Gurit 2020 Results
Media and Analyst Conference
2 March 2021 at 09:00 AM CET

Mitja Schulz, CEO
Philippe Wirth, CFO
Introductory statement

This presentation may include forward-looking statements that reflect the intentions, beliefs or current expectations and projections of Gurit Holding AG about the future results of operations, financial condition, liquidity, performance and similar circumstances.

Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although Gurit Holding AG believes them to be reasonable at this time.
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Our Business - Wind Energy and Lightweighting

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<th>Wind Energy</th>
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<td>Wind Energy</td>
<td>Lightweighting</td>
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<tr>
<td></td>
<td>Aero</td>
<td>Marine</td>
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<tr>
<td>Composite Materials:</td>
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<tr>
<td>▪ Core materials</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>▪ Prepreg</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>▪ Formulated</td>
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<tr>
<td>Tooling</td>
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<tr>
<td>Kitting</td>
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<td>Structural Engineering</td>
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Business review

WITH PASSION FOR A SUSTAINABLE FUTURE
Impact of the COVID-19 crisis
Executing our strategy despite influences of the global pandemic

Success factors for managing the C-19 crisis

- **Highest priority** for Gurit: Health & Safety of all employees
- Keep the **business running** in all GURIT operations
- Maintain **supply chain continuity**
- **On-site presence** where required and efficient **remote working** policies
- Gurit operations considered as "**critical & essential infrastructure**"

### Global situation and business environment

- COVID-19 **still spreading** in Europe, Americas and India, impacting all important markets
- Gurit’s supply chain **generally running**, but transport and shipments are seeing **bottlenecks**
- **Marine and Aviation** markets heavily impacted

### Gurit’s strong focus on supporting the business and our customers

- New site in **Mexico commissioned** and construction for **sites in India** started
- **Extruder lines** built and installed remotely
- Strong **cost management** executed
- Restructured **Aero business** to mitigate crisis impact

### Despite all challenges

GURIT achieved **8.9%* sales increase**

* At constant fx rates

2 March 2021
Financial performance in line with guidance

- **Net Sales growth***: 8.9% at constant exchange rates to **CHF 576.7 million** (2019: CHF 558.3 million)

- **Operating Profit growth***: 4.2% to **CHF 64.1 million** (2019: CHF 61.5 million)

- **Operating profit margin***: 11.1% for 2020 (2019: 11.0%)

* Continued business
Net Sales: CHF 276.2 million (2019: CHF 249.7 million)
Increase by 16.1% vs. FY 2019 (at constant fx rates)


Key Business Steps 2020

- Former Composite Materials business unit split-up into «Wind» and «Marine/Industrial»; market-focused organization & sales approach
- PET capacity expansion: 3rd extruder commissioned in China
- Mexico extruder commissioned Q4/2020 despite COVID-19 restrictions
- PET India: Site leased and construction started; Building extruders at Gurit CoC
- Secured long-term PET deals with major wind customers
- Vertical integration and high level of inhouse-competency: USP in PET value creation

**Wind:** Accelerated substitution of PVC & Balsa by higher performing, recyclable PET core materials

**Marine & Industrial:** Growing demand for recyclable PET in multiple industry segments
RESULTS FY2020

Aerospace: Heavily impacted by COVID-19

Net Sales: CHF 31.6 million (2019: CHF 53.5 million)
Decrease by 39.3% vs. FY 2019 (at constant fx rates)

Global decline in passenger traffic due to COVID-19
thus declining orders for new aircraft plus supply chain de-stocking

Key Business Steps 2020

▪ Managing crisis impacts: Accelerated business transfer Zullwil to Kassel and closed Zullwil plant Q4/2020
▪ Modernisation of Kassel site; additional new prepreg tower invested
▪ Business development campaigns to drive global sales opportunities

The aerospace market has stabilized. Gradual recovery in the coming years; long-term recovery path – expect 5y to reach pre-pandemic industry levels.
Kitting: Expanded footprint to ensure customer proximity

Net Sales: CHF 225.6 (2019: CHF 190.7 million)
Strong growth of 25.4% vs. FY 2019 (at constant fx rates)

Key Business Steps
- Capability proven to serve customers out of alternative sites under COVID impact; high level of standardization in plants globally
- Secured long-term supply agreements with major customers
- Innovation on next generation kitting lines through digitalization and higher automation
- Strengthened Kitting organization to prep for future growth
- Capacity increase in best cost regions: Mexico & China done, expansions in North & South India under construction

Unrivalled global core kitting footprint; co-location strategy for synergies PET extrusion & kitting
Focus on launching innovative modular designs to the market in 2021.
Net Sales: CHF 98.7 million
(2019: CHF 106.1 million)
Decrease by 1.7% vs. FY 2019
(at constant fx rates)

Key Business Steps 2020
- Strong global market position and improved market share with domestic customers in China
- Drove innovation of Industry 4.0 process automation equipment; transition from tooling supplier to blades manufacturing solution provider
- New power hinge generation
- Preparing India footprint expansion for 2021

Over 100m long mould, largest ever built by Gurit
2020 Financial Results

Philippe Wirth
CFO

WITH PASSION FOR A SUSTAINABLE FUTURE
Strong sales growth driven by wind energy demand

- **Growth** mainly driven by strong wind energy demand
- **Strong growth** particularly in China and Europe
- **Slightly below prior year** with mix shift towards more sales in the Chinese market
- **Demand contracted** due to COVID-19
- **Strong growth**: +8.9%
- Organic growth: +8.6% (at constant currency)
## Solid operating results despite challenging environment

### Continued operations

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
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<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>576.7</td>
<td>558.3</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>120.9</td>
<td>121.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>76.4</td>
<td>76.6</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>64.1</td>
<td>61.5</td>
</tr>
</tbody>
</table>

### Notes:
- Sales growth +8.9% at constant currency
- Organic growth +8.6% at constant currency
- Gross profit 0.7%-pts below prior year
- Tooling shift to lower margins sales
- Aerospace reduction due to volume
- Lower results from Tooling and Aero offset by higher results in Materials and Kitting
- Includes one-time Aero restructuring expenses of CHF 0.9m in 2020 and CHF 0.3m in 2019
- Includes one-time Aero restructuring and impairment expenses of CHF 0.9m in 2020 and CHF 2.0m in 2019
Operating profit increase year on year
(Continued Business)
Continued improvements in free cash flow

**Net Working Capital**

- On average we continue to improve the trade NWC
- Trade NWC 2020 benefits from Tooling shift to China with better payment terms

**CAPEX**

- Kitting and Materials (PET) facility in China and Mexico expansion and ramp-up

**Free Cash Flow**

- Higher total EBITDA CHF 4.9m compared to prior year
- Decrease in working capital compared to prior year 7.7m
# Robust balance sheet

<table>
<thead>
<tr>
<th>CHF million</th>
<th>Dec 2020</th>
<th>Dec 2019</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Debt</strong></td>
<td>19.9 (\text{CHF million})</td>
<td>52.9</td>
<td>-33.0</td>
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<tr>
<td><em>Change</em></td>
<td></td>
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<tr>
<td><strong>Equity Ratio</strong></td>
<td>45.7%</td>
<td>40.2%</td>
<td>+5.5 %-pts</td>
</tr>
<tr>
<td><em>Change</em></td>
<td></td>
<td></td>
<td>+5.5 %-pts</td>
</tr>
<tr>
<td><strong>Gross Debt / EBITDA</strong></td>
<td>0.9x</td>
<td>1.4x</td>
<td>-0.5x</td>
</tr>
<tr>
<td><em>Change</em></td>
<td></td>
<td></td>
<td>-0.5x</td>
</tr>
<tr>
<td><strong>RONA(^1)</strong></td>
<td>16.0%</td>
<td>12.2%</td>
<td>+3.8 %-pts</td>
</tr>
<tr>
<td><em>Change</em></td>
<td></td>
<td></td>
<td>+3.8 %-pts</td>
</tr>
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</table>

- Net debt reduction CHF 33m compared to prior year
- Strengthening of Swiss Franc reduces equity by CHF 10.6m
- Equity ratio reduction due to currency -1.4\%-pts
- Debt reduction CHF 31m
- Higher operating profit and lower average net operating assets compared to prior year mainly due to the divestment of Automotive

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1) Return on net assets: Operating profit less adjusted taxes / net operating assets (including goodwill)
Strategy & market outlook
NET ZERO COMMITMENTS ACCELERATE WIND GROWTH

Renewables to dominate future electricity generation

Renewable power generation until 2050
Breakdown of total installed capacity by source 2017-2050

Source: IRENA

Strong long-term growth perspective:
- Net-zero emission targets established:
  - CHN (2060); JPN, KOR & CAN (all 2050)
  - USA: Biden administration with encouraging signals and beneficial for renewables
  - EU Green Deal: 60 GW by 2030, 300 GW by 2050 (offshore wind)
Wind energy continues long-term growth trajectory

Wind power capacity installed annually*

- **China** wind turbine grid-connections **grew rapidly** due to an **installation rush** before the expiry of feed-in tariffs for onshore wind
- 2021 will be at **lower level** as a result of **China prebuilds**, partially offset by **stronger global wind markets**
- Anticipate **fast rebound on 80+ GW levels** as early as 2022 driven by net-zero plans and renewables growth
Wind market trends & Gurit’s strategic positioning

Technologies
- Larger rotors and split blade technology
- Digitalization & Modularization
- End of Life management & recyclability of turbine components

Market
- Onshore blade manufacturing footprint continues to consolidate in best cost countries
- Offshore project tied to local content req.
- Rising wind blade service & repair market

Wind OEM expectations towards supply base
- OEM reduce supply chain complexity and integrate core suppliers in early development process
- R&D capabilities, cost leadership, global footprint, financial strength & sustainability as key decision criterias to select strategic suppliers

Drive Tooling Automation, sensor integration and Industry 4.0 forward
- Build on Inhouse PET value creation
- Engage in EoL customer discussions with Next Gen core materials

Expand global manufacturing footprint and leverage co-location synergies
- Strengthen Gurit’s offering for wind blade repair kits

Transition from component supply to systems solution provider
- Strengthen engineering capacities and bundle Gurits application know-how
- Tier-1 supply chain management
Tooling automation & digitalization roadmap

<table>
<thead>
<tr>
<th>Application</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<tbody>
<tr>
<td>Industry 4.0</td>
<td></td>
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<td></td>
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<tr>
<td>Bonding &amp; Assembly</td>
<td></td>
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<tr>
<td>Layup</td>
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<td>Surface</td>
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<tr>
<td>Finishing</td>
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<tr>
<td>Robotization</td>
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- Market entry
- Assembly tools
- Smart blade factory & Material tracing
- Robotized systems

- Turnkey moulding & blade production solutions
- System provider using synergies with other business units
- Digital Industry 4.0 manufacturing

Material tracing solutions
- Cure monitor sensors
- Front flow sensors
- Vacuum sensors
- In blade RFID sensors
- Safety sensors
- Turning systems
- Heating systems
- Material deposition systems
- Material movement systems

Smart blade factory solutions
Blade diagnosis solutions
Wind market trends & Gurit’s strategic positioning

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- Tier-1 supply chain management
Global footprint: strategic investments

**MEXICO (2020)**
Co-location of kitting / PET extrusion plant (Q4/2020) serving the North American market

**CHINA (2020-2021)**
Tooling automation
Added PET extrusion capacity in Tianjin (2020), adding kitting capacity in China (2021)

**INDIA (2021)**
North: kitting site (2021)
South: co-located new tooling / PET extrusion / kitting site (2021)
Leveraging synergies in dedicated wind industry parks
Wind market trends & Gurit’s strategic positioning

<table>
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<td>▪ Rising wind blade service &amp; repair market</td>
</tr>
</tbody>
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### Wind OEM expectations towards supply base

| OEM reduce supply chain complexity and integrate core suppliers in early development process | Transition from component supply to systems solution provider |
| R&D capabilities, cost leadership, global footprint, financial strength & sustainability as key decision criterias to select strategic suppliers | Strengthen engineering capacities and bundle Gurit’s application know-how |
| Tier-1 supply chain management                                                  | Tier-1 supply chain management |

Drive Tooling Automation, sensor integration and Industry 4.0 forward
Build on Inhouse PET value creation
Engage in EoL customer discussions with Next Gen core materials
Expand global manufacturing footprint and leverage co-location synergies
Strengthen Gurit’s offering for wind blade repair kits
Growth opportunities outside of Wind business

**Marine**
Materials: Corecell™, Kerdyn™, formulated & prepreg

Applications: 5-35m boats, superyachts, raceyachts, multiple components

**Transportation**
Materials: Prepreg, Kerdyn™

Applications: Body panels, structural & cosmetic, Kerdyn™ for refrigerated trucks

**Rail**
Materials: FR prepreg, Kerdyn™, FR panel solution

Applications: Multiple interior & exterior

**Agriculture**
Materials: Prepreg, adhesive

Applications: Carbon booms

**Civil / Building**
Materials: Kerdyn™ FR, formulated & prepreg for architectural applications

Applications: Window infill, sills, doors & architectural
Gurit started implementation of sustainability strategy

Implementation 2021–

- Sustainability organisation
- Related workstreams
- Commitments & transparent reporting

Sustainable Gurit: five pillars

SAFETY FIRST
- Foster a safety culture, manage risks and reduce accidents

ENVIRONMENT
- Climate neutrality
- Effective resource utilisation
- Precautionary approach to environmental challenges

SOCIAL RESPONSIBILITY
- Equality & Diversity
- Human Rights
- No child labor, no forced labor
- Be a good corporate citizen in our local communities

GOOD GOVERNANCE
- Code of Conduct
- Best practice
- Corporate Governance
- Strictly apply anti-corruption & bribery policies

ECONOMIC PERFORMANCE
- Sustainable economic performance
- Risk Management
- Quality
- Innovation

Mission, Vision and Values

Download the Gurit Sustainability Report 2020:
www.gurit.com/sustainability
Gurit to become climate neutral in 2021*

Our approach to climate neutrality:

1. **Reduce emissions**
   Optimize production & transportation, reduce waste

2. **100% Renewable electricity**

3. **Compensation**
   for emissions that cannot yet be avoided:
   Wind energy project in India

* for direct emissions under direct influence (GHG scope 1, 2, partial 3)
Summary and Guidance

- Strong **execution**, solid **portfolio**, robust **balance sheet**
- Temporary reduced **wind demand** in **China**; **Balsa price** normalization
- **Mid-term growth outlook**: Expand **manufacturing footprint** & grow **innovation leadership** position as **system supplier** to the wind industry
- Marine markets recovering **on pre-COVID levels**, Industrial offering **new growth potentials**
- Aerospace has **stabilized** at a low level, gradual longer-term recovery expected.

Guidance 2021

- Sales in the range of **CHF 530 – 580 million**
- Operating **profit margin** between 9 – 11%
End of public webcast

Thank you for joining us today.

Participants registered for the private Q&A session please stay on the line.

The Q&A session is reserved for financial analysts, investors, media representatives.
Contact: investor@gurit.com
+41 44 316 15 50

Next dates
- April 14: Q1 net sales results
- August 17: 1HY2021 results
- End of August: Capital Markets Day
- October 15: Q3 net sales results
Thank you for your attention

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