



Good performance in challenging times, reflecting GF's strong position for long-term growth and value generation

## Dear shareholders,

In the first half of this year, GF's business continued to perform well, despite heavy currency headwinds and geopolitical tensions. Sales of sustainable products and solutions, underpinned by long-term megatrends such as urbanization, energy efficiency and high demand for clean drinking water, continue to sustain performance and profitability.

GF's solid financial position and global footprint, as well as the successful implementation of its Strategy 2025, are positioning the company well to weather expected recessionary trends in the global construction industry, subdued gas utilities in Europe and weaker ICT markets in Asia.

GF continues to actively drive innovation and sustainability. In April, it inaugurated two production sites in Shenyang and Yangzhou (both in China) that combine state-of-the-art production technology and the highest environmental standards in the production of lightweight car components and innovative piping systems. In Switzerland, GF officially unveiled its completely refurbished headquarters in Schaffhausen in June, featuring a modern, open space office, high sustainability standards and plenty of room for collaboration and innovation.

Through its Clean Water Foundation and long-standing partner Water Mission, GF was also able to quickly mobilize financial and material aid

in early 2023 for survivors of a devastating earthquake in Turkey, helping increase access to clean water.

### Corporate results

Sales amounted to CHF 1'961 million (2022: CHF 1'971 million), slightly below the previous year's level. This represents solid organic growth of 7.5%, supported by strong global demand for sustainable solutions. Negative currency effects had a substantial impact of CHF 123 million, partially offset by price adjustments.

The operating result (EBIT) rose to CHF 184 million, with a corresponding EBIT margin of 9.4%. In the first half of 2022, these were CHF 179 million and 9.1%, respectively. Net profit attributable to GF shareholders amounted to CHF 123 million, compared with CHF 125 million in the first half of 2022. Free cash flow came in at minus CHF 131 million



Yves Serra, Chairman of the Board of Directors, and Andreas Müller, CEO

(2022: minus CHF 37 million). Before acquisitions/divestments, the free cash flow was minus CHF 66 million (2022: minus CHF 98 million).

All three divisions were able to generate value in the first half of the year. The shift toward less cyclical businesses makes GF Casting Solutions and GF Machining Solutions in particular more resilient.

GF continues to jointly report financial and non-financial KPIs, underscoring the importance of a holistic business approach to both financial success and sustainability. GF is on track to reach its ESG targets for the year, including total sales with social and environmental benefits, a reduction in CO<sub>2</sub> emissions, a reduction in waste and water intensity, as well as its targets for diversity and inclusion. In April 2023, GF was again included in "the top 100 companies globally" in the third edition of Europe's Climate Leaders – a listing by the Financial Times of the companies that are leading the way in tackling the negative impacts of climate change.

## GF Piping Systems

The division saw lower demand in its Building Technology and Gas Utility business, however, its presence in growth markets and segments, such as high-end microelectronics production and process automation for water reclamation and treatment, made up for it. Sales amounted to CHF 1'065 million in the first half of 2023 (2022: CHF 1'094 million), representing an organic

increase of 4.2%. The operating profit came in at CHF 141 million (2022: CHF 158 million), for an EBIT margin of 13.2% (2022: 14.4%).

In June, GF Piping Systems announced it had received Intel's EPIC Distinguished Supplier Award, a milestone that highlights the division's customer focus and commitment to excellence, and rewards a consistent level of strong performance.

In April, GF inaugurated two production sites in China that combine state-of-the-art production technology and the highest environmental standards.

With its state-of-the-art manufacturing layout for the production of process automation applications, its clean room for pre-fabrication and the modern training center, the newly inaugurated site in Yangzhou (China) is ready to meet the increasing customer demand for sustainable solutions.

In July 2023, GF Piping Systems received its first EcoVadis gold medal for its sustainability performance. This award positions the division among the top 5% of companies assessed worldwide.

## GF Casting Solutions

Growth in sustainable mobility reached an all-time high, with 86% of high-pressure die casting lifetime order intake related to e-vehicles. Sales reached CHF 471 million (2022: CHF 449 million), an organic increase of 20.0%, due in part to strong demand for e-vehicles. Operating profit increased substantially to CHF 35 million (2022: CHF 14 million), for an EBIT margin of 7.5% compared with 3.2% in 2022. The division is increasingly recognized for its innovation strength and capabilities to produce mega castings, which are a key differentiator in the production and assembly of e-vehicles. The ramp-up of the factory in Shenyang (China) is also progressing according to plan.

Also GF Casting Solutions earned its first EcoVadis gold medal for its sustainability performance in March 2023. This award positions the division among the top 4% of companies in the "Casting of Metals Industry" segment.

## GF Machining Solutions

Considering the current demanding macroeconomic environment, GF Machining Solutions achieved a good order intake of CHF 461 million (2022: CHF 478 million), resulting in a book-to-bill ratio of 1.1. Sales reached CHF 426 million in the first half of this year (2022: CHF 431 million), organically up 3.7%, thanks to a rebound in the aerospace sector, where global order intake returned to pre-COVID-19 levels. Operating profit reached CHF 20 million (2022: CHF 17 million), leading to an EBIT margin of 4.7% (2022: 4.0%), supported by a strong MedTech segment and a high share of innovative solutions in the EDM technology.

The division continues to be an industrial technology leader, pursuing its strategy to strengthen customer experience and service offerings, including digital services.

GF Machining Solutions launched new high-performance laser machines for applications in several segments. One of these applications is anti-scratch surfaces on plastic components, where laser textured molds make it possible to reduce plastic coating chemicals, a big step in the sustainability journey of its customers.

## Tender offer launched to acquire leading Finnish company Uponor

On 12 June 2023, GF announced its voluntary recommended cash tender offer to acquire the Finnish company Uponor, which, if successful, will pave the way for GF to become a global leader in the Water and Flow Solutions business, and

increase its resilience and growth prospects. This is a transformative step for GF, which, upon successful completion, will accelerate the execution of its Strategy 2025 to drive profitable growth. The transaction is expected to close in Q4 2023.

## Outlook for the full year 2023

The present volatile environment is likely to persist in the short term, but with a different situation per market segment. GF Piping Systems is dealing with a subdued worldwide construction industry, and gas utilities in Europe and Asia are facing headwinds. At the same time, the industrial segments are continuing to enjoy good momentum globally. GF Casting Solutions' good position in the e-vehicle and high-end segments is expected to support its business, also in the second half of the year. GF Machining Solutions faces subdued ICT markets, especially in China, but MedTech and aerospace order intakes are solid.

Overall, GF is set to benefit from strong positions in resilient market segments. In particular, the sustainability needs of our customers continue to offer excellent long-term business opportunities. Barring unforeseen circumstances, for the full year 2023 GF expects to achieve organic sales growth in line with its Strategy 2025 and an operating profitability within the Strategy 2025 corridor (EBIT margin 9-11%).

We would like to take this opportunity to express our heartfelt thanks to our shareholders for their ongoing trust, and to our employees, business partners and customers for continuing to support GF on its journey to become an innovation and sustainability leader.



Yves Serra  
Chairman of the Board  
of Directors



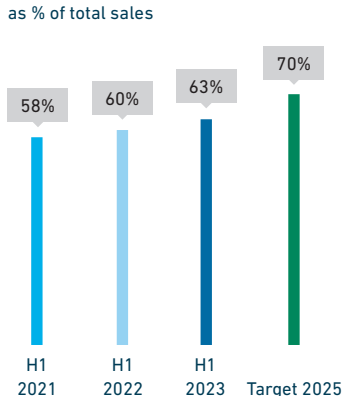
Andreas Müller  
CEO

CHF million	GF Corporation		GF Piping Systems		GF Casting Solutions		GF Machining Solutions	
	2023	2022	2023	2022	2023	2022	2023	2022
Order intake	1'925	2'209	986	1'246	480	488	461	478
Orders on hand	860	973	339	456	286	260	236	259
Sales	1'961	1'971	1'065	1'094	471	449	426	431
Sales growth %	-0.5	7.4	-2.6	11.3	5.0	-2.3	-1.0	9.7
Organic growth %	7.5	11.1	4.2	14.0	20.0	5.4	3.7	10.7
EBITDA	239	240	166	183	55	40	27	24
EBITDA margin %	12.2	12.2	15.6	16.7	11.7	8.9	6.4	5.7
EBIT	184	179	141	158	35	14	20	17
Return on sales (EBIT margin) %	9.4	9.1	13.2	14.4	7.5	3.2	4.7	4.0
Net profit shareholders GF	123	125						
Basic earnings per share in CHF	1.50	1.53						
Free cash flow before acquisitions/divestments	-66	-98						
Invested capital (IC)	1'448	1'399	779	795	349	345	250	214
Return on invested capital (ROIC) %	21.7	19.8	30.2	35.6	18.6	5.7	15.7	16.0
Net debt	108	52						
Number of employees	15'464	14'957	8'191	7'981	3'695	3'504	3'408	3'327

### Product Portfolio

#### Sales with social or environmental benefits

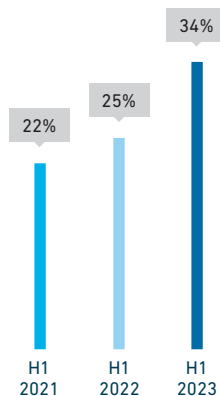
as % of total sales



### Climate & Resources

#### Renewable energy

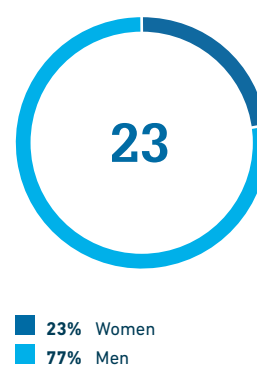
incl. certified green electricity, in %



### People & Well-being

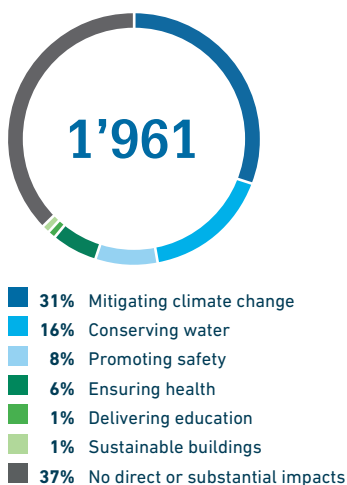
#### Diversity and inclusion

Newly appointed women managers, in %



### Breakdown of products by identified benefits

in CHF million



### CO2e emissions

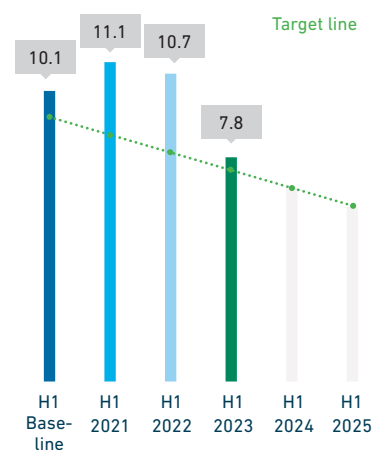
scope 1 and 2, in '000 tonnes



The performance indicators include the entire product portfolio and at least 90% of scope 1 and 2 GHG emissions.

### Accident rate

as lost time injury frequency rate (LTIFR) per 1 million working hours



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GF uses certain key figures to measure its performance that are not defined by Swiss GAAP FER. For that reason, there might be limited comparability to similar figures presented by other companies. The full version of the GF Mid-Year Report 2023 incl. documentation is available on our website [www.georgfischer.com/mid-year-report](http://www.georgfischer.com/mid-year-report).