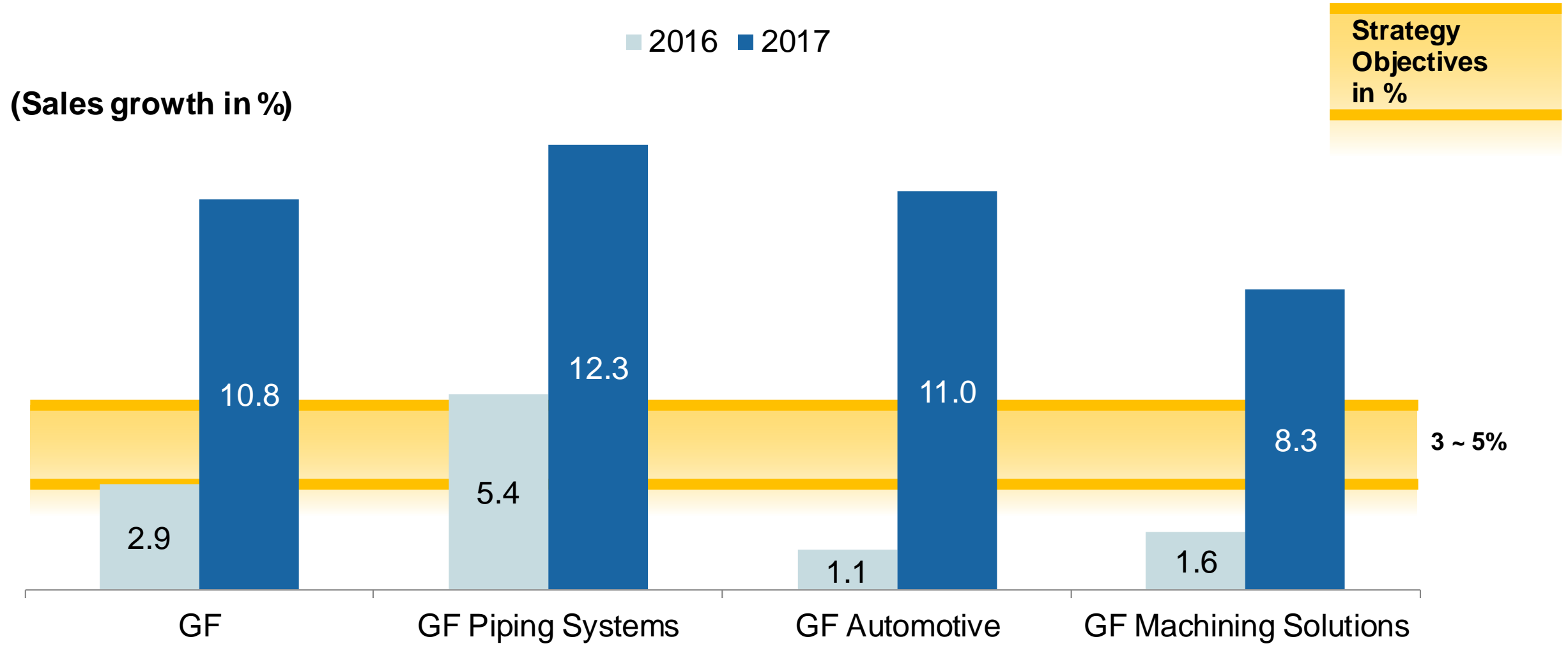
Yves Serra  
28.02.2018

# Growth well above target

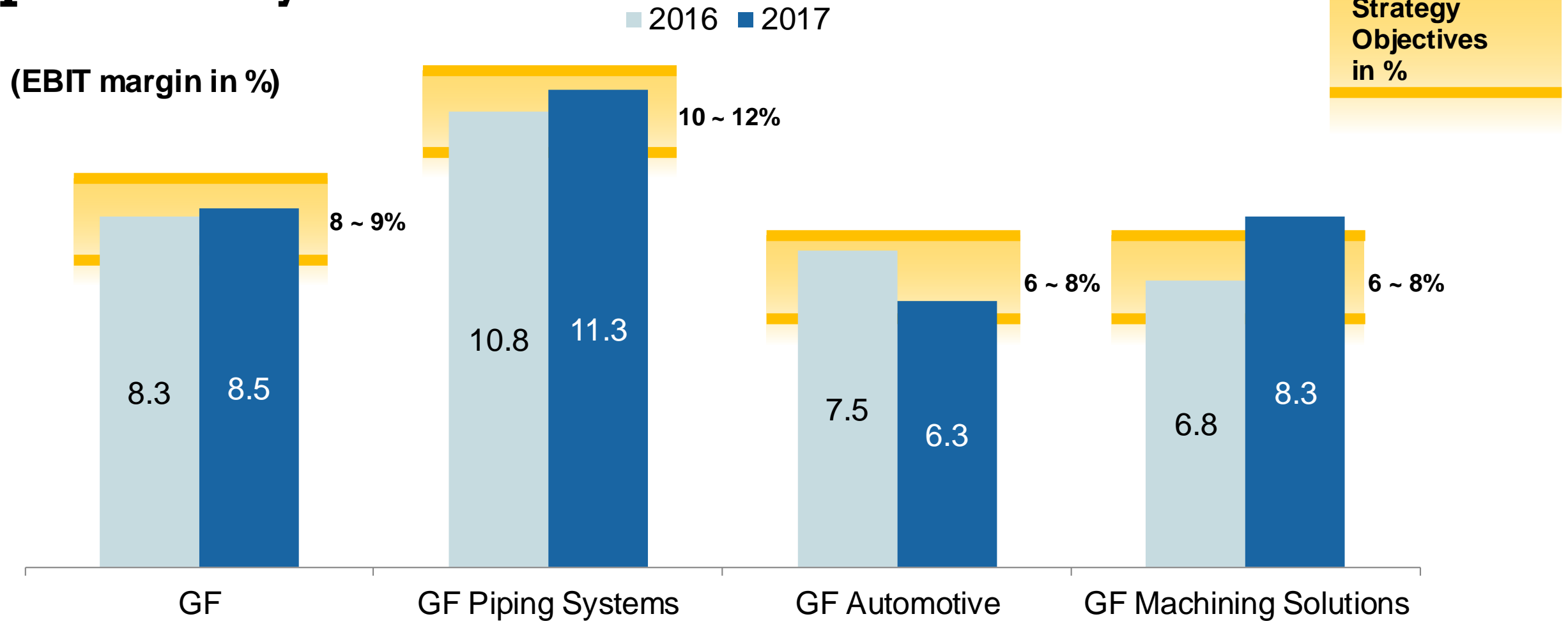


- Sales up 11% at CHF 4'150 million
- Operating result increased 13% to CHF 352 million (CHF 311 million in 2016)
- Earnings per share reach CHF 62 (CHF 53 in 2016)
- Free cash flow (before acquisitions/divestments) at CHF 204 million
- Proposed dividend increase to CHF 23 per share (CHF 20 in the previous year)

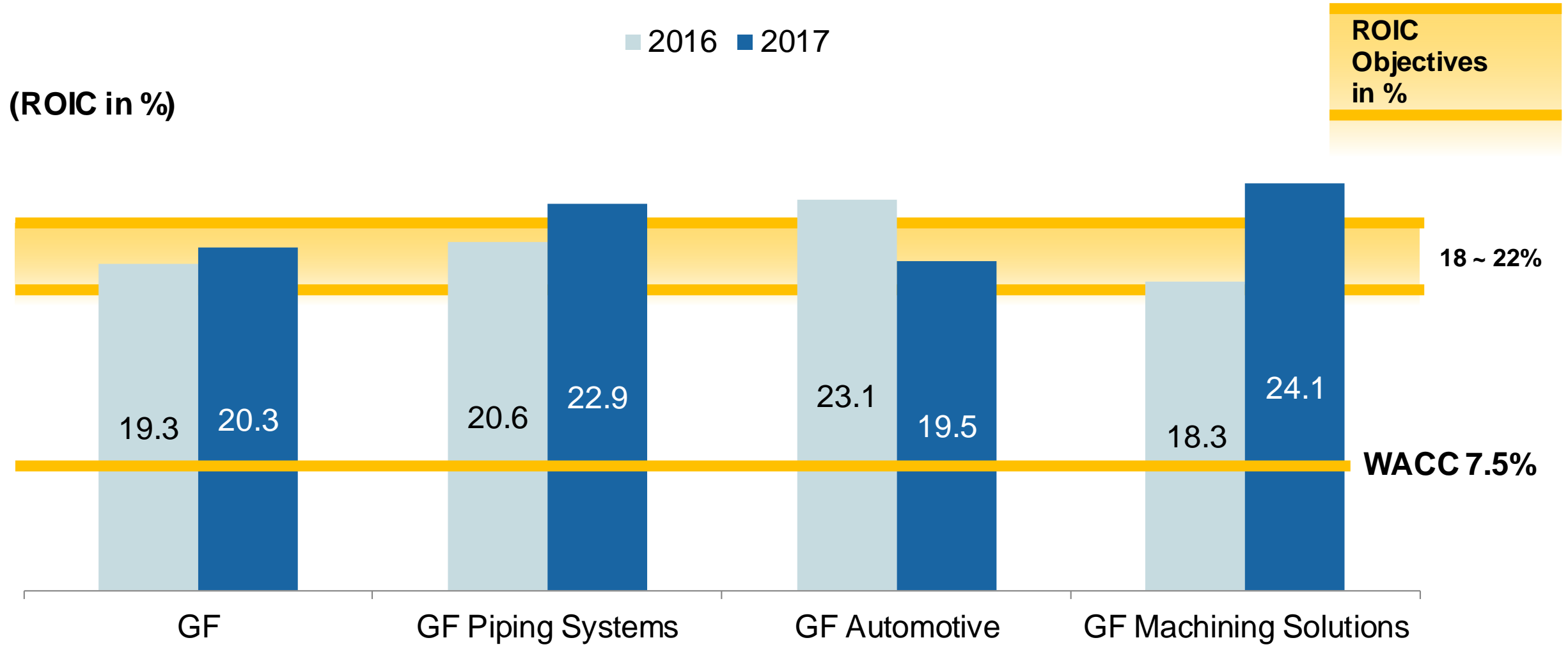
# All three divisions grew sales significantly



# GF Piping Systems and GF Machining Solutions drive profitability increase



# All three divisions again generate substantial value



# High profitable growth across the board

- Substantial sales increase of 12% to CHF 1'678 million
- Sustained demand for industrial applications
- Gas utilities sales strongly up in China/USA
- EBIT up 17% to CHF 189 million



Large orders for semiconductor plants in Asia

GF Piping Systems

# Urecon acquisition as springboard for cooling in North America



Freeze control pipes



Quebec, Canada

# High growth, but input costs affect profitability

- Sales up 11% to CHF 1'482 million
- Organic growth up ca. 6% (metal adjusted)
- High metal prices/ramp-up costs impacted profitability
- EBIT stood at CHF 93 million (7% below 2016)



**Cross car beam**

Large orders for magnesium based components



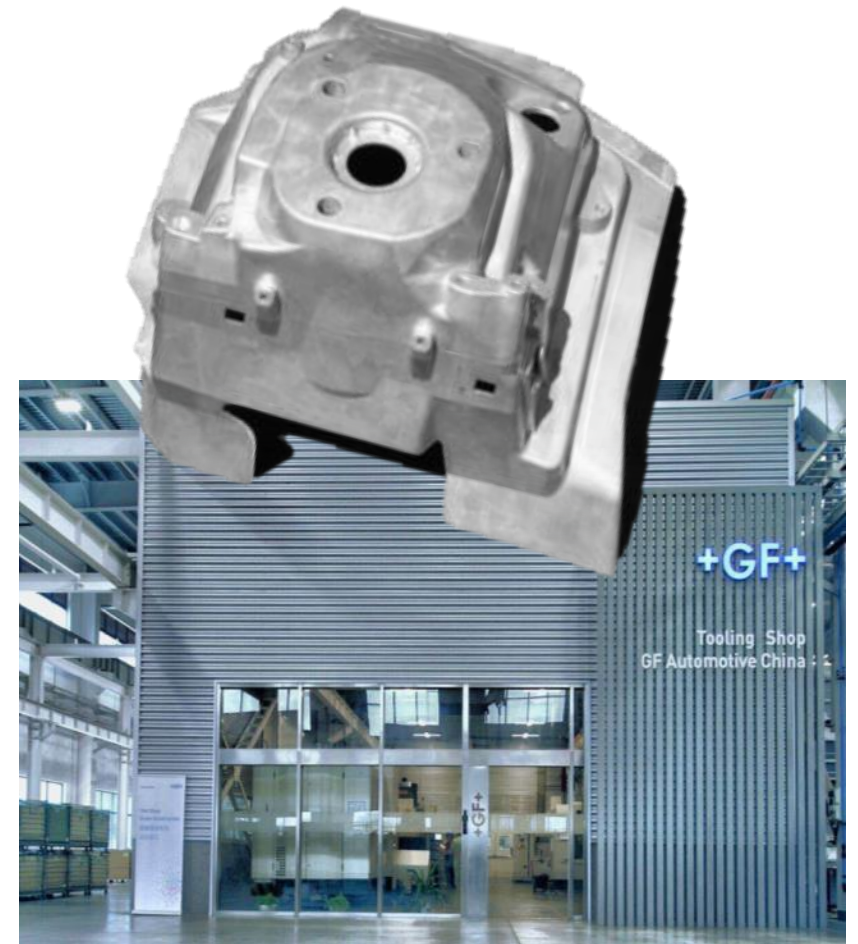
# High tempo expansion in light metal castings



Acquisition in Romania as base for Eastern Europe



High order book at new US plant GF Linamar



New mold production center in China

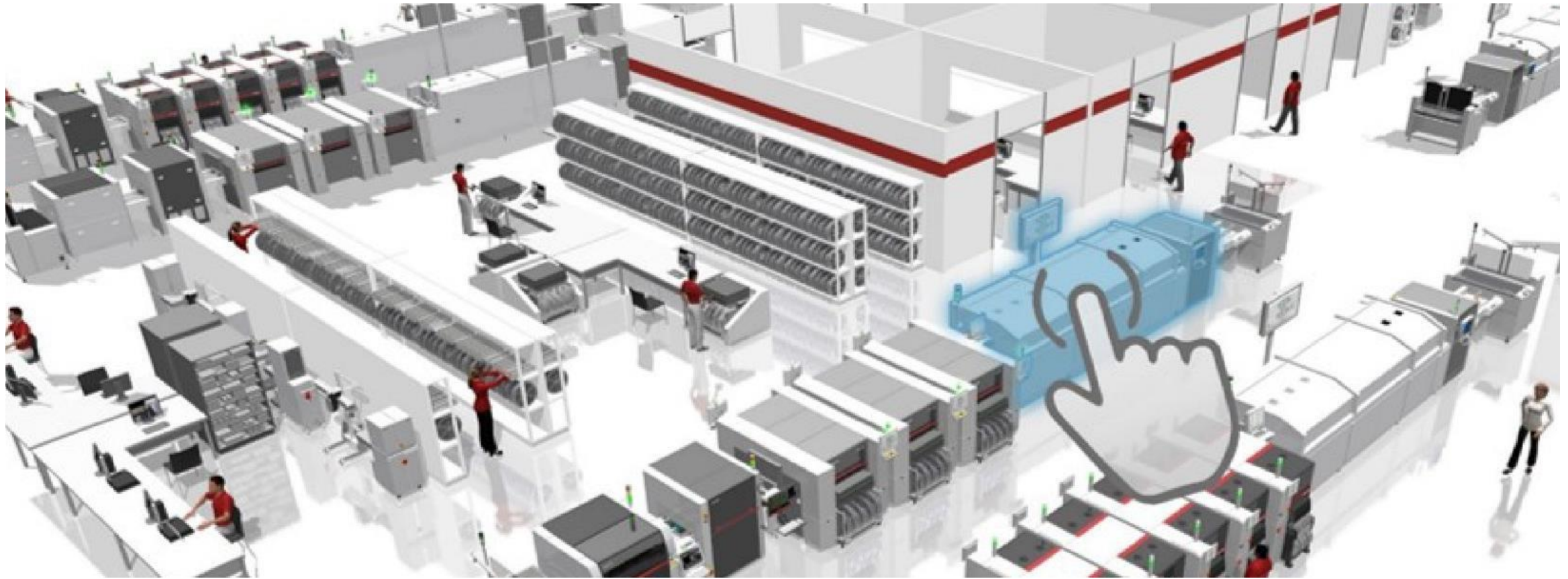
# Good positioning in growing markets supports profitable growth

- Order intake up 12% to CHF 1'030 million
- Sales grew 8% to CHF 992 million
- High growth in aerospace (Europe/USA) and ICT (Asia) sectors
- Automation offering enjoys strong demand
- EBIT up 32% to CHF 82 million (CHF 62 million in 2016)



Automated cell for EDM machine

# Division speeds up its digitalization drive



 symmedia Bielefeld (Germany), connectivity software specialist, acquired 9/2017

Andreas Müller, CFO

# Consolidated financial statements

# Strong growth at all three divisions



CHF million

	2017	2016	growth	organic growth <sup>1)</sup>
GF Piping Systems	1'678	1'494	12.3 %	12.1 %
GF Automotive	1'482	1'335	11.0 %	8.9 %
GF Machining Solutions	992	916	8.3 %	7.4 %
<b>Corporation</b>	<b>4'150</b>	<b>3'744</b>	<b>10.8 %</b>	<b>9.8 %</b>
Sales 1st Semester	1'992	1'863	6.9 %	8.4 %
Sales 2nd Semester	2'158	1'881	14.7 %	11.2 %

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

# Strong growth at all three divisions

CHF million

	2017	2016	growth	organic growth <sup>1)</sup>
GF Piping Systems	1'678	1'494	12.3 %	12.1 %
GF Automotive	1'482	1'335	11.0 %	8.9 %
GF Machining Solutions	992	916	8.3 %	7.4 %
<b>Corporation</b>	<b>4'150</b>	<b>3'744</b>	<b>10.8 %</b>	<b>9.8 %</b>

GF Automotive adjusted for metal price effects	6.1 %
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<b>Corporation adjusted for metal price effects</b>	<b>8.8 %</b>
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1) Adjusted for changes in scope of consolidation and stated at previous year's foreign exchange rates.

# EBIT and margins increased anew

CHF million

EBIT margin %

	2017	2016	2017	2016
GF Piping Systems	189	162	11.3 %	10.8 %
GF Automotive	93	100	6.3 %	7.5 %
GF Machining Solutions	82	62	8.3 %	6.8 %
<b>Corporation</b>	<b>352</b>	<b>311</b>	<b>8.5 %</b>	<b>8.3 %</b>
EBIT 1st Semester	168	153	8.4 %	8.2 %
EBIT 2nd Semester	184	158	8.5 %	8.4 %

# Currency impact on Sales/EBIT

CHF million

2017	Sales	EBIT
EUR	42	4
USD	3	-8
CNY	-13	-2
TRY	-27	-4
Others	2	-1
<b>Total currency impact</b>	<b>7</b>	<b>-11</b>



# Currency impact by division

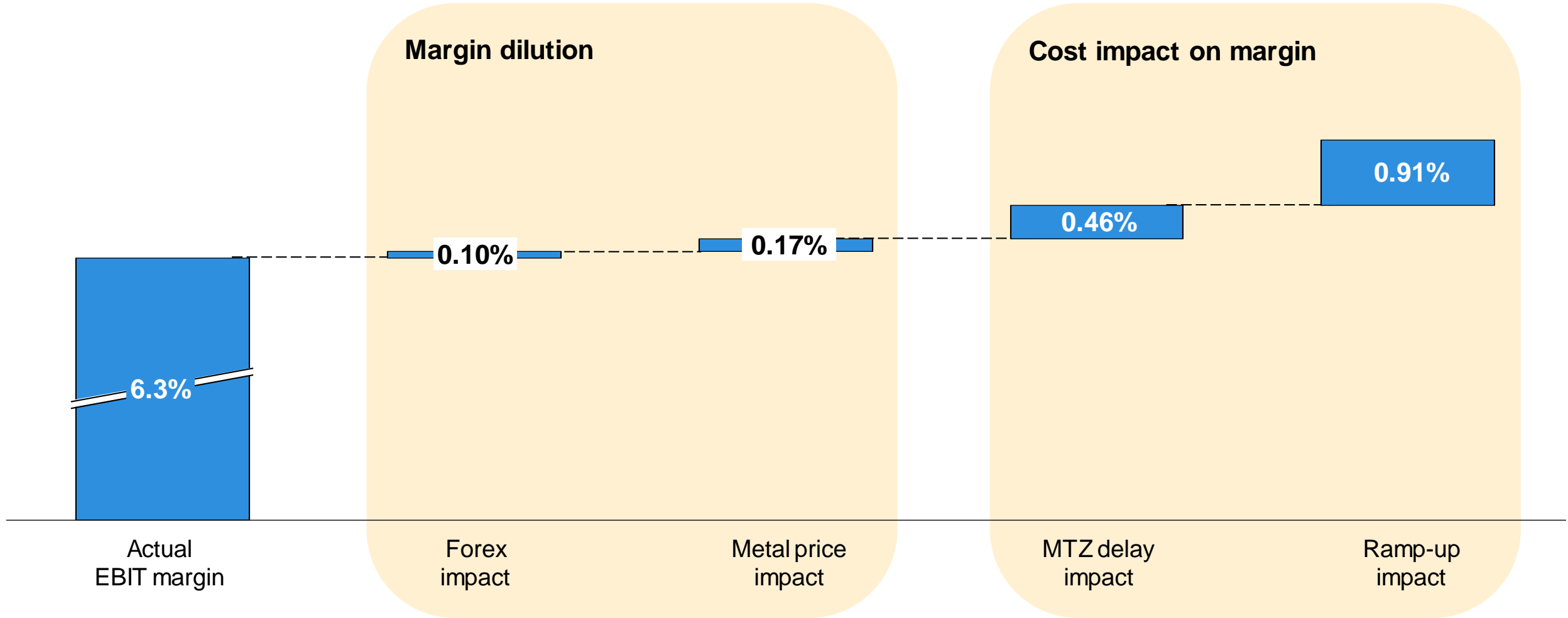


CHF million

<b>2017</b>	<b>Sales</b>	<b>EBIT</b>
GF Piping Systems	-19	-10
GF Automotive	21	0
GF Machining Solutions	5	-1
<b>Total currency impact Corporation</b>	<b>7</b>	<b>-11</b>

# Impacts on the EBIT margin of GF Automotive

(in % / %-points)



# Income statement



CHF million	2017	2016	Δ
<b>Sales</b>	<b>4'150</b>	<b>3'744</b>	<b>11 %</b>
Gross value added	1'539	1'421	8 %
Personnel expenses	-1'048	-978	7 %
<b>EBITDA</b>	<b>491</b>	<b>443</b>	<b>11 %</b>
Depreciation, amortization	-139	-132	5 %
<b>EBIT</b>	<b>352</b>	<b>311</b>	<b>13 %</b>
Financial result	-31	-31	-
<b>Ordinary result</b>	<b>321</b>	<b>280</b>	<b>15 %</b>
Non-operating result	1	1	-
<b>Profit before taxes</b>	<b>322</b>	<b>281</b>	<b>15 %</b>
Income taxes	-64	-56	14 %
<b>Net profit</b>	<b>258</b>	<b>225</b>	<b>15 %</b>
thereof own interests	252	216	17 %
thereof non-controlling interests	6	9	-33 %

# The well-structured balance sheet

CHF million

	2017	%	2016	%
Cash, cash equivalents and marketable securities	633		579	
Trade accounts receivable	754		666	
Inventories	773		673	
Other current assets	117		106	
<b>Current assets</b>	<b>2'277</b>	<b>63</b>	<b>2'024</b>	<b>63</b>
Property, plant, and equipment	1'206		1'063	
Intangible assets	29		25	
Deferred tax assets	85		80	
Other financial assets	13		10	
<b>Non-current assets</b>	<b>1'333</b>	<b>37</b>	<b>1'178</b>	<b>37</b>
<b>Assets</b>	<b>3'610</b>	<b>100</b>	<b>3'202</b>	<b>100</b>

# Equity ratio increased to solid 38%

CHF million

	2017	%	2016	%
Current liabilities	1'418		1'067	
Non-current liabilities	823		935	
<b>Liabilities</b>	<b>2'241</b>	<b>62</b>	<b>2'002</b>	<b>63</b>
Share capital	4		4	
Capital reserves	26		24	
Treasury shares	-8		-10	
Retained earnings	1'295		1'138	
Non-controlling interests	52		44	
<b>Equity</b>	<b>1'369</b>	<b>38</b>	<b>1'200</b>	<b>37</b>
<b>Liabilities and equity</b>	<b>3'610</b>	<b>100</b>	<b>3'202</b>	<b>100</b>

# Cash flow hits the CHF 200 million mark

CHF million

	2017	2016
EBITDA	491	443
Changes in net working capital	-30	-30
Income taxes/interest paid	-82	-72
Other changes	31	59
<b>Cash flow from operating activities</b>	<b>410</b>	<b>400</b>
Additions to property, plant, and equipment	-207	-174
Cash flow from acquisitions/divestitures	-74	-96
Other additions/disposals, net	1	5
<b>Cash flow from investing activities</b>	<b>-280</b>	<b>-265</b>
<b>Free cash flow</b>	<b>130</b>	<b>135</b>
<b>Free cash flow before acquisitions/divestitures</b>	<b>204</b>	<b>231</b>

# Capex CHF 207 million

## Acquisitions CHF 74 million



GF Linamar, Mills River, USA



Urecon, Quebec, Canada



Eucasting, Pitesti, Romania



Innovation and production center,  
Biel, Switzerland



Symmedia, Bielefeld, Germany

# Key figures at a glance



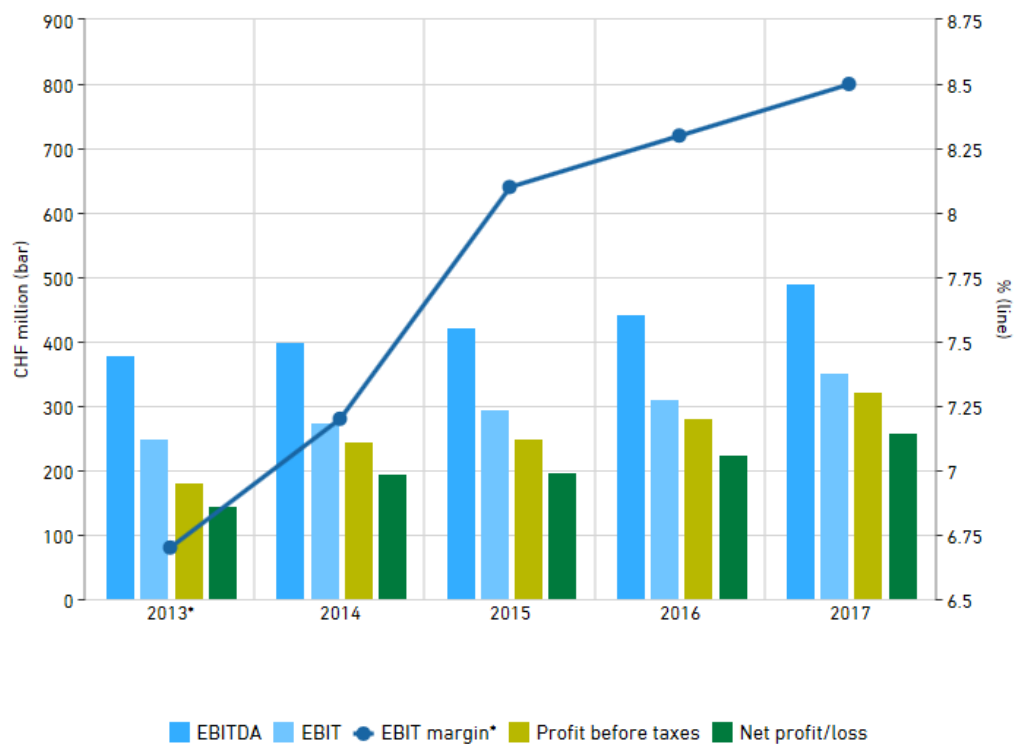
	2017	2016
Net debt in CHF	183	214
Net debt / EBITDA (multiple)	0.4x	0.5x
ROIC in %	20.3	19.3
Return on Equity in %	20.1	19.3
Earnings per share in CHF	62	53
Dividend (proposed) per share in CHF	23	20
Number of employees (incl. trainees)	15'835	14'808



# Our new “Analyzer” allows quick insights

000 Bar chart Line graph Table view PNG XLS Print

Indexed figures



Select period All None  
 2008  2009  2010  2011  2012  2013\*  2014  2015  2016  2017

000 Bar chart Line graph Table view XLS Print

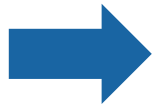
	2013*	2014	2015	2016	2017
EBITDA (CHF million)	380	399	422	443	491
EBIT (CHF million)	251	274	296	311	352
EBIT margin* (%)	6.7	7.2	8.1	8.3	8.5
Profit before taxes (CHF million)	181	246	251	281	322
Net profit/loss (CHF million)	145	195	198	225	258

Select period All None  
 2008  2009  2010  2011  2012  2013\*  2014  2015  2016  2017

# Outlook 2018

- Strong momentum at GF Piping Systems
- Acquisitions/new capacities to support GF Automotive growth (re-named as GF Casting Solutions)
- High backlog at GF Machining Solutions

**Further performance increase expected in line with our 2020 strategic goals**



**ROIC 18-22%**

**ROS 8-9%**

**Sales Growth 3-5%**

# Connected products ready for the market

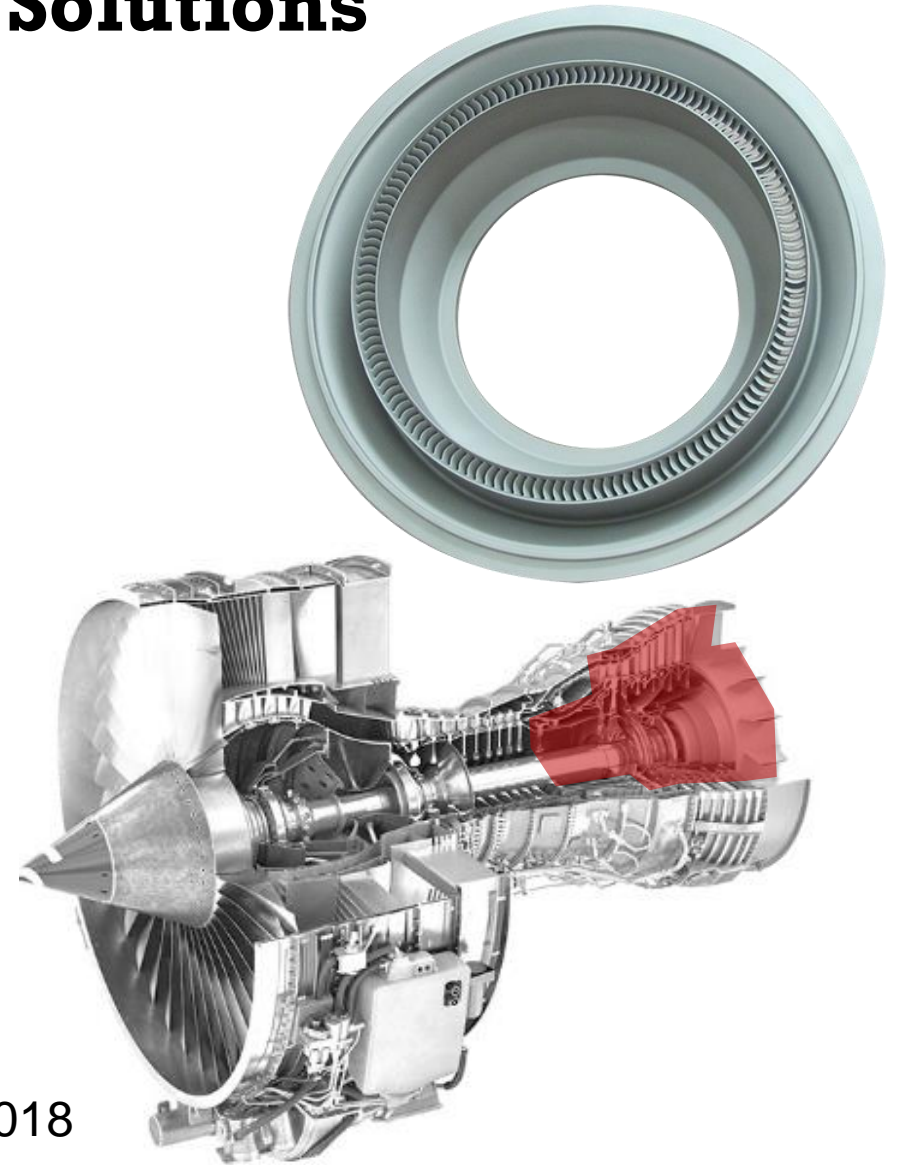


Smart Valves



Servicing machines with rConnect

# GF Automotive becomes GF Casting Solutions



Precicast (Switzerland), investment casting specialist, acquired 1/2018

# Fostering innovation worldwide

New offices  
Schaffhausen



Design Thinking



New facility Biel

**Thank you**

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