



GF Corporation

# Investor Presentation

April 2018



# An industrial solution provider

We offer three times premium expertise and service to match our customers' needs:

## GF Piping Systems



**40%**

CHF 1'678 million

## GF Casting Solutions



**36%**

CHF 1'482 million

## GF Machining Solutions



**24%**

CHF 992 million

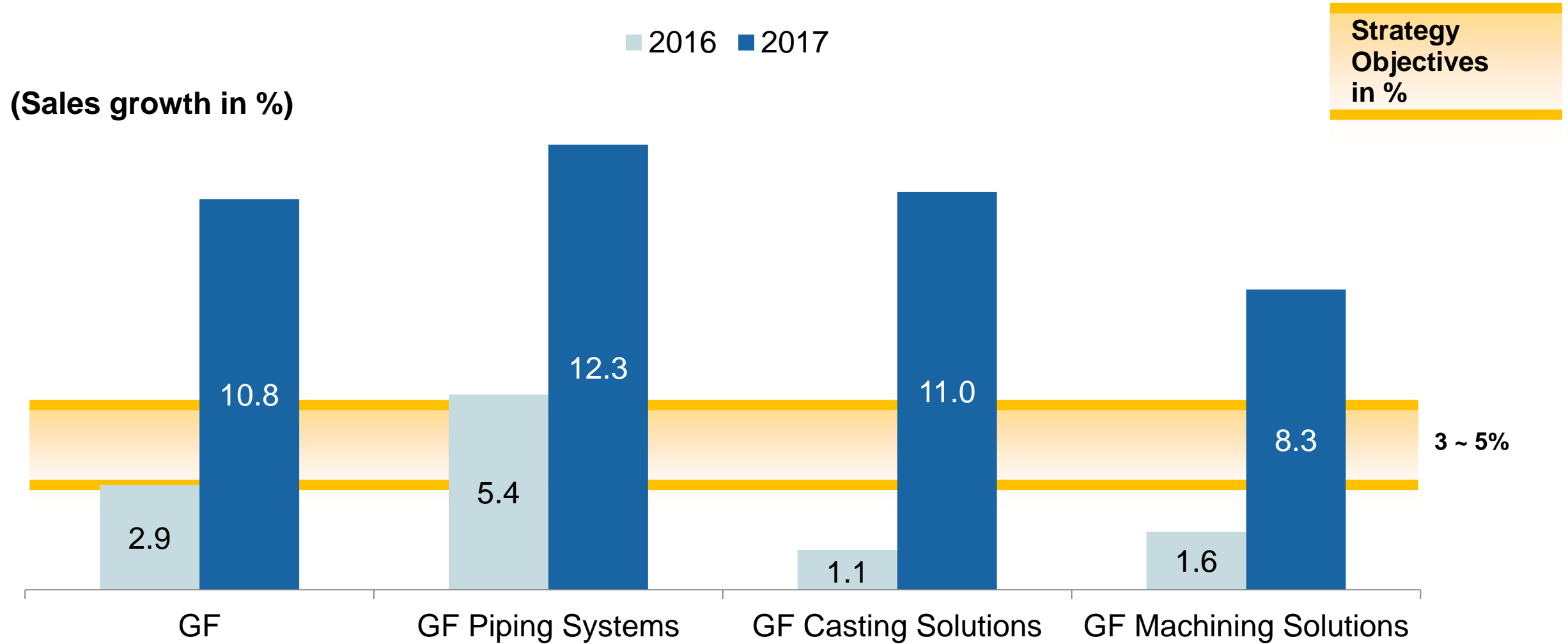
**Total sales in 2017: CHF 4'150 million**

# Growth well above target

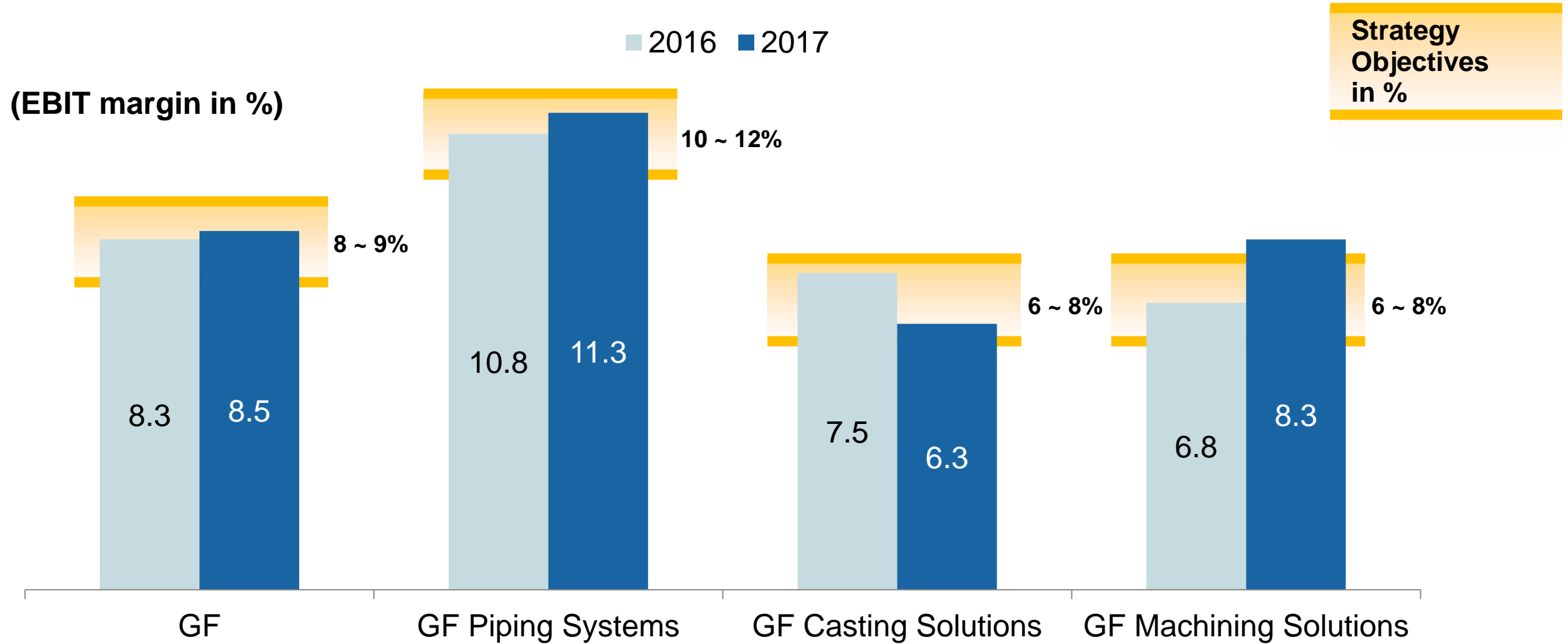


- Sales up 11% at CHF 4'150 million
- Operating result increased 13% to CHF 352 million (CHF 311 million in 2016)
- Earnings per share reach CHF 62 (CHF 53 in 2016)
- Free cash flow (before acquisitions/divestments) at CHF 204 million
- Dividend increase to CHF 23 per share (CHF 20 in the previous year)

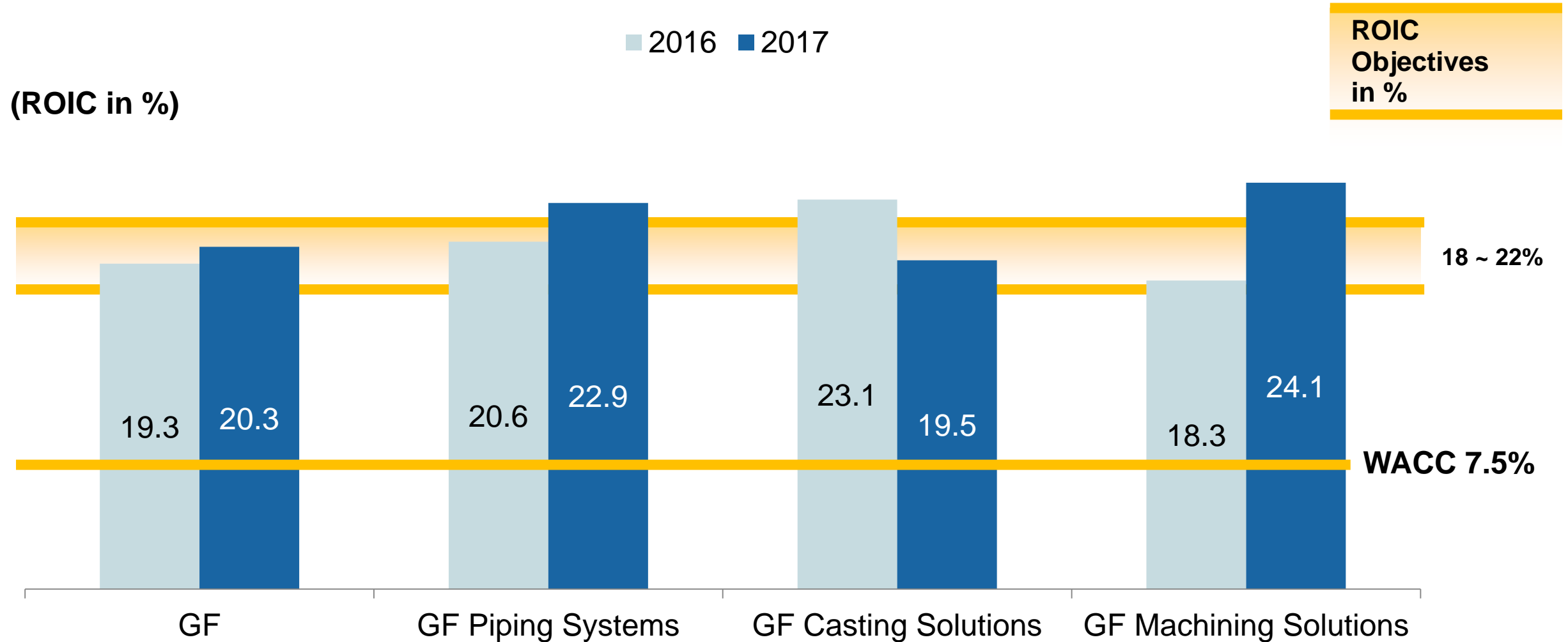
# All three divisions grew sales significantly



# All three divisions in the strategic target range



# All three divisions again generate substantial value

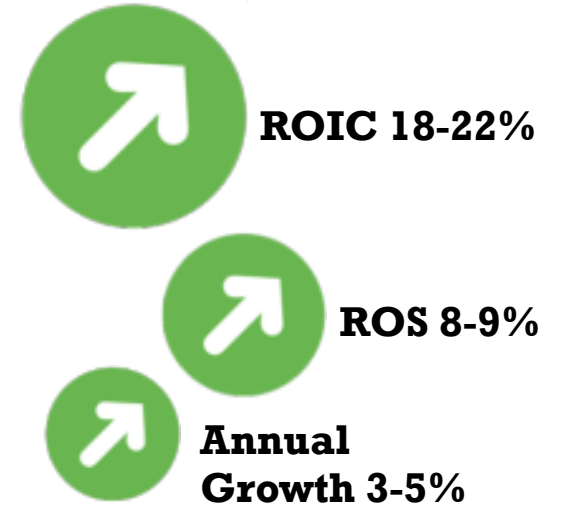


# Strategy 2020 – Profitable expansion

- Widen presence in growth markets, optimize productivity in Europe
- Shift divisions' portfolio to higher margin businesses
- Drive sales proficiency and innovation excellence

GF Strategy   
20      
20   

## Objectives



A close-up photograph of a modern industrial piping system. The system consists of grey plastic pipes and valves. Several valves are equipped with smart actuators, each featuring a small digital display screen and a yellow protective cover. The actuators are connected to a network, as indicated by the presence of a smartphone and various cables. The background is slightly blurred, showing more of the industrial environment. The overall scene is brightly lit, and the colors are vibrant, particularly the yellow and orange accents on the actuators and valves.

# GF Piping Systems



# GF Piping Systems Overview

- Complete systems for the safe transport of liquids and gases
- Pipes, fittings, valves, automation, jointing technologies, measurement & control
- For industry, utility and building technology



**1'678**

million (CHF) sales

**6'764**

employees

**> 60**

companies worldwide

Figures for 2017

# GF Piping Systems Partnering with our customers ...

## Utility



Gaz de France



## Building Technology



## Industry



**... to conserve water and avoid contamination ...**



**... through safe and secure piping systems.**

GF Piping Systems

# Urecon acquisition as springboard for cooling in North America





# GF Casting Solutions

# GF Casting Solutions Overview



- Production of lightweight cast components and systems
- Made out of ductile iron, aluminum and magnesium
- For the global automotive industry and other industrial applications



**1'482**

million (CHF) sales

**5'738**

employees

**19**

companies worldwide

Figures for 2017

# Partnering with car/truck manufacturers worldwide ...



# ... to address the emission challenge ...



up to - 45 %



## ... through weight reduction.



# 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

GF Casting Solutions

# Ramp up of new production facility in North Carolina

GF Linamar Joint Venture

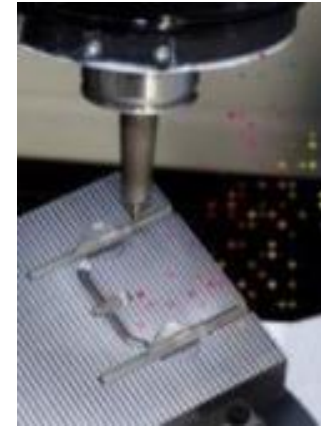


# GF Machining Solutions



# GF Machining Solutions Overview

- Machines and automation solutions for high precision manufacturing technologies
- EDM, milling and laser texturing
- For information and communication technology, aerospace and aeronautics, medical, dental etc.



**992**

million (CHF) sales

**3' 255**

employees

**36**

companies worldwide

Figures for 2017

# We offer our customers ...

## ICT



## Medical



## Aviation



## Honeywell



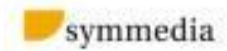
# ... solutions to their automated ...



# ... and connected precision needs...

# ... through digital transformation.

We build the Internet  
for Machines



## Remote Service

Easy and secure  
connection  
to the machine



## Maintenance

Maintenance and  
service management



## Parts

Parts-shop  
directly at the machine



## Monitoring

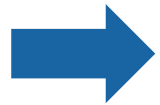
Monitoring and  
visualization  
of machine statuses

# Outlook 2018



- Strong momentum at GF Piping Systems
- Acquisitions/new capacities to support GF Casting Solutions growth
- 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

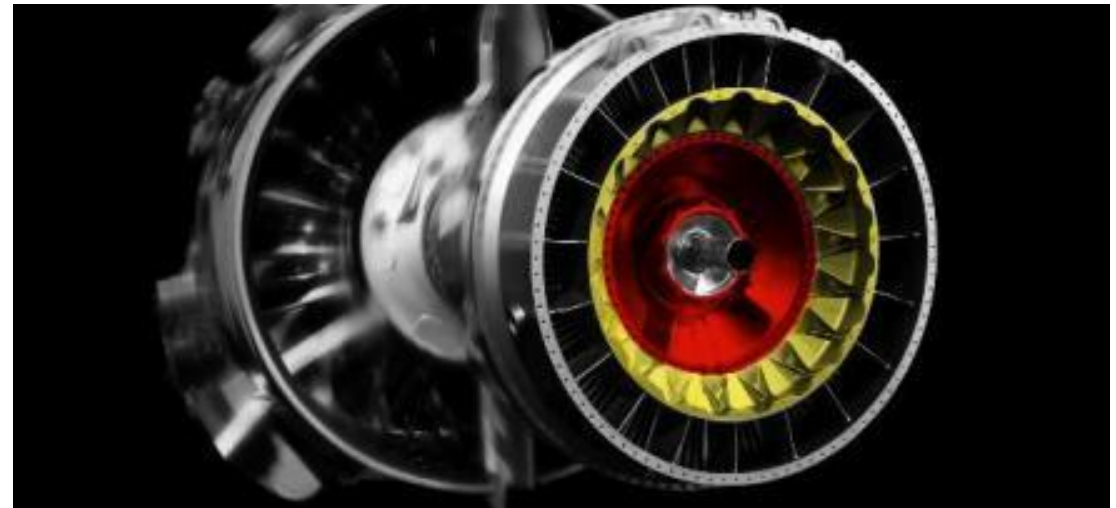
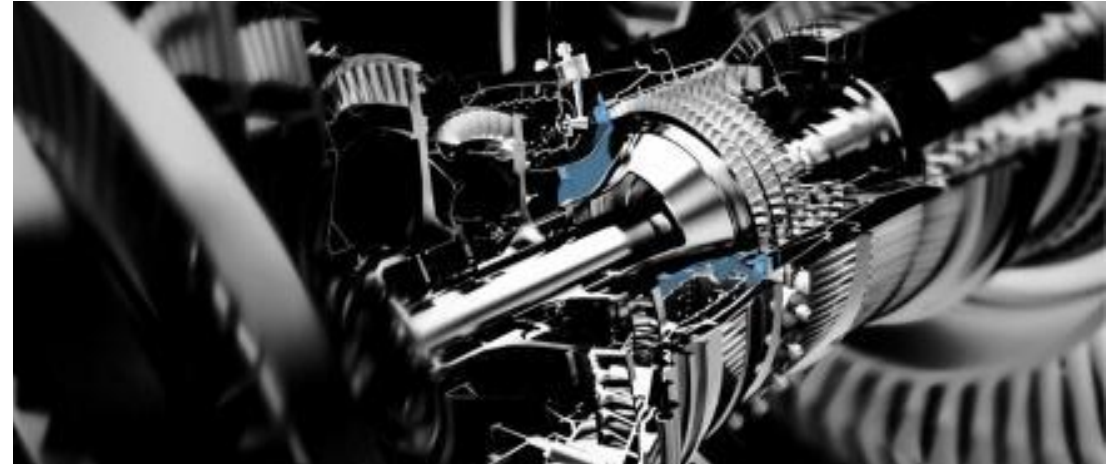


Hycleen Automation System



Servicing machines with rConnect

GF Casting Solutions  
**Acquisition GF Precicast**



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

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**Thank you**



# Disclaimer

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# Backup Financials

# 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 %

# Key figures at a glance

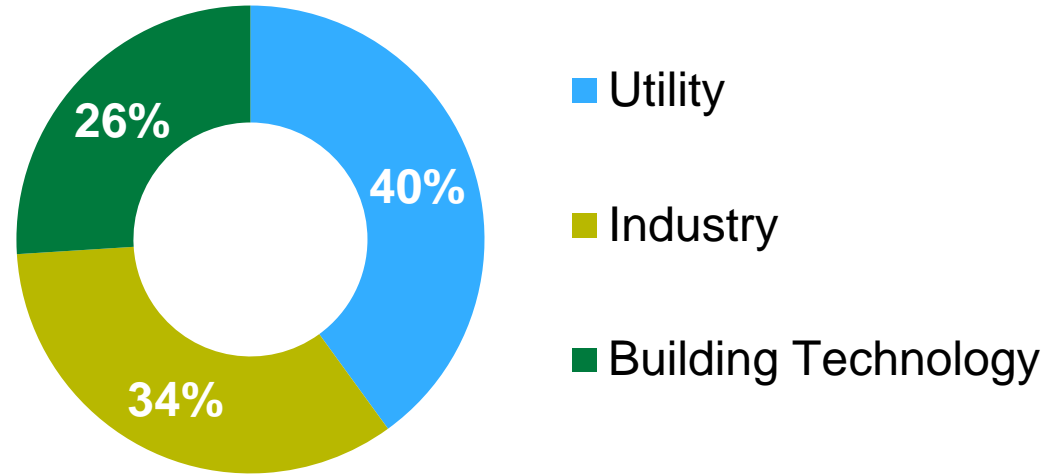


	2017	2016
Net debt in CHF	183	214
Net debt / EBITDA (multiple)	0.4x	0.5x
ROIC in %	20.3	19.3
Return on Equity in %	20.1	19.3
Earnings per share in CHF	62	53
Dividend per share in CHF	23	20
Number of employees (incl. trainees)	15'835	14'808



# **Backup Business Overview - Divisions**

# GF Piping Systems Business Overview



## Utility

Market Trend:



**Position:** World #1 for PE electrofusion fittings

**Major competitors:** Aliaxis, Mexichem (Wavin), Agru

## Industry

Market Trend:



**Position:** Market leader int.

**Major competitors:** Simona, Aliaxis, Spears, Watts Water, Sekisui, Asahi Yukizai

## Building Technology

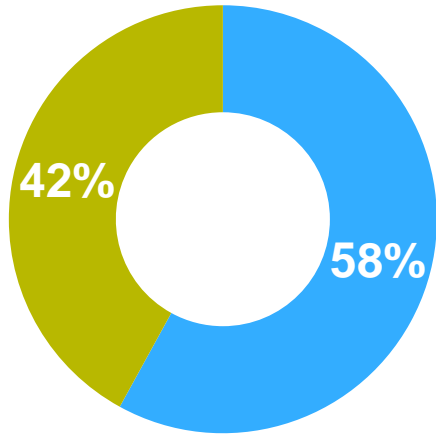
Market Trend:



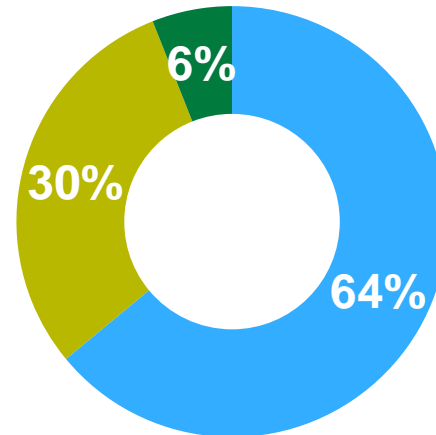
**Position:** Switzerland #1, Leading in selected markets

**Major competitors:** Geberit, Uponor, Aalberts Ind, Rehau

# GF Casting Solutions Business Overview



- Iron Castings
- Light Metal Castings



- Passenger Cars
- Trucks
- Industrial Applications

## Iron Castings

Market Trend: 

Position: Europe #1

### Major competitors:

Hitachi Metals, Fagor Ederlan, SLR, Walter Hundhausen, MeiTa, Halberg, Busch Hungaria

## Light Metal Castings

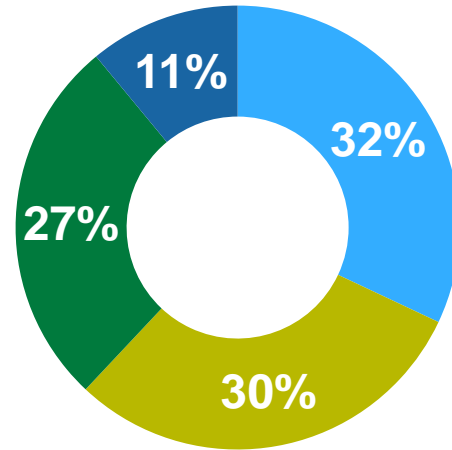
Market Trend: 

Position: Europe Top 3

### Major competitors:

Nemak, Ryobi, Martinrea, DGS, KSM Castings, Handtmann, Magna BDW

# GF Machining Solutions Business Overview



- Milling
- EDM
- Customer Services
- Automation/Tooling/Laser

Milling	EDM	Customer Services	Automation/Tooling/Laser
<p><b>Market Trend:</b> <span style="color: #00AEEF;">➔</span></p> <p><b>Position:</b> HSM Top 5</p> <p><b>Major competitors:</b> Makino, Hermle, DMG Mori, Rödgers, Exeron</p>	<p><b>Market Trend:</b> <span style="color: #00AEEF;">➔</span></p> <p><b>Position:</b> Top 3</p> <p><b>Major competitors:</b> Sodick, Fanuc, Mitsubishi, Makino</p>	<p><b>Market Trend:</b> <span style="color: #00AEEF;">➔</span></p> <p><b>Position:</b> #1 Coated Wire Sales</p>	<p><b>Market Trend:</b> <span style="color: #00AEEF;">➔</span></p> <p><b>Position:</b> World #1</p> <p><b>Major competitors:</b> Erowa, Hirschmann, F-Tool, Zimmer &amp; Kreim, Fastems</p>

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