

Media release

Gurit reports net sales of CHF 459.9 million and an adjusted operating profit margin of 4.5% for 2023

Zurich, March 4, 2024 – Ad hoc announcement pursuant to Art. 53 LR

Gurit (SIX Swiss Exchange: GURN) today reports net sales of CHF 459.9 million for the full year 2023. Gurit reached an operating profit of CHF 20.3 million with a margin of 4.4% of net sales. Adjusted operating profit was CHF 20.6 million or 4.5% of net sales. Net profit amounted to CHF 4.0 million in 2023. Driven by improved cash flow generation, net debt decreased by CHF 24.1 million. For 2024, Gurit expects profitability to further increase thanks to its global footprint.

Gurit saw its net sales increase by 0.5% at constant exchange rates versus prior year. Net sales of continued operations were CHF 459.9 million (+2.7% at constant exchange rates or -5.9% in reported CHF). Excluding acquisition effects, total Group sales grew by 2.6% at constant exchange rates.

Wind customers in 2023 have been cautiously investing again and winning new orders for future projects both onshore and offshore. Western OEMs have taken actions towards improving their financial performances with several returning to profitability during the year.

The Marine and Industrial business had another good year and continued with profitable growth. We were able to win the first significant orders with major European boat builders. We also successfully won business for recycled PET panels for multiple industrial applications in the US.

Wind Materials achieved net sales of CHF 307.1 million for 2023. This represents an increase of 1.9% at constant exchange rates compared to 2022 and contains a contribution of CHF 99.4 million from Structural Profiles (Fiberline Composites). Market share gains for Western customers in core materials have been partly offset by lower volumes for Chinese customers, in an effort to improve margins. During the year long term agreements have been signed with major OEMs.

Manufacturing Solutions achieved a turnover of CHF 51.3 million, which represents a decrease of -0.3% at constant exchange rates compared to 2022. The year, particularly the first half, has seen Western customers releasing more investments in incremental blade manufacturing capacities. Selectivity was applied in the Chinese market to keep capacity for projects with higher added value. Innovative applications as ship rotors emerged nicely.

Marine and Industrial reports net sales of CHF 101.6 million for 2023. This is an increase of 7.1% at constant exchange rates compared to 2022. Traditional products like Prepreg and Corecell™ are maintaining a strong position in the market as well as generating new sales in developing areas like subsea; likewise, our recycled PET foam is both gaining shares in existing markets while growing in recognition as a superior material option in new applications. Industrial opportunities are expanding, for example through the promotion of PET panel solutions in transportation and construction applications.

Profitability

For the calendar year 2023, Gurit reached an operating profit margin of 4.4%. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit margin is 4.5%. This compares to an adjusted operating profit margin of 2.3% in the calendar year 2022.

Net profit for the year 2023 amounted to CHF 4.0 million. This equals earnings per listed share of CHF 1.59 (2022: CHF 1.98).

Cash Flow and Balance Sheet

Gurit achieved a net cash flow from operating activities of CHF 37.7 million (2022: CHF 16.2 million). Capital expenditures amounted to CHF 11.3 million in 2023 compared to CHF 15.2 million in the previous year. We continued to invest mainly into PET extrusion capacity as well as a new plant for carbon fiber profiles in India. The equity ratio reduced to 28.3%, from 31.0% in previous year, mainly due to the offsetting in equity of Goodwill resulting from the Fiberline acquisition, according to the Swiss GAAP FER Gurit accounting policy.

Net debt decreased by CHF 24.1 million due to the improved cash flow generation. In addition, improved cash management reduced gross debt further, which is now CHF 38.8 million below the previous year.

Strengthening our US Business

Gurit closed the acquisition on February 29, 2024, of FX Composites in Texas, USA, a core material finishing and kitting operation and logistic hub. This addition to Gurit's footprint will be an enabler for growth in the US market, by establishing a visible and versatile hub to serve the needs of US customers for Marine and Industrial applications. The entity will operate within the Marine and Industrial Business unit.

Outlook

Gurit pursues its strategy in the wind industry to increase market shares with Western customers, due to its global footprint, and to be more selective in China. In 2024, Western markets are foreseen to grow slowly, still we expect a steady sales growth with Western customers. This increase will be mostly offset first by lower costs of input materials - like carbon fibers - transferred to customers, and second by a stricter margin approach in China. Altogether this strategic change will have a very positive impact on profitability.

For our marine activities, we expect medium to large projects to maintain their position, while smaller projects are expected to soften slightly. In the industrial segments we are confident that growth will accelerate driven by the increasing demand for recycled PET foam.

Considering the above, we expect a back end loaded 2024 with net sales between CHF 435 - 485 million and an adjusted operating profit margin of 5% - 8% (respectively CHF 460 million and 4.5% in 2023).

We at Gurit are thrilled by the commitments from global governments during COP28 aiming to triple the global renewable power capacity by 2030 and double the rate of energy efficiency improvements. We expect those initiatives to impact sales very significantly from 2025, as they started to translate into major turbine orders for our wind customers in recent months. So, we will continue to prepare our global manufacturing footprint for the announced growth.

Sustainability road – delivering on ESG

Gurit continues to make significant progress in its sustainability efforts, evidenced by the results of assessments from various leading rating agencies. The company has been awarded a gold medal by EcoVadis, one of the world's largest sustainability rating agencies, which places Gurit in the top 5% of all EcoVadis-rated companies.

Gurit has earned an A rating from MSCI, who rates companies according to exposure to industry specific ESG risks and the ability to manage those risks relative to peers. This rating puts Gurit within the top tier of all rated companies in the specialty chemicals sector.

Read more in our Sustainability Report which is part of our integrated Annual Report.

Key financial figures 2023

Key financial figures in MCHF	2023	2022	Change in reported CHF	Change @ constant 2022 rates
Net sales by markets:				
Wind Materials*	307.1	330.6	-7.1%	1.9%
Manufacturing Solutions	51.3	57.5	-10.9%	-0.3%
Marine and Industrial	101.6	100.5	1.1%	7.1%
<i>Elimination</i>	-0.2	0.0		
Total continued operations	459.9	488.6	-5.9%	2.7%
Aerospace	0.0	10.8	-100.0%	-100.0%
Total Group	459.9	499.5	-7.9%	0.5%
EBITDA	34.6	39.8		
EBITDA Margin	7.5%	8.0%		
Operating Profit	20.3	22.3		
Operating Profit Margin	4.4%	4.5%		
Adjusted Operating Profit**	20.6	11.2		
Adjusted Operating Profit Margin	4.5%	2.3%		
Profit for the year	4.0	9.1		
Operating Cash flow	37.7	16.2		
Capital expenditures	11.3	15.2		
Net Debt	59.9	84.0		
Equity in % of total assets	28.3%	31.0%		

* Wind Materials sales contain Structural Profiles sales of CHF 99.4 million in 2023 and CHF 102 million in 2022 for a period of 8 months following the acquisition end of April 2022.

** Alternative GAAP measure: please refer to page 266 in the annual report

Annual General Meeting of Shareholders on April 18, 2024

The Annual General Meeting will be held on April 18, 2024, at 16:30 CET in Pfäffikon SZ. The share register will close on Wednesday, March 20, 2024, at 17:00 CET. Contacts for shareholders to register their shares or for address changes: share.register@computershare.ch

As the adjusted operating profit is improved vs. 2022, the Board of Directors recommends to the AGM to pay out a dividend of CHF 0.35 per share for the year 2023. The full invitation to the AGM including all motions proposed by the Board of Directors will be available for download at least 20 days prior to the AGM at: <https://www.gurit.com/agm-shareholders/>.

Publications

The **Gurit Annual Report 2023** is available online at www.gurit.com/investors/reports.

The **Sustainability Report 2023** is available as a part of the integrated Annual Report or as a separate document on the Gurit website at www.gurit.com/sustainability.

Media and Analyst Conference

Gurit will report its 2023 full year results on March 4, 2024 and provide its financial guidance for 2024. We will discuss the results at a joint media and analyst webcast **on March 4, 2024, at 09:00 a.m. CET**. As usual, the presentations will be held in English and can be accessed on the following URL: <http://www.gurit.com/Investors/Webcasts>. An archived version will later be made available on the same link.

Roadshow

In the afternoon of March 4, 2024, Gurit CEO Mitja Schulz and CFO Philippe Wirth will be available to meet investors at a roadshow at the premises of Zürcher Kantonalbank in Zurich. For more information: <https://broker.zkb.ch/en/corporate-access/calendar>.

A Capital Markets Day for investors, analysts and financial media representatives is scheduled to take place **on October 9, 2024**, in Zurich.

About Gurit

The subsidiaries of Gurit Holding AG, Wattwil/Switzerland, (SIX Swiss Exchange: GURN) are specialized in the development and manufacture of advanced composite materials, composite tooling equipment and core kitting services. The product range comprises structural core materials, structural profiles, prepregs, formulated products such as adhesives and resins as well as structural composite engineering. Gurit supplies global growth markets such as the wind turbine industry, marine, building and many more. Gurit operates production sites and offices in Australia, Canada, China, Denmark, Ecuador, India, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, United Kingdom and the United States.
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