



Georg Fischer Ltd

# Mid-year Report 2018

Yves Serra, CEO  
18.07.2018

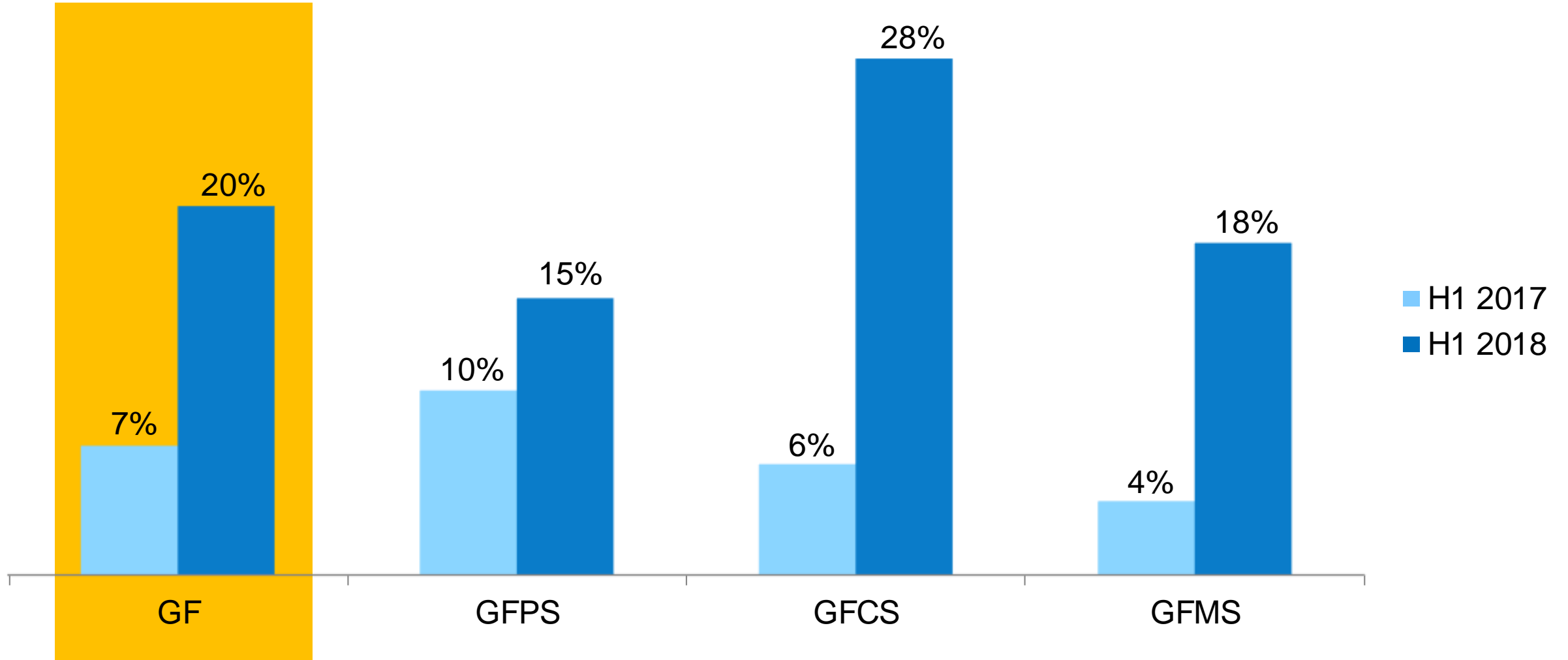


# Positive momentum continued in 1. half-year

- Sales up 20% to CHF 2'396 million, organically 12%
- Operating result grew 24% to CHF 208 million for an 8.7% EBIT margin
- Net profit after minorities increased by 27% to CHF 150 million
- Execution of 2020 strategy fully on track
- Promising aerospace acquisition closed (April 2018) at GF Casting Solutions

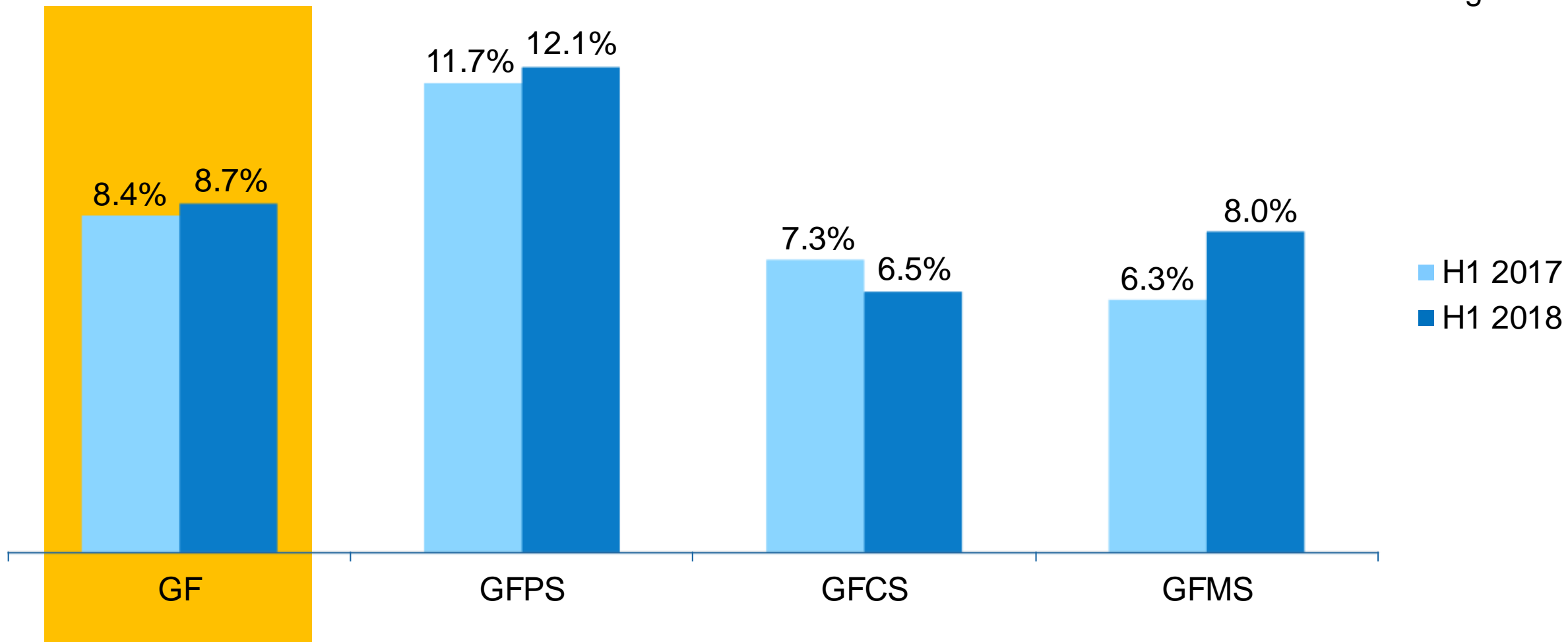


# Substantial sales growth at all three divisions

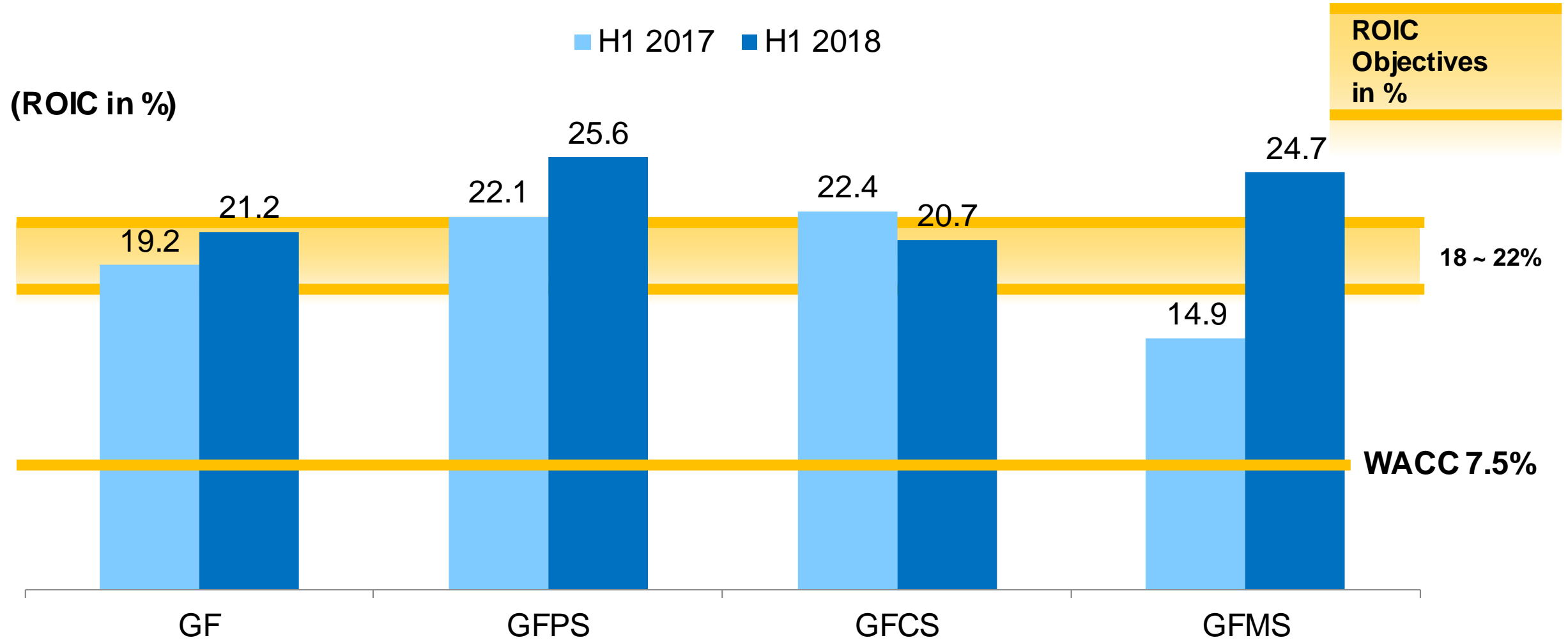


# Profitability increased anew

EBIT margin in %



# All three divisions generate substantial value again



# Good position in growth markets pays off

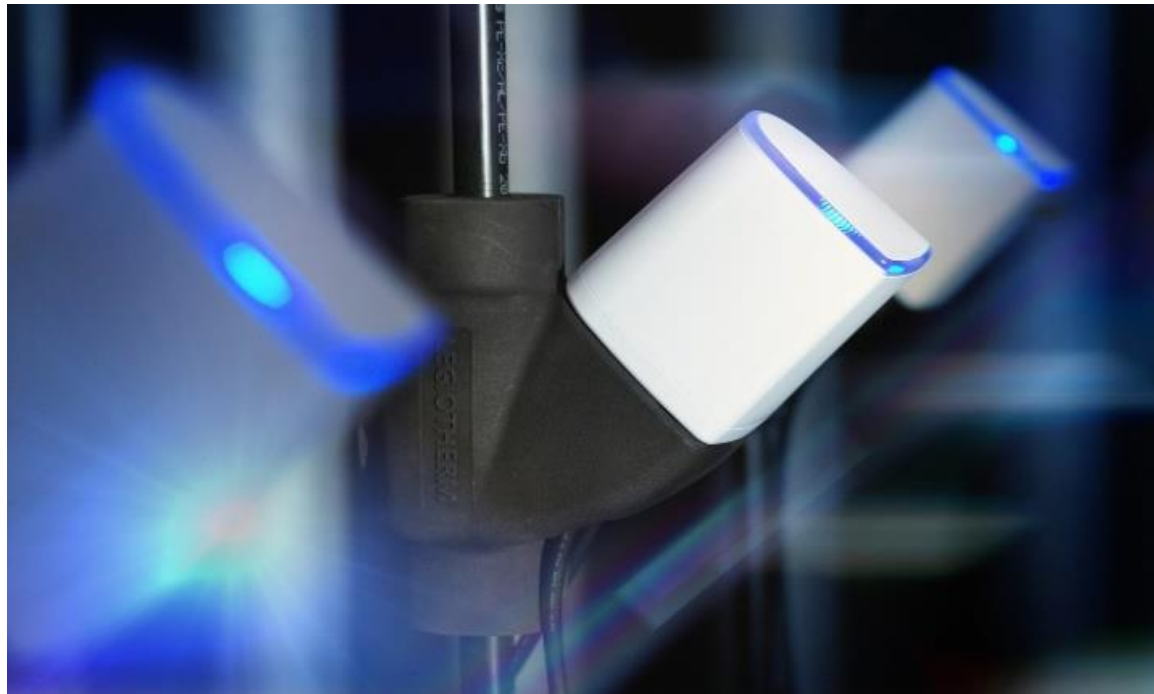
- Sales up 15% to CHF 947 million
- High growth in industrial applications
- Utility sector continues to grow in China/USA
- Building Technology sales also up in most countries
- EBIT up 19% to CHF 115 million



Semiconductor factory

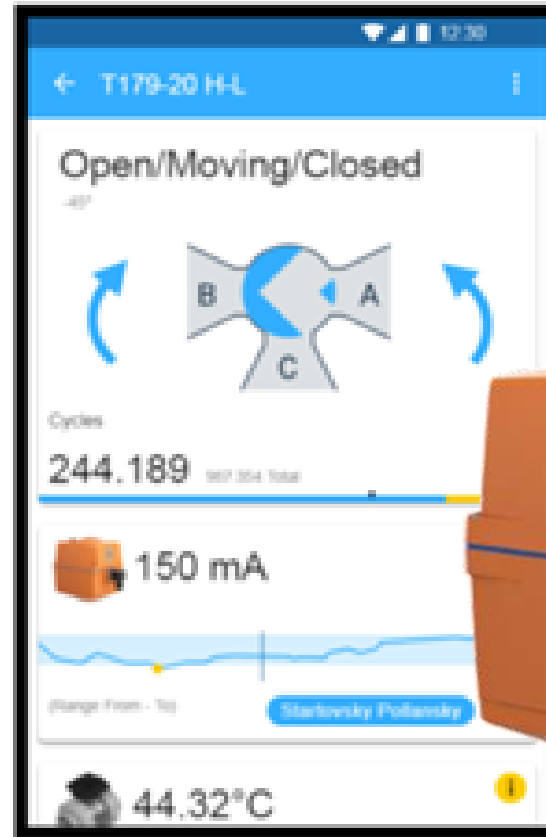
# New digital products introduced

Digital thermal sterilization for hospitals  
(legionella)



Hycleen

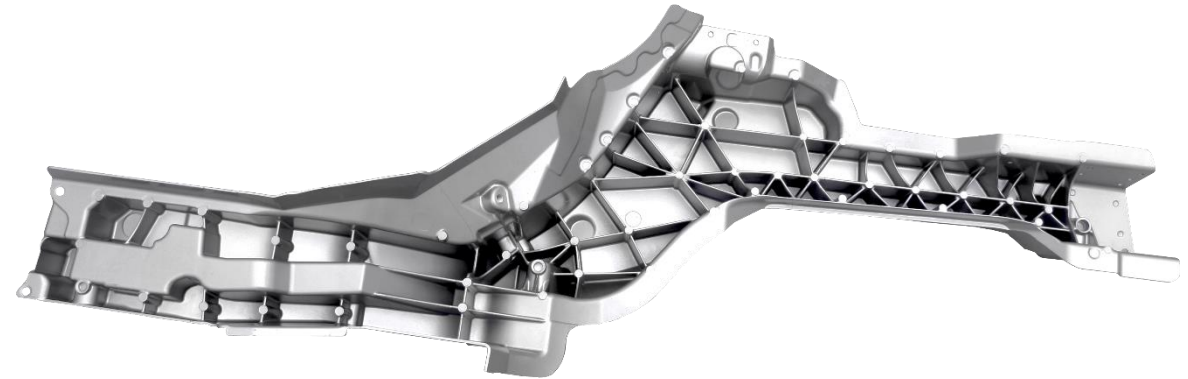
Digital valves





# Sales outperform market growth

- Sales up 28% to CHF 924 million (organically 11%)
- European truck production remains on the growth path
- Demand up worldwide for light-weight components
- EBIT up 13% to CHF 60 million



**Door sill frame, Aluminium**  
Large orders for light-weight components



# Promising acquisitions realized, accretive to earnings



Eucasting, Pitesti (Romania)  
Light metal foundry



GF Precicast, Novazzano TI (Switzerland)  
Aerospace precision casting foundry

# A strong performance increase

- Order intake up 8% on strong Asia/Europe demand
- Sales up 18% to CHF 525 million, organically 14%
- Newly launched products did contribute the most
- EBIT up 50% to CHF 42 million



Connected devices spur  
electronic component growth

# Newly launched products drive the order increase



New CUT P machine  
Part for implant



New Mill P machine  
Machinery parts





Andreas Müller, CFO

# Consolidated financial statements

# Sales per division 1<sup>st</sup> Semester 2018

CHF million

	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017	growth	organic growth <sup>1)</sup>
GF Piping Systems	947	826	14.6 %	11.1 %
GF Casting Solutions	924	723	27.8 %	11.3 %*
GF Machining Solutions	525	444	18.2 %	14.2 %
<b>Corporation</b>	<b>2'396</b>	<b>1'992</b>	<b>20.3 %</b>	<b>11.9 %</b>

GF Casting Solutions (organic) adjusted for metal price effects

8.8 %\*

**Corporation (organic) adjusted for metal price effects**

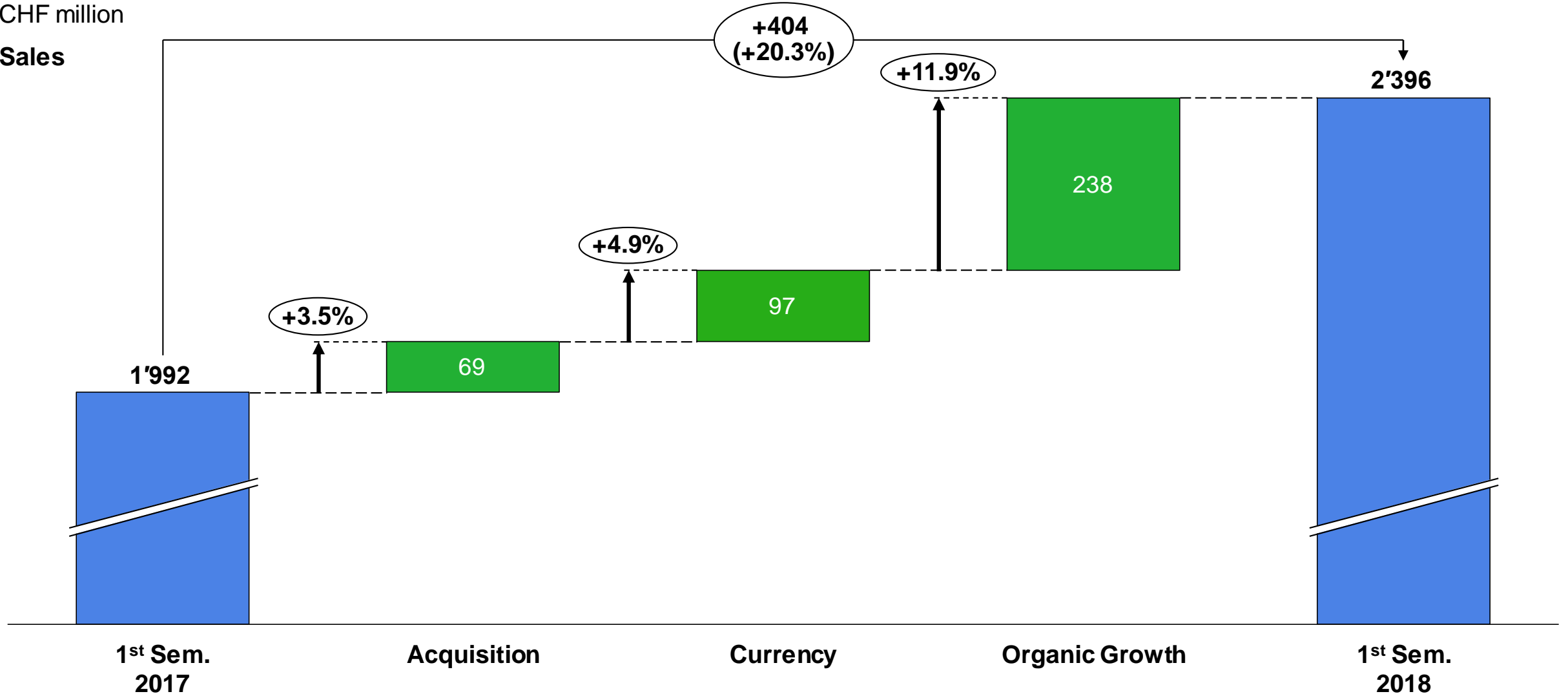
**10.9 %**

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

# Strong organic growth of 11.9%

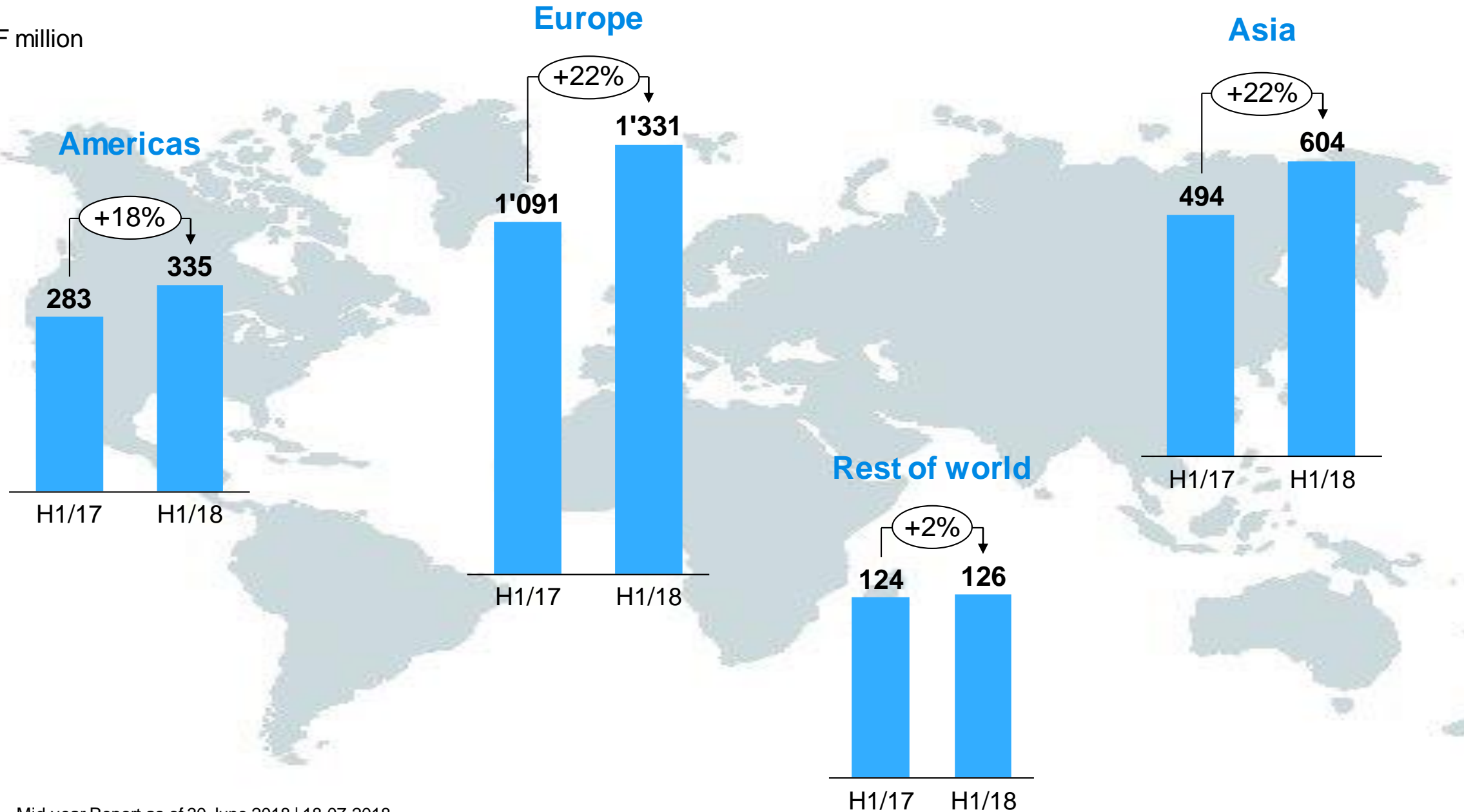
CHF million

Sales



# Strong growth across all regions

CHF million





# Currency impact on Sales 1<sup>st</sup> Semester 2018



CHF million

## Per division:

GF Piping Systems	19
GF Casting Solutions	63
GF Machining Solutions	15
<b>Corporation</b>	<b>97</b>

## Per currency:

EUR	93
USD	-11
CNY	23
TRY	-9
Others	1
<b>Total</b>	<b>97</b>

# EBIT and margin per division 1<sup>st</sup> Semester 2018

CHF million

	EBIT margin %			
	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017
GF Piping Systems	115	97	12.1 %	11.7 %
GF Casting Solutions	60	53	6.5 %	7.3 %
GF Machining Solutions	42	28	8.0 %	6.3 %
<b>Corporation</b>	<b>208</b>	<b>168</b>	<b>8.7 %</b>	<b>8.4 %</b>

# Currency impact on EBIT 1<sup>st</sup> Semester 2018



CHF million

## Per division:

GF Piping Systems	2
GF Casting Solutions	4
GF Machining Solutions	0
<b>Corporation</b>	<b>6</b>

## Per currency:

EUR	8
USD	-3
CNY	4
TRY	-3
Others	0
<b>Total</b>	<b>6</b>

# Income statement



CHF million	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017	Δ
<b>Sales</b>	<b>2'396</b>	<b>1'992</b>	<b>20 %</b>
Gross value added	877	752	17 %
Personnel expenses	-595	-517	15 %
<b>EBITDA</b>	<b>282</b>	<b>235</b>	<b>20 %</b>
Depreciation, amortization	-74	-67	10 %
<b>EBIT</b>	<b>208</b>	<b>168</b>	<b>24 %</b>
Financial result	-16	-15	7 %
<b>Ordinary result</b>	<b>192</b>	<b>153</b>	<b>25 %</b>
Non-operating result	1	0	-
<b>Profit before taxes</b>	<b>193</b>	<b>153</b>	<b>26 %</b>
Income taxes	-39	-31	26 %
Net profit attributable to non-controlling interests	-4	-4	-
<b>Net profit attributable to shareholders of Georg Fischer Ltd.</b>	<b>150</b>	<b>118</b>	<b>27 %</b>
Earnings per share in CHF	37	29	28 %

# Free cash flow



CHF million	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017
EBITDA	282	235
Changes in net working capital	-243	-183
Income taxes/interest paid	-47	-35
Other changes	54	31
<b>Cash flow from operating activities</b>	<b>46</b>	<b>48</b>
Additions to property, plant, and equipment	-94	-76
Additions to intangible assets, other financial assets	-11	-4
Cash flow from acquisitions	-142	-1
Other additions/disposals, net	4	2
<b>Cash flow from investing activities</b>	<b>-243</b>	<b>-79</b>
<b>Free cash flow</b>	<b>-197</b>	<b>-31</b>
<b>Free cash flow before acquisitions</b>	<b>-55</b>	<b>-30</b>

# Key figures at a glance



	1 <sup>st</sup> Sem. 2018	1 <sup>st</sup> Sem. 2017
Net debt in CHF	480	315
Net debt/EBITDA (multiple)	0.9x	0.7x
ROIC in %	21.2	19.2
Return on Equity in %	23	20
Earnings per share in CHF	37	29
Number of employees (incl. trainees)	16'864	14'918

Yves Serra, CEO

# Outlook



# Strategy implementation well on track at its mid-term

- Growth well above objective (12% vs. 3-5%)
- ROS at 8.7%, well in line with 8~9% goal
- ROIC reaches 21.2% (vs. 18~22% objective)
  
- Strong growth in Asia/USA
- Margins at GF Piping Systems and GF Machining Solutions clearly increased
  
- Further investments realized in innovation and Value Selling skills



# Sales growth over target, profitability well within 2020 strategy objective range

- High growth at GF Piping Systems, especially for its industrial applications
- Light-weight demand sustained at GF Casting Solutions, newly acquired companies accretive
- Strong order book at GF Machining Solutions

**2018 Outlook**



**Sales Growth clearly over the 3-5%**

**ROS 8-9%**

**ROIC 18-22%**

Thank you



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