

+GF+

Georg Fischer Ltd

Mid-Year Report 2019

CEO Andreas Müller / 18 July 2019



GF Piping Systems increases strong prior-year performance – Swift actions to address automotive drop

- Sales decrease 5.5% organically to CHF 1'915 million
- EBIT margin before one-off items of 8.0%
- Operating result (EBIT) before one-off items of CHF 153 million
- Measures at GF Casting Solutions cause one-off costs of approx. CHF 65 million, of which CHF 14 million in H1 2019, approx. CHF 34 million in H2 2019
- Implementation of strategy 2020 is fully on track

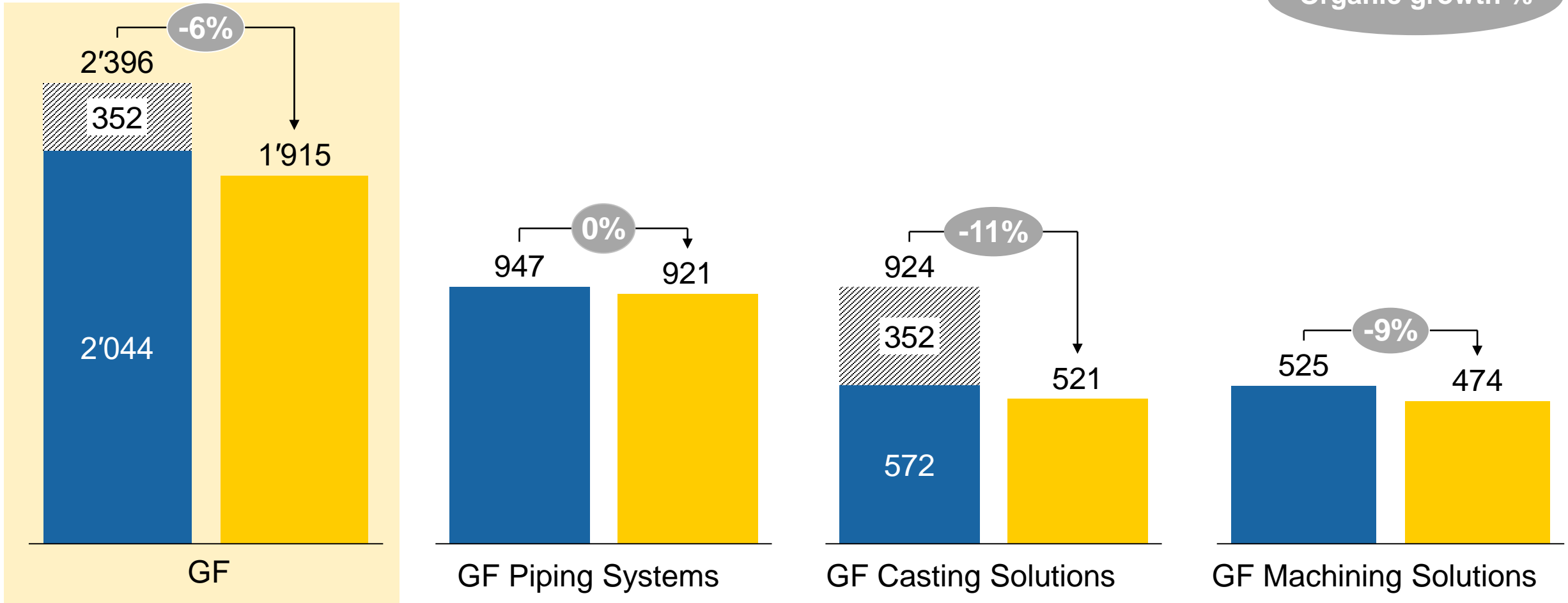
Sales affected by divestments and market developments

(in CHF million)

German casting divested

H1 2018 H1 2019

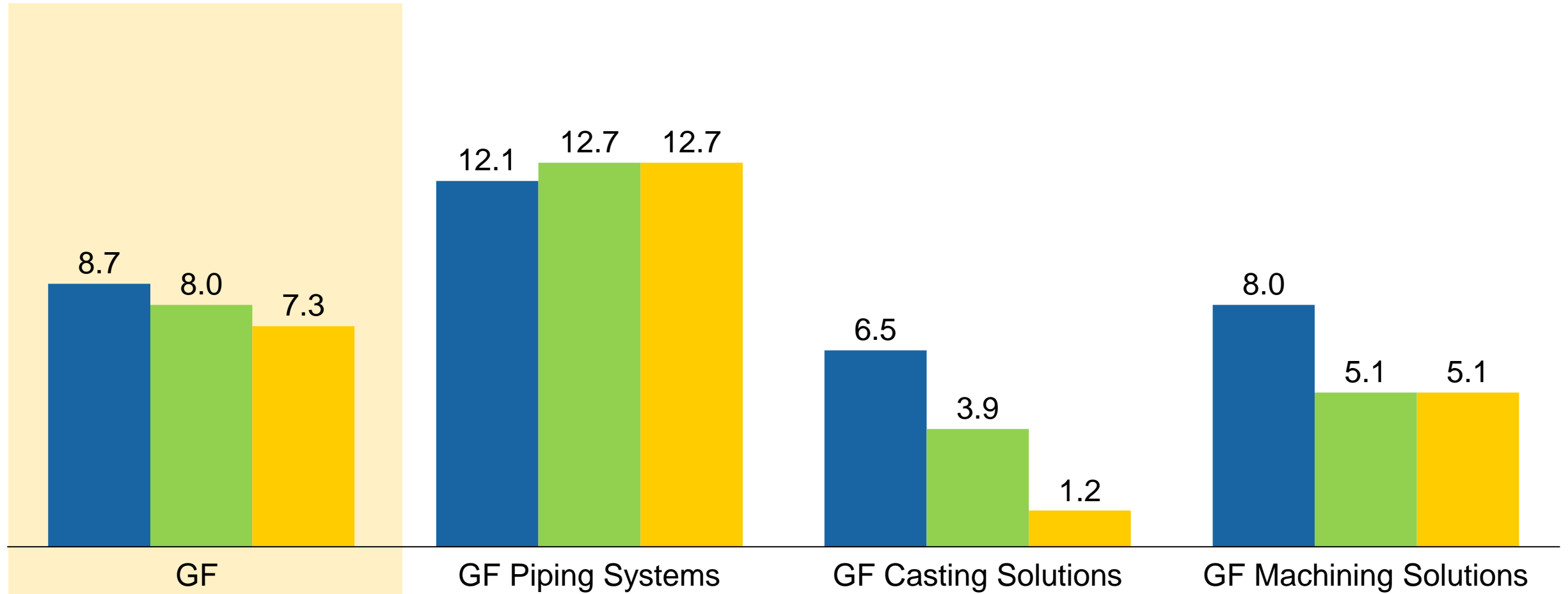
Organic growth %



Profitability before one-off items at 8.0%

(EBIT margin in %)

■ H1 2018 ■ H1 2019 before one-off items ■ H1 2019

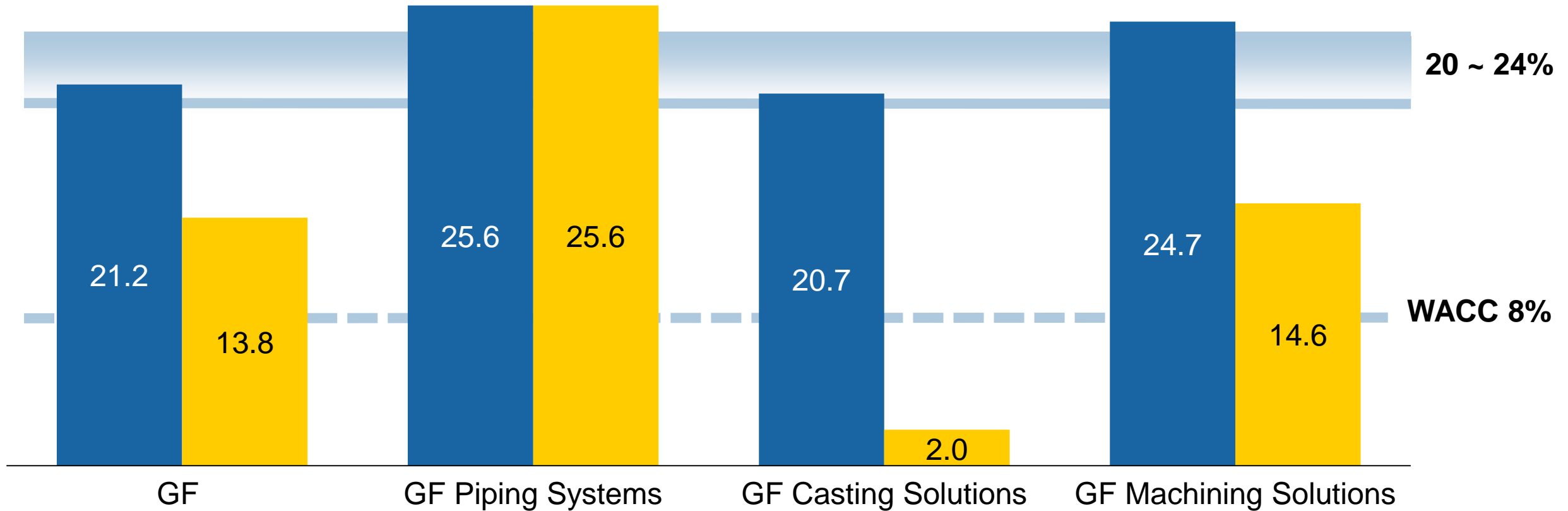


GF Piping Systems confirms strong performance – one-off items affect GF Casting Solutions

(ROIC in %)

■ H1 2018 ■ H1 2019

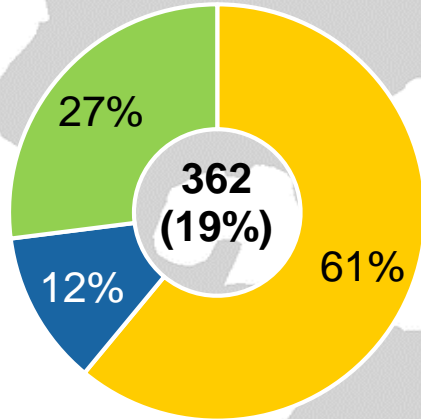
ROIC Objectives in %



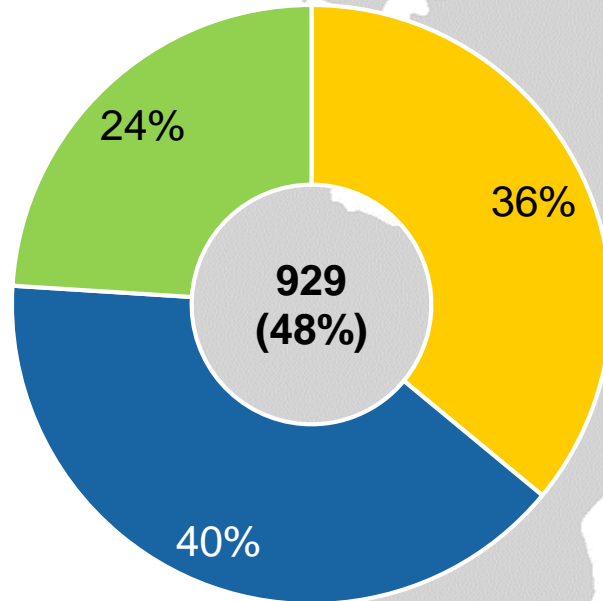
Sales outside Europe for the first time above 50%

(in CHF million)

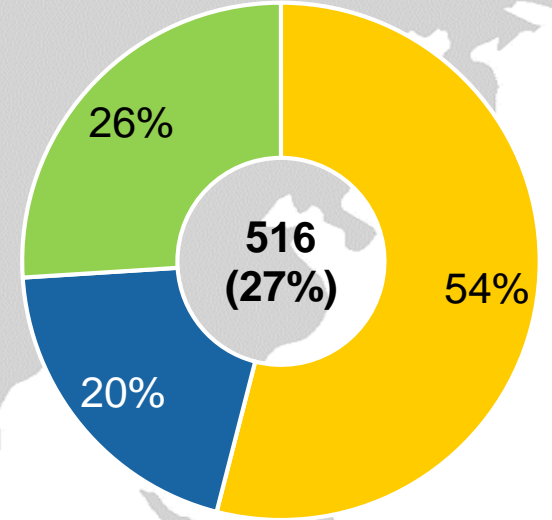
Americas



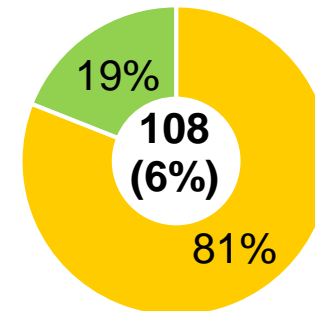
Europe



Asia



Rest of world



- GF Piping Systems
- GF Casting Solutions
- GF Machining Solutions

(X%) Share of total sales

Strong performance – leveraging mega trends

- Well positioned with solutions to address mega trends
- Strong sales performance in Europe and Americas offset drop in Asia
- Strong sales of prior-year's first-half has been confirmed – CHF 921 million
- EBIT margin increased by 60 bps to 12.7%



80%
MORE ENERGY
EFFICIENT

30%
LOWER OPERATING
COSTS



Pontoon Data Center

GF Piping Systems
Successfully addressing the need for clean water



**Groundwater Reliability Improvement
California, USA**



**Non Revenue Water Reduction
São Paulo, Brazil**

Markets in Europe and China affect top line – Swift actions to address automotive drop

- Divestment of two German iron foundries (H2 2018) affects sales by CHF 352 million
- Organic sales reduction of 11% to CHF 521 million
- EBIT margin before one-off items 3.9%

- Relocation of German light-metal foundry in Werdohl to Romania and Austria
- Divestment of iron casting foundry in Austria in H2 2019 will complete strategic withdrawal from this segment
- Planned one-off items of approx. CHF 65 million in 2019/2020



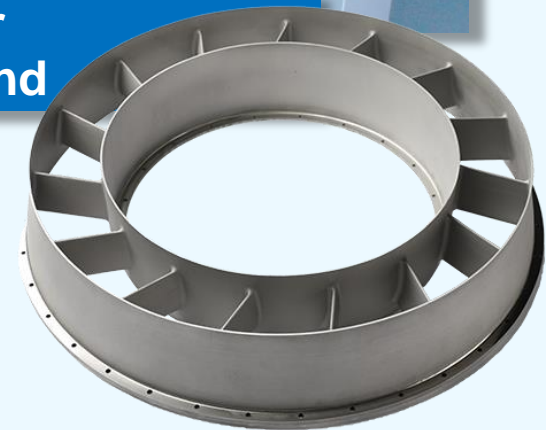
GF Casting Solutions
Investing in the future



Expansion for Value Adding Processes
Mills River, USA



AMotion Center
Stabio, Switzerland



Innovations and aerospace business drive order intake

- Sales organically declined by 9% from CHF 525 to CHF 474 million
- Book-to-bill-ratio of 1.1 – supported by strong order intake of aerospace industries
- EBIT margin of 5.1%, EBIT CHF 24 million
- Consolidation of milling activities in new Innovation and Milling Center, Biel (Switzerland) in full swing



Spark Track Innovation



Aerospace and new technologies spur order intake

Next Laser Generation



Aerospace Microlution



Mads Joergensen, CFO

Consolidated financial statements

GF Corporation
Sales per division H1 2019



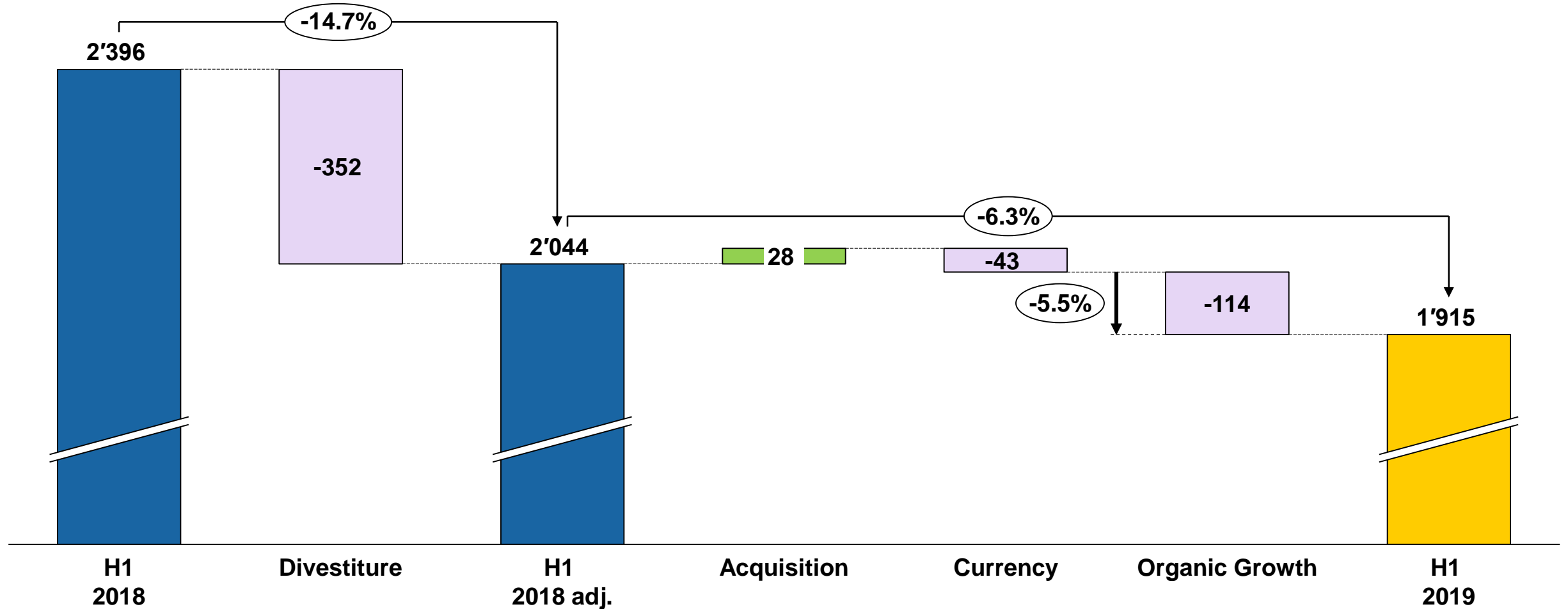
CHF million

	H1 2019	H1 2018	Growth	Organic growth ¹⁾
GF Piping Systems	921	947	-2.7 %	-0.2 %
GF Casting Solutions	521	924	-43.6 %	-11.1 %
GF Machining Solutions	474	525	-9.7 %	-9.0 %
Corporation	1'915	2'396	-20.1 %	-5.5 %

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

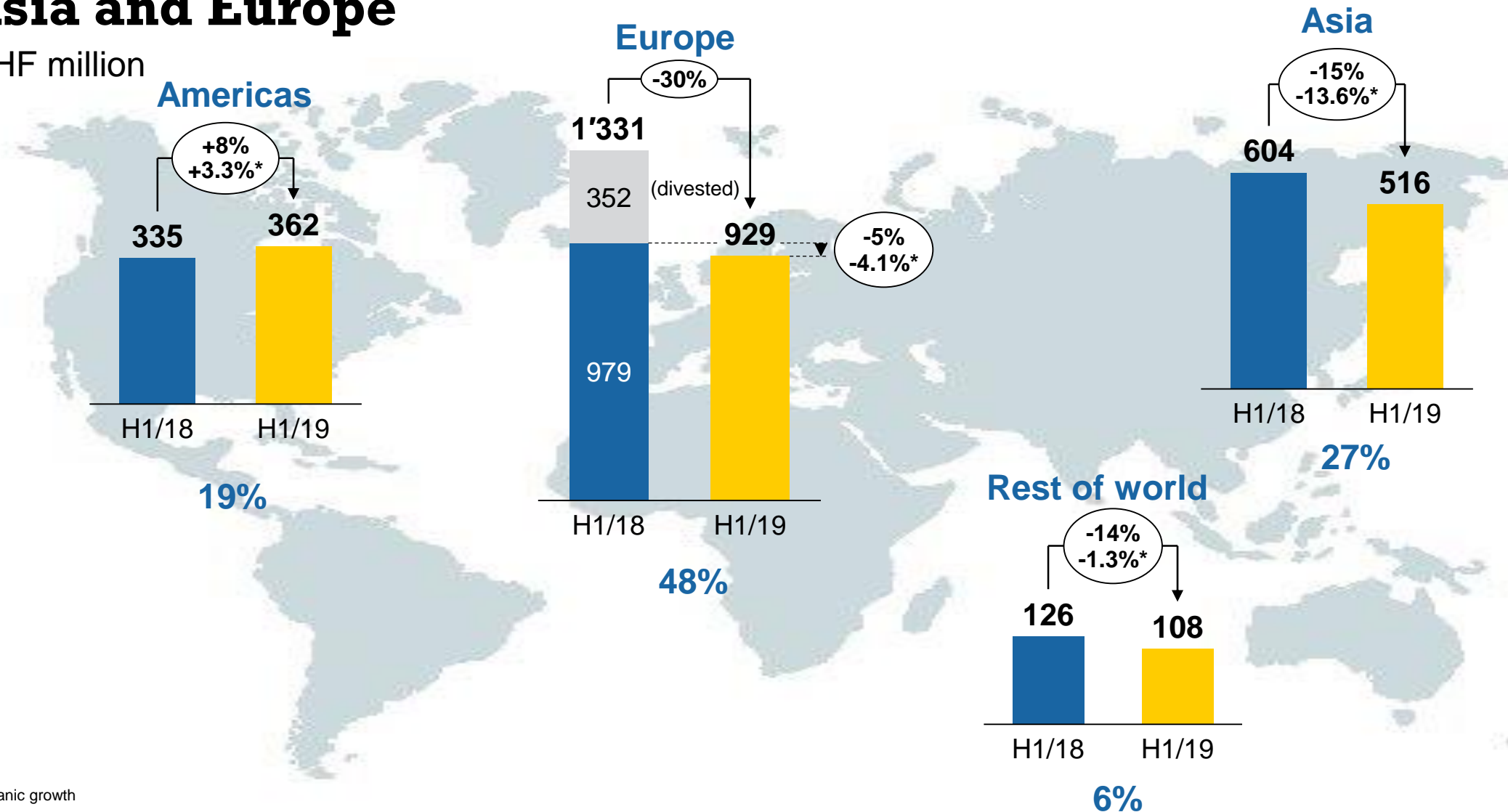
Divestment and markets lead to declining sales

CHF million



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

CHF million



*) Organic growth

Headwind from currencies on sales in H1 2019

CHF million

Per division:

GF Piping Systems	-24
GF Casting Solutions	-14
GF Machining Solutions	-5
Corporation	-43

Per currency:

EUR	-23
USD	17
CNY	-12
TRY	-17
Others	-8
Total	-43

EBIT and margin per division H1 2019

	EBIT CHF million			EBIT margin %		
	H1 2019	H1 2019 before one-off	H1 2018	H1 2019	H1 2019 before one-off	H1 2018
GF Piping Systems	117	117	115	12.7 %	12.7 %	12.1 %
GF Casting Solutions	6	20	60	1.2 %	3.9 %	6.5 %
GF Machining Solutions	24	24	42	5.1 %	5.1 %	8.0 %
Corporation	139	153	208	7.3 %	8.0 %	8.7 %

Currency effects weigh on the half-year ROS

CHF million

Per division:

GF Piping Systems	-13
GF Casting Solutions	-1
GF Machining Solutions	3
Corporation	-11

Per currency:

EUR	-5
USD	-1
CNY	-1
TRY	-3
Others	-1
Total	-11

GF Corporation
Income statement



CHF million	H1 2019	H1 2018	Δ
Sales	1'915	2'396	-20 %
Gross value added	730	877	-17 %
Personnel expenses	-514	-595	-14 %
EBITDA	216	282	-23 %
Depreciation, amortization	-77	-74	4 %
EBIT before one-off	153	208	-26 %
EBIT	139	208	-33 %
Financial result	-12	-16	-25 %
Ordinary result	127	192	-34 %
Non-operating result		1	-
Profit before taxes	127	193	-34 %
Income taxes	-25	-39	-36 %
Net profit attributable to non-controlling interests	-1	-4	-75 %
Net profit attributable to shareholders of Georg Fischer Ltd	101	150	-33 %
Earnings per share in CHF	25	37	-32 %

GF Corporation
Free cash flow



CHF million	H1 2019	H1 2018
EBITDA	216	282
Changes in net working capital	-166	-243
Income taxes/interest paid	-41	-47
Other changes	1	54
Cash flow from operating activities	10	46
Additions to property, plant, and equipment	-80	-94
Additions to intangible assets, other financial assets	-5	-11
Cash flow from acquisitions	-3	-142
Other additions/disposals, net	17	4
Cash flow from investing activities	-71	-243
Free cash flow	-61	-197
Free cash flow before acquisitions	-58	-55

One-off items: lion's share of cash flow is investment in the future

CHF million	H1 2019	H2 2019	2020	2021	Total
EBIT impact one-offs (incl. divestment Herzogenburg IC)	-14	~ -34	~ -17		~ -65
Cash flow impact one-offs (incl. sale of property Werdohl)		~ -6	~ -45	~ +16	~ -35

▶ CHF 30 million of cash effect shown above, is investments in expansion of the Romanian facility and in the two Austrian production plants.

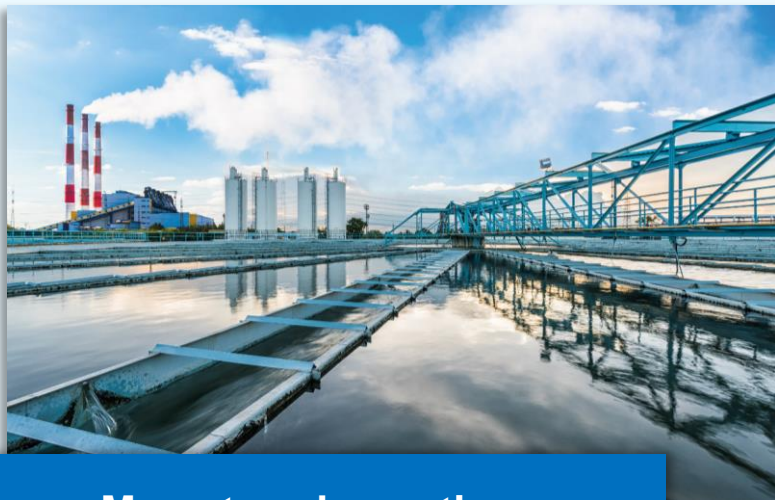
Key figures at a glance

	H1 2019	H1 2018
Net debt in CHF million	404	480
Net debt/EBITDA (multiple)	0.9x	0.9x
Equity ratio in %	40.9	34.7
ROIC before one-off in %	15.5	21.2
ROIC in %	13.8	21.2
Return on equity in %	14.4	22.8
Number of employees (incl. trainees)	14'938	16'864

Andreas Müller, CEO

Outlook

GF Piping Systems



Mega trends continue

GF Casting Solutions



Swiftly implementing measures

GF Machining Solutions



Aerospace and new technologies

Outlook 2019

ROS* ~8%

ROIC ~14-18% * before one-off items

Strategy 2020 targets confirmed

ROS 9-10%

ROIC 20-24%

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Thank you!

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