

Solid performance in challenging times – building on new opportunities

Dear shareholders,

The first semester of 2020 was affected by the Covid-19 pandemic in an unprecedented way. The gradual global spread of the virus negatively impacted most industries and markets, especially aerospace and automotive. In addition to its ongoing structural transformation, the global car industry had to temporarily shut down production plants due to governmental regulations and staff safety initiatives. Finally, the Swiss franc, which is considered a safe haven currency, appreciated strongly against all major currencies throughout the crisis.

Covid-19 and the GF strategy 2020

To mitigate these challenges, GF swiftly responded to the shutdowns and the economic standstill by reducing its cost base accordingly. Reflecting the achieved objectives of the past two strategy cycles, GF's portfolio has become more resilient due to a higher share of GF Piping Systems and a well-balanced global footprint. The divestments of the European iron casting business in 2018 and 2019 further reduced GF's fixed cost base. The decentralized setup of GF with a strong regional management, R&D capabilities and high customer proximity allowed GF to react fast and thus alleviate the Covid-19 impact.

In particular, GF's strong global footprint in Asia allowed the company early in the pandemic, to transfer key lessons learned from the outbreak in China to other at-risk regions and swiftly implement appropriate measures in Europe and the Americas. Despite the challenges resulting from the pandemic, GF also continued its strategic investments relentlessly and did not compromise on its sustainability targets for 2020.

Results on Corporate level

Sales amounted to CHF 1'528 million, 20.2% below the first half of 2019. Free of acquisitions, divestments and currency effects, the organic decline has been limited to 14.0% as growth in market segments such as Microelectronics, Medical and Water Treatment partly compensated the large drop of the automotive sector. It is worth noting that negative currency effects shaved 4.7% off the first half top line. The operating result before one-off items reached CHF 64 million (2019: CHF 153 million), with an EBIT margin of 4.2% (2019: 8.0%). Reflecting the one-off items amounting to CHF 7 million from the partial relocation of the light metal foundry in Werdohl (Germany), the operating result came in at CHF 57 million. The return on invested capital (ROIC) fell from 13.8% to 5.0% for the first half of 2020, clearly supported by the resilient GF Piping Systems ROIC of 20.8%. Net profit attributable to shareholders of Georg Fischer Ltd amounted to CHF 34 million, compared to CHF 101 million in the first half of 2019.

Free cash flow before acquisitions/divestments came in at CHF -73 million (2019: CHF -58 million), reflecting the usual seasonal range for the first half year. Net debt remained close to the previous year's level at CHF 420 million, with a strong liquidity close to CHF 800 million.



Yves Serra, Chairman of the Board of Directors



Andreas Müller, CEO

GF Piping Systems

Benefiting from its diversified customer base in multiple markets and segments, combined with a focus on higher value and digitalized businesses, GF Piping Systems demonstrated a high level of resilience against the global pandemic distortions. As a key supplier for water and gas infrastructure, nearly all of the division's plants worldwide were declared essential businesses and operations were maintained even during the peak of the pandemic lockdown. A strong global infrastructure business and a large number of new orders in the Microelectronics segment contributed to the good performance.

Sales came to CHF 845 million compared to CHF 921 million in the first six months of 2019. Organically the top line declined slightly by 3.1%. The operating profit stood strong at CHF 94 million (CHF 117 million in 2019). This corresponds to an EBIT margin of 11.1% (12.7% in 2019).

The division has further intensified its efforts to develop more sustainable solutions, thereby safeguarding our natural resources. The production of the successful COOL-FIT product line, which allows a significant reduction of energy consumption in the booming datacenters and cooling applications, is currently being expanded in Schaffhausen (Switzerland). In the cities of Helsinki (Finland) and Vienna (Austria), GF won major orders to modernize the water supply infrastructure and thereby reduce water losses. The new partnership with Oxford Flow Ltd, announced in March 2020, a provider of innovative pressure regulating technology, could record its first orders. The expansion in China remained well on track despite the crisis, and the division will open its new production, R&D and training facility in early 2021. GF Piping Systems' sensor production in El Monte (US) will relocate to the new process automation center facility in Los Angeles (US) at the end of this year.

GF Casting Solutions

As automotive customers were forced to shut down their factories for several weeks, and the aerospace industry simultaneously postponed a large portion of their orders, GF Casting Solutions was forced to partially close down its production plants. This led to a drop in sales from CHF 521 million to CHF 328 million and caused a significant reduction of the operating result before one-off-items from CHF 20 million in 2019 to CHF -25 million (EBIT margin -7.6% before one-off items).

The partial relocation of the Werdohl site (Germany) led to one-off costs of CHF 7 million in the first half year. The project has been accelerated and the shift of the castings production will take place in September, well ahead of schedule. As a result of customer lockdowns and governmental restrictions, the ramp-up of new projects and

orders in the light metal plant in Mills River (USA) has been delayed by several months. Thanks to the increasing demand for hybrid and e-cars, GF Casting Solutions has acquired several projects (e.g., for battery housings), which will pay off over the months and years to come. The transfer of the complete magnesium casting components from a European premium manufacturer to GF underscores the lightweight expertise and production capabilities of the division.

Within the context of its strategy 2020 to expand its global footprint and focus on lightweight components for sustainable mobility, GF Casting Solutions will invest in a new light metal production facility in Shenyang (China), for which first orders could be secured. Production in North China will begin in 2023.

GF Machining Solutions

A general downturn in the capital goods market was already evident throughout the second half of 2019. Due to the negative effects of the Covid-19 pandemic, the demand in the machine tool industry, particularly in Europe but also in various market segments in the Americas, reached its lowest level of the past decade. However, several sectors in China, especially the civil aerospace market and the ICT (Information and Communication Technologies), have already recovered back to the previous year's level after the lockdown in spring. Whilst the global aviation industry has never been hit so hard, especially the medtech industry showed a high level of resilience. The division generated sales of CHF 355 million against CHF 474 million in the same period of 2019, a decline of 21.3% organically. The operating result fell from CHF 24 million to CHF 1 million.

GF Machining Solutions has accelerated its innovation process and will launch a Laser texturing machine with two femto lasers soon, which underscores the division's technology leadership. The new Laser texturing machine will offer new fields of applications, primarily in the medtech and high precision industry. New digitally enhanced products, e.g., a new intelligent user interface, will reduce complexity and increase efficiency at our customers.

Key figures

CHF million	Corporation		GF Piping Systems		GF Casting Solutions		GF Machining Solutions	
	2020	2019	2020	2019	2020	2019	2020	2019
Order intake	1'440	1'923	859	913	255	505	326	506
Orders on hand	462	622	129	123	190	270	144	229
Sales	1'528	1'915	845	921	328	521	355	474
Sales growth %	-20.2	-20.1	-8.3	-2.7	-37.0	-43.6	-25.1	-9.7
Organic growth %	-14.0	-5.5	-3.1	-0.2	-27.6	-11.1	-21.3	-9.0
EBITDA	118	216	119	142	-6	49	8	31
EBIT before one-offs	64	153	94	117	-25	20	1	24
One-offs	7	14			7	14		
EBIT	57	139	94	117	-32	6	1	24
Net profit attributable to shareholders of Georg Fischer Ltd	34	101						
Free cash flow before acquisitions/divestments	-73	-58						
Return on sales before one-offs (EBIT margin before one-offs) %	4.2	8.0	11.1	12.7	-7.6	3.9	0.3	5.1
Return on sales (EBIT margin) %	3.7	7.3	11.1	12.7	-9.8	1.2	0.3	5.1
Invested capital (IC)	1'545	1'642	733	785	493	549	248	269
Return on invested capital (ROIC) %	5.0	13.8	20.8	25.6	-9.0	2.0	0.5	14.6
Number of employees	14'204	14'938	6'812	6'890	4'051	4'556	3'229	3'399

New President at GF Machining Solutions

After eight years at the helm of GF Machining Solutions, during which the division became a technology leader within the global machine tool business, President Pascal Boillat will go into retirement. The GF Board of Directors and the Executive Committee truly thank Pascal Boillat for his outstanding efforts and wish him all the best for this new stage of his life. As announced previously, Ivan Filisetti who enjoys a long and successful track record within the company, most recently as Vice President for Operations, has succeeded Pascal Boillat as of 1 July 2020.

Outstanding team efforts in challenging times

Our heartfelt thanks goes to all our employees worldwide for their dedication, hard work and tireless efforts to develop new creative ideas to address our customers in this challenging global pandemic situation. Without their engagement and the unique GF spirit, it would not have been possible to achieve such a result in this historic pandemic crisis.

Outlook for the full year 2020

As the Covid-19 crisis is far from over, the uncertainties for the second half of the year continue to be high. However, there are first encouraging signs that the global economy and markets might be on a recovery path. In China for example, GF has been experiencing a strong rebound with recent monthly results back at the level of the previous year. All three divisions are well positioned within their respective markets, and they are building on new opportunities for growth. GF Piping Systems has once more proven its high resilience over the past months and will intensify its efforts on digitalized innovations for new sustainable market segments and for higher customer proximity (e.g., through virtual trade fairs). GF Casting Solutions is addressing the need for sustainable mobility and cleaner energy by enabling lower emissions in the automotive segment as well as higher efficiency for aviation and industrial gas turbines. GF Machining Solutions will continue its digital journey. Innovations in Additive Manufacturing, Laser texturing and automation will remain the source for further growth.

Overall, barring unforeseen circumstances, GF expects a gradual, but slow recovery of the business over the months to come. Based on this assumption, GF expects a performance in the second half of 2020 which is at a level similar to the first half year of 2020.



Yves Serra
Chairman of the Board
of Directors



Andreas Müller
CEO



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 at www.georgfischer.com/en/investors/alternative-performance-measures.html

The full Mid-Year Report 2020 of GF can be found at www.georgfischer.com/en/investors/reports-and-presentations/mid-year-report.html