



# Welcome

## CAPITAL MARKETS DAY '21

Tuesday 31.8.2021 @SIX ConventionPoint in Zurich, Switzerland

WITH PASSION FOR A SUSTAINABLE FUTURE

# Agenda

Time	Topic	Presenter	Duration
09:00	<b>Welcome note</b>	<b>Mitja Schulz, CEO</b>	5 min
	<b>Strategy and market trends</b>		60 min
	<b>Financials</b>	<b>Philippe Wirth, CFO</b>	20 min
10:25	Coffee break		20 min
<b>10:45</b>	<b>Innovation and Technology</b>	<b>Ernst Lutz, CTO</b>	<b>45 min</b>
<b>11:30</b>	<b>Questions &amp; Answers</b>	<b>CEO, CFO, CTO</b>	30 min
<b>12:00</b>	<b>Lunch</b>	in the foyer	
13:00	Coffee & end of event		

## Speakers today



**Mitja Schulz**  
CEO



**Philippe Wirth**  
CFO



**Ernst Lutz**  
CTO



**Moderator:**  
**Andrea von Bartenwerffer**  
Head Issuer Relations, SIX

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**Mitja Schulz, CEO**

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# Agenda



**About Gurit**

**Market trends**

**Strategy 2025**

# Group Management



Mitja  
Schulz

**Chief  
Executive  
Officer**  
(CEO)



Philippe  
Wirth

**Chief  
Financial  
Officer**  
(CFO)



Ernst  
Lutz

**Chief  
Technology  
Officer**  
(CTO)



Hannes  
Haueis

**Head of  
Group  
Human  
Resources**



Michael  
Muser

**Aerospace**  
General  
Manager



Bing  
Chen

**Manu-  
facturing  
Solutions**  
General  
Manager



Andreas  
Kipker

**Wind  
Systems**  
General  
Manager



Lance  
Hill

**Marine/  
Industrial**  
General  
Manager

## Key Figures & Core competencies



**2951**  
Employees



**~500**  
million CHF  
Net sales (2021e)

**1835**

Foundation in Switzerland  
**30 years advanced  
composites**



**3 global R&D application  
centers; R&D staff of 140**



**29**

Locations in Americas,  
Europe, Asia-Oceania:  
**Global supply and  
support**



**100%**

**Western Wind OEM  
served, 90% of all wind  
turbine blade makers**  
(in terms of sales)



**Lightweighting  
excellence**



**Technical  
expertise**

## Our offering to the Wind and Lightweighting industries

Gurit



Composite Materials

Tooling

Kitting

Engineering

WIND  
ENERGY



Wind energy

+

+

+

+

+

+

LIGHTWEIGHTING



Aerospace

+



Marine

+

+

+

+



Industrial

+

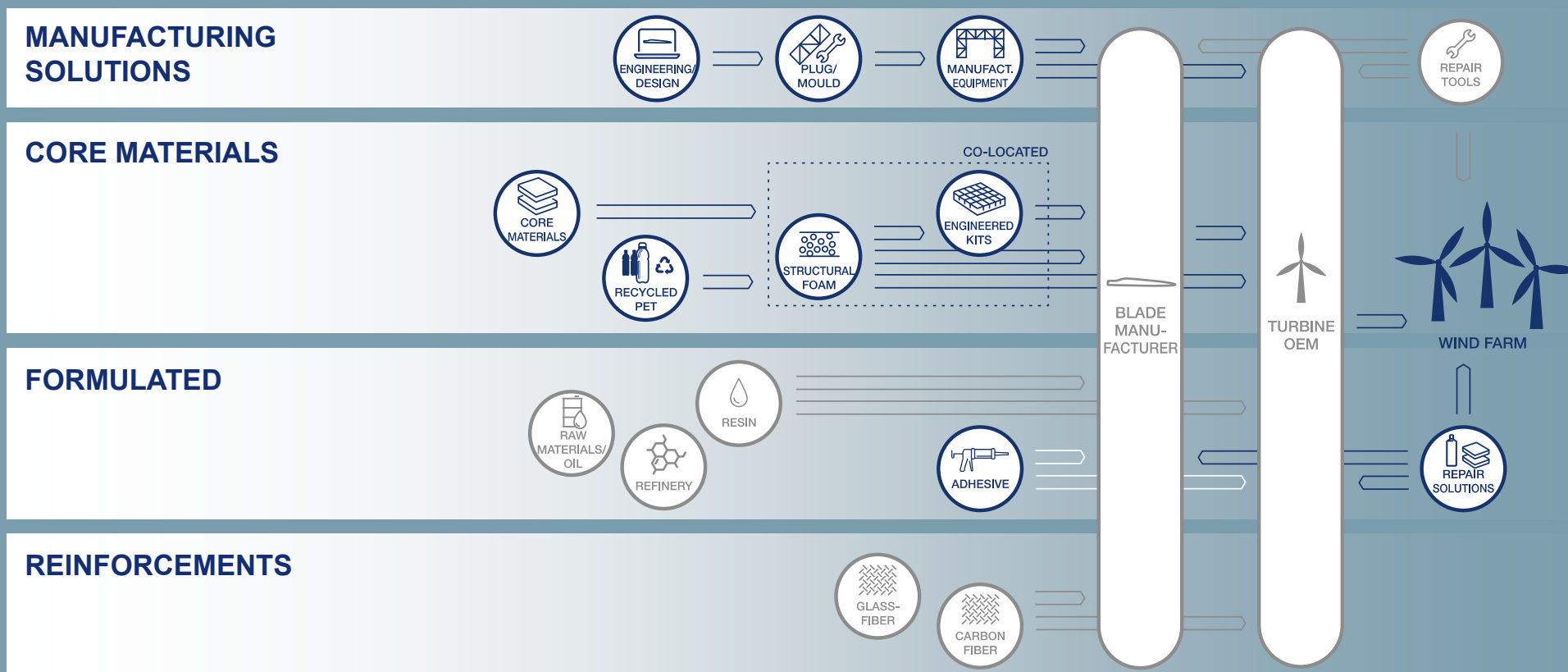
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# A Solution Provider for the Wind Blade Industry



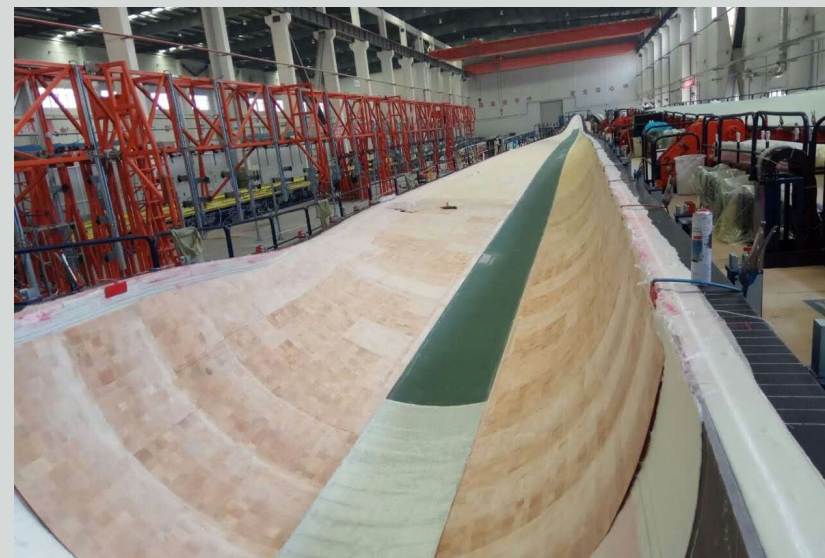
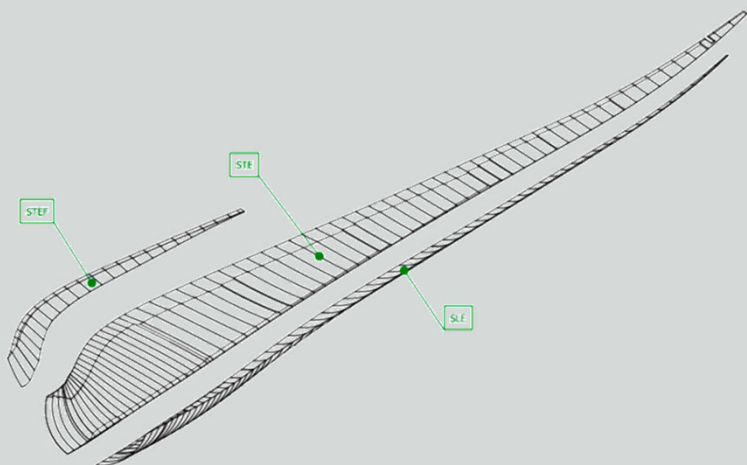
# Global Market Leader for Wind Blade Moulds

- Strong **design and engineering team** in China
- Manufacturing in **China & India**
- Global **Service & Installation**
- **Automated & Digital** Manufacturing Solutions



## Core Material Kitting Portfolio

- **Customer proximity** in all global wind markets
- **Consulting and design** capabilities
- **Prototyping**
- Production of **engineered kits**
- **Just in Time** Delivery to the blade plant

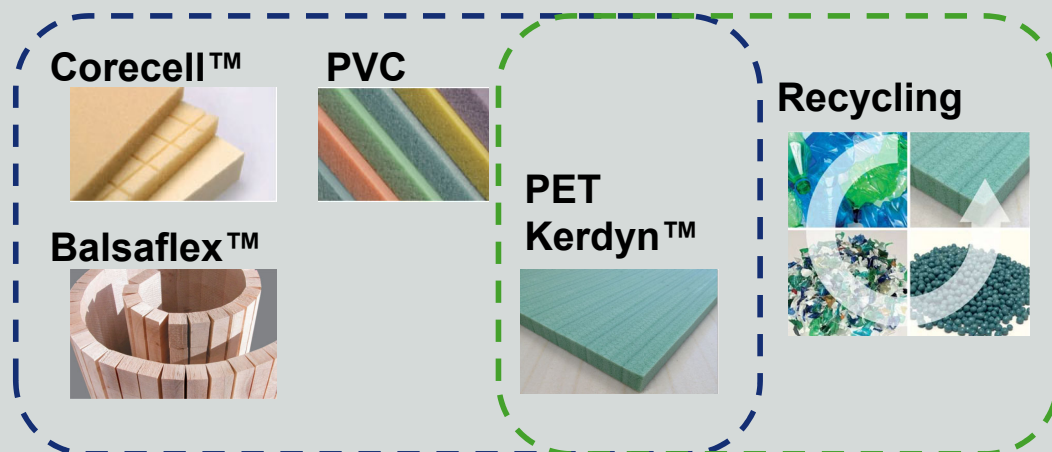


# Widest Portfolio

## Core Range and Formulated Products

### Complete Structural Core Range

- Providing globally all **major Structural Foam**
- Leading through Sustainable PET Foam and our **integrated** supply chain



### Extended Formulated Products

- Supporting customers at **different stages** of their product life cycles.
- **Cost reduction** through faster adhesives





# Gurit's Integrated Recycling Value Chain



# Conclusion

## From a Commodity Supplier to a Solution Partner

Helping our customers to solve problems and increase the LCOE-competitiveness of Wind



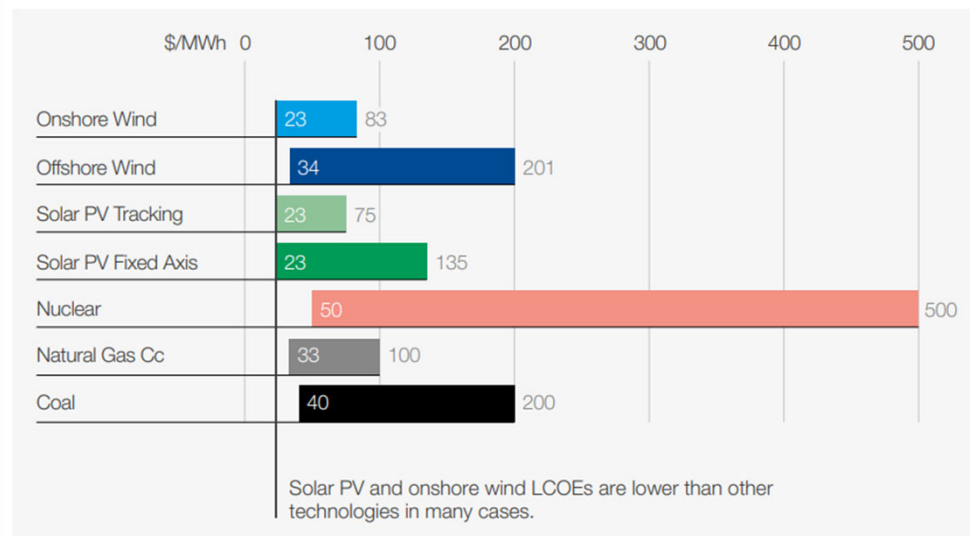
# Market Outlook

# Renewable Energy Market Outlook

Favourable price development linked to Net Zero 2050/2060 Objectives

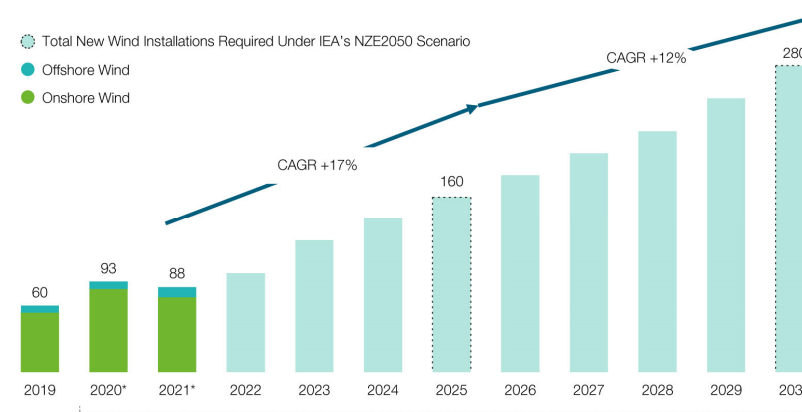
**Levelized Cost of Energy (LCOE) for OnShore and Offshore will by 2030 converge towards a 30 \$/MWh**

Global LCOE ranges–H2 2020 updates<sup>2</sup>



**Net Zero commitments are expected to generate an up-to 280 GW additional yearly Wind installation**

Annual wind installations must increase dramatically to reach net zero by 2050  
New global wind installations (GW)



Source: GWEC Market Intelligence; IEA World Energy Outlook (2020), volumes in 2022-2024 and 2026-2029 are estimates

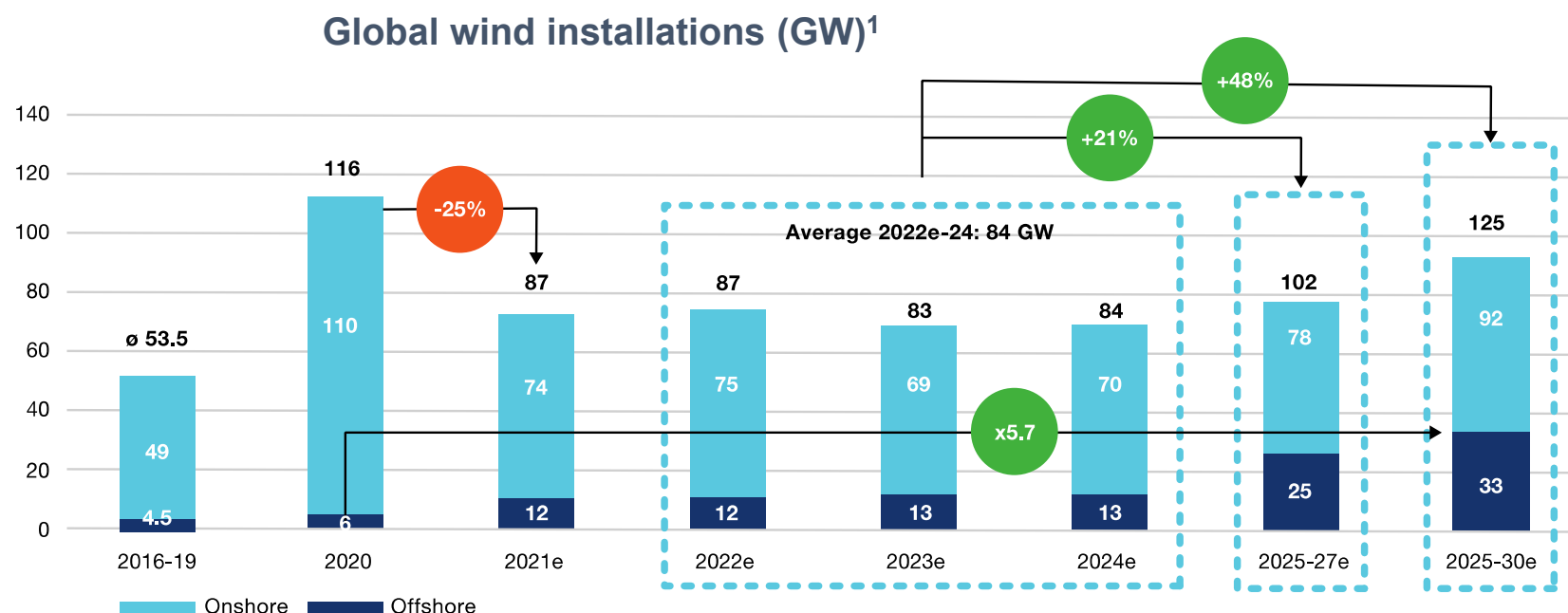
Source: World Economic forum – August 2020

Source: GWEC 2021



# Wind Energy Continues Long-term Growth Trajectory

Entered transition period after 2020 installations surged in CN and US ahead of subsidies lapsing

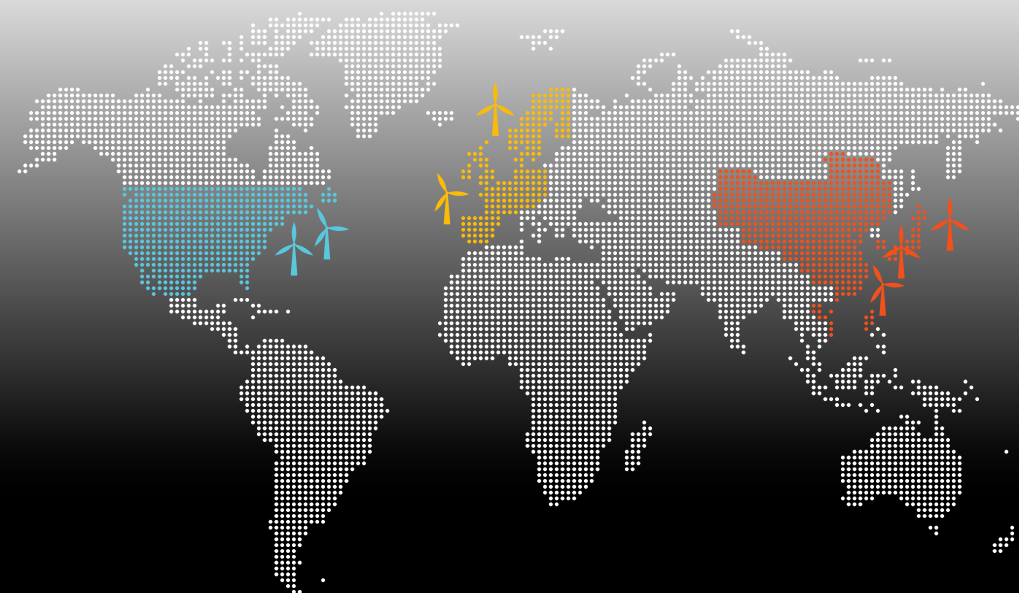
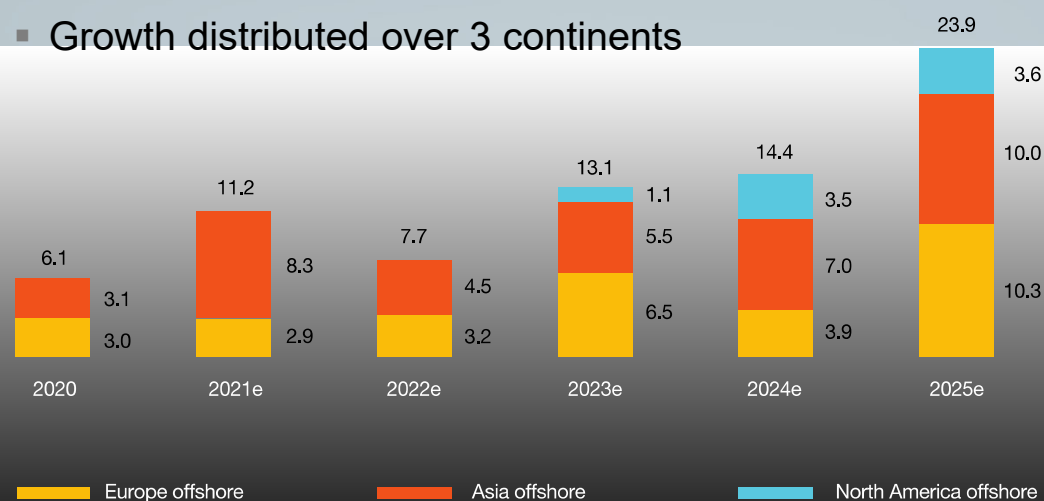


1) Wood Mackenzie: Global Wind Power Market Outlook Update: Q2 2021

- **Record installations in 2020** driven by expected incentive changes in US, CN
- **Mid-term** market transition from 2020 level driven by onshore, esp. CN and US
- Global installations flat till **growth resumes in 2024**
- 2021–2030 long-term outlook foresees major growth

# Wind Offshore Opportunities Growing Globally

- **Quadruple growth rate** over 5 years:  
6.1 GW to 23.9 GW
- Growth distributed over 3 continents



Source: GWEC 2021

## Conclusion

### Gurit is Strongly Positioned to Tackle Wind Industry Trends



**Rotor diameters:  
Race to maximize**



**Offshore share will  
grow to 25% in 2030**



**OEMs reduce  
inhouse value chains**



**EOL management of  
existing turbines**



**Sustainability and  
ESG performance**



**Local content  
requirements**

# Lightweighting Markets and Gurit's Product Portfolio



## MARINE

### Materials:

Corecell™, Kerdyn™, formulated & prepreg

### Applications:

5-35m boats, superyachts, raceyachts, work boats, 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:

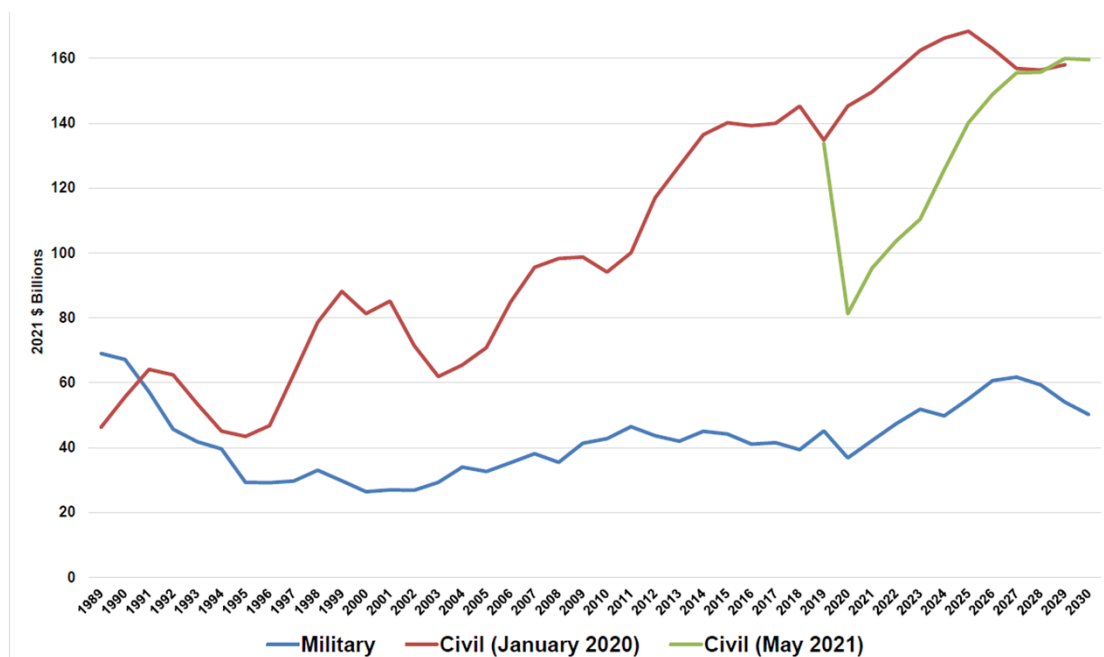
Kerdyn™ FR, formulated & prepreg for architectural applications

### Applications:

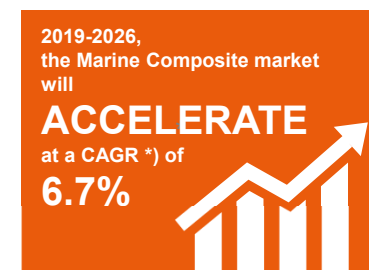
Window infill, sills, doors & architectural

# Positive Long-term Outlook in all Lightweighting Markets

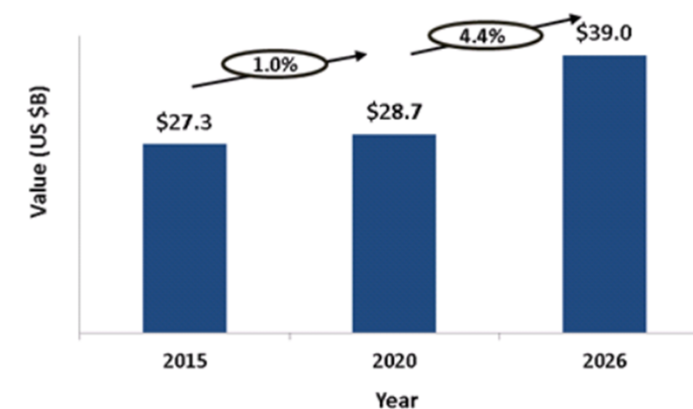
## Aerospace market environment World aircraft deliveries by value, 1989-2030



Source: Teal Group Corporation (2021)



## Composite market environment Trends and forecast Global Composites Market (Billion USD 2015-2026)



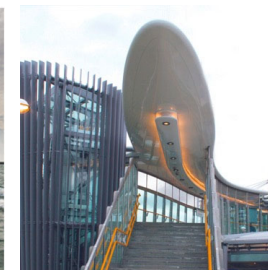
Source: Lucintel

# Conclusion

## Gurit will Strengthen Position in Growing Lightweighting Markets

### Marine and Industry market environment

- Marine markets exceed expectations, **recovering to above pre-COVID** levels
- Strong demand for recyclable PET for Industrial applications
- **Industrial segments** offer new growth potentials through replacement of existing technologies with advanced composites
- Gurit **strengthening organization and global setup** by dedicating more resources and capacities to growing Marine & Industrial segment



### Aerospace market environment

- Aerospace has **stabilized at a low level**, gradual longer-term recovery expected, recovery phase has started.
- Expect change in **airplane product mix** towards a higher share of **Narrow-body airplanes** in near-term future



# Strategy 2025

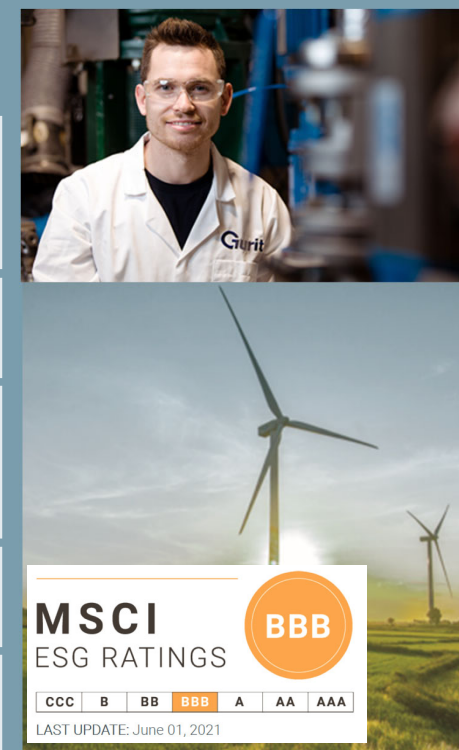
# Progress on Achieving Gurit's Long-term ESG Goals

## Our targets:

- **Climate neutrality**
- **Set GHG reduction targets**
- **Best in class sustainability (ESG) rating**
- **Respond to customer requirements**  
(e.g. zero waste, supply chain, scope 3 GHG, recycling)
- **Health & Safety of our employees**
- **Implement ESG Management Systems**

## Achievements in 2021:

- ✓ **For scope 1&2 achieved**
- ✓ **100% renewable electricity**
- ✓ **ESG rating improved (MSCI 2 levels up to BBB)**
- ✓ **Sustainability organisation with workstreams set-up**
- ✓ **39% LTAR accident reduction 2019-21**
- ✓ **ESG Management systems implemented (ISO-certifications)**



**Our vision: With passion for a sustainable future**



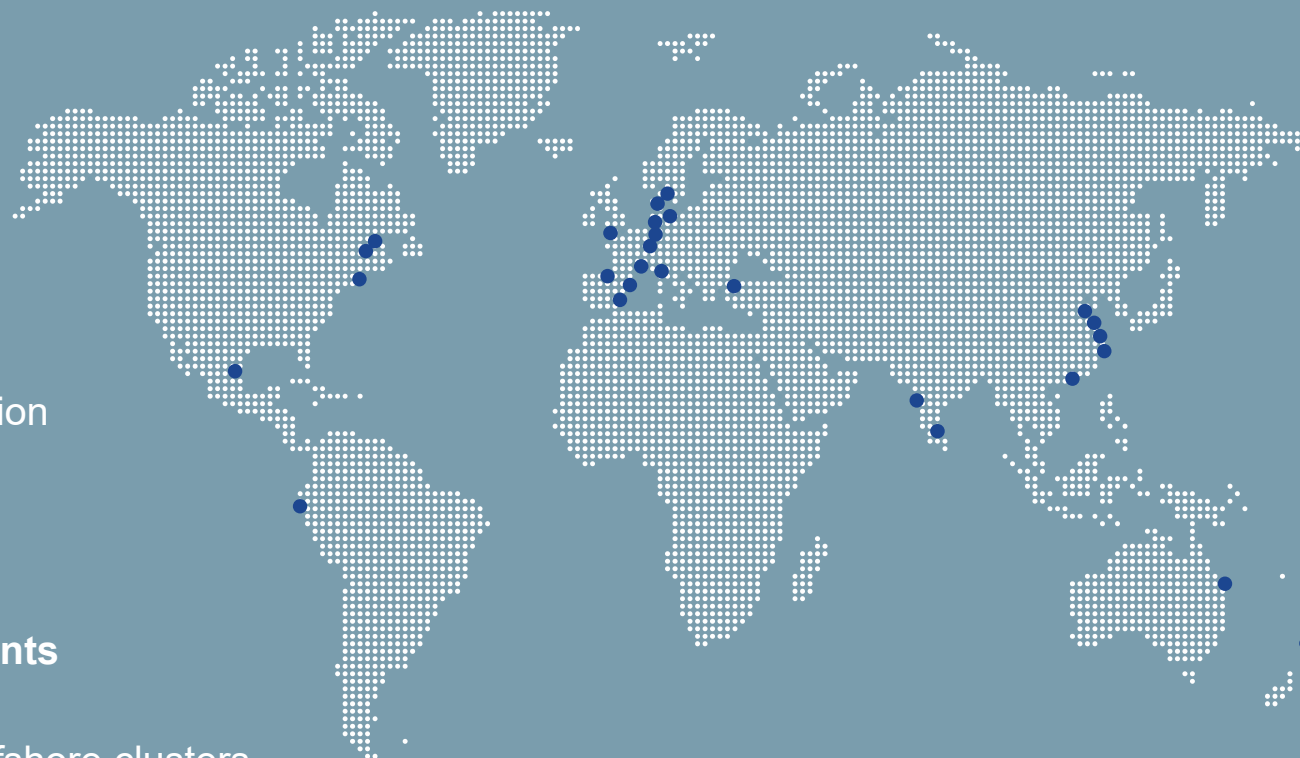
# Optimize Global Footprint

## Industrialisation

- **Tamaulipas, Mexico**
  - Relocation of U.S. Kitting operations to MX
  - Commissioning of PET extruder
- **North India:** Kitting
- **South India:** Co-location of Kitting, Manufacturing Solutions, PET extrusion

## Strategic footprint

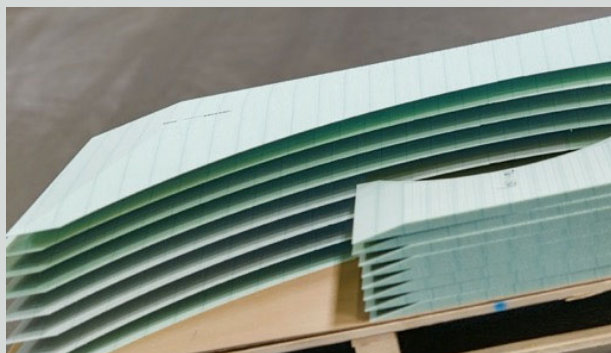
- Rightsizing of **Balsa**
- Incremental **PET capacity investments**
- **Offshore wind** manufacturing hubs: evaluation of options in upcoming Offshore clusters



## Technology Trend: Increased Blade Size and What We Do About It

### Engineered Kits

- **Design optimization** for **high speed** automated layup process with perfect mold fit
- Design optimization for **best structural performance**



# Sustainability and What We Do About It



## RECYCLABILITY CRADLE-TO-CRADLE

Use of recycled products  
Product development  
for recyclability



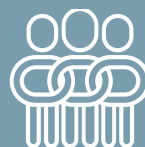
## WASTE REDUCTION

Co-location & on-site production  
optimized processes  
Packaging reduction



## CLEAN TECHNOLOGY

Recycling technology (PET / extrusion)  
Modernized equipment for reduction of  
emissions and energy consumption



## INNOVATION CULTURE







# Innovation Culture and What We Do About It

- **Collaboration** and Co-development with Suppliers, Customers, and Academia
- Internal Suggestion Box system (*Future Options*)
- **Global Footprint** and Diversity
- **Cross-Functional** Development Teams



# Our Values Drive us Forward!



**Thank you for  
your attention**

**Mitja Schulz, CEO**

[www.gurit.com](http://www.gurit.com)

**Gurit**





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## Financials

**Philippe Wirth, CFO**

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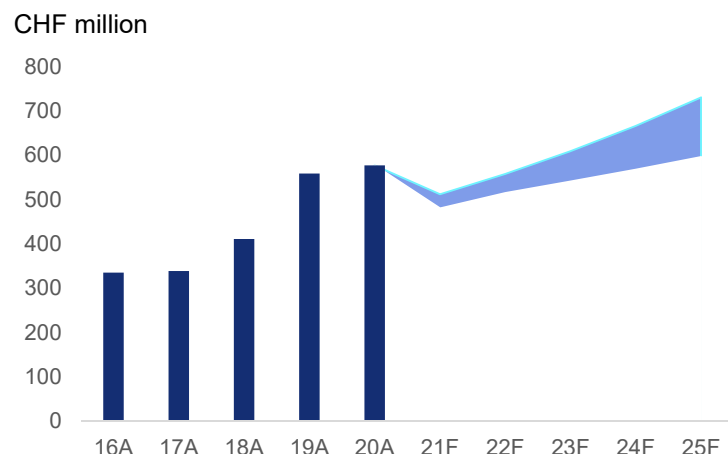


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# Back to Normal Profit Levels after 2021

## Sales continued business



Operating profit margin:

**9 - 11%**

## Sales CAGR 21-25: mid single digit (organic)

- **Wind materials:**
  - Uncertainty on speed of Green Deals conversion
  - PET conversion. Substitution of other products. Lower price per m<sup>3</sup>
  - Continue global footprint development
- **Manufacturing solutions** (Tooling) growth with automation
- **Marine and Industrial** stronger growth than in wind expected
- **Aero** normalizes

## Operating profit margin expected to be 9 – 11%



Challenged by continued price pressure

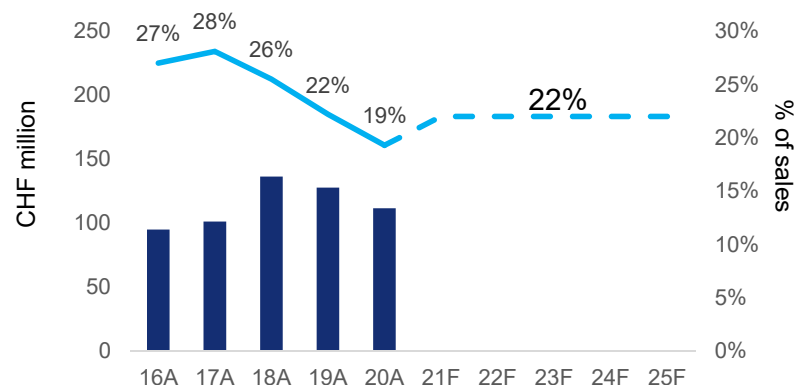


Counteracted by efficiency gains

- Product innovation
- Footprint optimization, shared services
- Process and system (ERP) harmonization

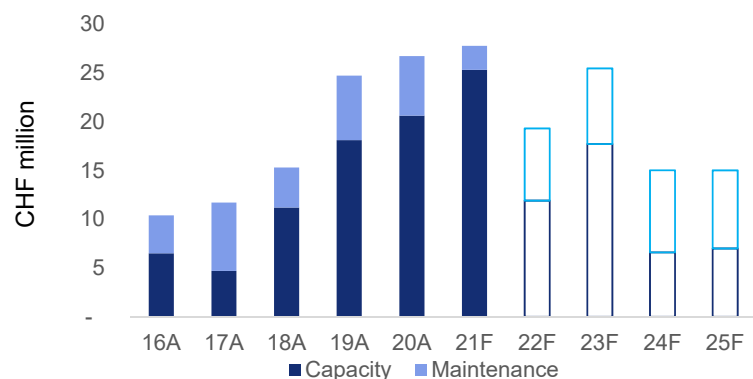
# Free Cash Flow Ratios Improve as Investments in Capacity Normalize

## Net, trade working capital



- Tight net trade working capital management has reduced levels significantly over the last years. Further significant improvements are difficult
- Drivers for high net trade working capital in the wind market are
  - long payment terms
  - window dressing by customers
  - high inventory levels to react on short term demand changes

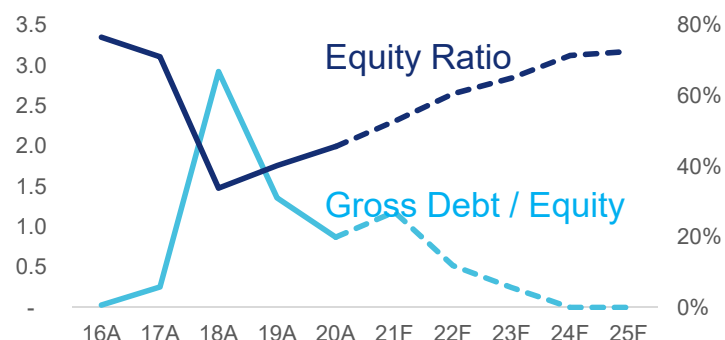
## CAPEX



- Period of significant CAPEX in capacity expansion for PET and Kitting from 2019 - 2021
- Future CAPEX dependant on market development and opportunities for Gurit – but expected to normalize

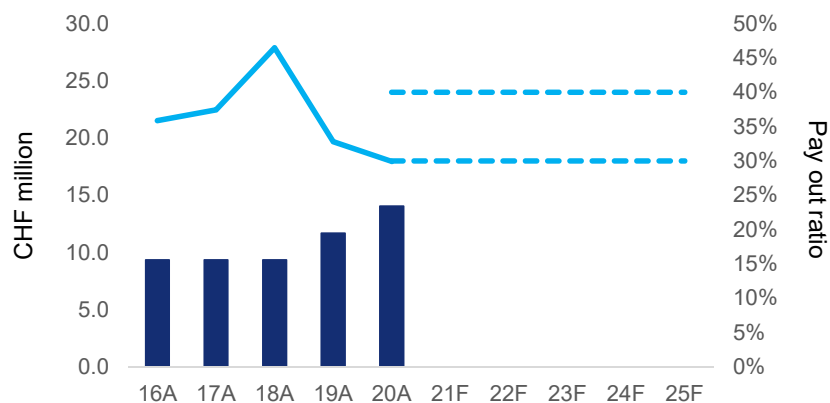
# Leverage and Dividend Policy Allow for Growth through Acquisition

## Leverage



- Mid term target for the Equity ratio is up to 70% to manoeuvre through volatile markets
- Temporary reduction acceptable to finance acquisitions. Note: Goodwill is netted with equity

## Dividend pay out



- Dividend pay out range of 30-40% of profit for the year (after minority)

Thank you for  
your attention

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