



Welcome

Analyst and Media Conference 2024



Zurich, 19 March 2024

2023 Financial Year

Andreas Müller, CEO | Mads Joergensen, CFO

Highlights 2023



Strong performance despite headwinds

- Result driven by the need for **sustainable solutions** in key segments and applications
- **EBIT margin** excl. Uponor and effects at **9.8%**, on par with 2022 record performance

Uponor acquisition lays ground for future growth

- Consolidation of Uponor Corp. (FI) and Corys Piping Systems (AE) as of 1 November
- **Successful** start of **integration**, synergy potential confirmed

2025 Strategy targets increased

- **New EBIT margin** range 10-12% (compared to 9-11%)
- **New ROIC** target range 20-24% (compared to 20-22%)
- **Additional** target **EBITDA margin** introduced at 13-15%

Strong performance on par with last year's record level

(in CHF)

Sales

4.0 billion
consolidated

3.9 billion
excl. Uponor

3.7%
organic growth

EBITDA margin

12.7%
comparable*

Dividend proposed

1.30
CHF per share

EBIT margin

9.1%
consolidated

9.7%
comparable*

9.8%
excl. Uponor

Free cash flow

134 million
before acquisitions

ROIC

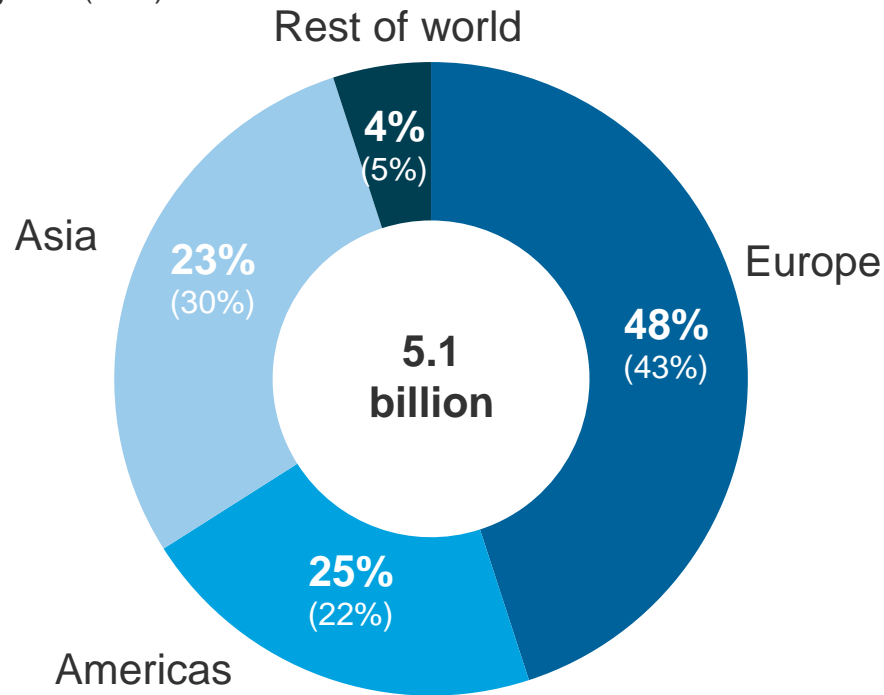
23.8%
excl. Uponor

* Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition

Going forward: A strong global presence with focus on flow solutions

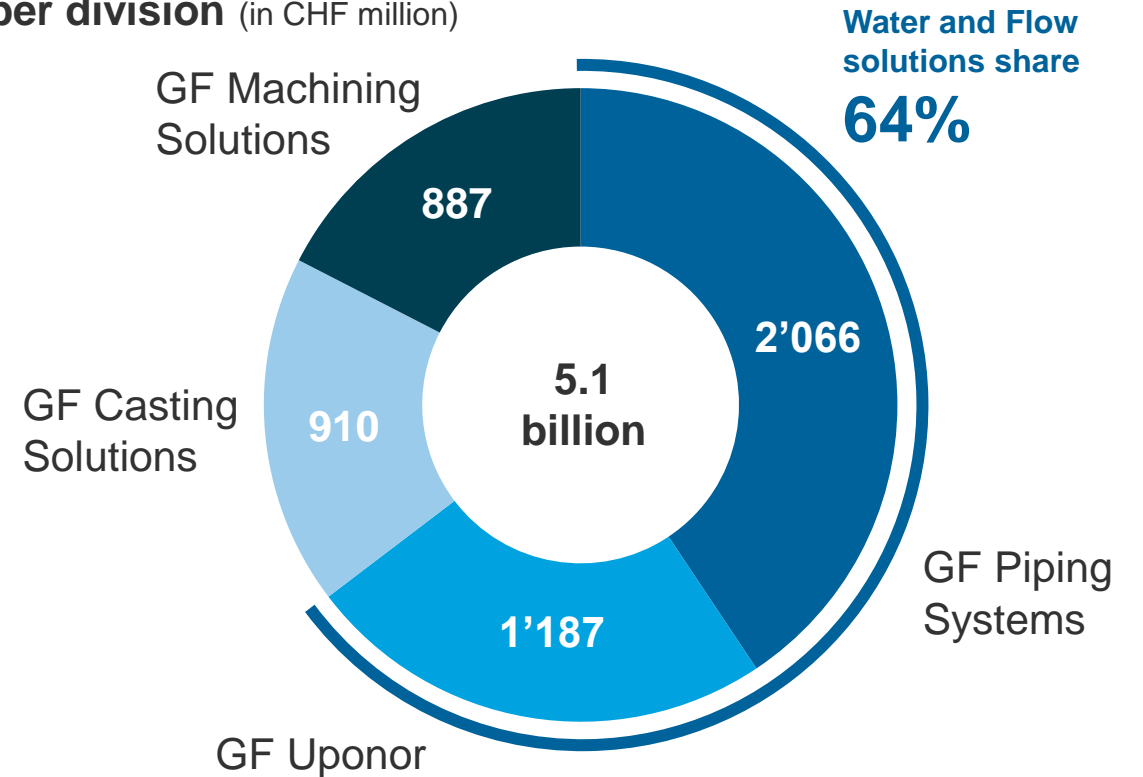
2023 sales pro forma* / (full-year 2022)

per region (in %)



2023 sales pro forma*

per division (in CHF million)

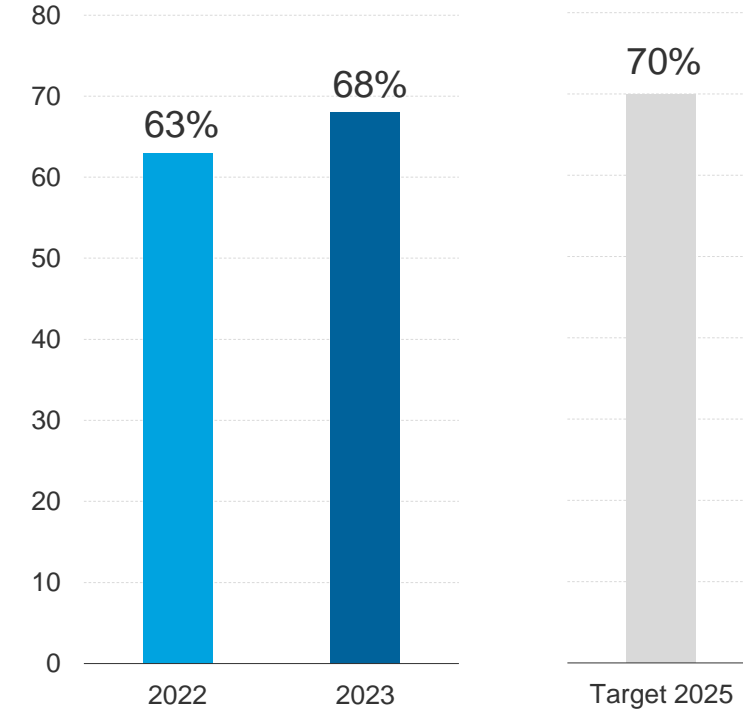


* Uponor included pro forma for the full-year 2023

Leader in corporate sustainability

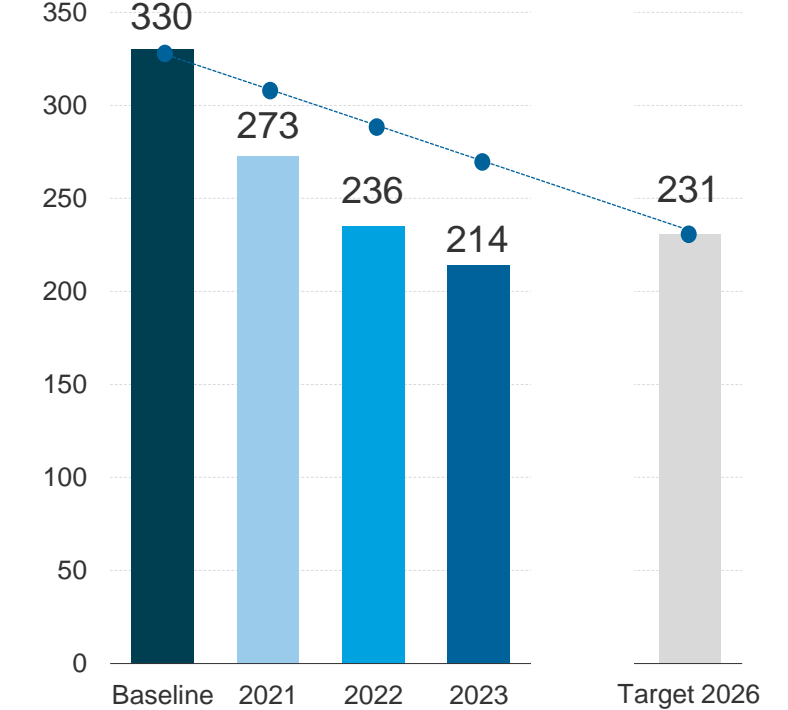


Sales with social or environmental benefits¹ as % of total sales



¹ excluding GF Uponor

CO₂e emissions² Scope 1 and 2, in 1'000 tonnes



² excluding GF Uponor and GF Corys

Key investments in attractive growth markets



Acquisition of Uponor



Expansion in Seewis (CH)



Expansion at Central Plastics (US)



Acquisition of Corys



New plant in Shenyang (CN)



New plant in Yangzhou (CN)

Value creation program well on track – reorganization started

Uponor integration at a glance

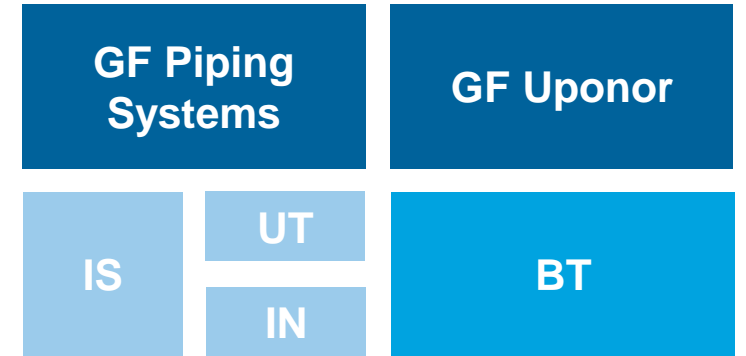
200+ opportunities identified

100+ joined customer visits

100+ workshops

Ongoing reorganization of Flow Solutions to unleash full market potential

- **New** GF Piping Systems with focus on Industry (IS), Utility (UT) and Infrastructure (IN) markets
- **New** GF Uponor focusing on Building Technology (BT)



GF Piping Systems with robust performance driven by key segments

(in CHF)

Sales

2.1 billion

3.0%
organic growth

EBIT margin

13.3%

EBITDA margin

15.8%

Business insights

- Solid demand in key market segments, such as high-end **microelectronics**, **water reclamation**, **water treatment** and **chemical processing**
- Challenges in the **building technology** and **gas utility** business in **Europe**
- Acquisition of Corys Piping Systems, a leading **pipng systems company in Dubai (AE)**
- Focus on innovation and business development, including solutions for **lithium extraction & refinement** and **battery production**



Butterfly Valve 565 Lug-Style

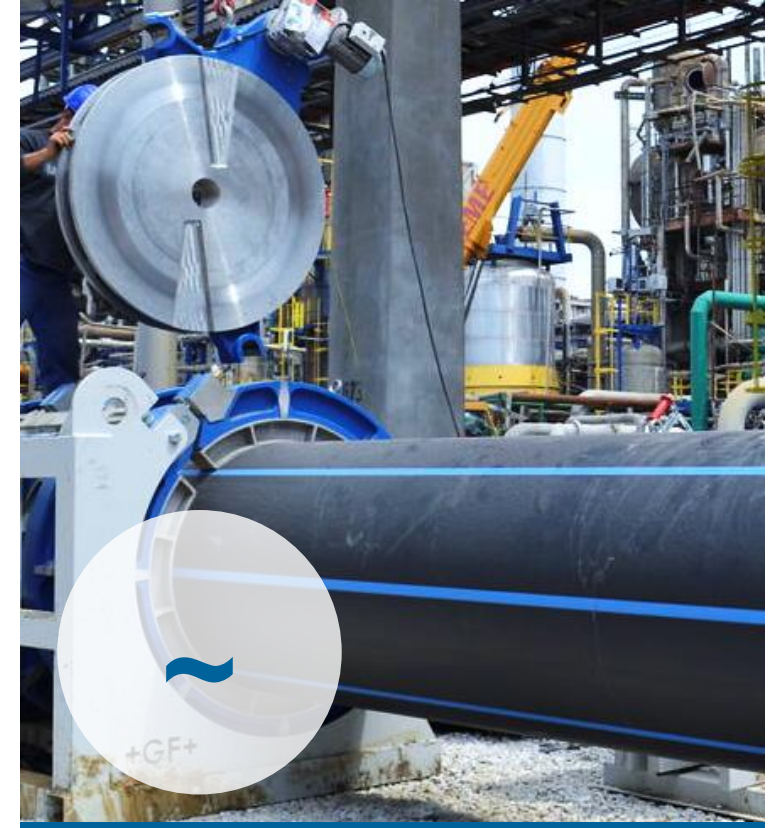
Solid development of microelectronics market



Microelectronics



Water treatment



Gas distribution

* Organic growth

EV battery recycling with global growth opportunities



25%
CAGR

Global supply of EV batteries for recycling is steadily increasing until 2030

15%

of EU's annual consumption of cobalt, nickel and lithium to be processed from recycled materials in 2030

185
USD billion

Investment needs to ensure recycling capacity in 2030

+GF+

Chemical resistant piping systems for safe conveyance of chemicals
Process automation for conductivity and pH level for efficient processes

Sources: EV Battery recycling | Statista; McKinsey | European Union Critical Raw Materials Act 2023

Solutions to manage extreme weather conditions with GF's Stormwise



Ullared (SE)

Sources: United Nations Department of Economic and Social Affairs; Our World in Data – Urbanization; Roland Liemberger & Alan Wyatt

+2.7
billion additional people to live in urban areas by 2050 compared to 2021

By **2030** underinvestment in water infrastructure will become a challenge for urban areas

700
EUR billion Projected investments in water supply and sanitation construction projects in EU until 2030

+GF+ Complete portfolio of solutions for water distribution & storm- / wastewater

GF Uponor with an increase in comparable operating profit margin amid subdued markets

(in CHF)

Sales*

1.2 billion

-5.8%
organic growth

EBIT margin* comparable

12.3%

* Uponor full-year (IFRS)

Business insights*

- Increasing margin **resilience** under volatile market conditions
- Soft demand with **building permits down** in key markets in Europe
- Robust performance in North America with 6.8% organic growth and **all-time record operating profit**
- Two minor **divestments in Germany and Denmark** to strengthen focus on profitable core in Infra
- Successful production of **first PEX Pipe** made of **100% recycled raw material**

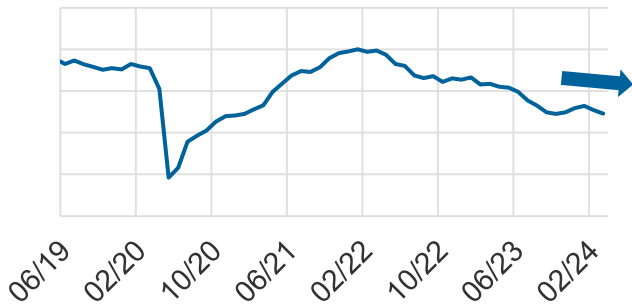


Signs of stabilization in the US and persisting headwinds in Europe

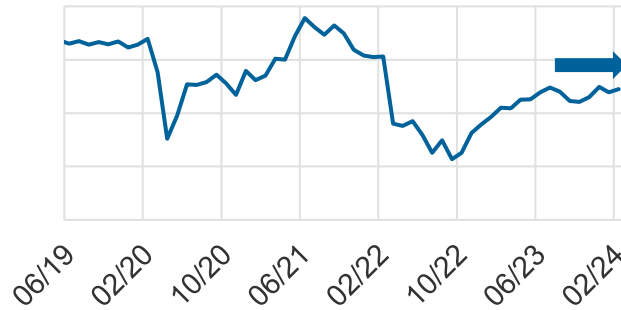


Builder confidence

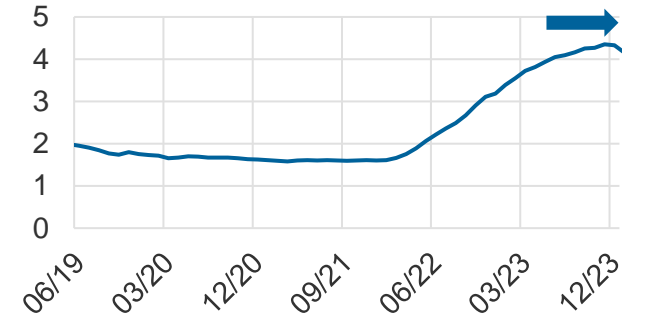
Europe



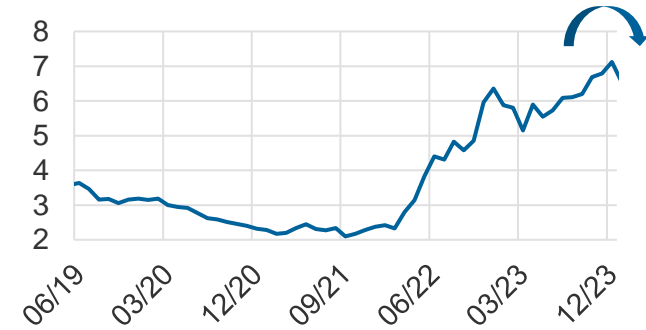
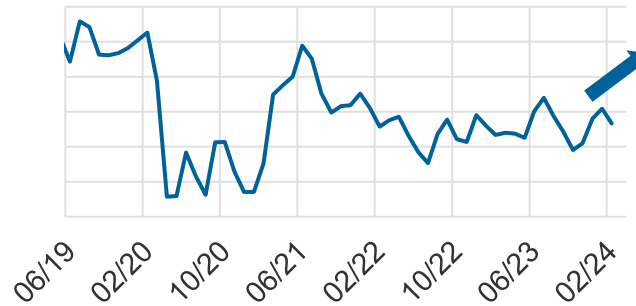
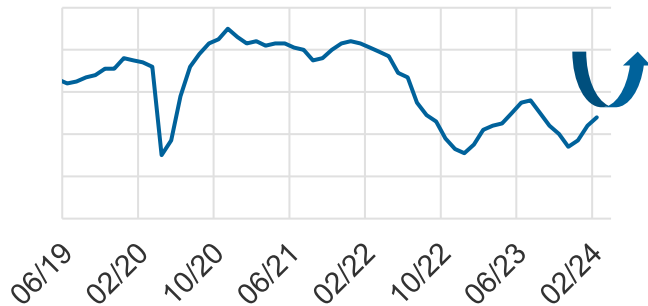
Consumer confidence



Residential mortgage rates (%)



USA



Source: Bloomberg

Efficient climate control as vanguard of urban planning in the future



Sevilla (ES)

Source: Energy performance of buildings directive (europa.eu)

~40% of EU energy consumption related to buildings (75% still energy inefficient)

~80% thereof, related to heating, cooling and hot water

560
EUR billion Investment needs to meet EPBD* with 10 to 20% addressable market

+GF+ Complete solutions portfolio for energy efficient heating and cooling

* EPBD: Energy performance of building directive

GF Casting Solutions records solid organic growth driven by new lightweight solutions

(in CHF)

Sales

910 million **11.4%**
organic growth

EBIT margin

7.0%

EBITDA margin

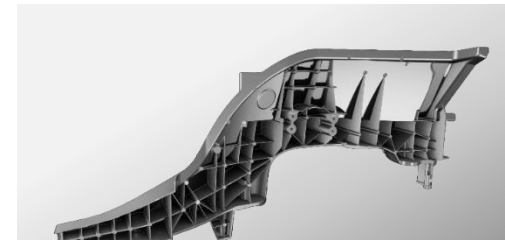
11.4%

Business insights

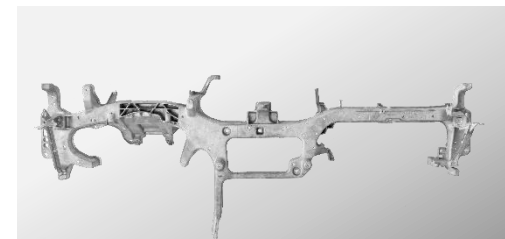
- Strong sales outperforming light vehicle market
- Accelerated demand for **light components for sustainable mobility**, particularly in China
- Continued **recovery** of the **Aerospace** sector
- Key customers joined the **first “GF Casting Solutions Customer Day”** with focus on innovative product and material development
- Key investments addressing growth markets in Shenyang (CN) and Pitesti (RO)



Bulk head



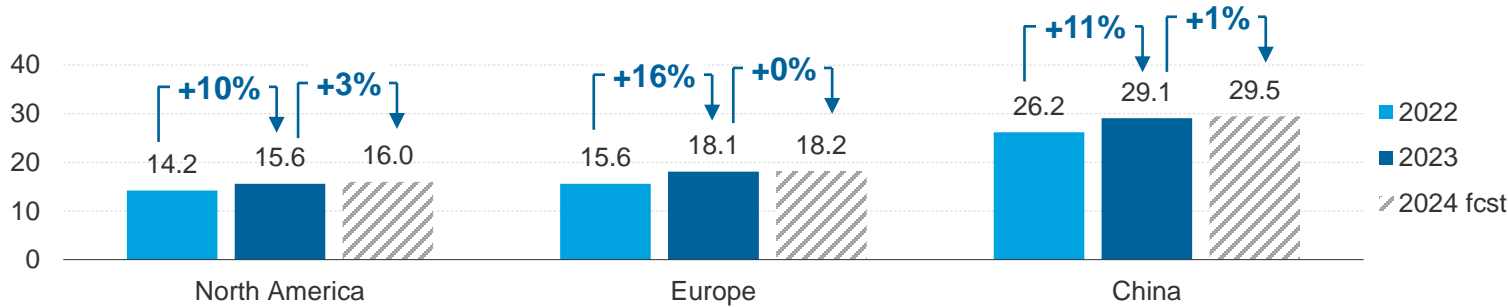
Rear side member



Cross car beam

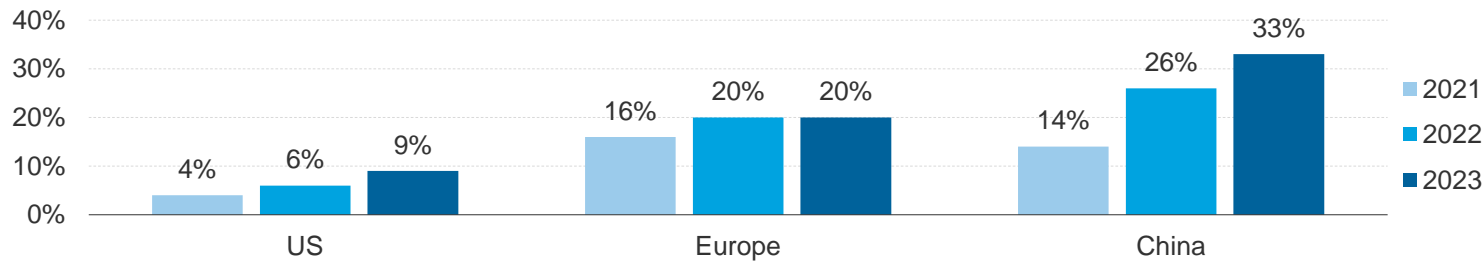
GF's strong position with leading Chinese OEMs drives future growth

Light vehicle production and sales outlook in million units



BYD Yangwang U9

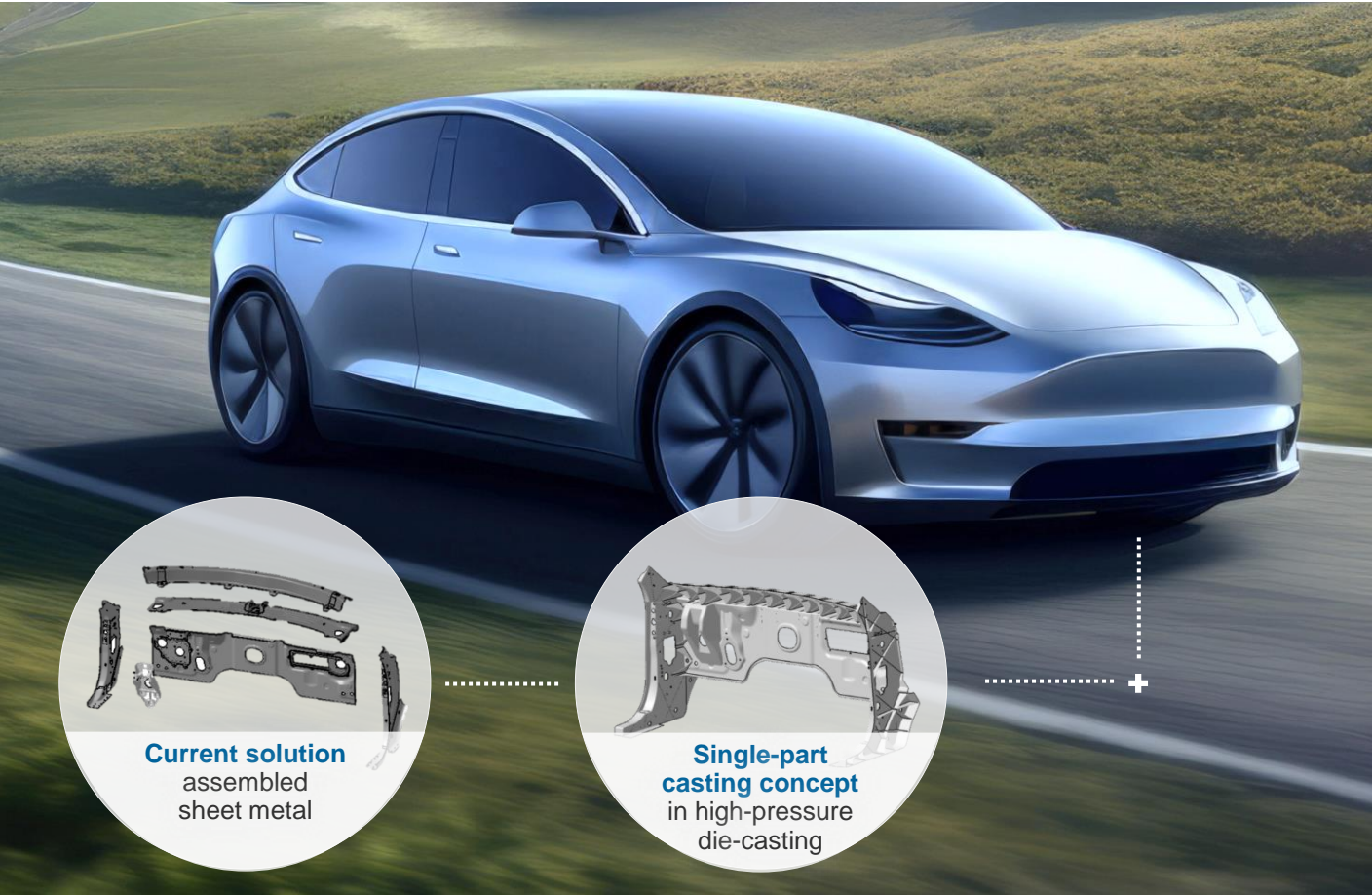
EV market share in %



Zeekr CM1E

Source: GlobalData

Integrated “Big” casting components as key enabler for sustainable mobility



42%

share of Electric Vehicles (EV) expected in **China** until 2030

Up to
1800

welding dots and 72 single components are replaced by a “Big” casting part

-40%

reduction in weight realized by GF with HPDC applications compared to conventional solutions

+GF+

Complete solutions for lightweight components in the automotive and aerospace industry

Source: GlobalData

Technology leader in challenging market development

(in CHF)

Sales

887 million **-1.9%**
organic growth

EBIT margin

6.8%

EBITDA margin

8.4%

Business insights

- **Order intake** above sales level
- Robust end markets and ongoing **rebound** in the **aerospace** and **energy** segments
- **ICT** and **consumer goods** market **suffering** especially in China
- New generation of **laser texturing machines** and **electrical discharging machining** with embedded spark track and control (EDM)
- New offerings in **sustainability** as energy efficiency certificates



New femtosecond laser solutions

Strong recovery in Aerospace – ICT remains on low levels



Aerospace



Medical



ICT

* Organic growth

High performance solutions enabling technological evolution in the aerospace and energy industry



+250%
YoY increase in **orders on hand** for aircrafts at the end of 2023

Net zero
by 2050 requires active investments in **energy-efficient technologies** for engines and fuels

2000°C maximum combustion temperature requires the use of **new superalloys**

+GF+ Complete **EDM wire solutions** for manufacturing challenges of new materials

Source: International Air Transport Association (IATA)

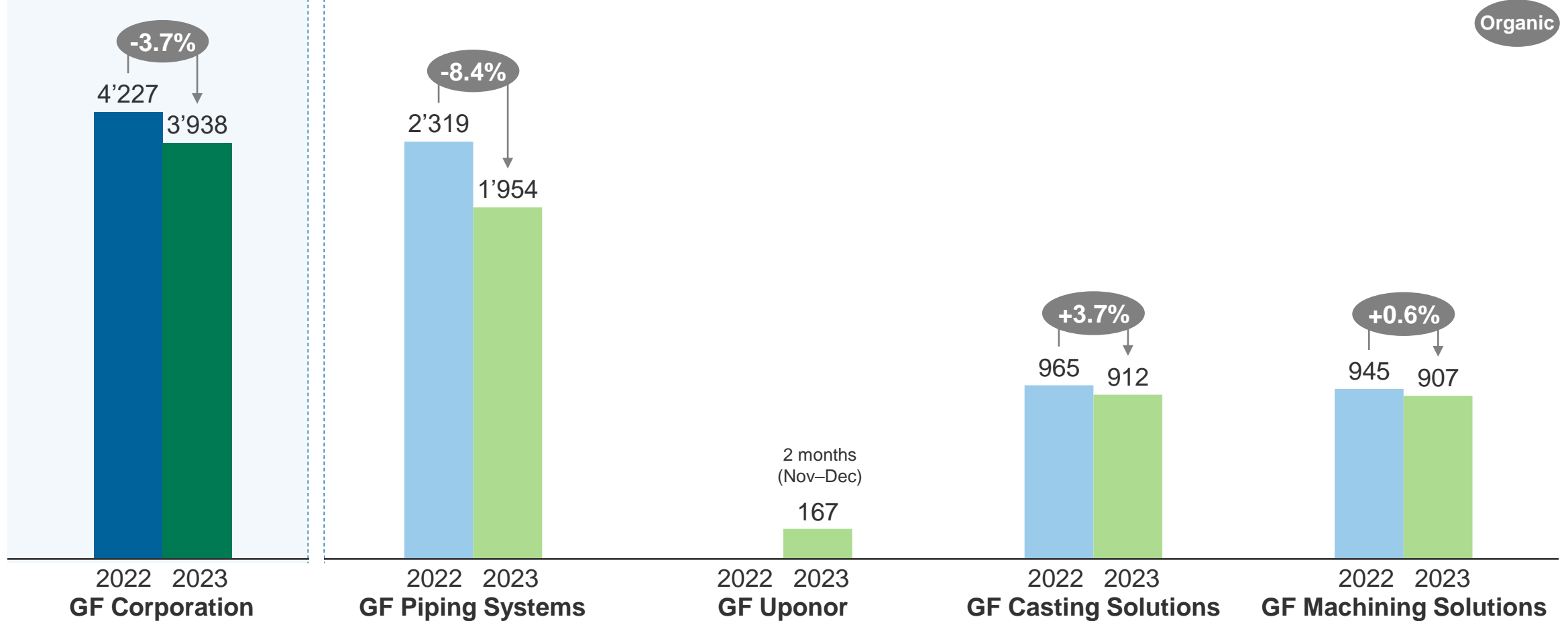
A blurred background image of a business meeting. Several people in business attire are seated around a table, looking at documents and laptops. The documents feature various financial charts, including bar graphs and line graphs. The overall color palette is cool, with blues and greys.

Consolidated financial statements

Mads Joergensen, CFO

Order intake

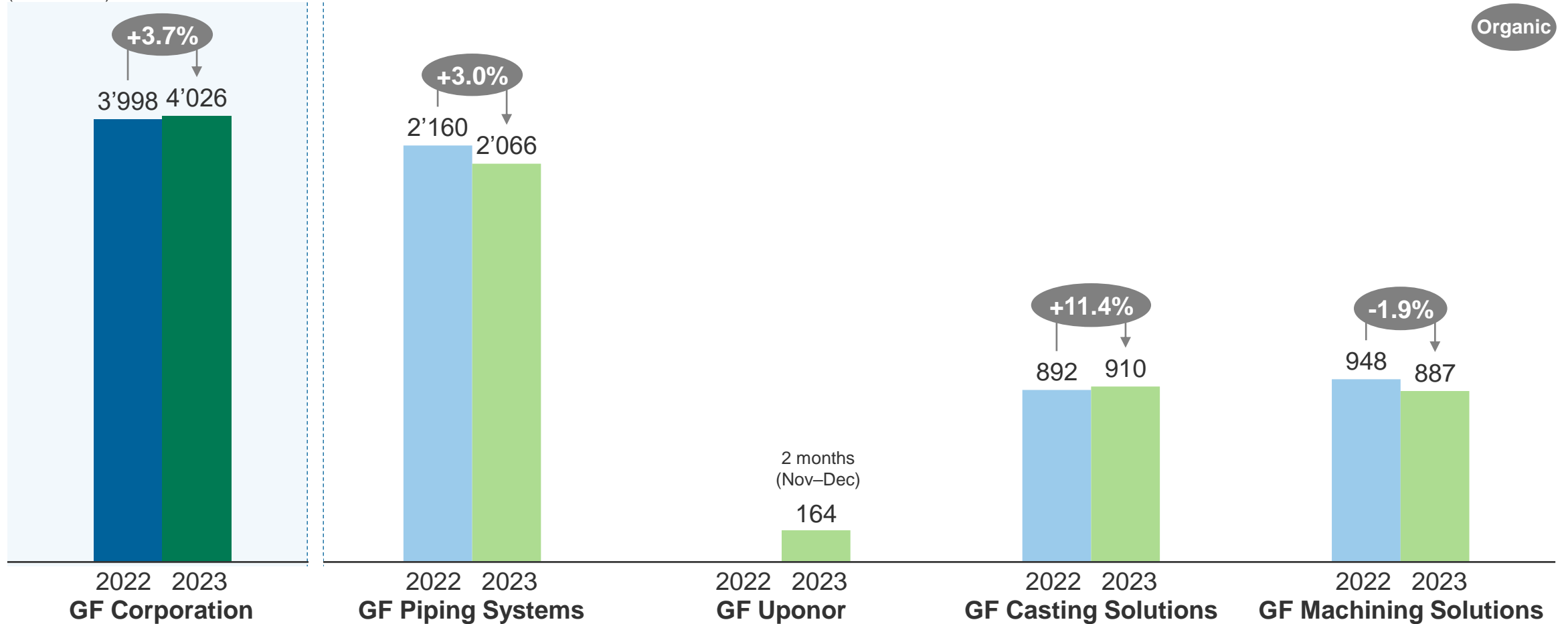
(CHF million)



Organic

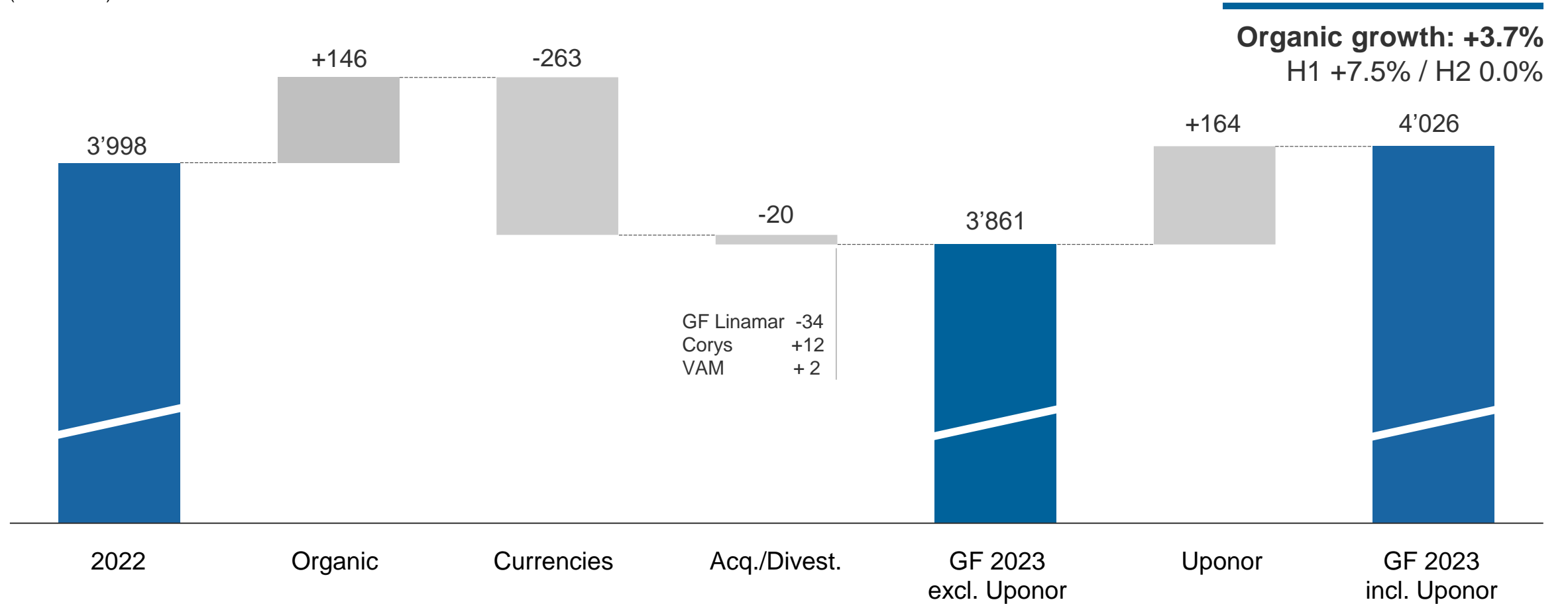
Sales

(CHF million)



Sales bridge

(CHF million)



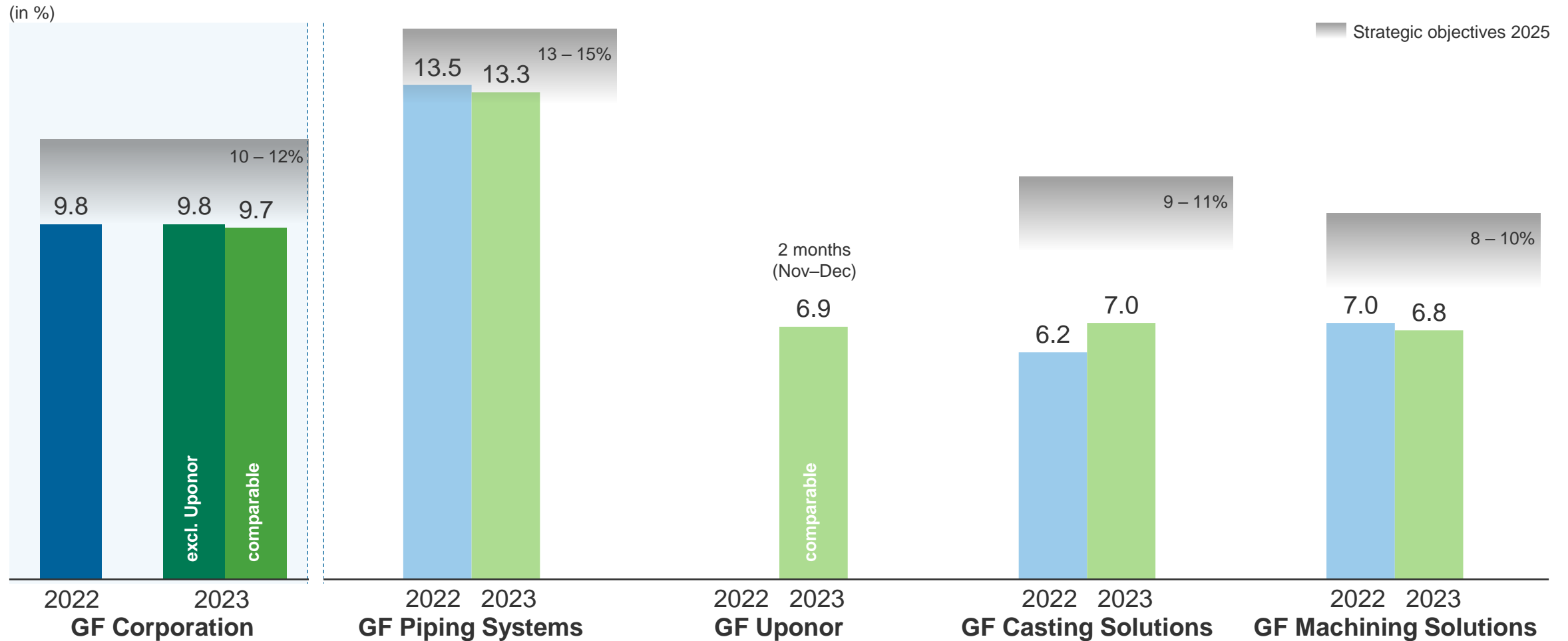
Income statement

(CHF million)

	2023		2022	Δ%
	as reported	comparable ¹		
Sales	4'026		3'998	+0.7
Other operating income	47		37	
Income	4'073		4'035	+0.9
Cost of materials and change in inventory	-1'739		-1'795	-3.1
Operating expenses	-737		-680	+8.3
Personnel expenses	-1'111		-1'053	+5.4
EBITDA	486	511	507	-4.0
<i>EBITDA margin in %</i>	12.1	12.7	12.7	
Depreciation, amortization	-122		-116	+5.2
Operating result (EBIT)	365	389	391	-6.7
<i>EBIT margin in %</i>	9.1	9.7	9.8	

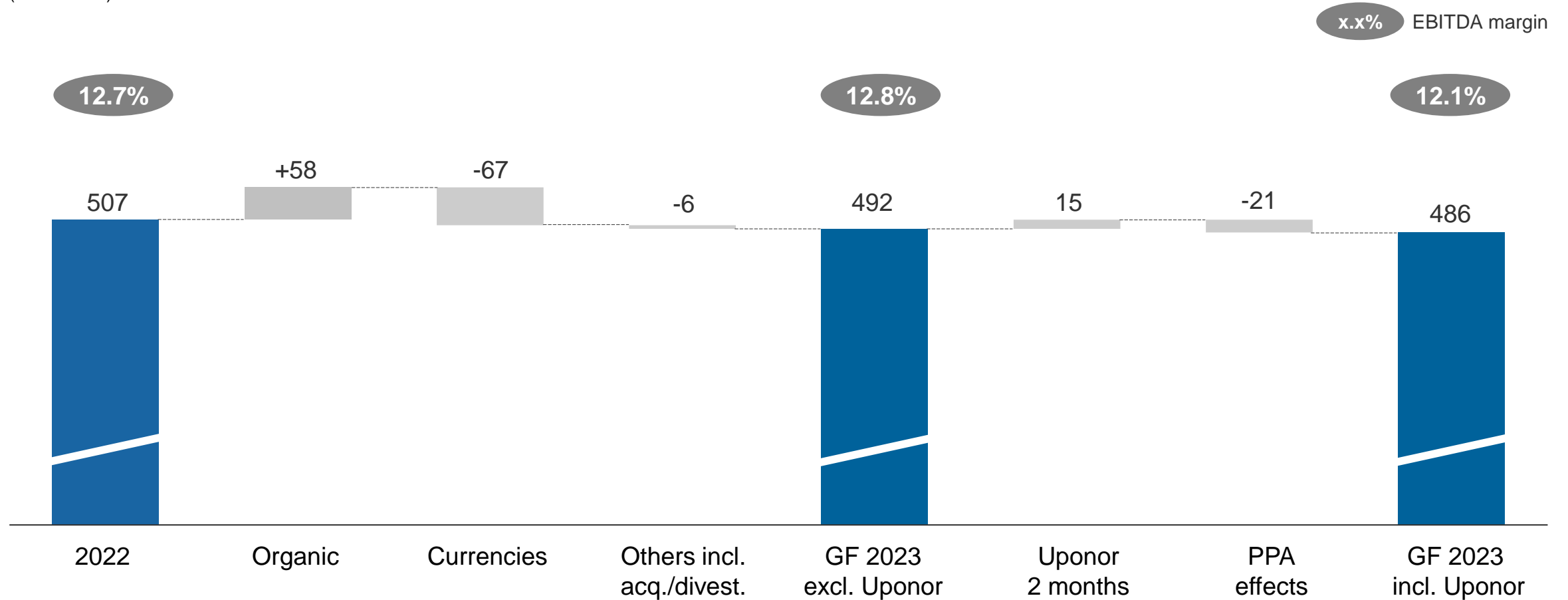
¹ Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.

EBIT margin



EBITDA bridge

(CHF million)



Currency effects on sales and EBIT in 2023

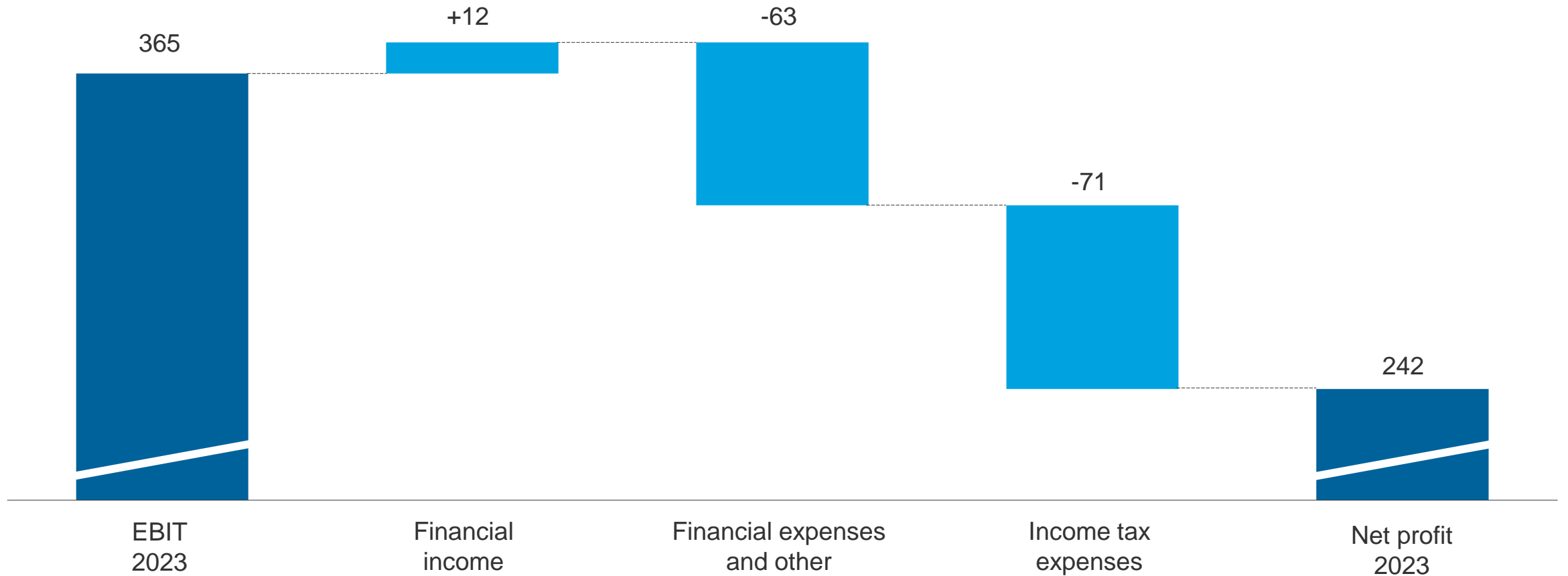
(CHF million)

Per division	Sales	EBIT
GF Piping Systems	-171	-49
GF Casting Solutions	-46	-8
GF Machining Solutions	-46	-7
GF Corporate Management		+2
GF Corporation	-263	-62

Per currency	Rates			Sales	EBIT
	2023	2022	Δ%		
EUR	0.972	1.005	-3.3%	-40	-12
USD	0.899	0.955	-5.9%	-25	-32
CNY	0.127	0.142	-10.6%	-88	-13
TRY	0.039	0.058	-32.6%	-35	-3
Others				-74	-3
Total				-263	-62

Income statement

(CHF million)



Uponor purchase price allocation (PPA) – adjustments and impacts

(CHF million)

Position	Balance sheet	Income statement		
	PPA adjustments 6.11.2023	2023 (Nov-Dec)	2024 (forecast)	2025 (forecast)
Inventories	35	-21	-13	–
Impact on EBITDA		-21	-13	–
Land	6	–	–	–
Buildings	46	-1	-4	-4
Machinery & equipment	32	-1	-4	-4
PPA adjustments	119			
Impact on EBIT		-23	-21	-8
Deferred taxes	-29	6	5	2
Impact on net profit		-17	-16	-6

Balance sheet: assets

(CHF million)

	31.12.2023	GF Uponsor			GF excl. Uponsor	31.12.2022
		Transaction	Opening BS Nov 2023	Changes Nov-Dec 23		
Cash & equiv. & marketable sec.	566	-340	74	-4	836	894
Trade accounts receivable	814		226	-77	666	660
Inventories	979		212	-33	800	833
Other current assets	170		29	29	113	102
Current assets	2'530	-340	541	-86	2'414	2'489
PPE / investment properties	1'321		318	-11	1'015	966
Intangible assets	53		13	-1	41	36
Other non-current assets	215		37	-2	180	207
Non-current assets	1'589		367	-14	1'236	1'209
Assets	4'119	-340	908	-100	3'650	3'698

Balance sheet: liabilities and equity

(CHF million)

	31.12.2023	GF Uponsor			GF excl. Uponsor	31.12.2022
		Transaction	Opening BS Nov 2023	Changes Nov-Dec 23		
Current liabilities	1'464	59	329	-60	1'137	1'202
Non-current liabilities	2'632	1'621	197	-14	828	840
Liabilities	4'097	1'680	526	-74	1'964	2'042
Share capital	4				4	4
Retained earnings	-68	-2'020	382	-26	1'596	1'579
Other	19				19	18
Shareholders' equity	-44	-2'020	382	-26	1'619	1'602
Minority interests	66				66	54
Equity	22	-2'020	382	-26	1'685	1'656
Liabilities and equity	4'119	-340	908	-100	3'650	3'698

Free cash flow

(CHF million)

	2023	2022
EBITDA	486	507
Changes in net working capital	18	-176
Income taxes / interest paid	-103	-90
Other changes	-63	85
Cash flow from operating activities	338	326
Additions to property, plant, and equipment	-196	-160
Cash flow from acquisitions / divestments	-1'920	55
Other	-8	-20
Cash flow from investing activities	-2'124	-125
Free cash flow	-1'785	201
Free cash flow before acquisitions / divestments	134	146

Key figures at a glance

	2023	GF excl. Uponor	2022
Net debt (+) / Net cash (-) in CHF million	1'879	-97	-159
Net debt / EBITDA (multiple)	2.96 ¹	-0.2	-0.3
Equity ratio in %	0.5	46.2	44.8
ROIC in % GF Corporation	19.8	23.8	23.4
GF Piping Systems	31.1		35.6
GF Casting Solutions	17.6		11.2
GF Machining Solutions	22.9		31.7
Tax rate %	22.7		20.9

¹ Includes 12 months of Uponor EBITDA (CHF165m); Net debt / EBITDA 3.9x when only 2 months of Uponor EBITDA are considered

Board proposes unchanged dividend of CHF 1.30

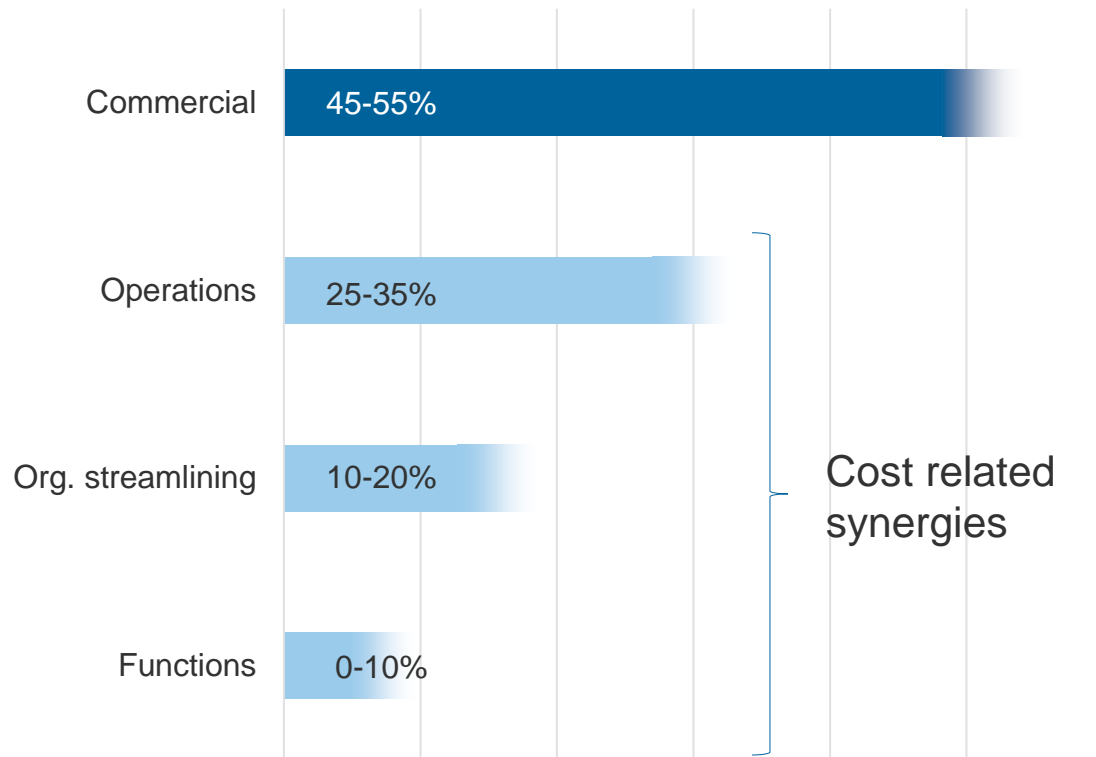
	2023	2022
Net profit shareholders GF in CHF million	235	276
Earnings per share in CHF	2.87	3.37
Proposed / paid dividend (out of retained earnings) in CHF million	107	107
Proposed / paid dividend per share in CHF	1.30	1.30
Pay-out ratio in %	45	39

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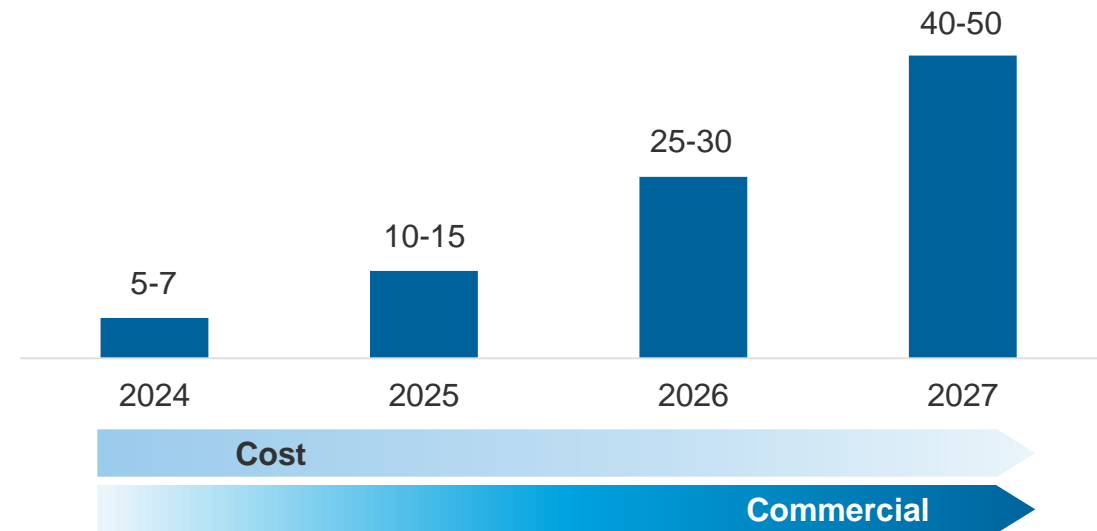
Update on synergies from Uponor acquisition

Synergies of EUR 40-50 million p.a. at full run rate in 2027 confirmed

Expected breakdown of synergies



Expected annual run rate of synergies until 2027 (in EUR million)



- Commercial synergies with longer ramp-up time
- CHF 25-30 million one-off costs expected until 2027

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Outlook 2024

Andreas Müller, CEO

Strategy targets 2025 lifted following the acquisition of Uponor

(in CHF)

CHF 4.4 – 5.0 billion*
Sales

*including acquisitions

9 – 11%
EBIT margin

20 – 22%
**Return on
invested capital**

CHF 5.0 – 5.5 billion*
Sales

*including acquisitions / Uponor

13 – 15%
EBITDA margin

10 – 12%
EBIT margin

20 – 24%
**Return on
invested capital**



Outlook 2024: GF is well positioned to benefit from global long-term trends



Energy efficiency in buildings



Urbanization & immigration



Digitalization & AI



Labor shortage & automation



Water scarcity



Energy transition

Despite subdued economic conditions, gradual improvement expected during the year.

Further organic growth for the full year 2024.

Profitability expected within revised strategic range 2025.



Q&A



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