



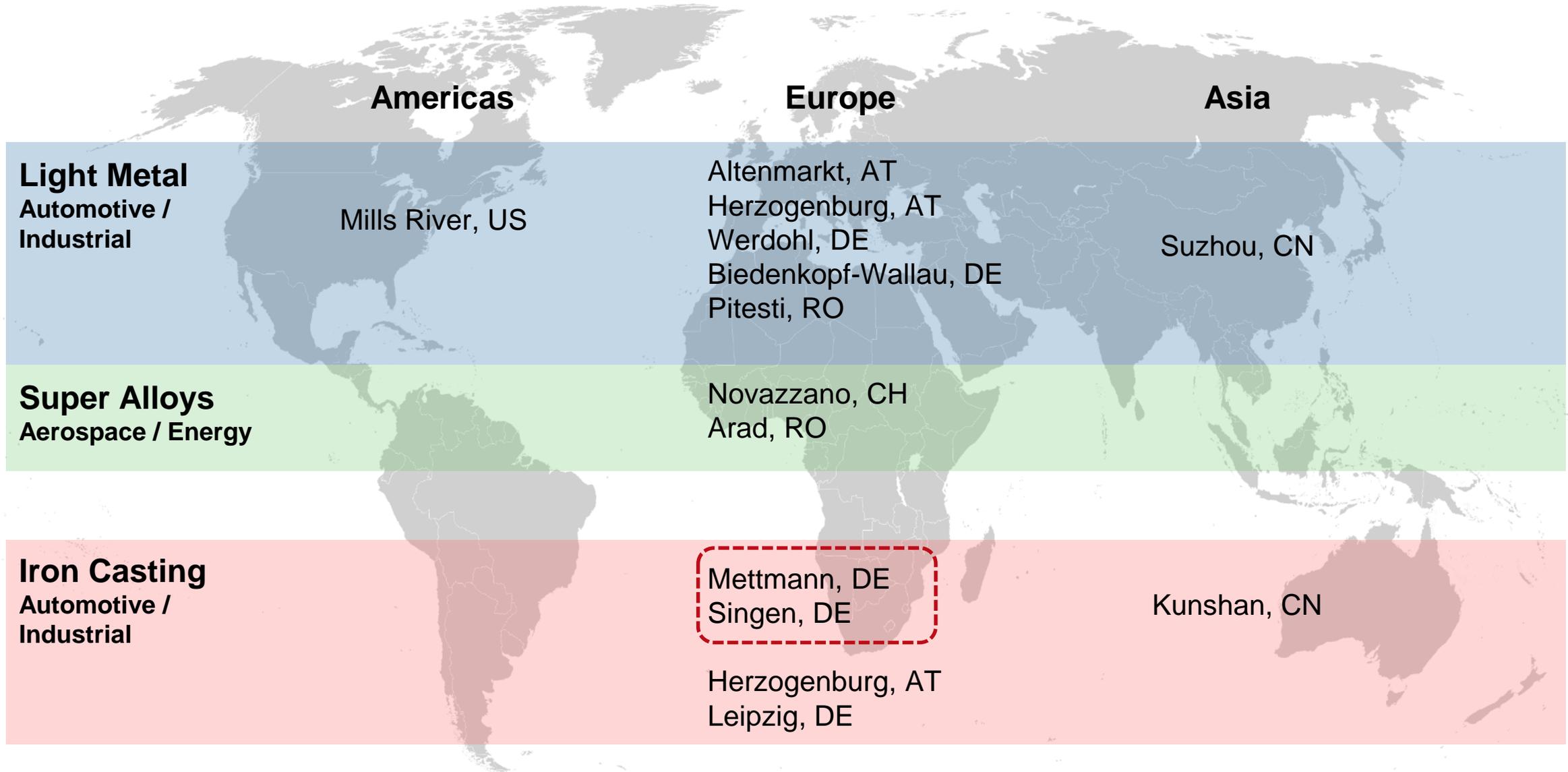
Conference Call

GF divests two European automotive iron casting plants

Yves Serra, Andreas Müller
Schaffhausen, December 06, 2018



Two large iron casting plants in Germany divested ...



... located in Singen and Mettmann

Mettmann (DE)



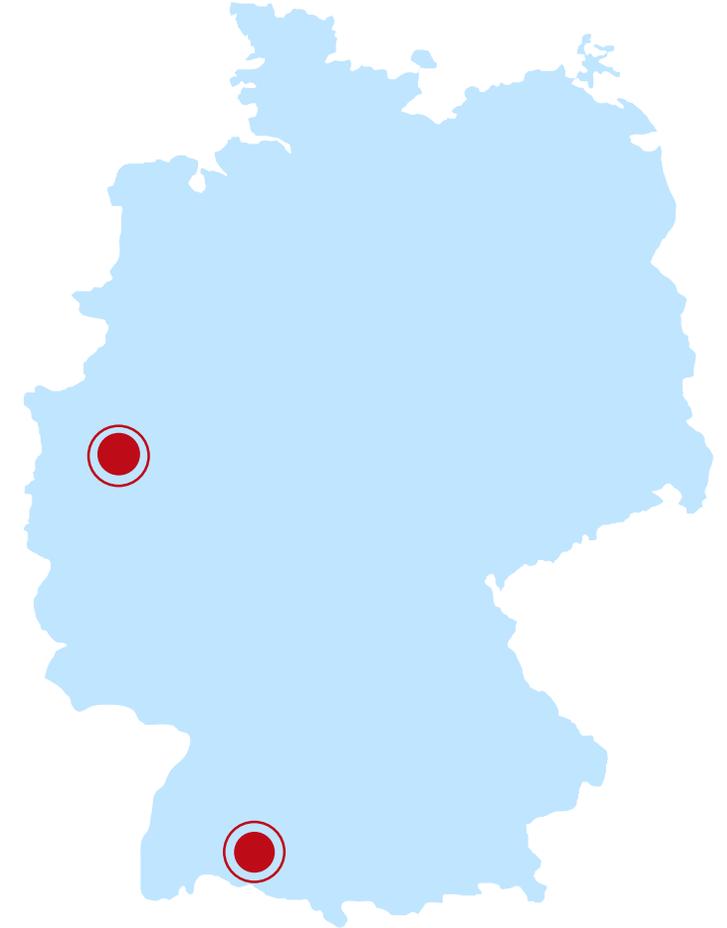
Since: 1928
Employees: ca. 1000
Sales: CHF 300 million



Singen (DE)

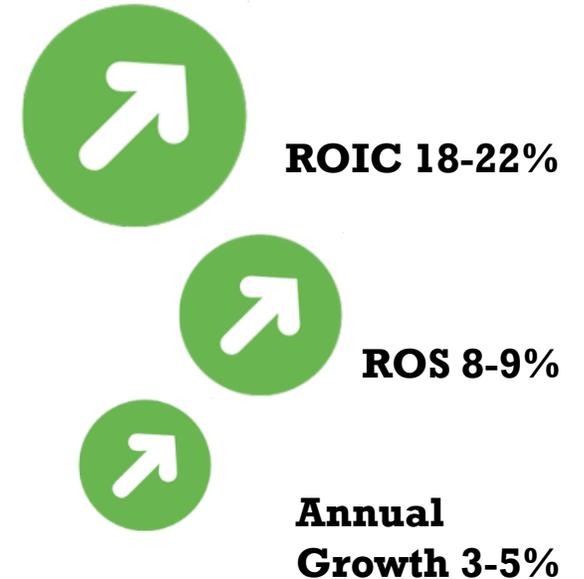


Since: 1895
Employees: ca. 1000
Sales: CHF 320 million



1. Optimize productivity in Europe / expand in growth markets
- 2. Shift divisions portfolio towards higher margin businesses**
3. Drive sales proficiency and innovation excellence

Objectives



Rationale for divestment in line with Strategy 2020 – shift to higher value technologies



GF Casting Solutions to focus on promising light metal and super alloy technologies

Iron castings remains a viable business but **profitability below GF objectives**

A customer and employee friendly transaction

- MBO team made up of current GF Casting Solutions managers
- GF to remain a 20% investor for a transition period
- Operations and Customer continuity ensured

Fondium Management Team: 40 years of experience in the industry



Achim Schneider

Spokesman Fondium

(formerly Sales, R&D and Business Development Manager at GF Casting Solutions)

Arnd Potthoff

CFO

(formerly Managing Director Shared Service Center Germany at GF Casting Solutions)

Matthias Blumentrath

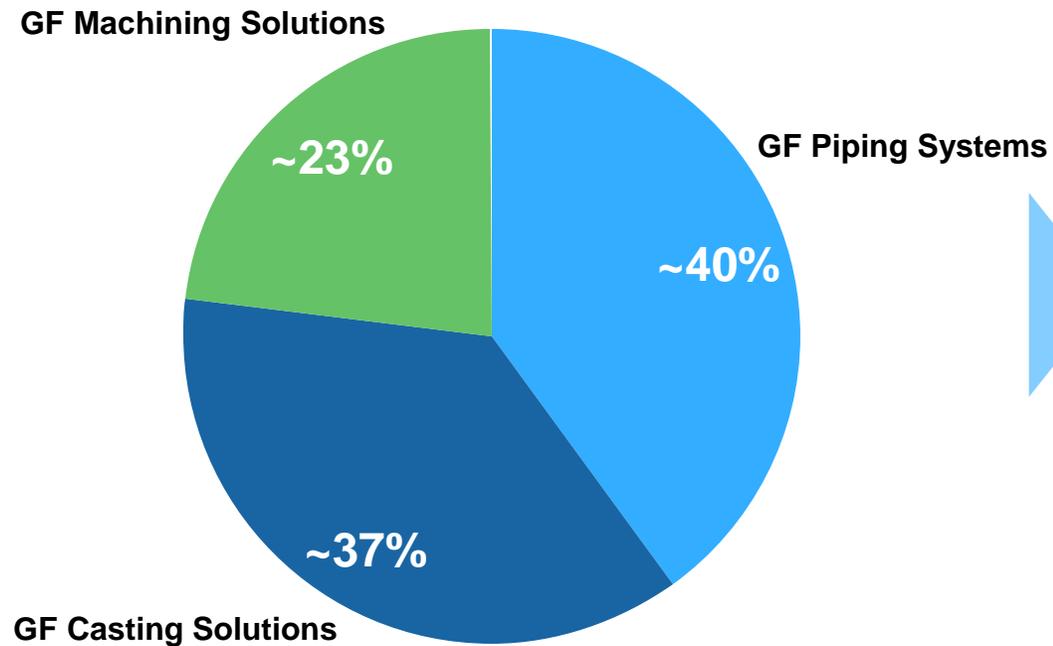
General Counsel

(formerly Head Legal Germany, Austria and Benelux at GF Casting Solutions)

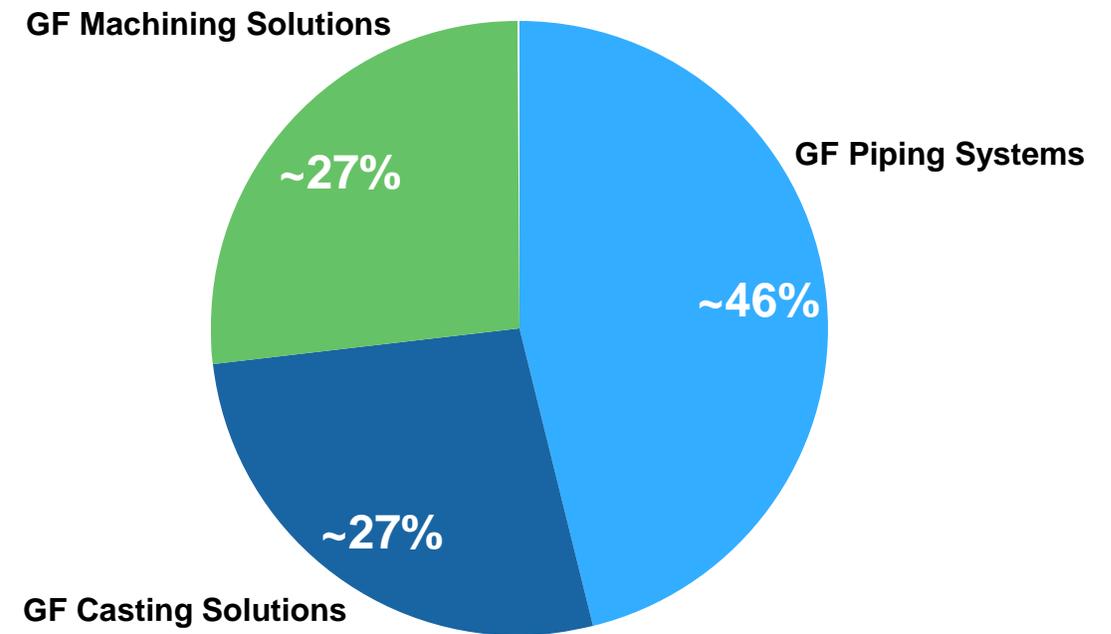
A portfolio shift towards higher value businesses ...



Sales split pre-transaction

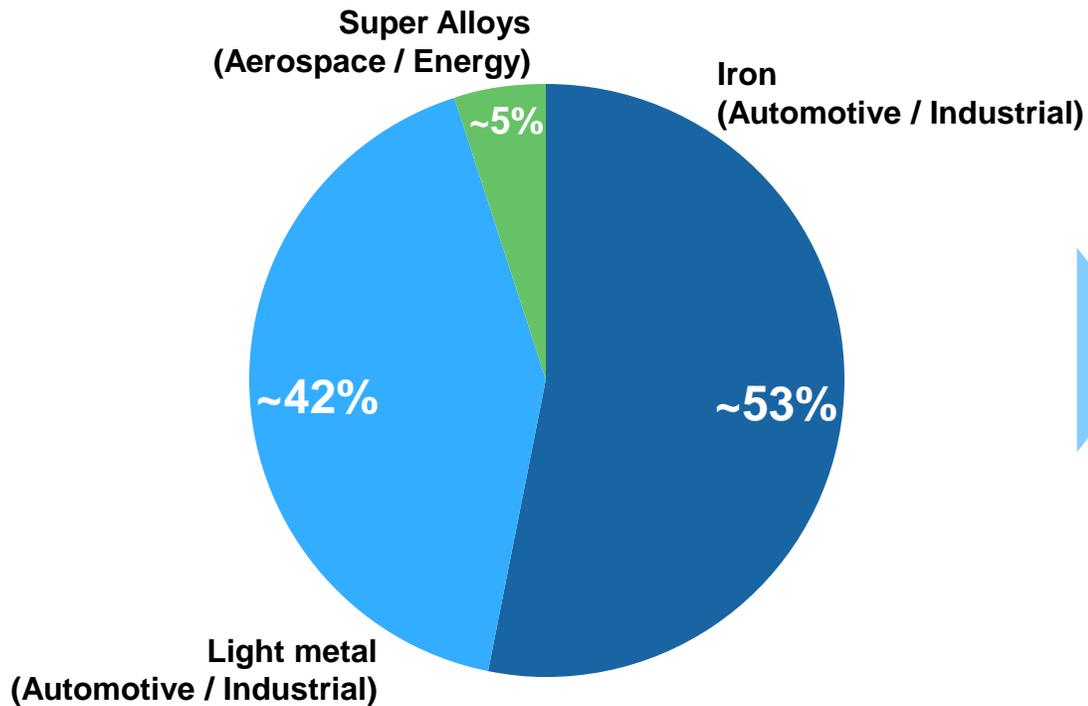


Sales split post-transaction

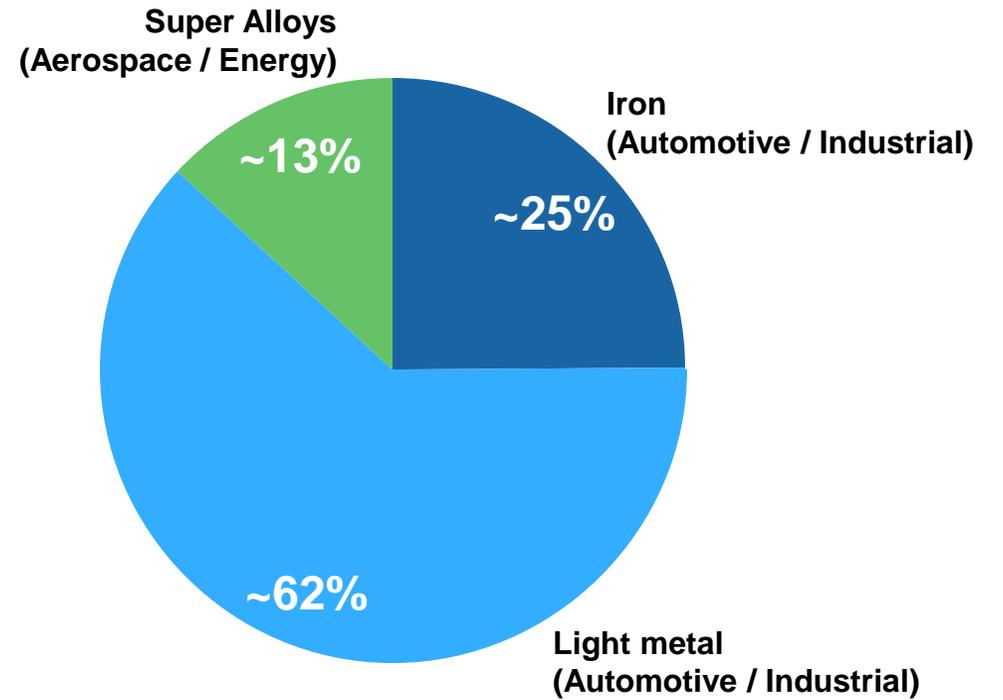


... by reshaping GF Casting Solutions towards more promising technologies

Sales split
pre-transaction

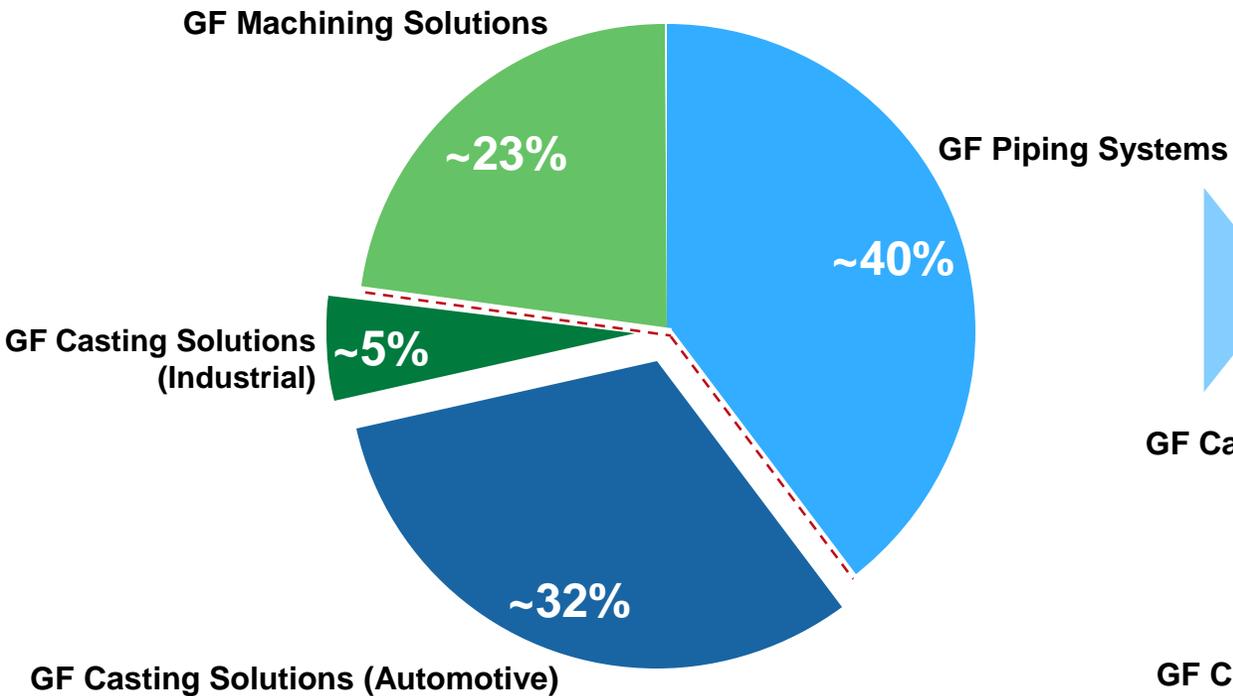


Sales split
post-transaction

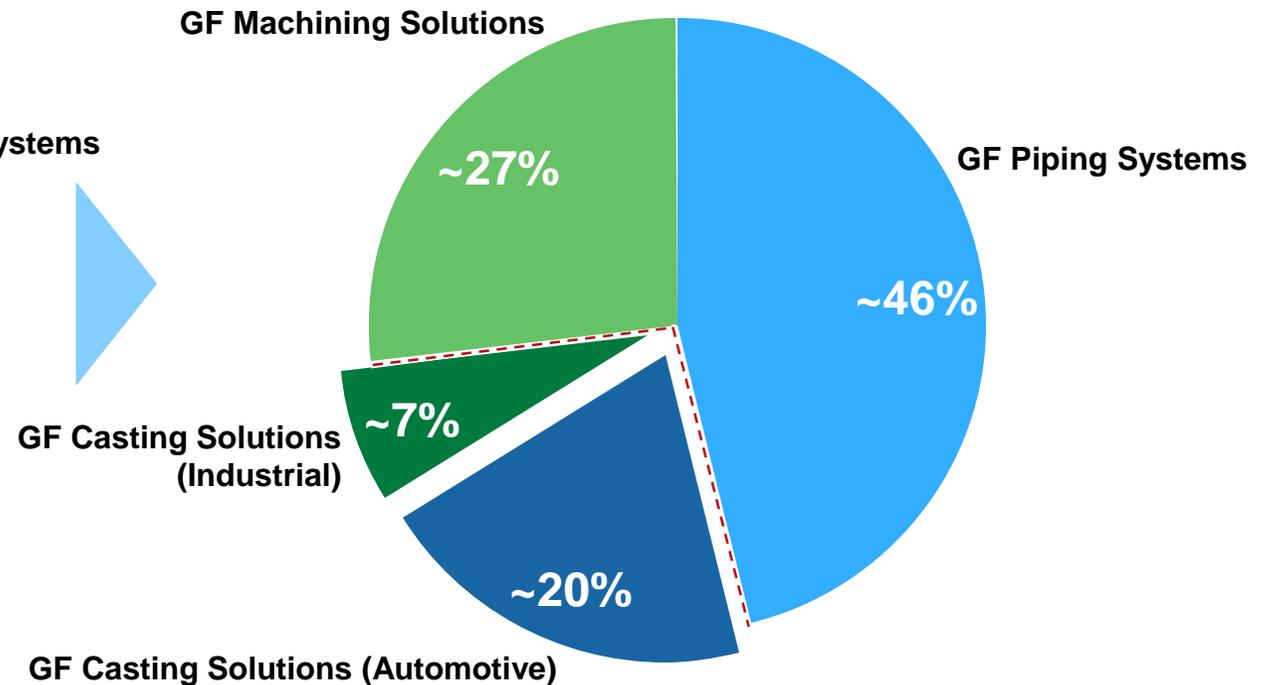


This reduces the automotive exposure of GF significantly ...

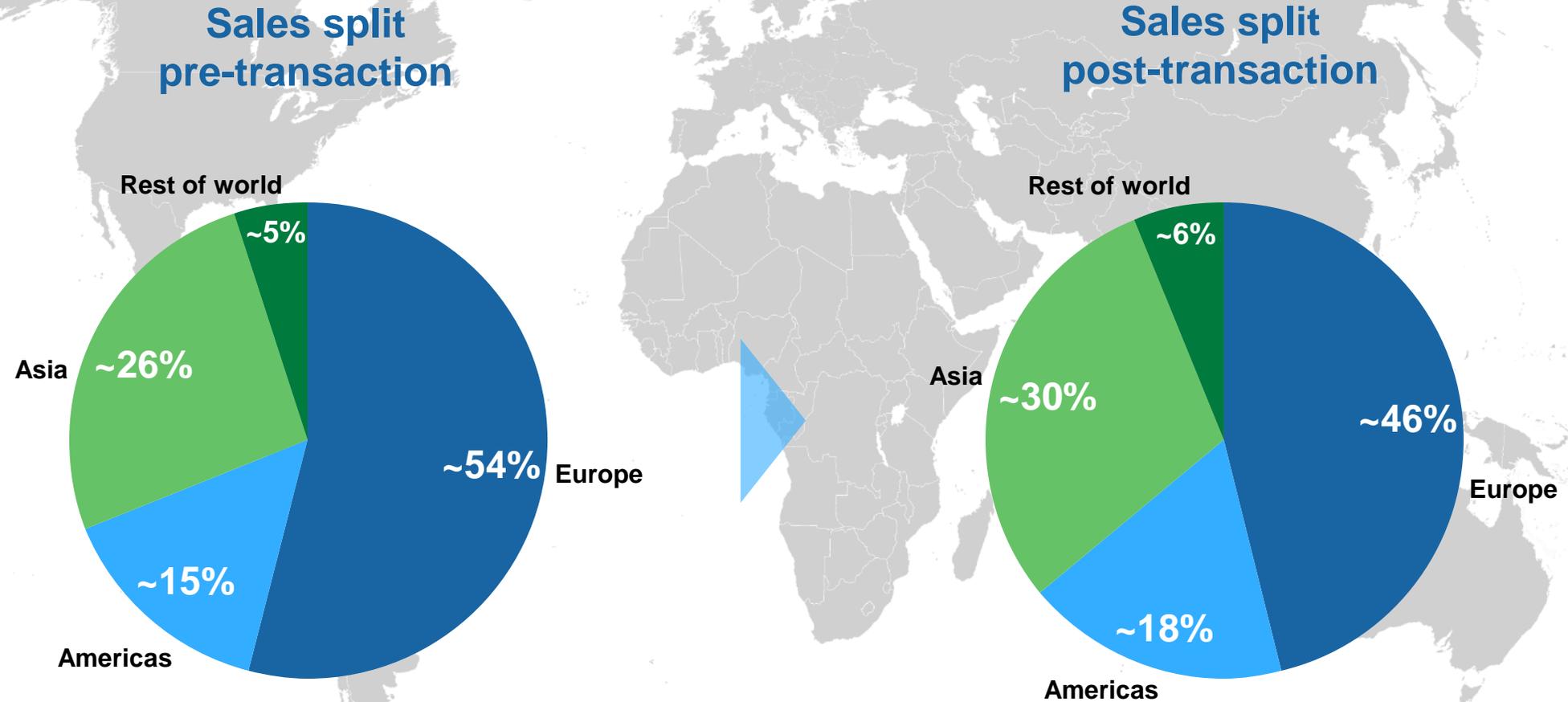
Sales split pre-transaction



Sales split post-transaction



... and results in a better balanced geographical footprint



GF Strategy 2020 objectives increased



- Deconsolidation of the two companies as of December 1, 2018
- Profit neutral transaction
- No effect on corporate results 2018
- **Strategic EBIT-margin objective to increase 100 basis points to 9-10%**

Portfolio adaptation fully in line with Strategy 2020



Shift to higher value businesses

Better balanced geographical footprint

Less cyclical, more resilient portfolio



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Thank you

