Excellence in Flow+

Financial year 2025

Solid performance in a transformative year

Dear shareholders,

In 2025, GF successfully completed the key steps in its transformation to become a pure-play Flow Solutions company.

The divestment of GF Machining Solutions to the Swiss-based United Grinding Group was closed on 30 June 2025. Annual sales carved out from GF amounted to CHF 885 million in 2024, and around 3'300 employees and production sites in eight locations across Europe, Asia and the US transferred to the buyer as part of the transaction.

On 30 September 2025, GF successfully closed its acquisition of VAG-Group, a leading manufacturer of metal valves for water utilities headquartered in Mannheim (Germany). With annual sales of approximately EUR 200 million (around CHF 190 million) and a workforce of about 1'000 employees, VAG-Group brings mission-critical metal valve technology that strengthens GF's Flow Solutions portfolio and reinforces its position as a one-stop partner for urban water infrastructure solutions. The acquisition also broadens the company's reach in key markets, particularly Europe, Americas and the Middle East.

At year-end 2025, GF also closed the divestment of the GF Casting Solutions' iron foundry in Leipzig (Germany) to Linamar Corp., a leading global manufacturer of advanced mobility and industrial solutions. Annual sales amounted to CHF 93 million in 2025, and 300 employees were transferred to Linamar.

(Figures in brackets, unless otherwise stated, refer to the same period in the previous year. 2024 figures have been restated to reflect organizational changes and thereby be comparable with 2025 figures: Building Technology was transferred from GF Industry and Infrastructure Flow Solutions (formerly GF Piping Systems) to GF Building Flow Solutions, while Uponor Infrastructure was moved from GF Building Flow Solutions to GF Industry and Infrastructure Flow Solutions.)

Listen to the letter to shareholders.

The divestment of GF Casting Solutions' automotive business to Mexico-based Nemak S.A.B. de C.V. was completed after the reporting period on 12 February 2026. Annual sales carved out from GF amounted to CHF 517 million in 2025, and around 2'500 employees and nine production sites across Europe, China and the US were transferred to Nemak. Our transformation journey is now largely completed. What remains is the divestment of the successful aerospace and industrial gas turbine operations, including its three sites in Novazzano and Stabio (both in Switzerland), and Arad (Romania). This divestment process is ongoing.

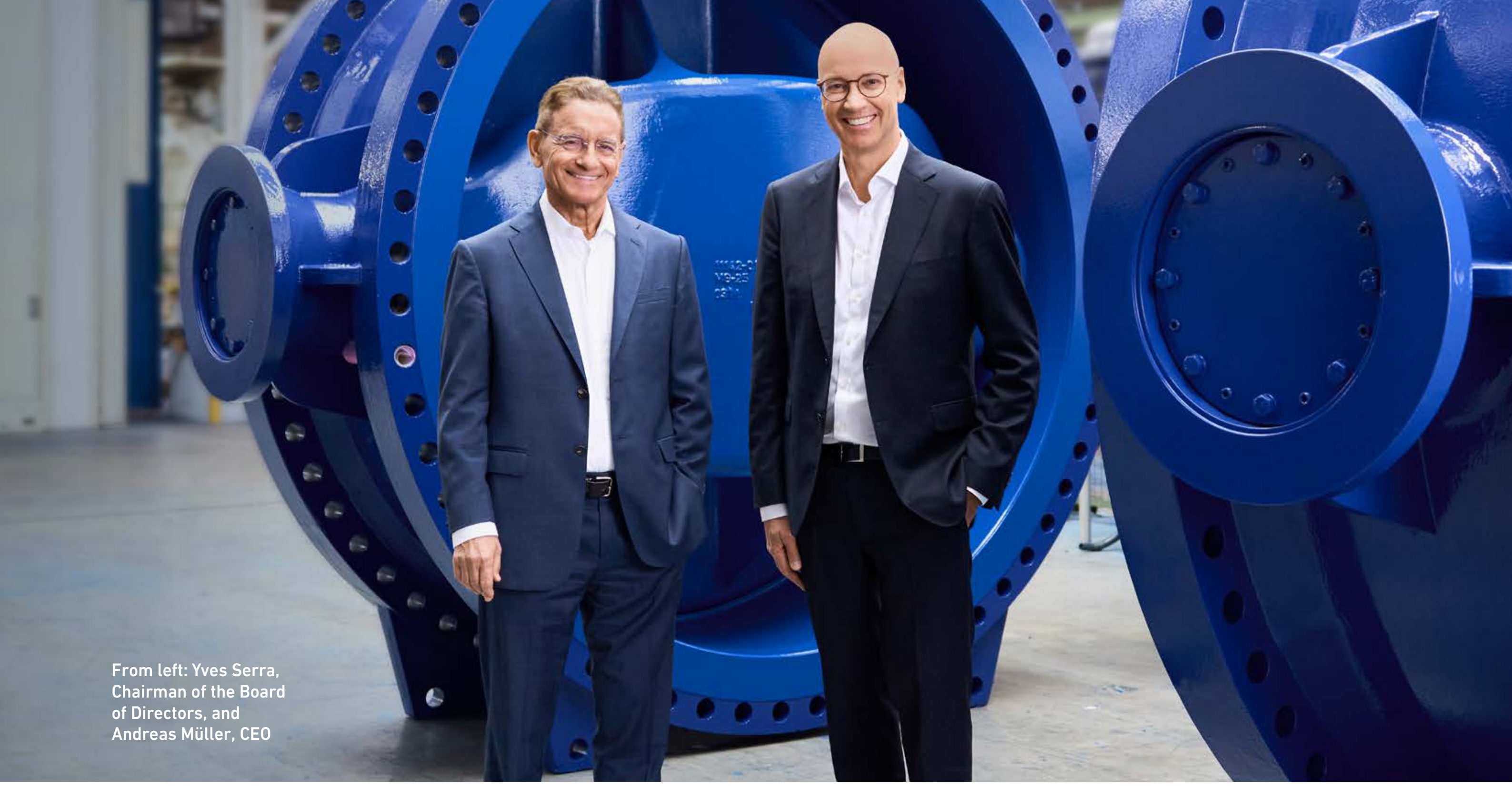
GF thanks all employees of GF Machining Solutions and GF Casting Solutions for their valuable contributions to the company and wishes them every success in the next chapter of their journey.

Solid performance for the Flow Solutions businesses despite headwinds

Throughout the year, GF's Flow Solutions business proved resilient despite persistently difficult market conditions shaped by geopolitical tensions, a strong Swiss franc and weak construction markets.

GF's Flow Solutions business generated sales of CHF 2'999 (3'051) million in 2025. Organically, sales were slightly above the previous year's level.

In the Buildings business, sales in North America remained solid despite declining construction markets. In Europe, sales were affected by soft construction markets, with signs of recovery emerging toward year-end. In the Industry business, sales were impacted by delayed semiconductor-related projects and subdued demand in several key segments, including chemical processing. Sales were supported, however, by a solid global performance in the Infrastructure business. Currency effects negatively affected sales by CHF 124 million.



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

GF's Flow Solutions businesses' comparable operating result (EBIT) excluding items affecting comparability reached CHF 299 (349) million, with a comparable EBIT margin of 10.0% (11.4%). The margin decline was partly caused by a softness in the industrial business, especially in Europe, combined with growth in relatively lower-margin infrastructure segments, as well as by the tariffs imposed by the US. In addition, currency effects negatively impacted EBIT by CHF 25 million. Considering items affecting comparability of CHF 33 million, the reported operating result (EBIT) stood at CHF 266 (309) million, with an EBIT margin of 8.9% (10.1%). The comparable operating result before depreciation and amortization (EBITDA) reached CHF 403 (456) million, with a comparable EBITDA margin of 13.4% (15.0%). Reported EBITDA reached CHF 371 (420) million, with a reported EBITDA margin of 12.4% (13.8%).

The integration of Uponor and the associated value creation program continued to enhance GF's efficiency and customer reach. The Flow Solutions organization was further streamlined, including the production footprint. Commercial synergies and scale effects are materializing, with annual synergies of CHF 40–50 million expected by 2027 and CHF 29 million in additional EBIT realized by the end of 2025.

GF successfully achieved the majority of the targets set out in its 2025 Sustainability Framework, reinforcing sustainability as a core pillar of the Group's strategy. GF's Flow Solutions business continued to expand its portfolio of products with social and environmental benefits, reduced Scope 1 and 2 CO_2e emissions, and further lowered unrecycled waste. GF expanded its carbon-neutral operations to the production sites in Sissach and Seewis (both in Switzerland), increasing the total number of carbon-neutral sites to 12. The Group's sustainability performance was once more recognized externally, with the global rating agency CDP awarding GF an "A" score for transparency and climate action. Safety performance also improved further in 2025.

At the end of 2025, GF employed 13'270 (12'148) people in its Flow Solutions business, with the increase coming mainly from the acquisition of VAG-Group.

GF Industry and Infrastructure Flow Solutions (formerly GF Piping Systems)

GF Industry and Infrastructure Flow Solutions sales amounted to CHF 1'955 (1'947) million in 2025. Organically, sales increased by 1.9%. Sales were supported by strong momentum in the infrastructure sector in Europe, along with solid demand in the industrial sector in the US, the Middle East and Northeast Asia. Tariff-induced uncertainties caused hesitation among industrial customers, delaying investment decisions. While semiconductor-related sales were at a lower level due to fewer active projects, the project pipeline remains healthy. In contrast, demand for data center cooling solutions strongly increased in 2025.

The division's comparable EBIT stood at CHF 212 (258) million, resulting in a comparable EBIT margin of 10.9% (13.2%). Reported EBIT was CHF 199 (244) million, with an EBIT margin of 10.2% (12.5%). Currency movements had a negative impact of CHF 19 million on the division's EBIT. Profitability was adversely affected by an unfavorable product mix as well as the US tariffs. These effects were partly mitigated through cost-saving measures and continued progress in the value creation program.

The integration of the acquired VAG-Group progressed well, and the complementary acquired technologies further accelerated innovation. A prime example is the plug-and-play Flowise DMA (District Metering Areas) chambers, integrating GF, Uponor and VAG technologies with the latest generation of NeoFlow pressure control valves to support efficient and future-ready water network management.

Operational excellence initiatives progressed in 2025 through site modernizations and by bringing innovations closer to customers with new customer experience centers in China and the US. GF upgraded its site in Seewis with the most advanced automated ball valve assembly line, expanding capacity and efficiency for high-tech polymer valves. In parallel, GF Central Plastics opened a new 15'000 m^2 manufacturing campus for gas applications in Oklahoma, strengthening operational efficiency and GF's leading market position in the US.

GF Building Flow Solutions

GF Building Flow Solutions achieved sales of CHF 1'114 (1'189) million in 2025. Organically, sales decreased by 2.7%. Excluding the discontinued product lines resulting from the closure of two plants, sales declined 1.8%. Construction markets remained soft in Europe and slowed down in the US toward year-end. In North America, organic sales were flat despite declining new construction activity, persistently high mortgage rates and ongoing tariff uncertainty. In Europe, sales were affected by a mixed demand across construction markets, with signs of recovery emerging toward year-end.

Excluding items affecting comparability, comparable EBIT amounted to CHF 97 (104) million, with a comparable EBIT margin of 8.7% (8.7%). Reported EBIT was CHF 79 (79) million, with an EBIT margin of 7.1% (6.6%). Currency movements had a negative impact of CHF 6 million on the division's EBIT. Operating margin development was supported by cost-saving initiatives and the value creation program.

Integration activities continued: portfolio complexity was further reduced, while procurement synergies continued to advance and customer and channel synergies were strengthened in line with "Maximizing the Core". The production and organizational footprint were optimized, including through the consolidation of PEX and composite pipe manufacturing. GF strengthened its presence in the fast-growing MENAT (Middle East/North Africa/Turkey) region to deliver an unmatched, end-to-end portfolio of integrated Flow Solutions for large-scale projects across Buildings, Industry and Infrastructure. GF also expanded into the US renovation segment through a partnership with Home Depot, marking an important step in reaching professional contractors nationwide. Product synergies enabled entry into new customer segments, including combining Uponor AquaPEX with GF's ChlorFIT® to deliver complete domestic water solutions for commercial buildings in North America. In 2025, GF successfully launched the Uponor S-Press portfolio in Switzerland to address the growing indoor heating and cooling market.

GF Casting Solutions (divestment completed after the reporting period)

On 29 July 2025, GF signed an agreement to divest the automotive business of GF Casting Solutions to Mexico-based Nemak S.A.B. de C.V. The transaction closed successfully after the reporting period on 12 February 2026. At year-end 2025, GF also closed the divestment of the iron foundry in Leipzig (Germany) to Linamar Corp., whereas the divestment process for the aerospace and industrial gas turbine operations, including its three sites in Novazzano, Stabio and Arad, is ongoing. Following the agreement to sell the division, GF recognized in its annual results impairment charges and additional value adjustments amounting in total to CHF 166 million. For more information, please refer to the last chapter in this letter.

GF Casting Solutions' sales amounted to CHF 752 (841) million in 2025. Comparable EBIT stood at CHF 27 (56) million, resulting in a comparable EBIT margin of 3.6% (6.7%). Reported EBIT was CHF –52 (42) million, with a reported EBIT margin of –6.9% (5.0%).

GF Machining Solutions (divested on 30 June 2025)

The divestment of GF Machining Solutions to the Swiss-based United Grinding Group was closed on 30 June 2025. The agreed purchase price on a cash and debt-free basis was CHF 630 million. The transaction resulted in a significant one-time book gain of CHF 143 million, and the related cash flow was used to repay acquisition-related bank debt and thereby further strengthen the GF Group's balance sheet.

GF Machining Solutions' sales reached CHF 360 (392) million for the period up to the deconsolidation of the activities per mid-2025. Comparable EBIT was CHF –6 (2) million, with a comparable EBIT margin of –1.6% (0.5%). Reported EBIT was CHF –10 (–0) million, with an EBIT margin of –2.9% (–0.1%).

Consolidated financial results

Group results were significantly impacted by the ongoing transformation, especially the divestment of GF Machining Solutions and GF Casting Solutions. GF Group sales reached CHF 4'110 (4'776) million. Reported EBIT amounted to CHF 326 (389) million.

The following section outlines the multiple effects of the various transactions on sales, EBIT as well as net profit and free cash flow:

- Group sales of CHF 4'110 (4'776) million: the reduction is mainly attributable to the divestment of GF Machining Solutions, the lower topline at GF Casting Solutions as well as significant currency effects.

- EBIT for the Group totalled CHF 326 (389) million: the two main drivers for the decrease are the lower performance of the discontinued businesses and the divestment bookings, including a positive contribution of CHF 143 million from the divestment of GF Machining Solutions and a negative impact of CHF 83 million from the divestment of GF Casting Solutions' automotive business.

Reported ROIC was 15.0% (17.2%).

Net profit attributable to shareholders of GF amounted to CHF 103 (214) million and was significantly affected by the revaluation of the net assets of GF Casting Solutions' automotive business and other non-recurring events.

Free cash flow before acquisitions/divestments reached CHF 21 (184) million, driven by a negative working capital impact and large capital expenditures by GF Casting Solutions in the US, which will be partly repaid by the new owner in 2026. In addition, GF Machining Solutions no longer contributed to free cash flow following its divestment. Including the net cash flows from the divestments and acquisitions, free cash flow reached CHF 412 (112) million in 2025. The increase stems mainly from the divestment of GF Machining Solutions. In May 2025, GF raised a total of CHF 400 million on the Swiss debt capital market at attractive conditions. Future financing costs will decrease significantly following this successful refinancing transaction. Net debt decreased and amounted to CHF 1'684 (1'892) million.

The transformation of GF is largely completed with positive cash flow effects. GF is now focused on Flow Solutions and has full confidence in the future development of this business. The Board of Directors will propose at the next Shareholders' Meeting an unchanged dividend of CHF 1.35 per share.

At the end of 2025, the GF Group employed 16'332 (19'023) people.

Changes in the Executive Committee
Effective 1 June 2025, Thomas Hary took over as President of GF Industry and Infrastructure Flow Solutions (formerly GF Piping Systems). He succeeded Andreas Müller, who held the role on an interim basis alongside his duties as Group CEO. Thomas Hary joined GF in 2005 and has held leadership roles across several GF divisions. Most recently, he headed the Business Unit Industry/Utility at GF Piping Systems, after serving as divisional CFO from 2019 to 2023.

Strategy 2030 launched: Excellence in Execution
Strategy 2030 focuses on maximizing GF's core business and growing with new opportunities and innovative solutions to reach leadership positions in the three business areas: In Buildings, by harvesting synergies between GF's Building Technology business and Uponor in residential and commercial buildings. In Industry, GF's focus is on market segments such as semiconductors, water treatment, chemical processing and data centers, where a lead is either achieved or possible. In Infrastructure, the combined portfolios of GF, Uponor and VAG provide innovative and complete solutions to utilities and infrastructure customers.

Execution will be key in the coming years. Important innovations were launched in 2025, as evidenced in March at the ISH Fair and at GF's Capital Markets Day in November. Cost reductions, especially the adaptation of corporate structures and production footprint, have been implemented in the last two years and will support next years' performance.

By 2030, GF targets sales of CHF 4.2–4.5 billion including acquisitions, with expected organic growth of 4–6% CAGR. The company aims to achieve an EBITDA margin of 16–18%, an EBIT margin of 13–15%, a free cash flow to EBITDA conversion above 50% and a return on invested capital (ROIC) of 21–26%. With an estimated capital deployment capacity of CHF 1.8–2.0 billion over 2025–2030, GF will maintain a strong focus on growth investments, while aiming to reduce its net debt-to-EBITDA ratio to around 2.0x and continuing to distribute an attractive dividend to its shareholders.

2026 outlook
GF started 2026 with a streamlined corporate organization and a lower cost structure. In response to weaker market conditions in the construction sector and in other key industrial market segments, GF has initiated additional targeted countermeasures to safeguard operating performance. These include a recently launched Fit for Growth program to increase efficiency and to reduce the cost base in excess of CHF 40 million, effective 2026.

The recovery in the construction market as well as in the semiconductor business segments is forecast to accelerate in the second half of 2026. For full-year 2026, the GF Group expects organic growth in the low single digits and profitability before items affecting comparability in the range of 10.5–12.5% for the EBIT margin and 14–16% for the EBITDA margin.

Significant events after the reporting period
With the fulfilment of all required regulatory approvals and other closing conditions, the divestment of GF Casting Solutions' automotive business to Mexican-based Nemak S.A.B. de C.V was successfully completed on 12 February 2026. The divestment included all automotive activities of GF Casting Solutions, which generated CHF 517 million in 2025.

The transaction enterprise value amounts to USD 336 million, of which USD 216 million was paid at closing. The remaining amount consists of instalments totalling USD 188 million over a five-year period until early 2031 and the assumption of potential operating and financial liabilities by Nemak. The future payments are not subject to any business performance-related conditions. Certain purchase price adjustments may be applied on the final closing accounts.

Following the agreement with Nemak to sell the division, GF shows in its 2025 annual results impairment charges on property, plant and equipment, intangible assets and value adjustments on non-current loans previously attributable to the divested automotive business in the total amount of CHF 166 million.

In 2026, the division will be deconsolidated with an expected negative impact on the operating profit of CHF 180 million. The vast majority of this negative impact arises on non-cash items such as the recycling of cumulative translation adjustments (CTA) and goodwill. The consolidated equity will not be impacted by these effects.

The cash proceeds from the divestment will be used in line with GF's capital allocation framework to further reduce outstanding net debt.

We would like to extend our heartfelt thanks to all GF employees for their strong commitment and dedication over the past year in shaping the new GF. We are equally grateful to our customers, investors, partners and other stakeholders for their continued trust and collaboration. We are excited to continue this journey together with you.

Yves Serra
Chairman of the
Board of Directors

Andreas Müller
CEO

Key figures

as of 31 December

GF Group

									Discontinued operations			
	GF Group		GF's Flow Solutions business[2]		GF Industry and Infrastructure Flow Solutions[3]		GF Building Flow Solutions[3]		GF Casting Solutions		GF Machining Solutions	
CHF million	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Order intake customer	4'156	4'634	2'962	2'955	1'876	1'817	1'087	1'138	783	832	412	847
Orders on hand customer	570	723	311	281	279	246	32	36	259	262		180
Net sales	4'110	4'776	2'999	3'051	1'955	1'947	1'114	1'189	752	841	360	885
Sales growth %	–13.9	18.6	–1.7		0.4		–6.4		–10.6	–7.6		–0.2
Organic growth %	–1.7	–2.6	0.6		1.9		–2.7		–8.4	–5.6		2.4
EBITDA (comparable)[1]	467	618	403	456	272	317	138	147	67	96	3	70
EBITDA margin (comparable)[1] %	11.4	12.9	13.4	15.0	13.9	16.3	12.4	12.4	8.8	11.5	0.8	7.9
EBITDA	564	560	371	420	259	304	119	123	71	82	–2	66
EBITDA margin %	13.7	11.7	12.4	13.8	13.2	15.6	10.7	10.3	9.4	9.8	–0.5	7.5
EBIT (comparable)[1]	314	449	299	349	212	258	97	104	27	56	–6	52
EBIT margin (comparable)[1] %	7.6	9.4	10.0	11.4	10.9	13.2	8.7	8.7	3.6	6.7	–1.6	5.9
EBIT	326	389	266	309	199	244	79	79	–52	42	–10	49
EBIT margin %	7.9	8.1	8.9	10.1	10.2	12.5	7.1	6.6	–6.9	5.0	–2.9	5.5
Net profit shareholders GF	103	214										
Basic earnings per share in CHF	1.26	2.61										
Free cash flow before acquisitions/ divestments	21	184										
Invested capital (IC)	1'552	1'859	1'246	1'167	903	817	342	351	282	355		258
Return on invested capital (ROIC) (comparable)[1] %	14.1	19.9										
Return on invested capital (ROIC) %	15.0	17.2	17.9	21.3	19.8	26.7	16.2	14.4		12.8		16.4
Net debt (+)/ Net cash (-)	1'684	1'892										
Number of employees	16'332	19'023	13'270	12'148	9'100	7'813	3'980	4'159	3'014	3'586		3'289

1 Without PPA effects on inventory and items affecting comparability.
2 GF's Flow Solutions business covers the divisions GF Industry and Infrastructure Flow Solutions and GF Building Flow Solutions, including estimated proportionate corporate costs.
3 2024 figures have been restated to reflect organizational changes and thereby be comparable with 2025 figures: the Building Technology segment was transferred from GF Industry and Infrastructure Flow Solutions to GF Building Flow Solutions, while Uponor Infrastructure was moved from GF Building Flow Solutions to GF Industry and Infrastructure Flow Solutions.

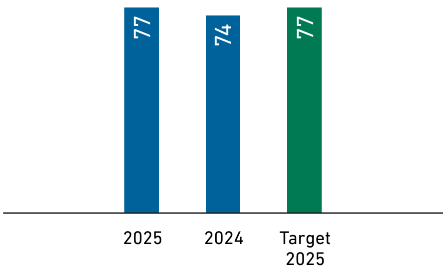
GF's Flow Solutions business

Product portfolio

Sales with social or environmental benefits

in % of net sales

77

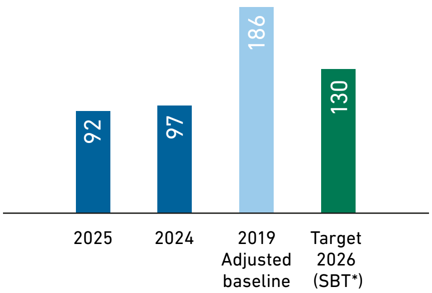


Climate and resources

CO_2e emissions Scope 1 and 2

in 1'000 tonnes

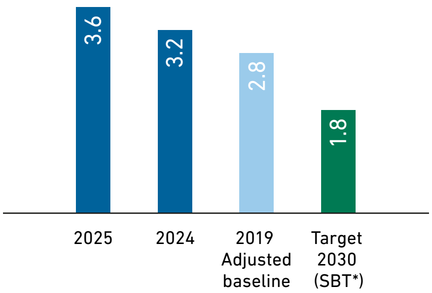
92



CO_2e emissions Scope 3 intensity

in tonnes of CO_2e per tonne of processed material

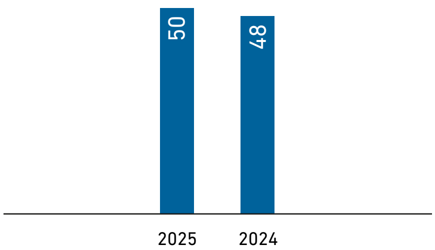
3.6



Renewable energy incl. certified green electricity

in %

50

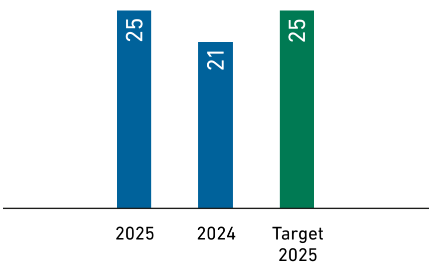


People and well-being

Newly appointed women managers

in %

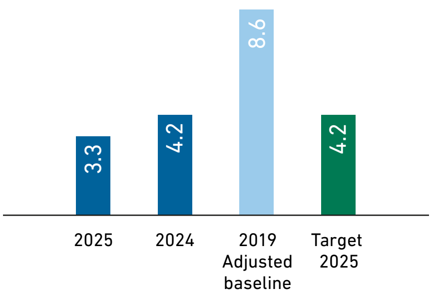
25



Accident rate as lost time injury frequency rate (LTIFR)

per million hours worked

3.3



* Science-based target (SBT)