

Media Release

Schaffhausen

2 April 2020, 7:00 a.m. CET, Ad hoc

Covid-19 pandemic – GF business update

In the light of the Covid-19 pandemic, several customers of GF have reduced capacities or in some cases temporarily closed their facilities. Consequently, GF is adapting its own production capacity in Europe and introducing short-time work where applicable. Additionally, GF launched a comprehensive cost measure package in several regions. Strongly increased cash positions and a very solid balance sheet will allow GF to overcome these difficult times.

The current corona pandemic is obviously affecting GF's business globally. Whereas the sites in China are continuing to recover and order intake of major plants are already on last year's level, the businesses in Europe and the Americas are impacted by nation- or state-wide lockdowns.

Therefore, GF has decided to partially or to completely shut down various plants in Europe for the next weeks. The business in the Americas is closely monitored and appropriate actions are taken, especially at the light metal die-casting plant in North Carolina (US). As some of the GF companies in the Americas are important for the basic services, e.g. in the medical or utilities segment, they are currently protected from lockdown decisions by the states. The production as well as the service of system-relevant business units, among others in the health care and medical sector, will also be ensured in Europe.

In Switzerland, GF has stepwise introduced short-time work at most of its locations including its headquarters in Schaffhausen. The plants in the Canton of Ticino are according to the local regulation in a shutdown mode.

To mitigate the financial impact of the pandemic, GF is continuously implementing measures to reduce the costs and improve cash flow. Across Europe, GF has stepwise introduced short-time work at most of its locations. Various capital expenditure projects are put on hold, and net working capital is closely managed. Furthermore, unused credit lines have been drawn leading to a continued strong cash situation.

As an act of solidarity, the Board of Directors, CEO, the Executive Committee as well as the Senior Management and the Managing Directors have agreed on a temporary reduction of the monthly fixed compensation in the range of 10 to 20%. The funds from these savings will help to mitigate cases of hardship among the GF employees living and working in countries with less favorable social security systems.

Subject to approval by the Annual Shareholders' Meeting on 15 April 2020, GF will pay the proposed 2019 dividend of CHF 25 per share. Due to the very unpredictable further development of the pandemic, GF does not yet give any financial guidance for the mid- or full-year performance. The next comprehensive business update is foreseen to be released together with the mid-year result on 21 July 2020.

GF is convinced that the swift implementation of these measures will help to master the challenges of this crisis in the most socially responsible way, to protect the health of GF's employees and to serve its customers as efficiently as possible.

For further information please contact

Beat Römer, Head Corporate Communications
+41 (0) 52 631 26 77, media@georgfischer.com

Corporate Profile

GF comprises three divisions: GF Piping Systems, GF Casting Solutions and GF Machining Solutions. Founded in 1802, the Corporation is headquartered in Switzerland and present in 33 countries with 142 companies, 56 of them production facilities. GF's 14'678 employees generated sales of CHF 3'720 million in 2019. GF is the preferred partner of its customers for solutions enabling safe transport of liquids and gases, lightweight casting components, and high-precision manufacturing technologies. More information is available at www.georgfischer.com.

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