

Ad hoc announcement

This is an ad hoc announcement pursuant to Article 53 of the Listing Rules (LR) of the SIX Exchange Regulation AG.

Schaffhausen

02 March 2022, 7:00 a.m. CET

The full version of the Annual Report 2021 and the presentation of the financial year 2021 are available on our website www.georgfischer.com or at www.annualreport.georgfischer.com/2021/en.

The presentation of the annual results will take place on 2 March via Video Webcasts:

- For **journalists at 10:30 am** – please use the following [link](#).
- For **analysts at 1:45 pm** – please use the following [link](#).

Strong growth and increased profitability – focus on sustainability-driven markets

- **Order intake exceeds CHF 4 billion, up 28% year-over-year**
- **Strong 17% sales increase to CHF 3'722 million (organically +16%)**
- **Operating result (EBIT) reached CHF 278 million, up 50% compared with EBIT before one-offs in 2020**
- **EBIT margin increases from 5.8% (before one-offs) to 7.5% in 2021**
- **Earnings per share nearly doubled to CHF 52, dividend proposed CHF 20 (2020: CHF 15)**
- **Strategy 2025 successfully launched, focus on sustainable end markets, such as water treatment, e-mobility and MedTech**

In 2021, the first year of the new strategy cycle 2021–2025, GF delivered a strong result in terms of profit and sales growth. The strategic focus on promising resilient end markets, especially those that center on sustainability, has powered the company's performance over the year, supporting GF's business model. In addition, business segments such as the building technology and utility sector, have rebounded, despite ongoing headwinds in the markets. GF weathered the persisting macroeconomic uncertainties well, including the COVID-19 pandemic, the semiconductor shortages, supply chain disruptions, and increasing raw material prices.

During the year, GF employees continued to adapt to digitalized ways of working, including attending major events online, such as customer experience days, global HR meetings, as well as internal and external trainings. This was due to a resurgence of COVID-19 in the second half of the year and tighter pandemic-related restrictions. We wish to thank the GF team worldwide for their dedication, flexibility, and for their enthusiasm in taking new and sometimes unexpected paths, in line with GF's purpose of "Becoming better every day – since 1802".

Corporate results

GF sales in 2021 amounted to CHF 3'722 million (2020: CHF 3'184 million), boosted by the successful development of multiple segments, including data centers, e-mobility, and MedTech. All three divisions recorded a solid development in China, adding to remarkable growth in the Americas and Europe. Organically, sales increased by 15.9%, reflecting the resilient portfolio of all divisions and the rebound of various markets (e.g. ICT, mold and die, water treatment, chemical process industry, ship building), and offsetting the subdued performance in the aerospace and automotive sectors. Price increases contributed positively to sales growth and underlined the strong market position of GF. The operating result (EBIT) reached CHF 278 million, after a solid second half of the year (2020: CHF 185 million EBIT before one-offs). The EBIT margin rose to 7.5% (2020: 5.8% EBIT margin before one-offs).

The return on invested capital (ROIC) reached 16.4% (2020: 9.3%), with GF Piping Systems achieving a remarkable level of 32.1% (2020: 24.2%), surpassing the target range set in the Strategy 2025. At the end of 2021, 15'111 employees worked for GF, compared with 14'118 employees at year-end 2020. GF further reinforced its balance sheet through its successful business activities, which resulted in a high level of liquidity and a low net debt to EBITDA ratio of 0.1 (2020: 0.4) at the end of the year. The equity ratio stood at a solid 39.7% (2020: 40.3%).

Net profit attributable to shareholders of GF amounted to CHF 214 million (2020: CHF 116 million). A strong fourth quarter led to an increase in net working capital that affected the free cash flow before acquisitions, which reached a solid level of CHF 151 million (2020: CHF 230 million).

Earnings per share were up 86% to CHF 52 (2020: CHF 28). At the upcoming annual shareholders' meeting, the Board of Directors will propose a dividend per share of CHF 20 (2020: CHF 15 per share).

Key figures

CHF million	GF Corporation		GF Piping Systems		GF Casting Solutions		GF Machining Solutions	
	2021	2020	2021	2020	2021	2020	2021	2020
Order intake	4'058	3'160	2'211	1'716	907	740	941	706
Orders on hand at year-end	814	514	326	116	276	251	213	147
Sales	3'722	3'184	1'971	1'708	880	752	873	725
Sales growth %	16.9	-14.4	15.4	-5.2	17.1	-20.8	20.3	-25.4
Organic growth %	15.9	-8.4	14.3	0.3	15.9	-11.9	19.9	-21.6
EBITDA	412	299	302	245	63	26	61	34
EBIT before one-offs	278	185	247	193	5	-15	47	20
One-offs		19				19		
EBIT	278	166	247	193	5	-34	47	20
Net profit shareholders GF	214	116						
Free cash flow before acquisitions	151	230						
Return on sales before one-offs (EBIT margin before one-offs) %	7.5	5.8	12.5	11.3	0.5	-2.0	5.4	2.8
Return on sales (EBIT margin) %	7.5	5.2	12.5	11.3	0.5	-4.5	5.4	2.8
Invested capital (IC)	1'355	1'313	630	593	504	448	151	197
Return on invested capital (ROIC) %	16.4	9.3	32.1	24.2	0.3	-5.7	21.9	7.8
Number of employees	15'111	14'118	7'686	6'893	4'008	3'919	3'282	3'192

GF Piping Systems

In line with the Strategy 2025, GF Piping Systems focused on growing high-value businesses that address important sustainability needs. This focus paid off and the division reported record results in all major markets. With strong recoveries in Industry, Utility, and Building Technology, business grew organically by 14.3%, leading to total sales of CHF 1'971 million in 2021 (2020: CHF 1'708 million). The strong market position allowed the division to increase its prices by around 6%, offsetting rising costs.

EBIT in 2021 rose to CHF 247 million, compared with CHF 193 million in the previous year. This significant improvement resulted in an EBIT margin of 12.5%, compared with last year's EBIT margin of 11.3%.

During 2021, the division invested significantly in future growth and further strengthened its position in the microelectronics and data center segments, complementing traditional strong holds in water treatment, urban infrastructures, and building technology.

2021 also marked an important cornerstone for GF Piping Systems as a sustainability leader: with the recent launch of the first bio-attributed PVC pipes and fittings products, the division is contributing to the reduction of the carbon footprint of both its operations and those of its customers.

With GF supplied fittings, valves, and pipes, the division also contributes to the development and use of green hydrogen as a power source and to the distribution of green hydrogen in gas networks.

GF Casting Solutions

GF Casting Solutions has taken a predominant role in the area of sustainable mobility. With its focus on lightweight components, the division is set to benefit increasingly from the growing hybrid and e-vehicle demand across all major regions. This is expected to result in a steady increase of sales of electric vehicle components in the years to come. In 2021, orders for e-vehicle components represented CHF 430 million or 43% of lifetime order intake.

GF Casting Solutions recorded promising signs of recovery in the first half of the year, whereas the chip shortage in the second half caused significant reductions of call-offs worldwide. Nevertheless, in 2021, the division reported CHF 880 million in sales, a 17.1% increase compared with 2020.

Organically, sales increased 15.9%. EBIT reached CHF 5 million, compared with a negative EBIT the year before, while the EBIT margin came in at 0.5%, above last year's negative EBIT margin of -2.0% before one-offs.

In addition to call-off reductions, the divisional performance was impacted by labor shortages in the US, as well as the steep price increases for raw materials, such as aluminum and magnesium. These can be recouped only with a time lag of approximately three months. However, metal price increases resulted in sales growth of around 6%.

The new light metal foundry in Mills River (US) was clearly contributing to the sales growth in 2021 of the division and continues to enjoy a full order book. However, the aforementioned headwinds heavily hit the facility, which is still ramping up, causing a negative impact on the operating profit of the site and the division.

The new plant in Shenyang (China) is well on track and will start production toward the end of 2022, earlier than initially planned. This will allow the division to better serve its customers in the world's largest car market in line with its strategic target to further globalize the business and focus on lightweight components.

GF Machining Solutions

At the leading EMO trade fair in Milan (Italy), the division presented its next generation of innovations and new technologies. With its new EDM and laser machines as well as new digital services, GF Machining Solutions continues to be one of the technology leaders in the machine tool business. This is also underscored by the successful opening of a new center of competence in Schorndorf (Germany), exclusively focused on servicing the growing medical segment. The integration of a machine service provider in France and the development of new service offerings are driving the division's ambition to strengthen this business segment.

Order intake for the division grew significantly in 2021 (+33.3%), especially in segments such as MedTech, ICT, and high-precision solutions for e-mobility applications. Despite supply chain disruptions and a still subdued aerospace sector, GF Machining Solutions increased its sales by 20.3% to CHF 873 million (2020: CHF 725 million) with automation, laser, and EDM technologies as strong drivers of the business. The operating result (EBIT) reached CHF 47 million (2020: CHF 20 million), corresponding to a doubled EBIT margin of 5.4% compared with last year. Due to supply contracts with long duration, the increase in raw materials prices had a minor effect on 2021 sales.

COVID-19 pandemic accelerated transformation

The COVID-19 pandemic continued to have a major impact on GF's 2021 business year. Supply bottlenecks, shortages of raw materials and components, as well as increases in personnel expenses and raw material prices, challenged the company globally. In order to offset the effects of the pandemic, various internal and external processes were established, simplified, and accelerated thanks to digitalization. The safety and health of our employees had always first priority.

Strategy 2025: Roll-out on track, "Culture Movement" kick-off

2021 marked the launch of GF's new strategy cycle, which emphasizes the central role of innovation. The five-year plan addresses the three strategic focus areas profitable growth, portfolio resilience, and a "go for the full potential" spirit to further evolve into a performance and learning culture.

Addressing the first strategic focus area, all three divisions shifted their sales efforts and innovation focus toward intelligent and sustainable solutions. In order to increase its robustness through portfolio additions and operational excellence, GF continued to invest and expand into less cyclical businesses, such as the water and gas business in Brazil, but also further strengthened its market segment organizations (e.g. water treatment, e-mobility, MedTech) in all three divisions in 2021. GF also kicked off the “Culture Movement” to unleash the full potential of GF through a series of initiatives such as the implementation of the new corporate values related to Caring, Learning, and Performance.

Sustainability drives performance, strategic direction pays off

Sustainability plays an integral role in the successful implementation of the Strategy 2025, and offers growth opportunities in all GF divisions and businesses. GF’s product range is increasingly geared to providing sustainability benefits and supporting our customers in reaching their own sustainability goals. At the same time, it reinforces GF’s long-term growth initiatives and the generation of sustainable performance. In 2021, GF was included in the newly launched SPI ESG Index and defended its position in the annual review of the SXI Swiss Sustainability 25 Index. GF also achieved the best possible rating (score of 1) in the environmental category of the ISS Quality Score Rating, and retained its strong position of an A– score in the CDP ranking for its efforts to tackle climate change and improve water security. In addition, GF raised its overall score in the S&P Corporate Sustainability Assessment (CSA) to 60/100 in 2021, up from 33/100 in 2020 and above the industry average of 28/100.

Share split and proposed changes to the Board of Directors

At the upcoming annual shareholders’ meeting on 20 April 2022, the Board of Directors will propose a stock split in the ratio of 1:20, resulting in 82’017’960 registered shares at a nominal value of CHF 0.05 each. This split is designed to facilitate the trading activity of GF shares also for retail investors. The first day of trading for the split shares is planned for the end of April 2022 after the payment of the proposed dividend.

As previously announced, the Board of Directors will also propose Ms. Ayano Senaha for election as a new member of the Board. The 39-year-old Japanese national is currently serving as COO and Board Member of Recruit Holdings in Tokyo, a pioneer in the digitalized job search business and the world leader in web matching services through its Indeed brand. With this nomination, the Board of Directors is further expanding increasingly important competencies in digitalization, sustainability, and governance in a targeted manner.

Outlook for the full year 2022

The new Strategy 2025 inspired and motivated GF’s employees worldwide to continue to expand business activities and to proactively contribute to the implementation of the new vision. GF started 2022 with a promising order book and favorable momentum in all divisions. GF Piping Systems can rely on its strong position in several end markets, as well as the ongoing shift to higher value businesses and the growing sustainability needs of its customers. For GF Casting Solutions, the global chip shortage should gradually abate somewhat in the course of the year and enable the division to further benefit from the shift in the automotive industry toward e-mobility. The aerospace segment is still subdued, but shows signs of a mild recovery, supporting the development of two divisions. The positive momentum at GF Machining Solutions in the fourth quarter of 2021 is expected to continue in the coming months.

Geopolitical tensions and supply chain constraints make forecasting difficult. Assuming the issues abate and barring unforeseen circumstances, GF expects in 2022 for both sales and profit a further step towards the achievement of its Strategy 2025 targets.

For further information please contact

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Photos from the Annual Media Conference will be available on 2 March as of 2:00 pm in the [GF image database](#).

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. Additional information on these key figures can be found on www.georgfischer.com/en/investors/alternative-performance-measures.html

Corporate Profile

GF – with its three divisions GF Piping Systems, GF Casting Solutions, and GF Machining Solutions – offers products and solutions that enable the safe transport of liquids and gases, as well as lightweight casting components and high-precision manufacturing technologies. As a sustainability and innovation leader, GF strives to achieve profitable growth while offering superior value to its customers for more than 200 years. Founded in 1802, the Corporation is headquartered in Switzerland and present in 34 countries with 139 companies, 61 of which are production facilities. GF's 15'111 employees worldwide generated sales of CHF 3'722 million in 2021.

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