

# Welcome

**Financial Analysts' Conference 2023**

Zurich, 1 March 2023

# 2022 Financial Year

Andreas Müller, CEO | Mads Joergensen, CFO

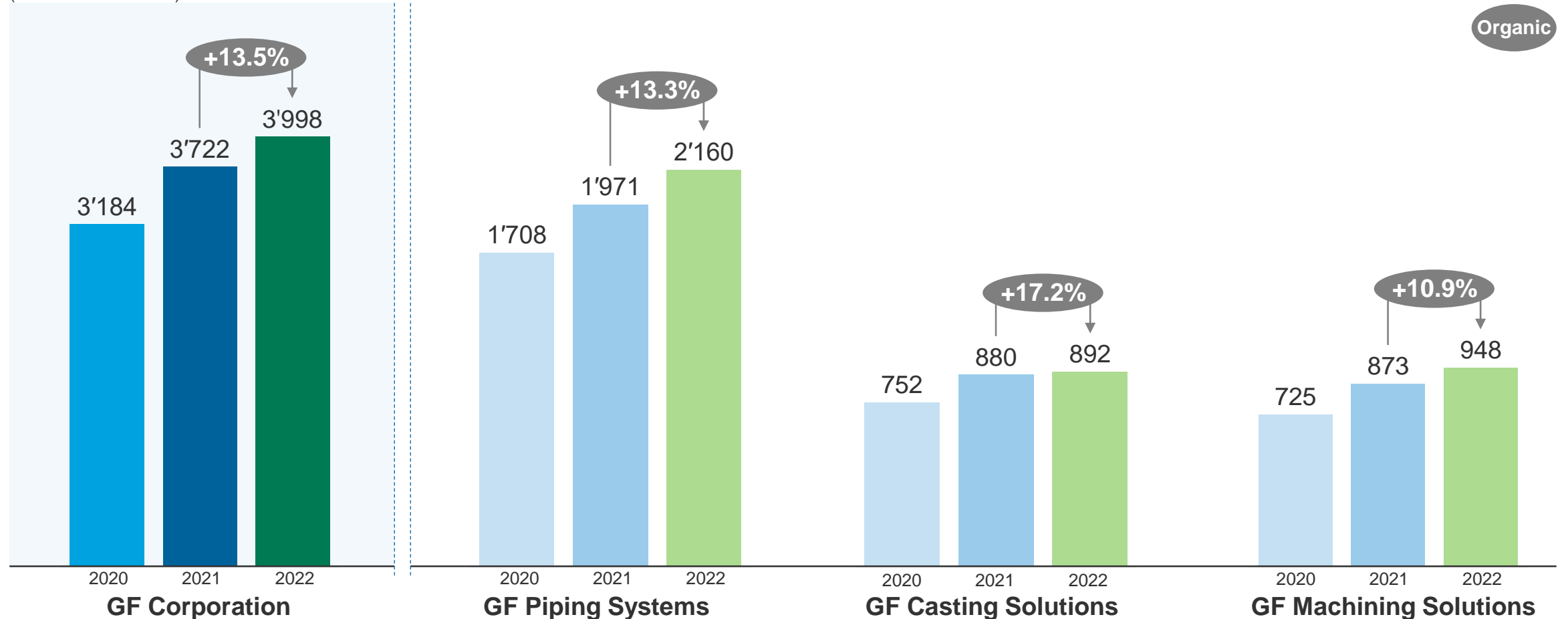
# High demand for sustainable solutions – strong results with all-time high EBIT margin 9.8%

- Order intake +4.2% (organically +10.3%) at CHF 4.2 billion
- Sales increased by 7.4% (organically +13.5%) to CHF 4.0 billion
- Operating result (EBIT) increased by 41% to CHF 391 million – all-time high EBIT margin at 9.8%
- All divisions generated value, ROIC at 23.4%
- Net profit shareholders GF increased by 29% to CHF 276 million, proposed dividend of CHF 1.30 per share (2021 adjusted: CHF 1.00)
- CO<sub>2</sub>e emissions (Scope 1 and 2) further reduced by 14%; SBTi targets validated
- Sustainable solutions focus and well-balanced global footprint paid off



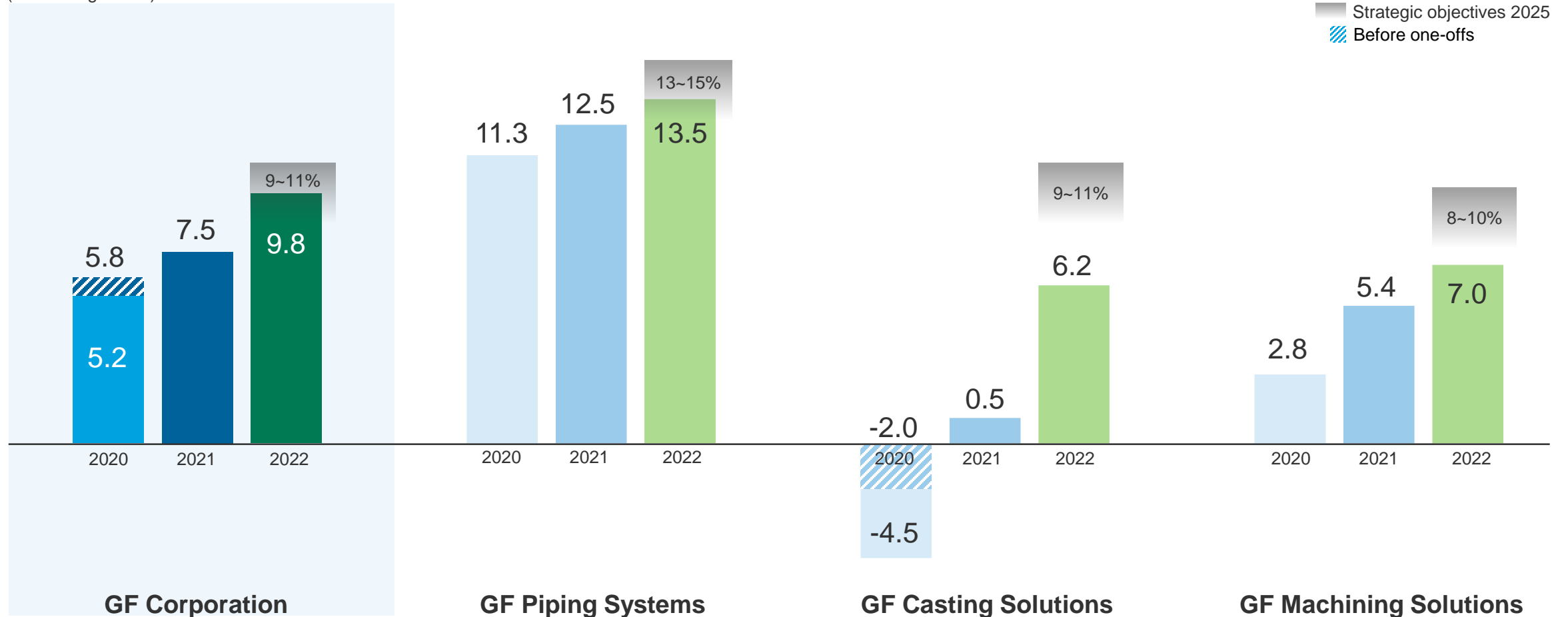
# Strong organic sales growth in all three divisions

(Sales in CHF million)



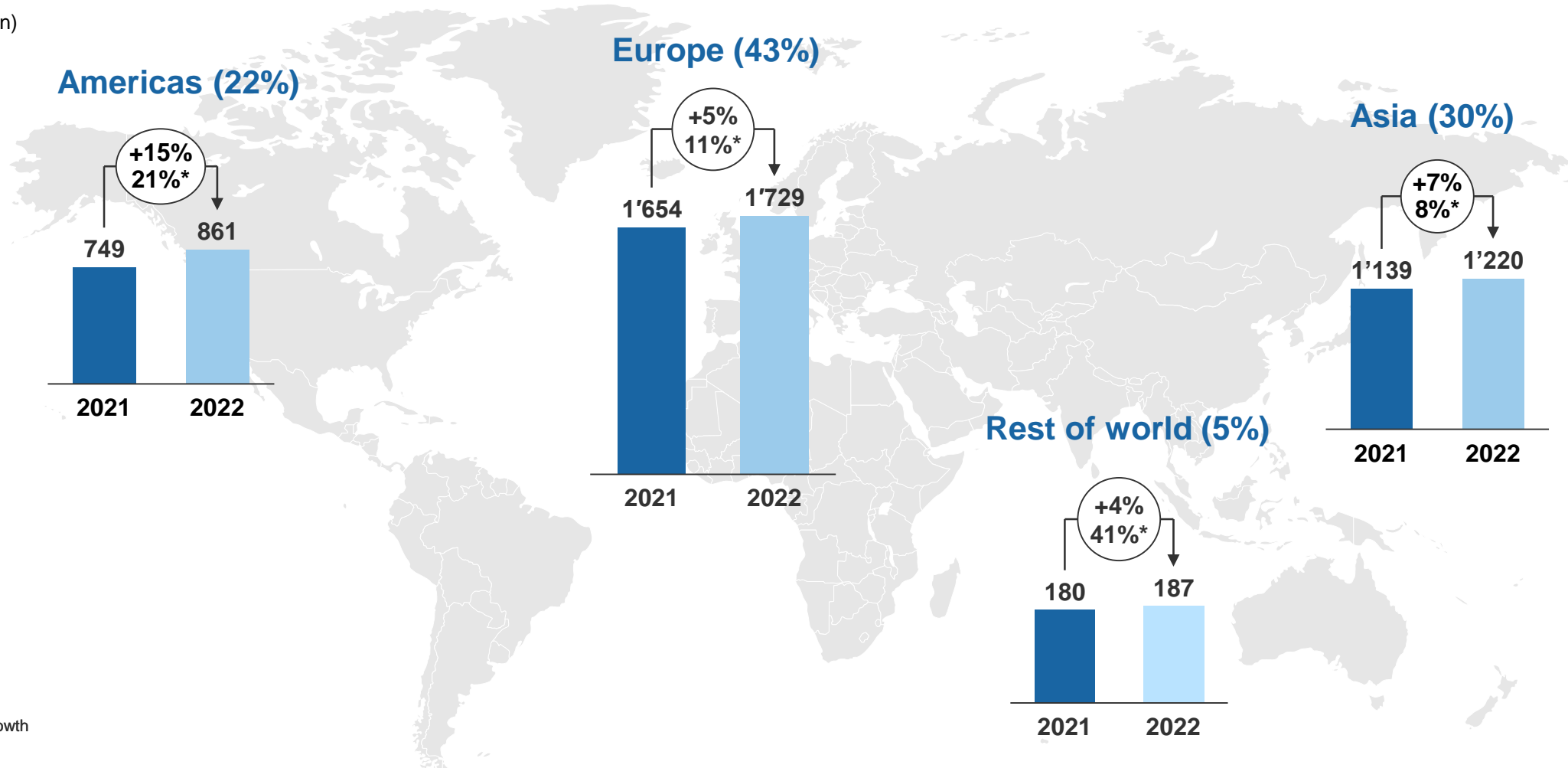
# All-time high EBIT, all three divisions with significant increases

(EBIT margin in %)



# Significant organic growth in the Americas and Europe, Asia growing with a resilient China

(CHF million)

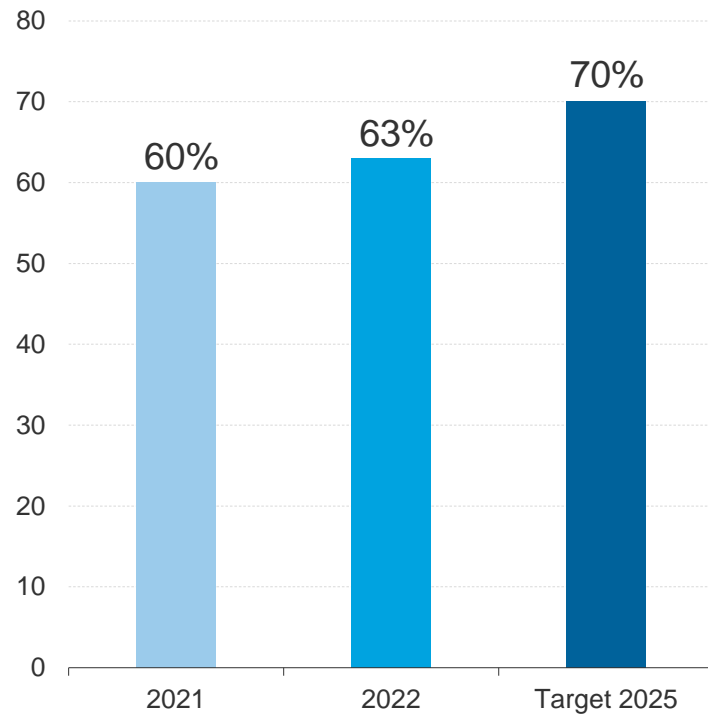


\*) Organic growth

# Important steps achieved on the way to the sustainability targets 2025

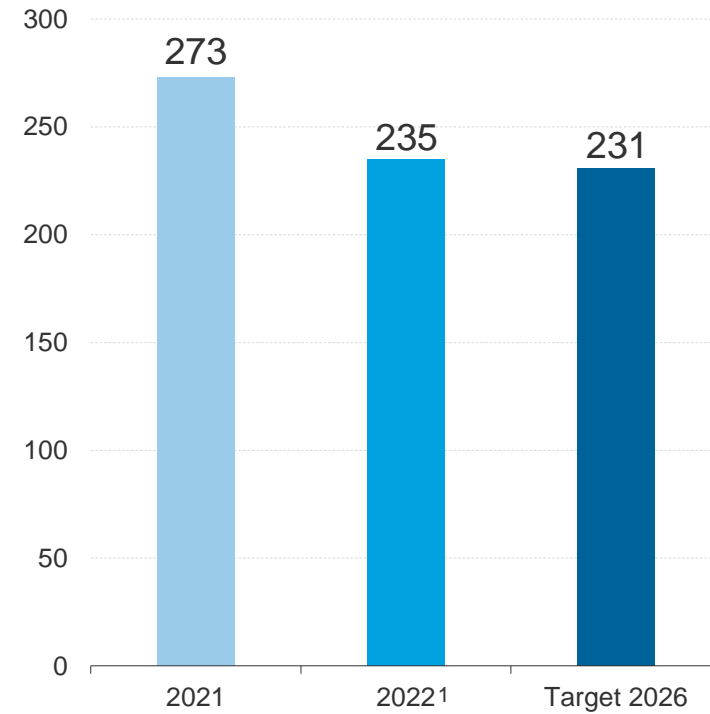
## Sales of products with social or environmental benefits

% of total sales



## CO<sub>2</sub>e emissions

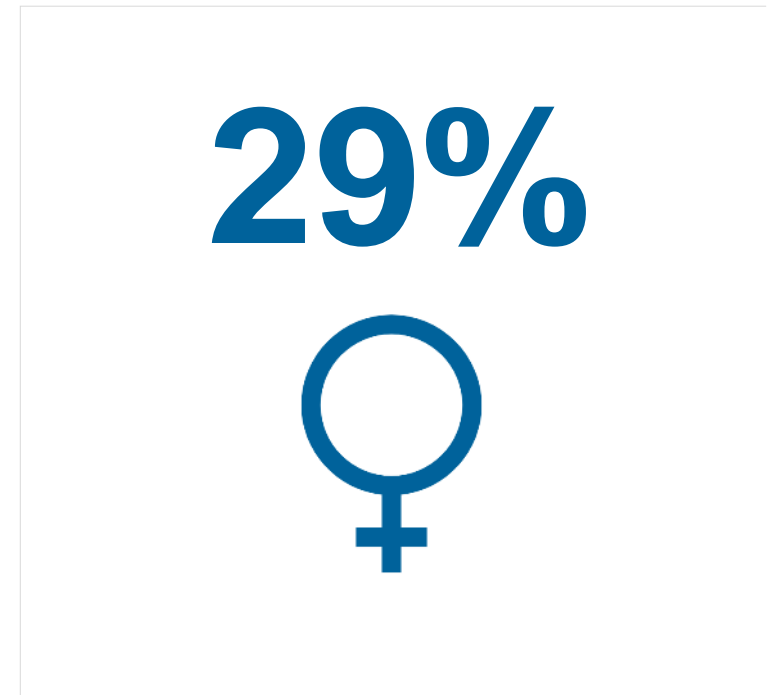
Scope 1 and 2, 1'000 t



<sup>1</sup> as per FC 2022, PwC assured

## % of newly appointed women managers

2025 target: 25%





# Reduction targets for greenhouse gases (GHG) successfully validated by SBTi



Increased share of hydro-power and PV – Traisen (Austria)



Big solar panel installations – Shenyang (China)



Reduction of scrap material during ramp up with Artificial Intelligence; optimization of energy consumption in production



# GF Piping Systems with all-time high profitability and strong presence in growth markets

- Sales of CHF 2'160 million (+9.6%), organically +13.3%
- Operating result at CHF 291 million, all-time high EBIT margin of 13.5%
- Input price increases successfully passed on to the market, contributing to growth
- Significant organic growth in the Americas (+21%) and a solid organic growth in the EU (+5%), stable demand in China
- Strong presence in growth markets that address important sustainability megatrends across the world
- New plant in Yangzhou (China) in operation



Lithium extraction plant in China

DIASTAR – pneumatic diaphragm valve



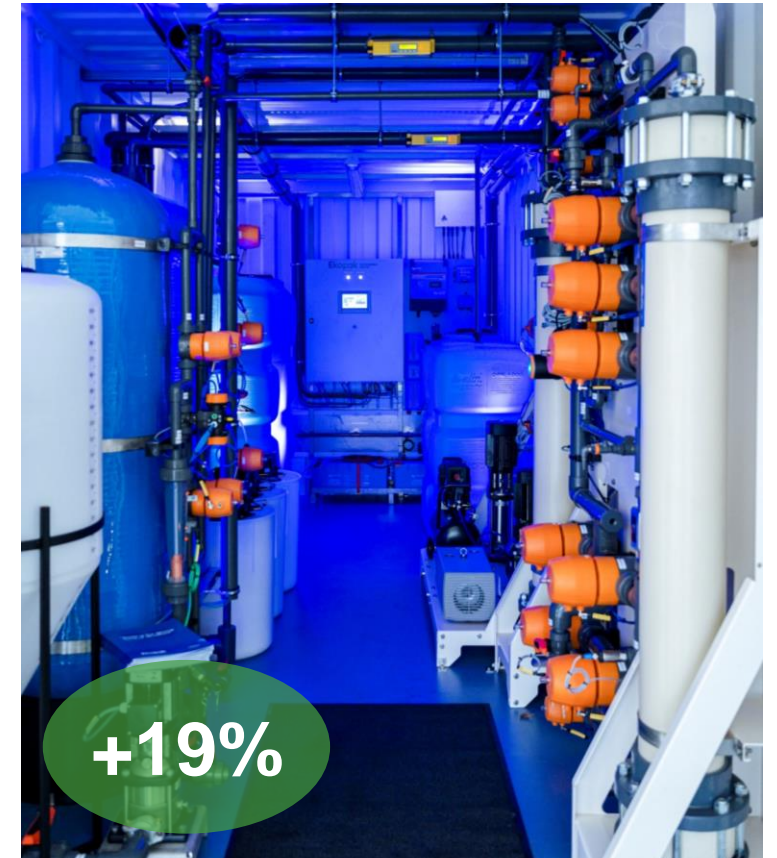
# Demand for water applications remains high – Top awards from leading semiconductor companies



Chemical process industry



Microelectronics and Data Center



Water treatment



# Strategy 2025 – new sustainable solutions and strengthened footprint in China and South America





# Megatrend: D.L.E. – promising sustainable process to produce lithium



## Megatrend

- Sustainable energy storage
- Strong demand for lithium – 3.5 million tons by 2030

## Solutions

- New extraction technologies (D.L.E – Direct Lithium Extraction) with significant reduction of resources & emissions (Water -60%, CO<sub>2</sub> -90%)

## GF solution

- Chemical resistant piping systems and process automation
- Pre-fabrication to ease installation on site

Sources: ibcmrt.com; thinkgeoenergy.com

# Profitability clearly increased, strong lifetime order intake for e-vehicle components

- Sales of CHF 892 million (+17.2% organically)
- Lifetime order intake for e-vehicle components amounts to CHF 566 million
- Operating result at CHF 55 million, EBIT margin of 6.2%
- US Joint-venture successfully divested
- New strategic partnership with Mexico-based Bocar Group
- New plant in Shenyang (China) fully in operation

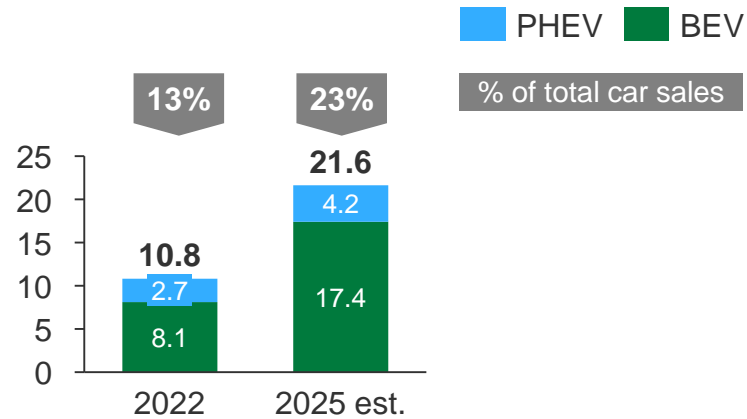




# E-mobility as future growth driver

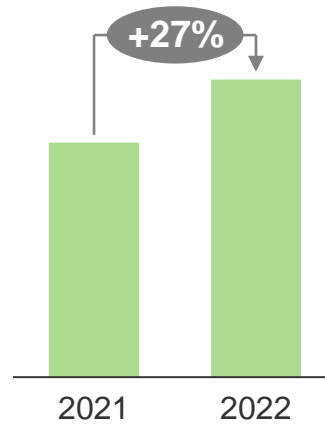
## EV sales globally

In million units



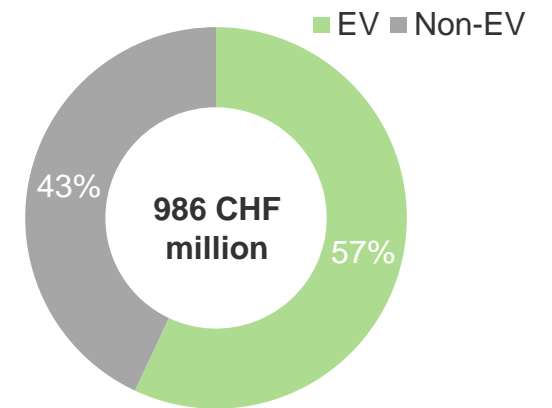
(Source: LMC Automotive, 1/2023)

## EV sales GF



## Lifetime order intake 2022 (HPDC)

EV share (HPDC – High Pressure Die Casting)



Aiways U5

Source: ev-database.org



Transmission housing (VW MEB Platform)



Mercedes-Benz EQC

Source: Mercedes-Benz



# Strategy 2025 – new plant in China opened, mega-cast skills further strengthened



New plant in Shenyang (China) in full operation



Hand-in-hand development with VW



IGT – Hydrogen turbines

# Megatrend: High demand for sustainable mobility accelerates development of lightweight mega castings



Frank Gensty (Vice President Technology – GF Casting Solutions)

## Megatrend

- Sustainable mobility

## Solutions

- Vehicles with lightweight design

## GF solution

- Large body and structural parts to simplify production process
- Lightweight solutions to increase range of EVs
- Mega casting on existing machinery



# Solid growth with automated high precision solutions

- Order intake of CHF 945 million (+2.6% organically)
- Sales of CHF 948 million +8.7% (+10.9% organically)
- Operating result at CHF 67 million, EBIT-margin of 7.0%
- Strong sales in laser texturing and EDM
- Sales of solutions with automation integration further increased (+30%)
- Innovations with focus on energy efficiency – Econowatt smart module in new machines



CUT X 350

Die-Cutting tool for yoghurt lid production

Source: Berhalter

# Strong organic growth in key market segments




# Strategy 2025 – digitalization further strengthened, new energy efficient machine tool solutions

GF Machining Solutions

FORM P series


## Energy Efficiency Certificate




Operating mode (24h cycle time)	FORM 300 Sp	FORM P 350	Energy saving %	Thanks to GF
Standby (4h)	0.7 kW	0.3 kW	-57%	1
Ready (4h)	0.7 kW	1.8 kW*	-	2
Machining (16h)	4.7 kW	2.34 kW	-50%	3,4,5
<b>Daily Energy Consumption</b>	<b>80.8 kWh</b>	<b>45.8 kWh</b>	<b>-43%</b>	

All measurements were made in accordance with measurement standards as defined in ISO 14955  
\*Taking into account thermal stability

Introduction of Energy Efficiency Certificates



MILL X 400 U



Digital Twin – process data @ cloud



# Megatrend: Increase of sales with automated solutions by 30%



## Megatrend

- Skilled labor shortage
- Automation to increase efficiency

## Solution

- Lights-off factory (24/7)
- Flexible automated precision

## GF solution

- Fully integrated machine tools
- Flexible automation concepts



# Strategy 2025: Values with focus to unleash the full potential of GF



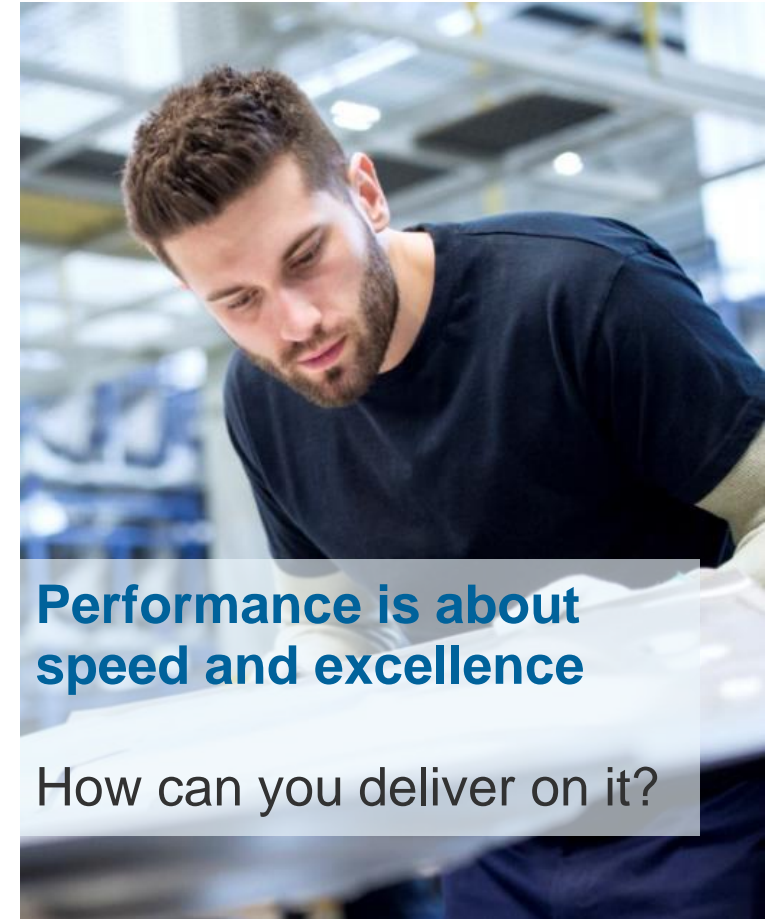
**Caring is about  
being part of a team**

How can you make it win?



**Learning is about  
having an open mind**

What will you change?



**Performance is about  
speed and excellence**

How can you deliver on it?

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)

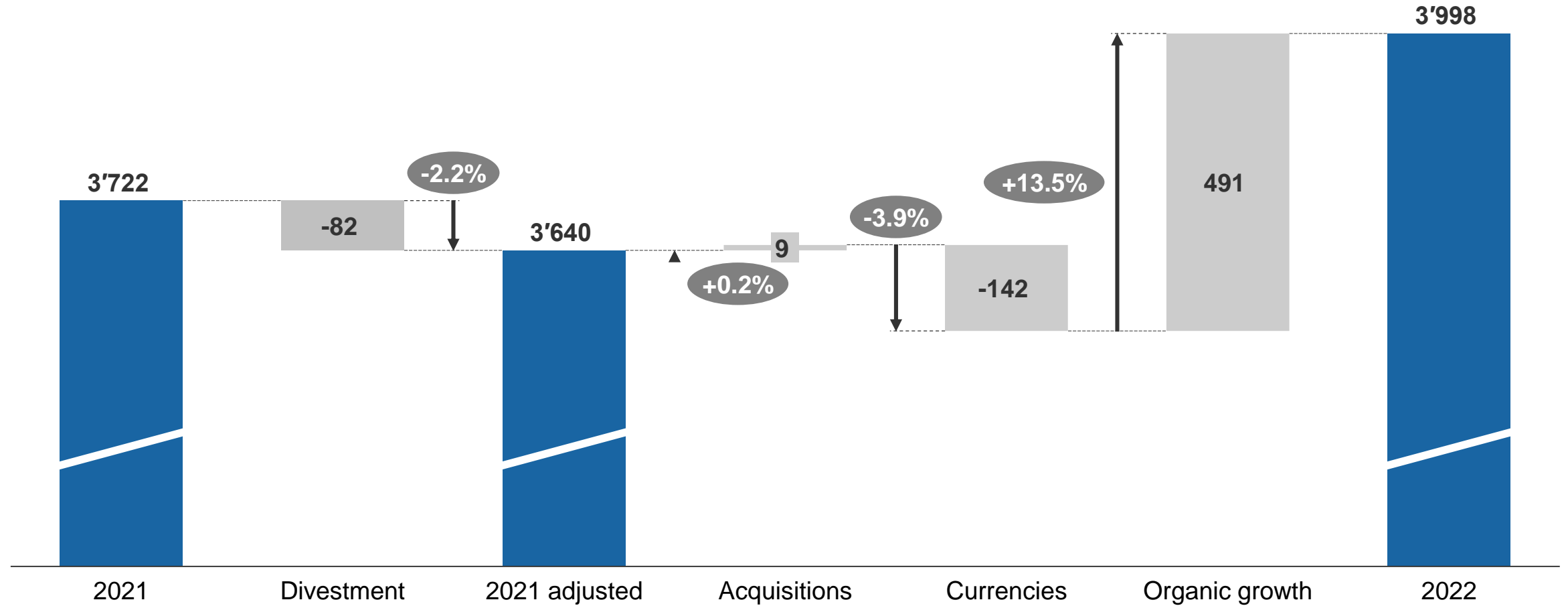
	2022	2021	Δ %	
			growth	organic growth <sup>1)2)</sup>
GF Piping Systems	2'160	1'971	+9.6%	+13.3%
GF Casting Solutions	892	880	+1.4%	+17.2%
GF Machining Solutions	948	873	+8.7%	+10.9%
<b>GF Corporation</b>	<b>3'998</b>	<b>3'722</b>	<b>+7.4%</b>	<b>+13.5%</b>
Sales H1	1'971	1'835	+7.4%	+11.1%
Sales H2	2'027	1'887	+7.4%	+15.9%

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

2) Including pricing adjustments in the range of 9-11% for GF Piping Systems (adj. volume growth 3-5%), 14-16% for GF Casting Solutions (adj. volume growth 2-4%) and 3-5% for GF Machining Solutions (adj. volume growth 7-9%)

# Sales development

(CHF million)



# Currency effects on sales and EBIT in 2022

(CHF million)

Per division	Sales	EBIT	Per currency	Rates			Sales	EBIT
				2022	2021	Δ		
GF Piping Systems	-77	-37	EUR	1.005	1.081	-7.1%	-95	-14
GF Casting Solutions	-43	-4	USD	0.955	0.914	+4.5%	+50	-10
GF Machining Solutions	-22	+2	CNY	0.142	0.142	+0.1%	-5	-1
<b>GF Corporation</b>	<b>-142</b>	<b>-39</b>	TRY	0.058	0.106	-44.9%	-71	-11
			Others				-21	-3
			<b>Total</b>				<b>-142</b>	<b>-39</b>

# EBIT and EBIT margin per division

## EBIT CHF million

	2022	2021
GF Piping Systems	291	247
GF Casting Solutions	55	5
GF Machining Solutions	67	47
<b>GF Corporation</b>	<b>391</b>	<b>278</b>
EBIT H1	179	141
EBIT H2	212	137

## EBIT margin %

	2022	2021
GF Piping Systems	13.5%	12.5%
GF Casting Solutions	6.2%	0.5%
GF Machining Solutions	7.0%	5.4%
<b>GF Corporation</b>	<b>9.8%</b>	<b>7.5%</b>
EBIT H1	9.1%	7.7%
EBIT H2	10.5%	7.3%



# Income statement

(CHF million)

	2022	2021	Δ%
<b>Sales</b>	<b>3'998</b>	<b>3'722</b>	<b>7</b>
Gross value added	1'560	1'407	11
Personnel expenses	-1'053	-995	6
<b>EBITDA</b>	<b>507</b>	<b>412</b>	<b>23</b>
EBITDA margin in %	12.7	11.1	
Depreciation, amortization	-116	-134	-14
<b>Operating result (EBIT)</b>	<b>391</b>	<b>278</b>	<b>41</b>
Return on sales (EBIT margin) in %	9.8	7.5	
Financial result	-45	-23	93
Non-operating result & share of results of associates	8	-2	
Income taxes	-74	-53	39
<b>Net profit</b>	<b>280</b>	<b>200</b>	<b>40</b>
Net profit minority interests	4	-15	
<b>Net profit shareholders GF</b>	<b>276</b>	<b>214</b>	<b>29</b>
Earnings per share in CHF	3.37	2.62	29

# Balance sheet: assets

(CHF million)

	2022	%	2021	%
Cash, cash equivalents, and marketable securities	894		944	
Trade accounts receivable	660		611	
Inventories	833		776	
Other current assets	102		128	
<b>Current assets</b>	<b>2'489</b>	<b>67</b>	<b>2'459</b>	<b>65</b>
Property, plant, and equipment and investment properties	966		1'105	
Intangible assets	36		40	
Other non-current assets	207		163	
<b>Non-current assets</b>	<b>1'209</b>	<b>33</b>	<b>1'308</b>	<b>35</b>
<b>Assets</b>	<b>3'698</b>	<b>100</b>	<b>3'767</b>	<b>100</b>

# Balance sheet: liabilities and equity

(CHF million)

	2022	%	2021	%
Current liabilities	1'202		1'318	
Non-current liabilities	840		953	
<b>Liabilities</b>	<b>2'042</b>	<b>55</b>	<b>2'271</b>	<b>60</b>
Share capital	4		4	
Capital reserves	26		25	
Treasury shares	-8		-11	
Retained earnings	1'579		1'454	
Minority interests	54		24	
<b>Equity</b>	<b>1'656</b>	<b>45</b>	<b>1'496</b>	<b>40</b>
<b>Liabilities and equity</b>	<b>3'698</b>	<b>100</b>	<b>3'767</b>	<b>100</b>

# Free cash flow

(CHF million)

	2022	2021
<b>EBITDA</b>	<b>507</b>	<b>412</b>
Changes in net working capital	-176	-92
Income taxes / interest paid	-90	-63
Other changes	85	32
<b>Cash flow from operating activities</b>	<b>326</b>	<b>288</b>
Additions to property, plant, and equipment	-160	-135
Cash flow from acquisitions / divestments	55	-41
Other additions / disposals, net	-20	-3
<b>Cash flow from investing activities</b>	<b>-125</b>	<b>-178</b>
<b>Free cash flow</b>	<b>201</b>	<b>110</b>
<b>Free cash flow before acquisitions / divestments</b>	<b>146</b>	<b>151</b>

# Key figures at a glance

	2022	2021
Net debt (+) / Net cash (-) in CHF million	-159	54
Net debt / EBITDA (multiple)	n.a.	0.13x
Equity ratio in %	44.8	39.7
ROIC in % GF Corporation	23.4	16.4
GF Piping Systems	35.6	32.1
GF Casting Solutions	11.2	0.3
GF Machining Solutions	31.7	21.9
Return on equity in %	17.8	13.8
Number of employees (incl. trainees)	15'207	15'111

# Dividend: Board of Directors proposes 30% increase

	2022	2021
<b>Net profit shareholders GF in CHF million</b>	<b>276</b>	<b>214</b>
Earnings per share in CHF	3.37	2.62
Proposed / paid dividend (out of retained earnings) in CHF million	107	82
<b>Proposed / paid dividend per share in CHF</b>	<b>1.30</b>	<b>1.00</b>
Pay-out ratio in %	39	38



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# Outlook 2023

Andreas Müller, CEO

# Global opportunities support continued growth & profitability in the strategic corridor 2025



- Continued growth
- Profitability in the strategic corridor 2025 (EBIT margin 9-11%)

## Outlook 2023

- + Good order book
- + Strong position in resilient market segments
- + Innovations with positive sustainability impact
- Geopolitical tensions
- Macroeconomic uncertainties



# Q&A

Are you #GoingForward as well?





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