

Media Release

Schaffhausen

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GF expands footprint in South America

GF Piping Systems, a GF division, announces the acquisition of FGS Brasil Indústria e Comércio Ltda. (FGS), Cajamar (Brazil). As a leading manufacturer of polyethylene piping systems, FGS serves the local water and gas distribution market and other industrial segments. The acquisition will provide GF Piping Systems with a unique platform for further growth in Brazil and the South American region.

Founded in 1997 and privately owned by two main shareholders, FGS became Brazil's leading manufacturer of high-density polyethylene pipes (HDPE), fittings, and additional equipment within a few years. After the inauguration of a new production site in Cajamar near São Paulo in 2013, a second plant opened up in the Greater Recife/Pernambuco area in 2019.

The acquisition of FGS is fully in line with GF Piping Systems' strategy to expand its global presence in the fifth largest populated country in the world. Brazil is undergoing a major governmental initiative that includes the development of the country's infrastructure, especially in the water and gas utility sectors. In cooperation with a domestic water utility company, both FGS and GF were already part of a large water loss improvement program by replacing the São Paulo region's piping network. As the leading supplier of HDPE systems, GF and FGS will be best positioned to serve existing and new customers.

Since 2016, FGS has almost doubled sales to approx. BRL 160 million (approx. CHF 27 million) with a workforce of 240 employees. Both parties have agreed not to disclose any financial details of the transaction. Closing is expected in the first quarter of 2021.

Andreas Müller, CEO of GF, says: «We warmly welcome FGS and its employees to the GF family. The acquisition is a milestone in concluding our strategy 2020 and commencing the next strategy cycle. As a specialist in sustainable solutions for the safe transport of fluids and in reducing water losses, we are looking forward to realizing the growth opportunities together with FGS.»

FGS CEO Roberto Gadotti states: «We are excited to join the GF family. This transaction will derive positive synergies and will provide a strong foundation that supports accelerated growth within numerous markets and product segments.»

GF Piping Systems is a leading flow solutions provider enabling safe and sustainable transport of fluids. The division focuses on piping systems made of plastics and metal system solutions and high-quality components. The product portfolio of fittings, valves, pipes, automation, and jointing technologies covers all applications of the water cycle.



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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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