

## **Gurit: Half-year 2014 results**

### **28.8% sales growth to CHF 167 million in 1HY 2014**

- **Gurit Composite Materials:** Sales up 18.1% to CHF 128.8 million
- **Gurit Composite Systems and Engineering:** Sales increase 85.5% to CHF 38.2 million
- **Operating profit for the period:** CHF 7.7 million or 4.6% of sales
- **Downloads:** The interim report 2014 and the presentation slides are available at <http://investors.gurit.com/download-archive.aspx>
- **Conference call/Webcast:** A Media/Analyst Conference Call and Webcast is scheduled for 09:30 a.m. today

**Zürich, August 22, 2014.** Gurit (SIX Swiss Exchange: GUR) reports a 28.8% sales increase to CHF 167 million (1HY 2013: 129.7 million) for the first six months of 2014, versus the same but weak period of last year. Compared with the second half of 2013, sales grew 10.2%, confirming the recovery started in summer 2013. Operating profit for the period improved to CHF 7.7 million or 4.6% of net sales.

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#### **Gurit Composite Materials**

In the first half of 2014, Gurit Composite Materials achieved 18.1% higher net sales of CHF 128.8 million (1HY 2013: CHF 109.1 million). Largely driven by the business with American and Asian customers, material sales to the wind energy market grew by 22.8% and thus recovered from the contraction Gurit had faced during the first half of 2013. While the operating profit in Gurit Composite Materials is improving and achieved reasonable levels in the industrial, marine, and aerospace markets, it still holds significant upward potential in the wind energy business.

#### **Gurit Composite Systems and Engineering**

Gurit Composite Systems and Engineering generated 85.5% higher net sales of CHF 38.2 million in the first half of 2014. Sales of Tooling systems increased strongly by 136.3% to CHF 25.2 million. Sales generated with composite car body panels rose 31.7% to CHF 9.1 million. The deployment of Gurit's new press technology for larger series of composite car parts developed as planned: 2014 saw the successful production of the first class-A, visual carbon car roofs using this innovative, more automated technology. Engineered structures generated revenues of CHF 4.0 million, an increase of 29.8% over the first half of last year. During the reporting period, Gurit has transferred the manufacture of composite parts for commuter busses from the UK to its new production site in Hungary which is to be further developed into a production base for advanced composite components.

## Operational and financial result

The strong increase in sales and the excellent operational performance of the Tooling business resulted in an operating profit of CHF 7.7 million, or 4.6% of net sales for the first half of 2014. This represents a significant improvement from the CHF 0.6 million or 0.5% of net sales posted for the same period last year. It also reflects further progress compared with the operating profit of CHF 5.9 million or 3.9% of net sales achieved during the second half of 2013, confirming the ongoing recovery which started in the summer of 2013.

Including a non-operating profit of CHF 2.1 million from the sale of some remaining land in Wattwil/Switzerland and income taxes of CHF 2.5 million, Gurit reports a Net profit of CHF 7.1 million or CHF 15.19 per bearer share.

Net cash flow from operating activities amounted to minus CHF 1.8 million, burdened by a CHF 10.6 million increase in net working capital. Capital expenditures of CHF 4.3 million, including the expansion of Gurit's tooling plant as well as the setup of the Hungarian plant, were to some extent funded by the CHF 2.2 million proceed from the sale of land in Wattwil.

With an equity ratio of 67%, Gurit's balance sheet at end of June 2014 remains very solid.

## Outlook

Gurit expects similar business conditions for the remainder of 2014 and an operating profit margin around the level achieved in the first half year.

| Key financial figures<br>in CHF 1000           | 1HY 2013       | 1 HY 2014      | % change     | Change at<br>constant<br>2013 rates |
|--|----------------|----------------|--------------|-------------------------------------|
| <b>Net sales by markets:</b>                   |                |                |              |                                     |
| Wind Energy                                    | 54'393         | 66'817         | 22.8%        | 24.3%                               |
| Other Material markets                         | 54'664         | 61'991         | 13.4%        | 14.2%                               |
| <b>Gurit Composite Materials</b>               | <u>109'057</u> | <u>128'808</u> | <u>18.1%</u> | <u>19.2%</u>                        |
| Automotive                                     | 6'881          | 9'061          | 31.7%        | 28.1%                               |
| Tooling  | 10'655         | 25'174         | 136.3%       | 144.4%                              |
| Engineered Structures                          | 3'057          | 3'968          | 29.8%        | 27.9%                               |
| <b>Gurit Composite Systems and Engineering</b> | <u>20'593</u>  | <u>38'203</u>  | <u>85.5%</u> | <u>86.6%</u>                        |
| <b>TOTAL NET SALES</b>                         | <b>129'650</b> | <b>167'011</b> | <b>28.8%</b> | <b>29.9%</b>                        |
| Operating profit                               | 610            | 7'709          |              |                                     |
| EBIT   | 610            | 9'759          |              |                                     |
| Profit for the period                          | - 2'363        | 7'106          |              |                                     |
| Operating cash flow                            | 1'689          | -1'834         |              |                                     |
| Capital expenditures                           | 2'806          | 4'275          |              |                                     |
| Equity ratio                                   | 69.4%          | 66.9%          |              |                                     |

**Online publication of half-year report:** The Half-Year Report 2014, SHAPE – The Gurit Magazine, Issue 15, and the Half-Year 2014 presentation slides are available for download at <http://investors.gurit.com/download-archive.aspx>.

**Conference Call and Webcast:** A Media/Analyst Conference Call is scheduled for 09:30 a.m. today. Please dial in some 10 minutes prior to the call using the following numbers:

- Switzerland: +41 58 262 07 22
- Germany: 0800 181 93 93 (toll free)
- Great Britain: 0808 234 88 76 (toll free)
- USA: +1 866 591 43 61 or +1 888 50 333 35 (toll free)

The PIN to access the telephone conference is **256277**.

During the conference, participants will be in a listen-only mode. To ask questions, please dial \*14 on your telephone, to pull back a question, press \*15. Questions will be answered in a chronological order.

The conference call is also simultaneously available as an international webcast at <http://investors.gurit.com/webcasts.aspx> where later a recording will be archived.

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Sign-up for email alerts is available at <http://investors.gurit.com/news-alert-subscription.aspx>

**On Gurit:** The companies of Gurit Holding AG, Wattwil/Switzerland, (SIX Swiss Ex-change: GUR) are specialised on the development and manufacture of advanced composite materials, related technologies and select finished parts and components. The comprehensive product range comprises fibre reinforced prepregs, structural core products (man-made materials and balsa wood), gel coats, adhesives, resins and consumables. Gurit supplies global growth markets with composite materials on the one hand and composite tooling equipment, structural engineering and select finished parts on the other. The global Group has production sites and offices in Switzerland, Germany, Hungary Italy, Spain, the UK, Canada, the USA, Brazil, Ecuador, Australia, New Zealand, India and China.