



GF Corporation

Investor Presentation

1 March 2017



Performance further increased

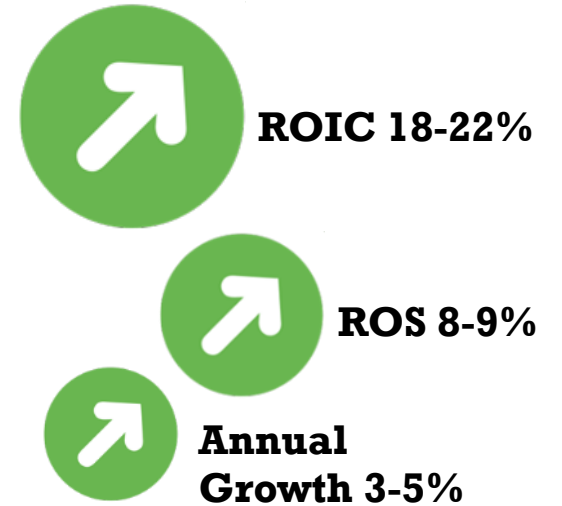
- Sales up 3% at CHF 3'744 million (up 2% organically)
- Operating result increased 5% to CHF 311 million for a 8.3% EBIT margin (8.1% in 2015)
- Earnings per share up 15% to CHF 53
- Free cash flow (before acquisitions/divestments) up 22% to CHF 231 million
- Dividend increase to CHF 20 per share proposed

Strategy 2020 – Profitable expansion

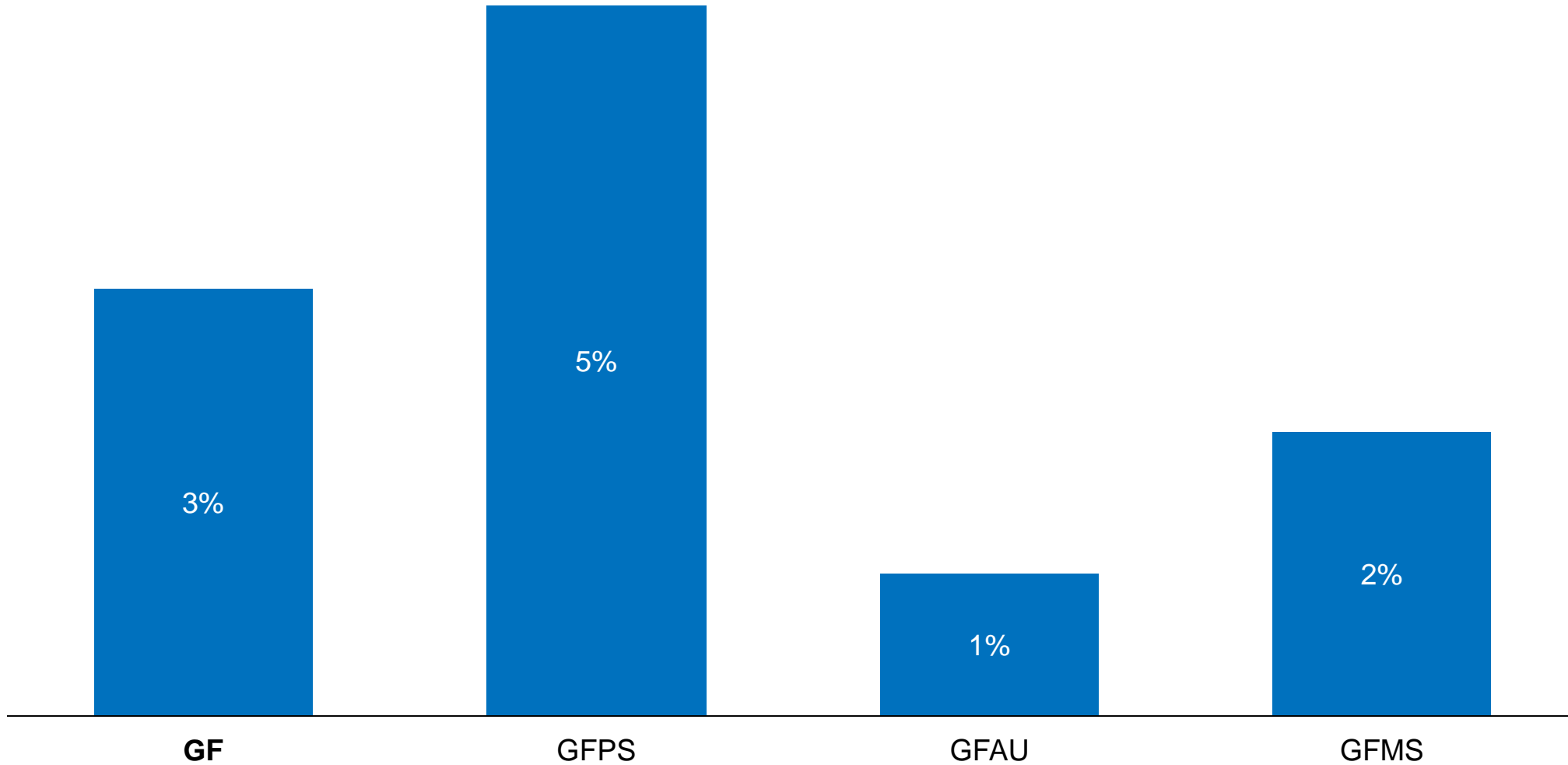
- Widen presence in growth markets, optimize productivity in Europe
- Shift divisions' portfolio to higher margin businesses
- Drive sales proficiency and innovation excellence



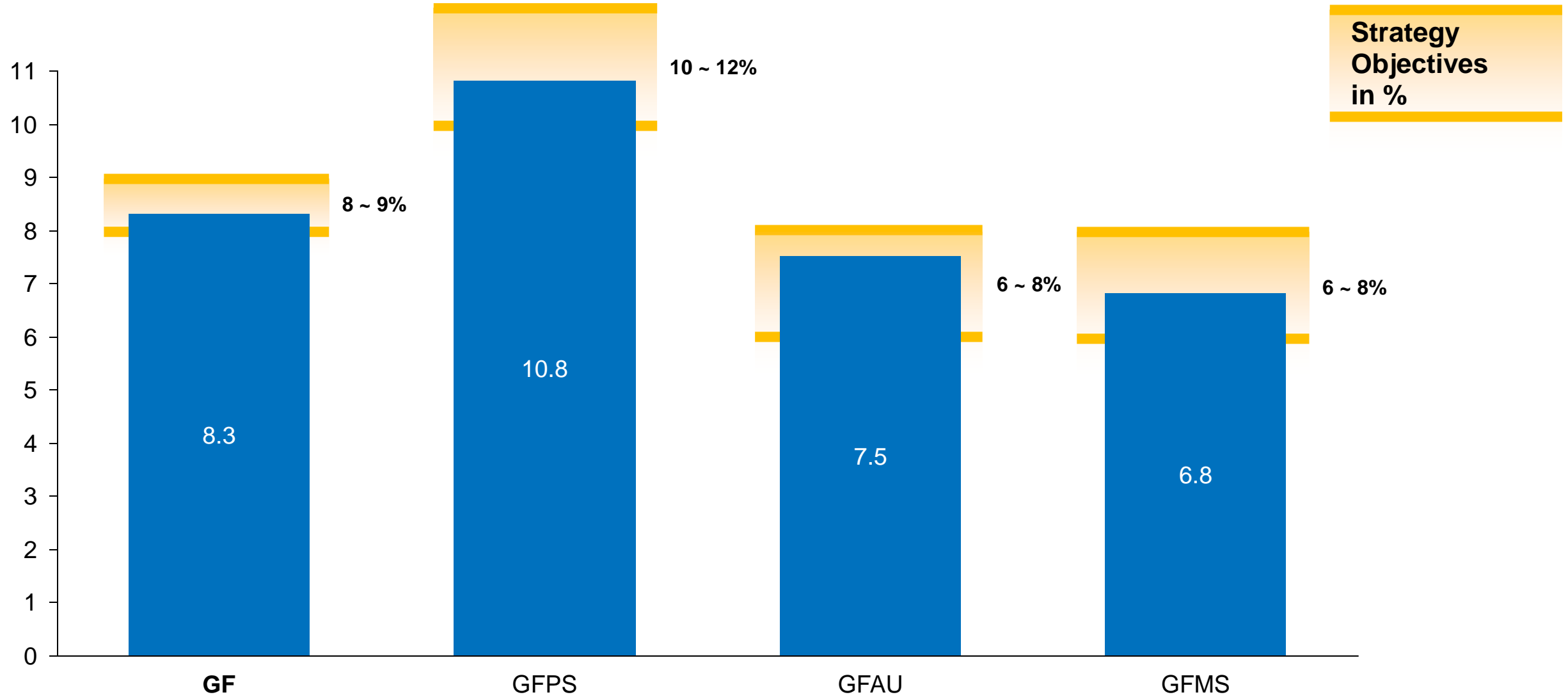
Objectives



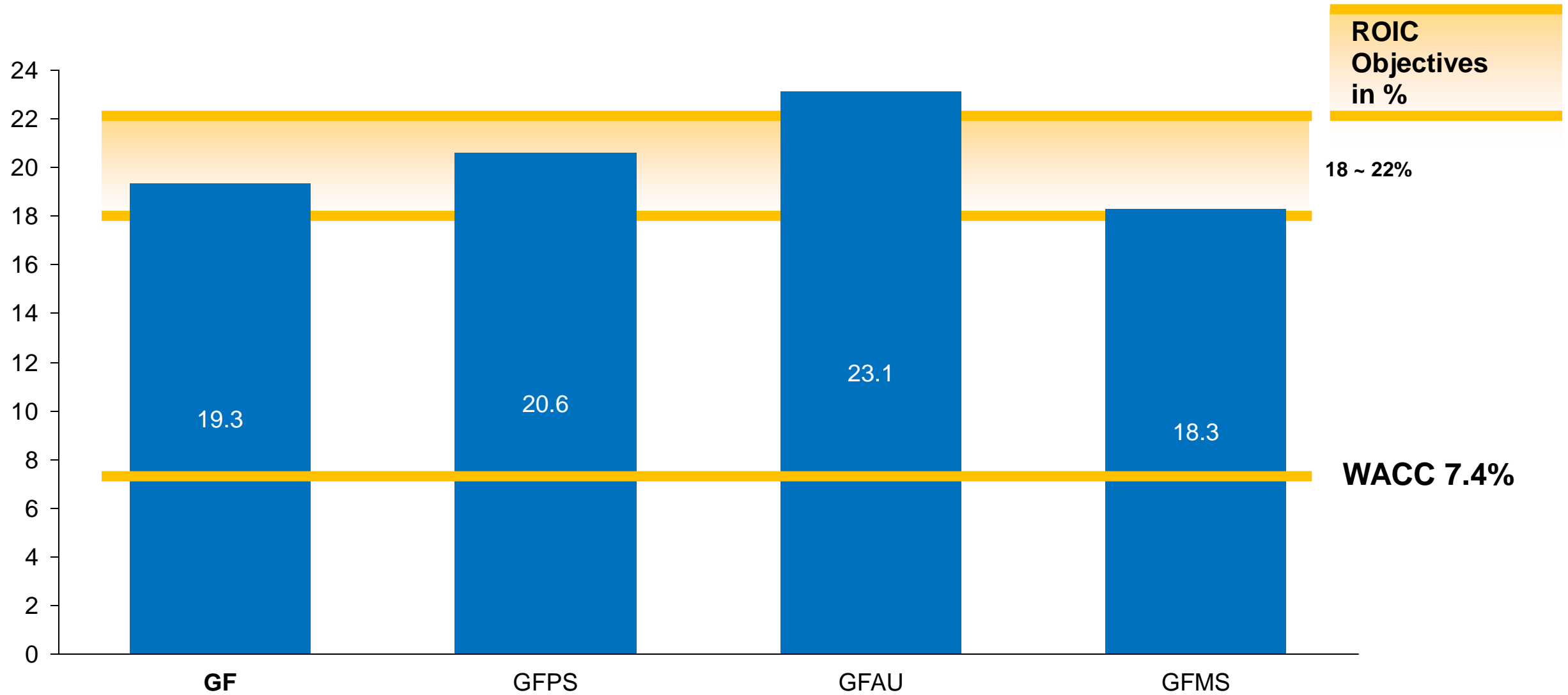
Sales growth in line with 2016-2020 objectives



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



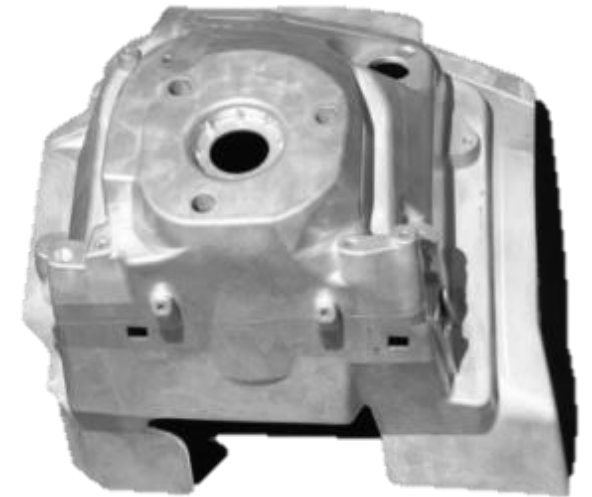
Potable water plant, City of Akron, Ohio, USA

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



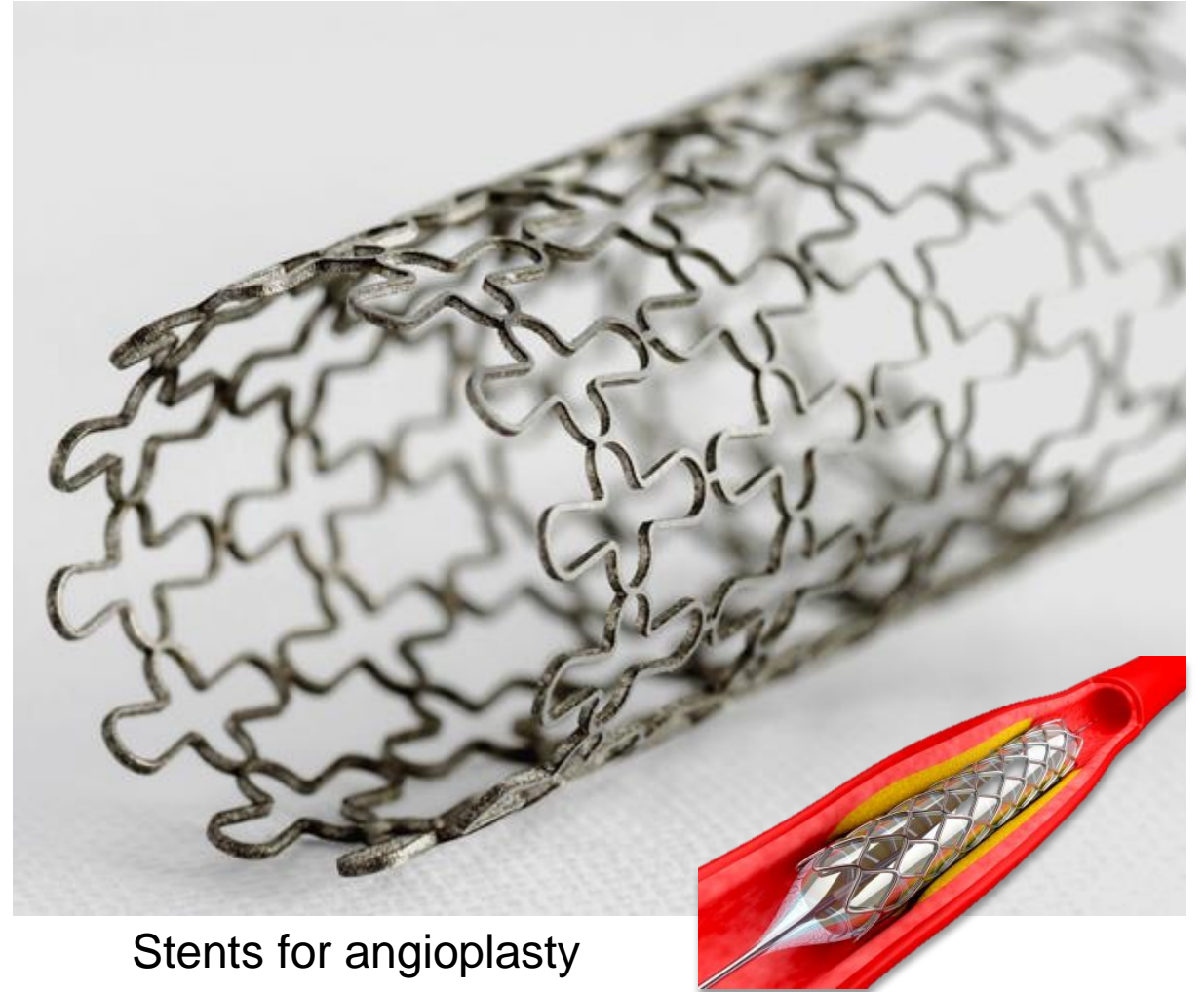
Aerospace components

*Adjusted for one-off effects

Advanced technologies open new markets



Sharp camera lenses



Stents for angioplasty

Consolidated financial statements

GF Corporation
Sales by division



CHF million

	2016	2015	growth	organic growth ¹⁾
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 %
Corporation	3'744	3'640	2.9 %	1.8 %
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 %
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Corporation adjusted for metal price effects	3.0 %
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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 %
Corporation	311	296	8.3 %	8.1 %
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
Total currency impact	19	-4

Income statement



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

Balance Sheet: Assets



CHF million

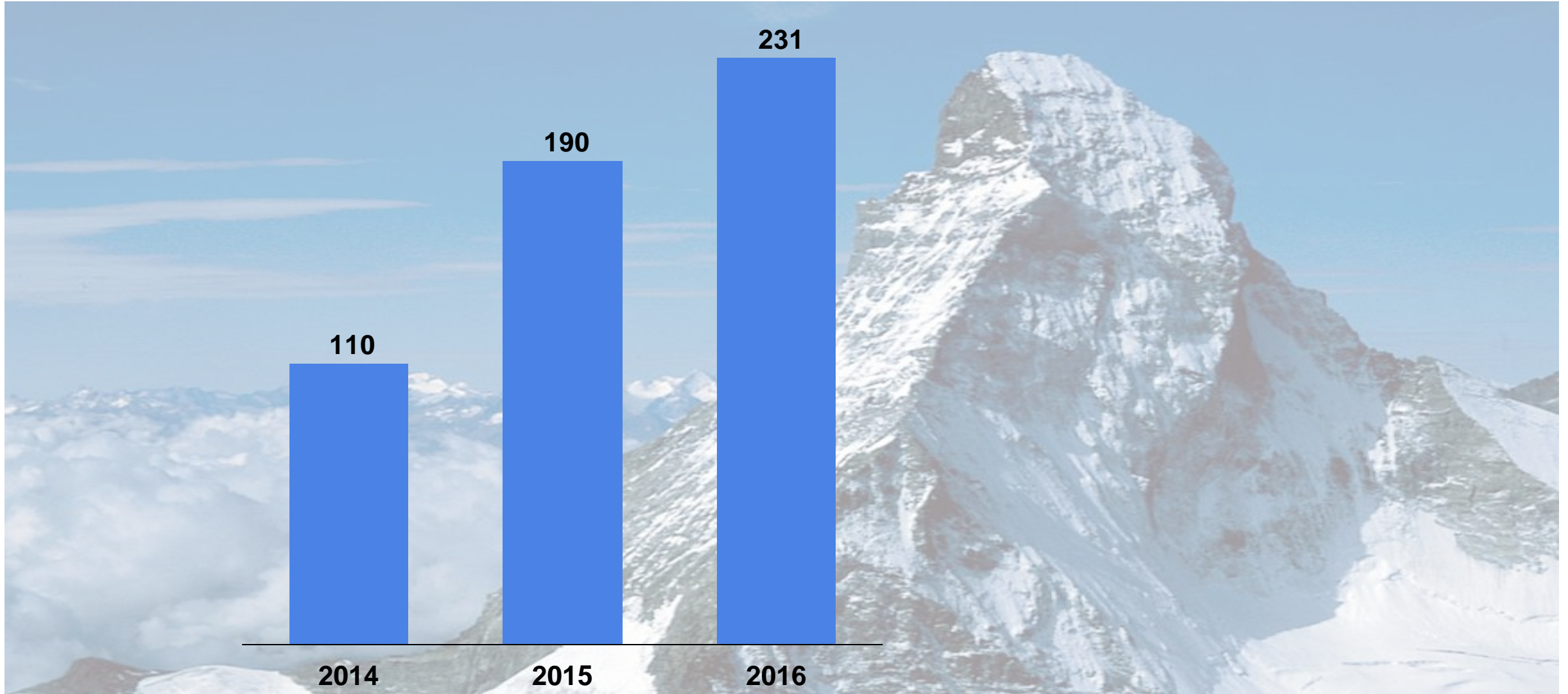
	2016	%	2015	%
Cash, cash equivalents and marketable securities	579		559	
Trade accounts receivable	666		640	
Inventories	673		640	
Other current assets	106		95	
Current assets	2'024	63	1'934	63
Property, plant, and equipment	1'063		1'027	
Intangible assets	25		26	
Deferred tax assets	80		83	
Other financial assets	10		13	
Non-current assets	1'178	37	1'149	37
Assets	3'202	100	3'083	100

Balance Sheet: Liabilities and equity

CHF million

	2016	%	2015	%
Current liabilities	1'067		1'221	
Non-current liabilities	935		732	
Liabilities	2'002	63	1'953	63
Share capital	4		4	
Capital reserves	24		24	
Treasury shares	-10		-6	
Retained earnings	1'138		1'059	
Non-controlling interests	44		49	
Equity	1'200	37	1'130	37
Liabilities and equity	3'202	100	3'083	100

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



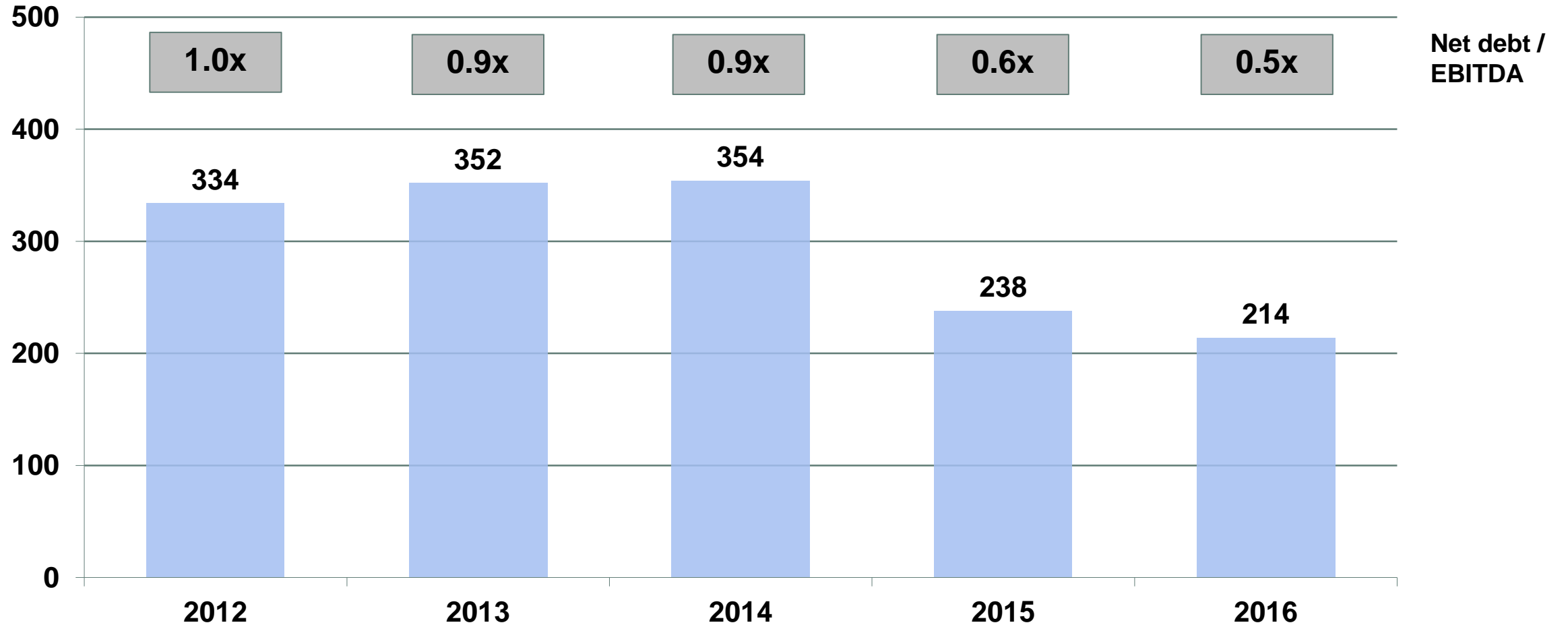
Free cash flow



CHF million

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

CHF million

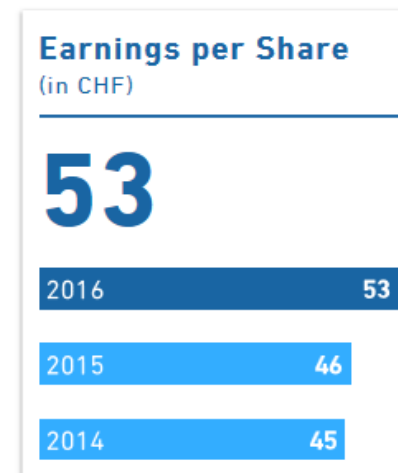
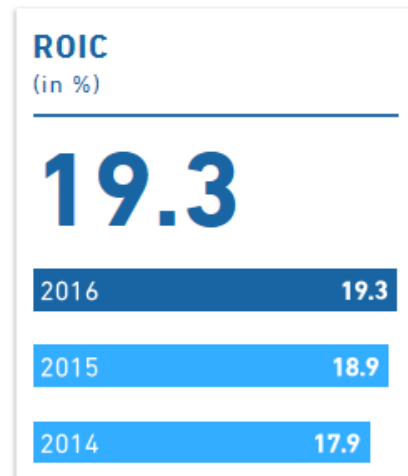
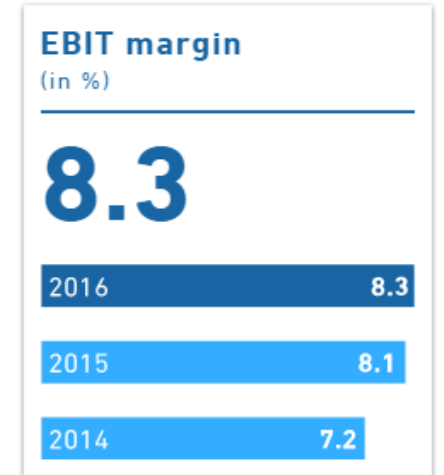
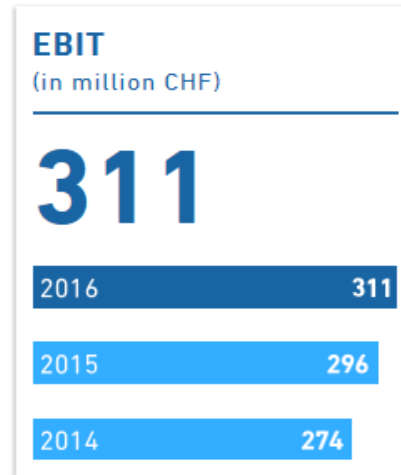
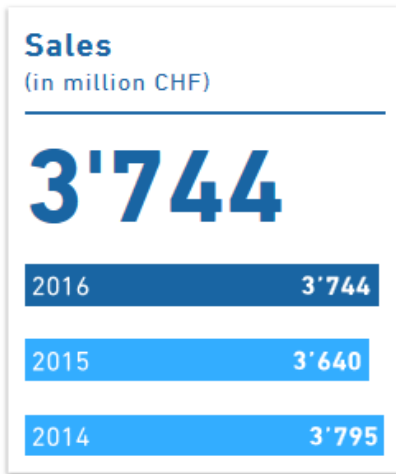


Key figures at a glance



	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

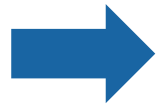
Our new “online” report highlights performance increase



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



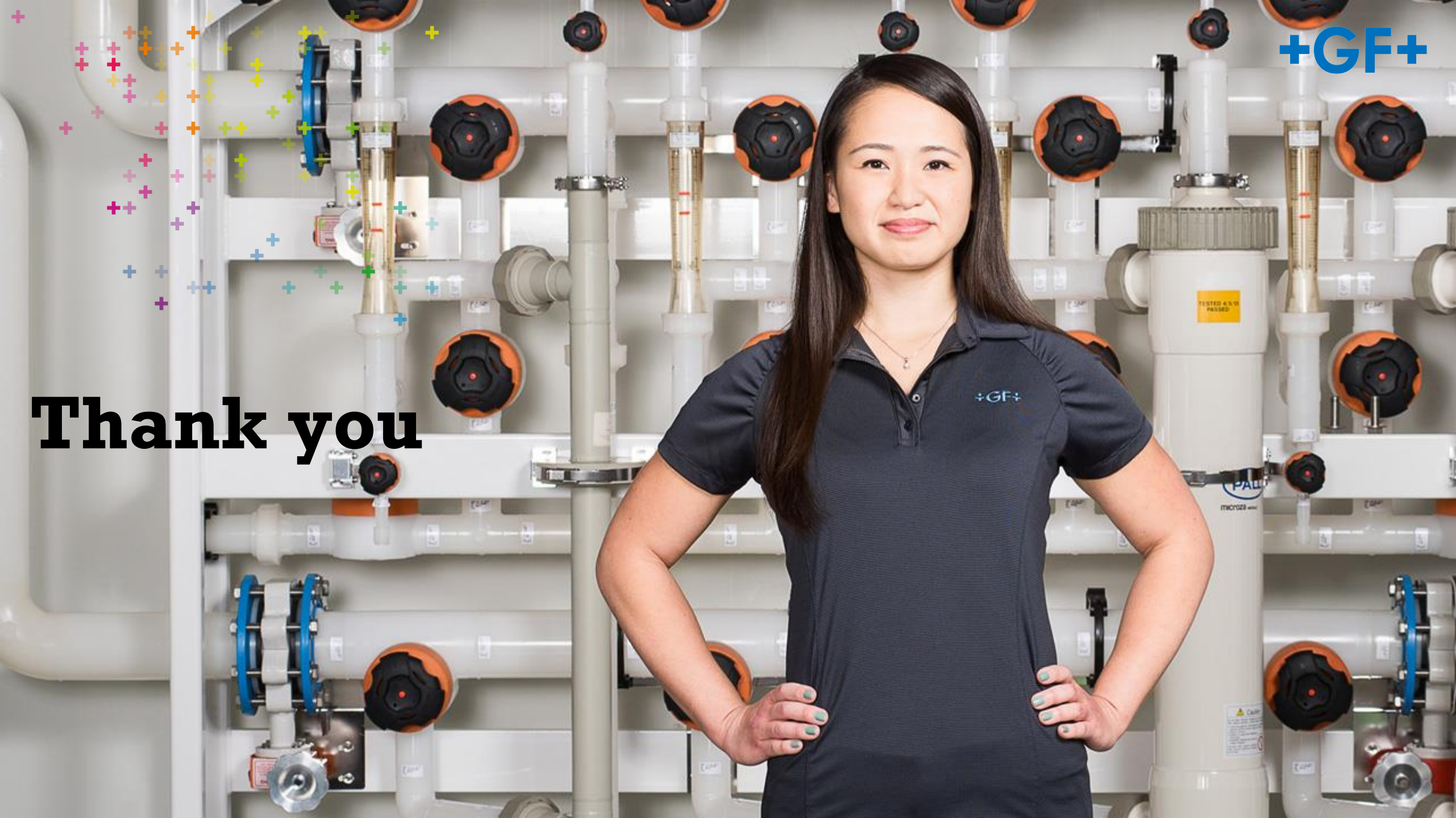
ROIC 18-22%

ROS 8-9%

Growth 3-5%

+GF+

Thank you



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