



Annual Media Conference

# 2016 financial year

Yves Serra  
28.02.2017



# Performance further increased

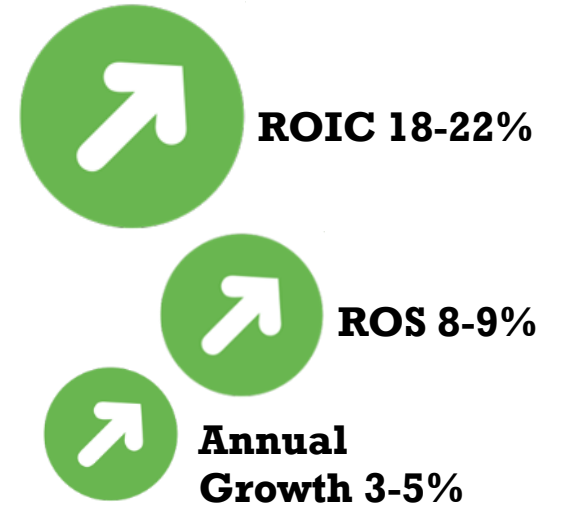
- Sales up 3% at CHF 3'744 million (up 2% organically)
- Operating result increased 5% to CHF 311 million for a 8.3% EBIT margin (8.1% in 2015)
- Earnings per share up 15% to CHF 53
- Free cash flow (before acquisitions/divestments) up 22% to CHF 231 million
- Dividend increase to CHF 20 per share proposed

# Strategy 2020 – Profitable expansion

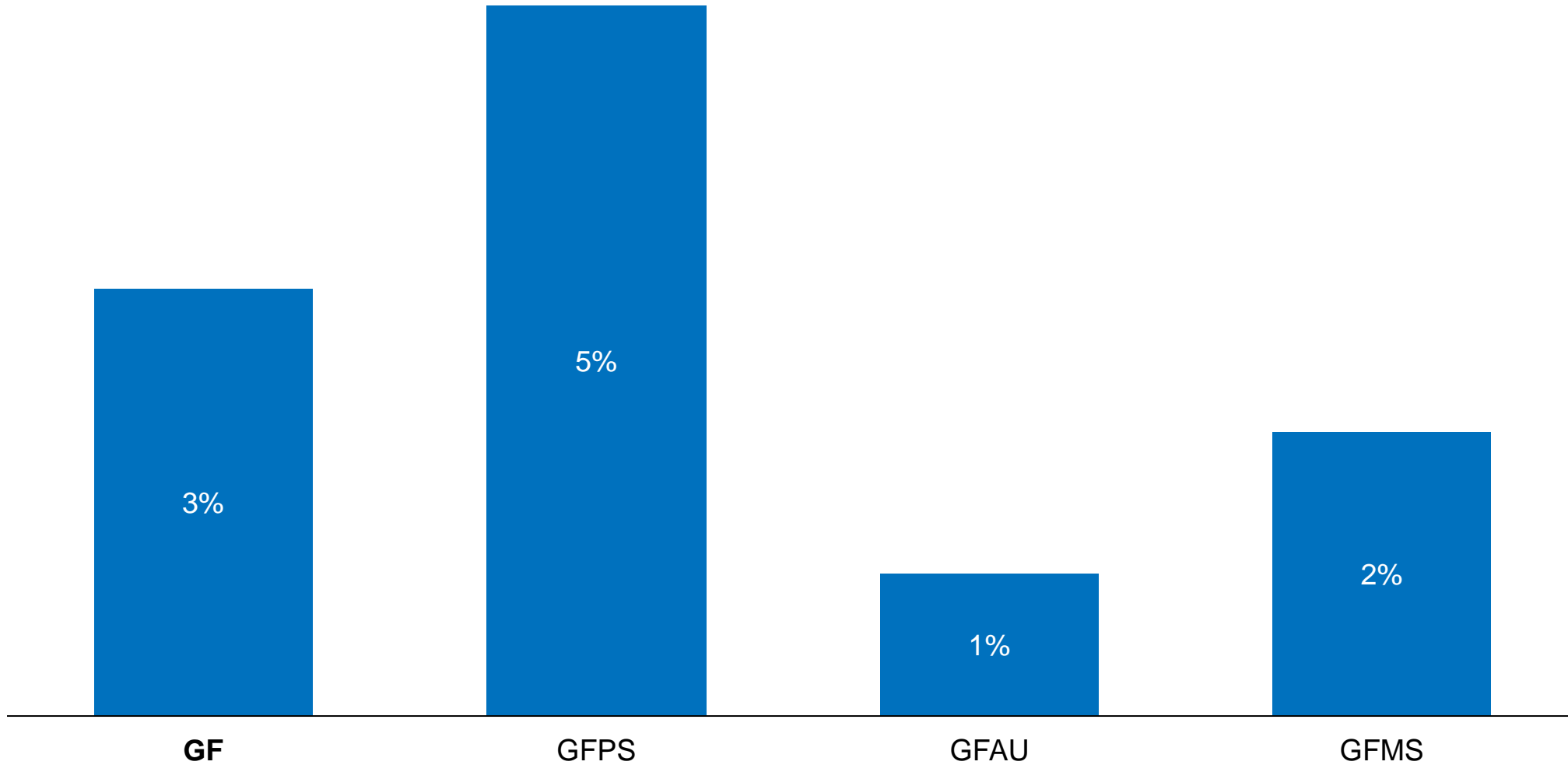
- Widen presence in growth markets, optimize productivity in Europe
- Shift divisions' portfolio to higher margin businesses
- Drive sales proficiency and innovation excellence



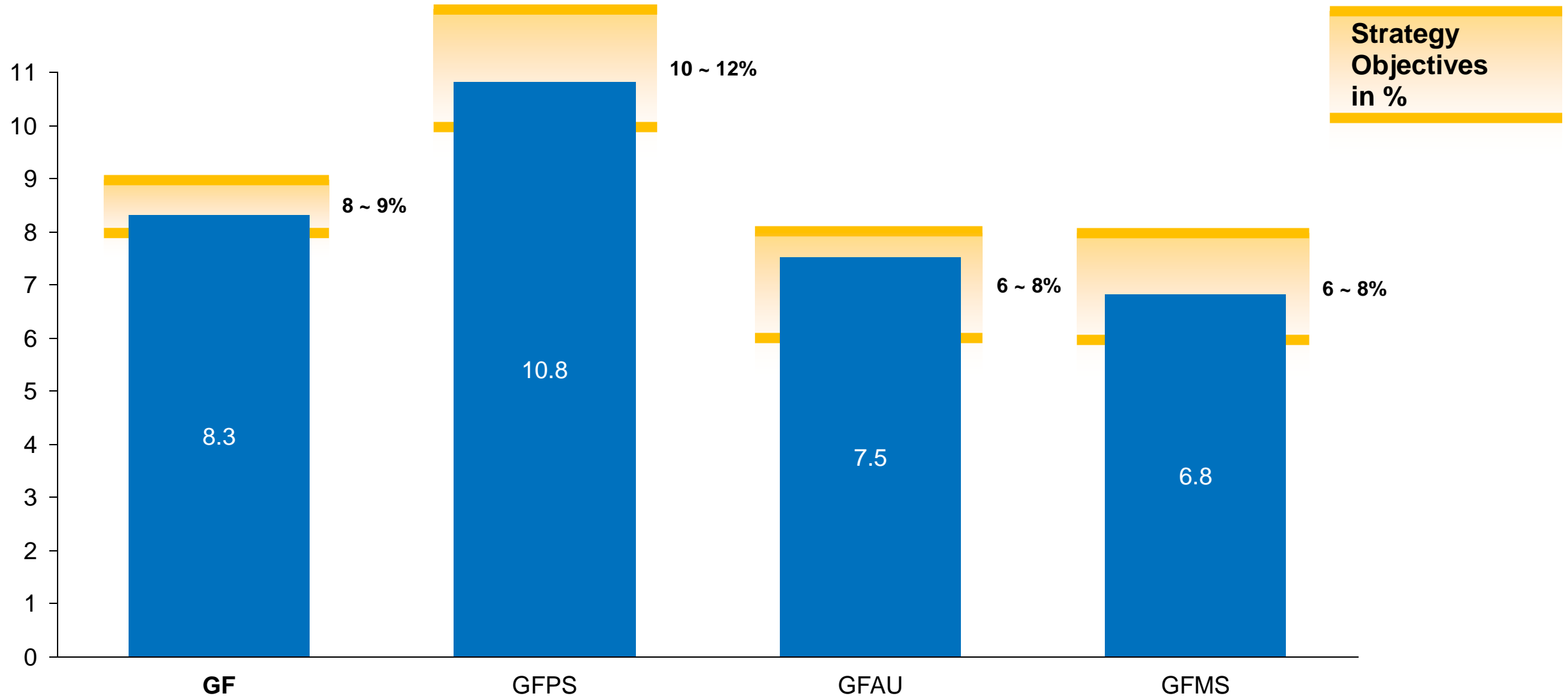
## Objectives



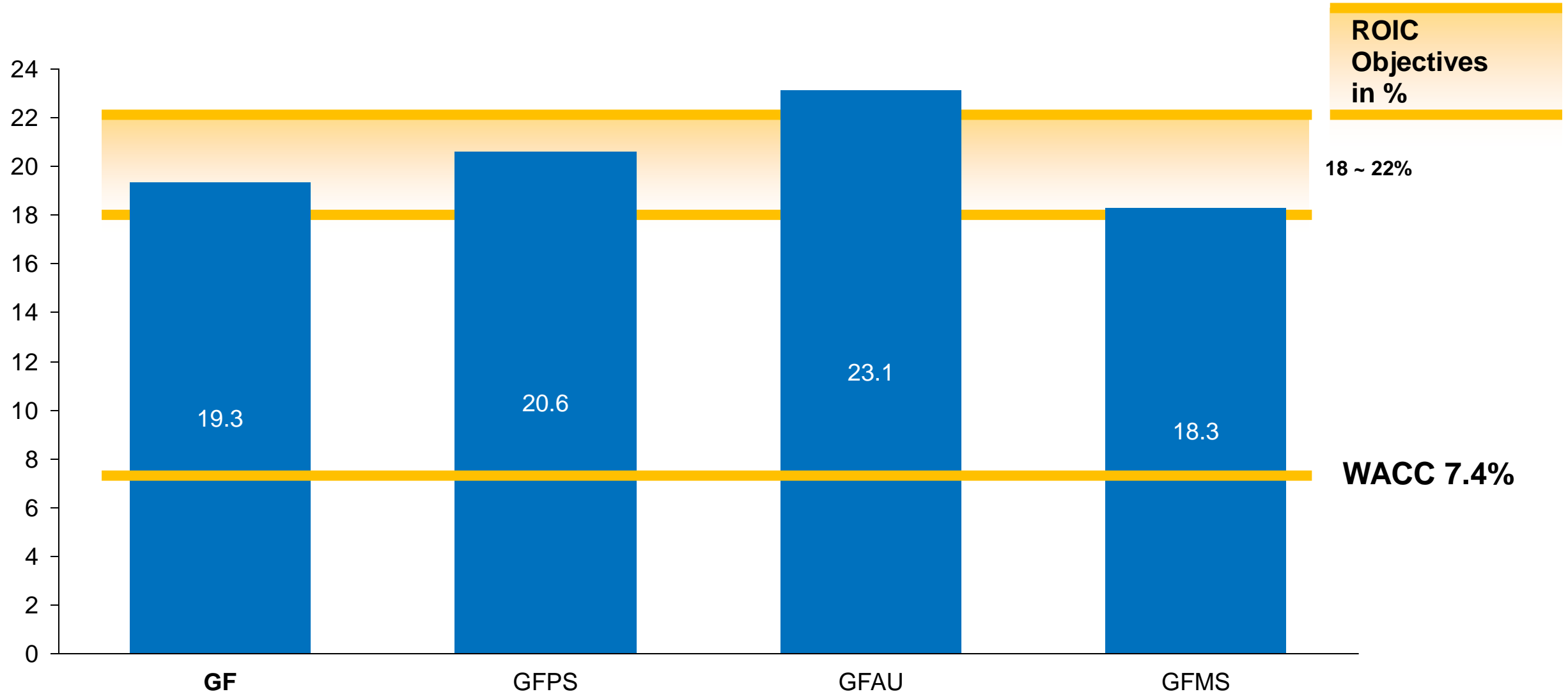
# Sales growth in line with 2016-2020 objectives



# EBIT margin on track at all three divisions



# All divisions generate substantial value



GF Corporation

# Optimize productivity in Europe/ Expand in growth markets



Automatize foundries in Europe



Acquisitions in Asia (PT Eurapipe, Indonesia)

# Shift divisions portfolio to higher margin business



**Air-conditioning**



**Laser applications**



**E-Mobility**



# Drive sales proficiency and innovation excellence



Innovation excellence (2016/2017)



Value selling (2017)



**We put  
customers  
first**



Scan and find out more  
about the GF values

# A strong performance across the board

- Sales increased by 5% to CHF 1'494 million
- Strong demand for industrial applications worldwide
- Steady growth in Building Technology
- Utility sector sales stable despite oil/gas slump
- Three acquisitions support growth in key asian markets
- EBIT up 13% to CHF 162 million for a 10.8% ROS



World's tallest residential building (Mumbai, India)

# Trend to sustainability spurs growth



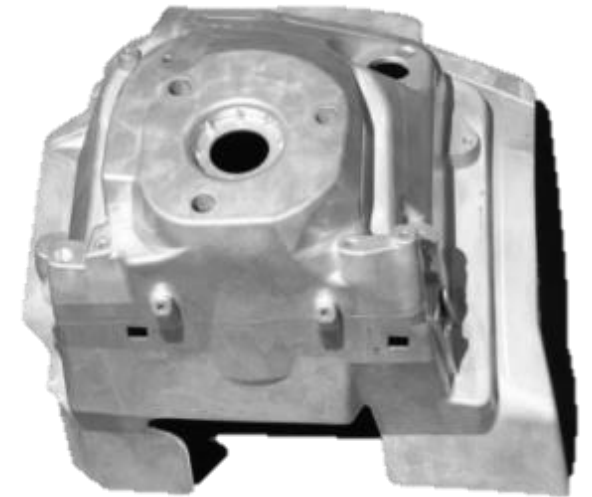
Potable water plant, City of Akron, Ohio, USA

## Profitability up on lightweight focus

- Sales up 1% to CHF 1'335 million
- Orders for light metal components on the increase
- Iron casting business subdued in Europe, growing in China
- EBIT up 12% to CHF 100 million for a 7.5% ROS



Volvo XC60



Shock tower supply worldwide

# Electric car business on the rise



Battery housing



Renault Captur

# Resilient amid uneven markets

- Sales up 2% to CHF 916 million
- Healthy demand in aerospace and medical sectors
- Electronics sector softened in 2nd half-year
- Promising acquisition of US micro-laser specialist
- EBIT of CHF 62 million at previous year's level\* for a 6.8% ROS



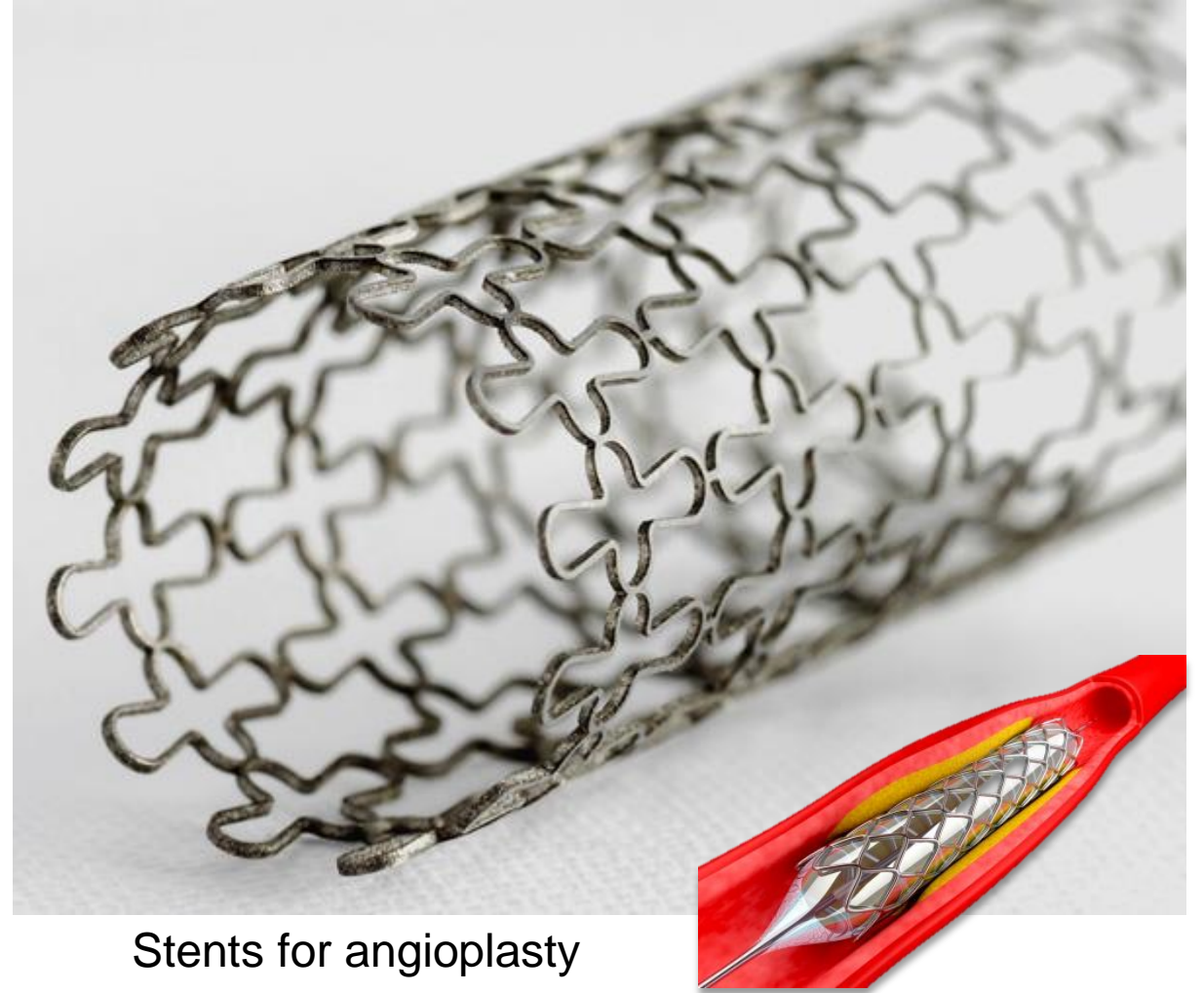
Aerospace components

\*Adjusted for one-off effects

# Advanced technologies open new markets



Sharp camera lenses



Stents for angioplasty

Andreas Müller, CFO

# Consolidated financial statements



**GF Corporation**  
**Sales by division**



CHF million

|                        | <b>2016</b>  | 2015         | growth       | organic growth <sup>1)</sup> |
|------------------------|--------------|--------------|--------------|------------------------------|
| GF Piping Systems      | 1'494        | 1'417        | 5.4 %        | 5.0 %                        |
| GF Automotive          | 1'335        | 1'321        | 1.1 %        | -0.3 %                       |
| GF Machining Solutions | 916          | 902          | 1.6 %        | -0.3 %                       |
| <b>Corporation</b>     | <b>3'744</b> | <b>3'640</b> | <b>2.9 %</b> | <b>1.8 %</b>                 |
| Sales 1st Semester     | 1'863        | 1'802        | 3.4 %        | 1.5 %                        |
| Sales 2nd Semester     | 1'881        | 1'838        | 2.3 %        | 2.0 %                        |

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

# GF Corporation

## Sales by division



CHF million

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|  |       |
|--|-------|
| GF Automotive adjusted for metal price effects | 3.3 % |
|--|-------|

|   |              |
|---|--------------|
| <b>Corporation adjusted for metal price effects</b> | <b>3.0 %</b> |
|---|--------------|

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

**EBIT and margin by division**

CHF million

EBIT margin %

|                        | 2016       | 2015       | 2016         | 2015         |
|------------------------|------------|------------|--------------|--------------|
| GF Piping Systems      | 162        | 143        | 10.8 %       | 10.1 %       |
| GF Automotive          | 100        | 89         | 7.5 %        | 6.7 %        |
| GF Machining Solutions | 62         | 78         | 6.8 %        | 8.6 %        |
| <b>Corporation</b>     | <b>311</b> | <b>296</b> | <b>8.3 %</b> | <b>8.1 %</b> |
| EBIT 1st Semester      | 153        | 128        | 8.2 %        | 7.1 %        |
| EBIT 2nd Semester      | 158        | 168        | 8.4 %        | 9.1 %        |

# Currency impact on Sales/EBIT

CHF million

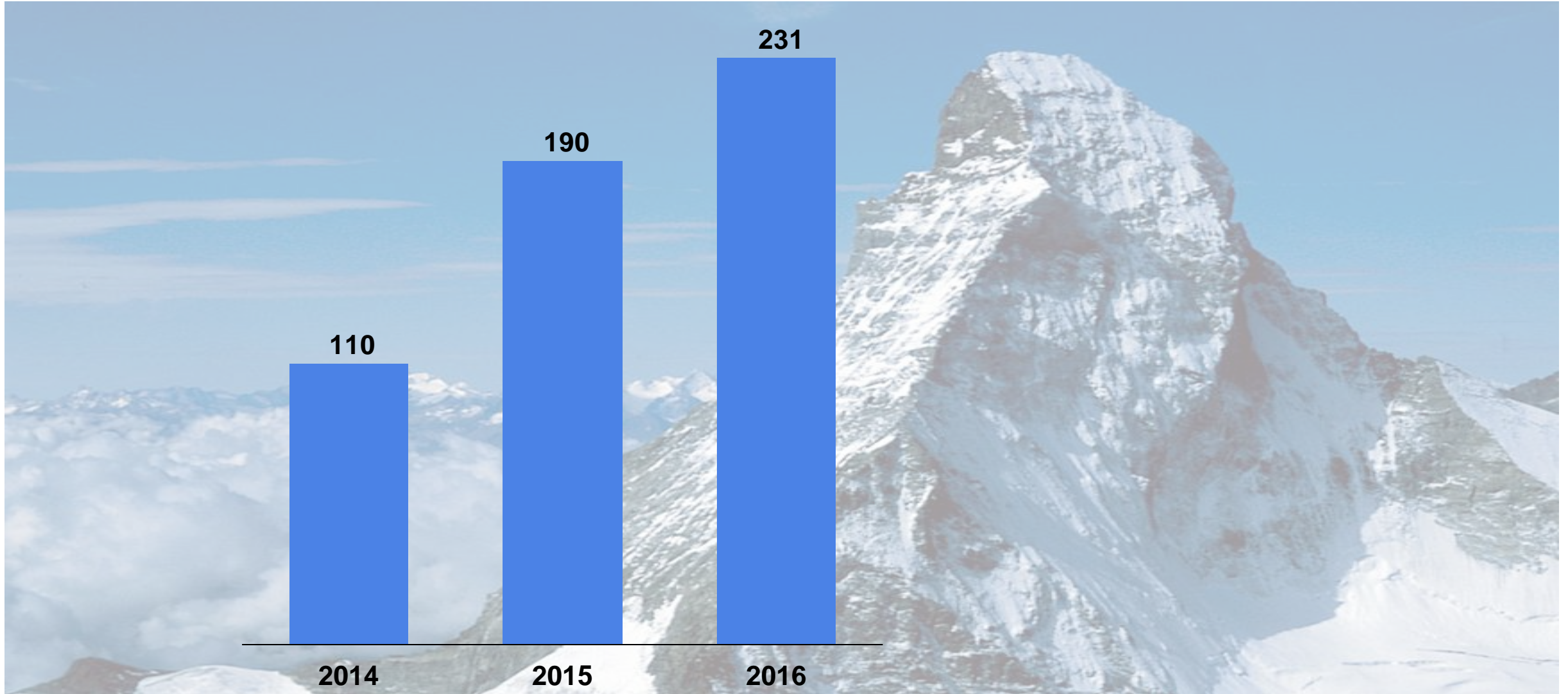
| 2016                         | Sales     | EBIT      |
|------------------------------|-----------|-----------|
| EUR                          | 39        | -         |
| USD                          | 17        | 3         |
| CNY                          | -23       | -3        |
| Others                       | -14       | -4        |
| <b>Total currency impact</b> | <b>19</b> | <b>-4</b> |

# Income statement



| CHF million                       | 2016         | 2015         | Δ           |
|-----------------------------------|--------------|--------------|-------------|
| <b>Sales</b>                      | <b>3'744</b> | <b>3'640</b> | <b>3 %</b>  |
| Gross value added                 | 1'421        | 1'347        | 5 %         |
| Personnel expenses                | -978         | -925         | 6 %         |
| <b>EBITDA</b>                     | <b>443</b>   | <b>422</b>   | <b>5 %</b>  |
| Depreciation, amortization        | -132         | -126         | 5 %         |
| <b>EBIT</b>                       | <b>311</b>   | <b>296</b>   | <b>5 %</b>  |
| Financial result                  | -31          | -48          | -35 %       |
| <b>Ordinary result</b>            | <b>280</b>   | <b>248</b>   | <b>13 %</b> |
| Non-operating result              | 1            | 3            | -67 %       |
| <b>Profit before taxes</b>        | <b>281</b>   | <b>251</b>   | <b>12 %</b> |
| Income taxes                      | -56          | -53          | 6 %         |
| <b>Net profit</b>                 | <b>225</b>   | <b>198</b>   | <b>14 %</b> |
| thereof own interests             | 216          | 188          | 15 %        |
| thereof non-controlling interests | 9            | 10           | -10 %       |

# Free cash flow before acq./div. up by 22%



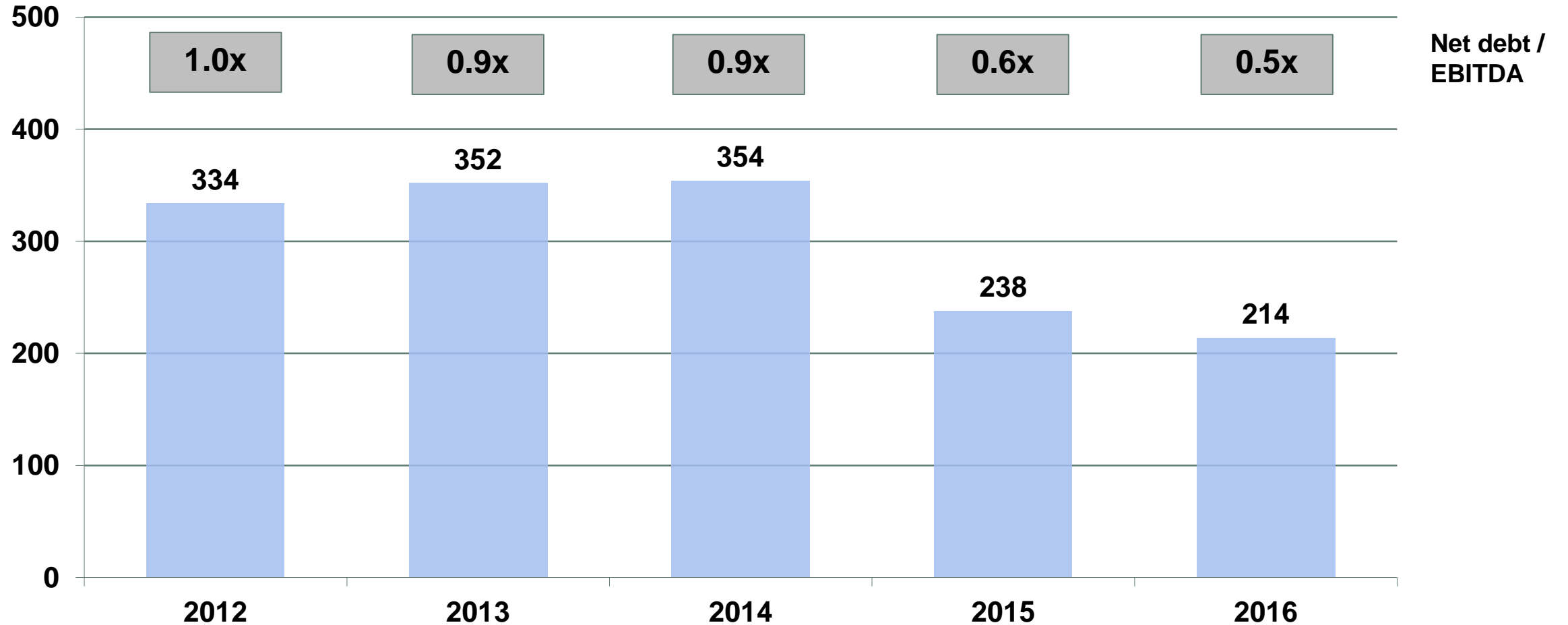
# Free cash flow



CHF million

|  | 2016        | 2015        |
|--|-------------|-------------|
| EBITDA   | 443         | 422         |
| Changes in net working capital                         | -24         | -21         |
| Income taxes/interest paid                             | -72         | -77         |
| Other changes  | 53          | 4           |
| <b>Cash flow from operating activities</b>             | <b>400</b>  | <b>328</b>  |
| Additions to property, plant, and equipment            | -174        | -167        |
| Cash flow from acquisitions/divestitures               | -96         | -2          |
| Other additions/disposals, net                         | 5           | 29          |
| <b>Cash flow from investing activities</b>             | <b>-265</b> | <b>-140</b> |
| <b>Free cash flow</b>                                  | <b>135</b>  | <b>188</b>  |
| <b>Free cash flow before acquisitions/divestitures</b> | <b>231</b>  | <b>190</b>  |

CHF million



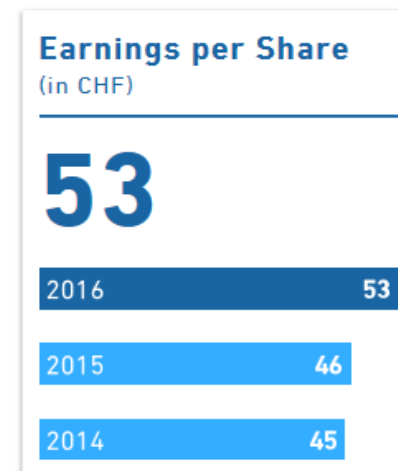
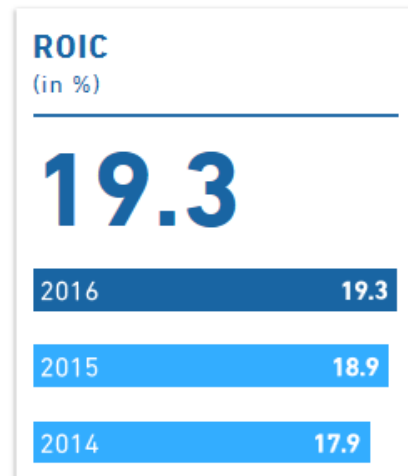
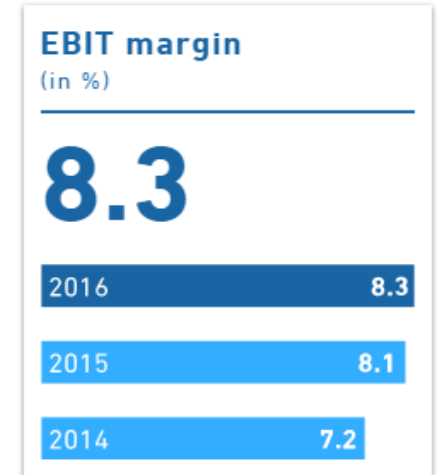
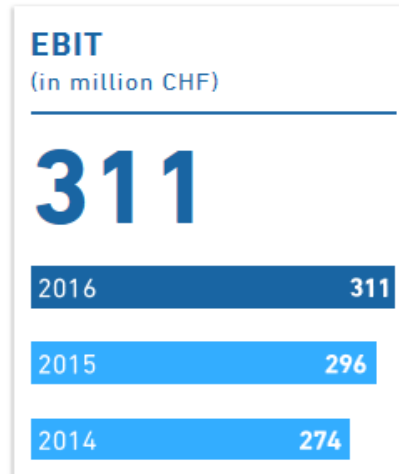
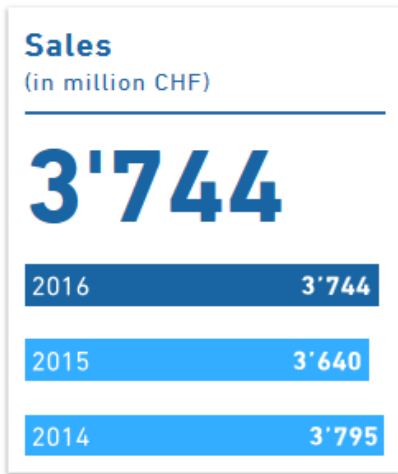


# Key figures at a glance



|                                      | 2016   | 2015   |
|--------------------------------------|--------|--------|
| ROIC in %                            | 19.3   | 18.9   |
| Return on Equity in %                | 19.3   | 17.7   |
| Earnings per share in CHF            | 53     | 46     |
| Dividend (proposed) per share in CHF | 20     | 18     |
| Number of employees (incl. trainees) | 14'808 | 14'424 |

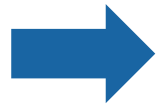
# Our new “online” report highlights performance increase



# Outlook 2017

- New businesses and recent acquisitions to support growth at GF Piping Systems
- A promising order book at GF Automotive and GF Machining Solutions core segments
- Implementation of strategic thrusts to start bearing fruits

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



**ROIC 18-22%**

**ROS 8-9%**

**Growth 3-5%**

**Thank you**

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