

Gurit H1 2022 Results

Media and Analyst Conference



Mitja Schulz
CEO



Philippe Wirth
CFO

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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.

Agenda

- 1 **Business update**
- 2 **Financial results**
- 3 **Outlook**
- 4 **Q&A session** for Analysts & Financial Journalists

H1 2022 Highlights

Sales of 234.8m CHF

Impacted by lower blades demand of Western wind customers

Operating profit margin: 8.4%

Adjusted operating profit margin: 2%

Impacted by inflation, lower tooling business, ramp-up costs

"Lightweighting" business continues to grow

Strong growth in both the Marine and Industrial segments

Divestment of Aerospace business and acquisition of Fiberline Composites A/S

Execution of Strategy

- **Global Footprint:** South India site inaugurated, started deliveries
- **Fit4Future program** to adapt to market situation and prepare for growth
- On track with **sustainability** initiatives



234.8
million CHF
Net sales



2%
Adjusted Operating
profit



Up to **50%**
coverage of the WTG
rotor blade value chain

Executing our strategy: global footprint

Inauguration of our Chennai, South India campus in June



Positive Lightweighting Markets

Successful diversification of PET applications



Charal 2 racing yacht Photo credit: Gauthier Lebec



Wellington electric ferry Photo credit: Simon Hoyle

Marine / other industries market environment

- **Marine** market continues to exceed expectations
- Business development with **high volume boatbuilders**
- Sustainability concerns drive boatbuilders towards using Gurit recycled PET foam
- Application potential for PET and composites in many industries, including **architecture & building** and **transportation** (e.g. truck linings, motorhomes)
- Agricultural equipment sector adds to positive momentum
- Business Unit continues to grow **faster than market segment**

Majority stake in Fiberline Composites announced in April



324
Employees

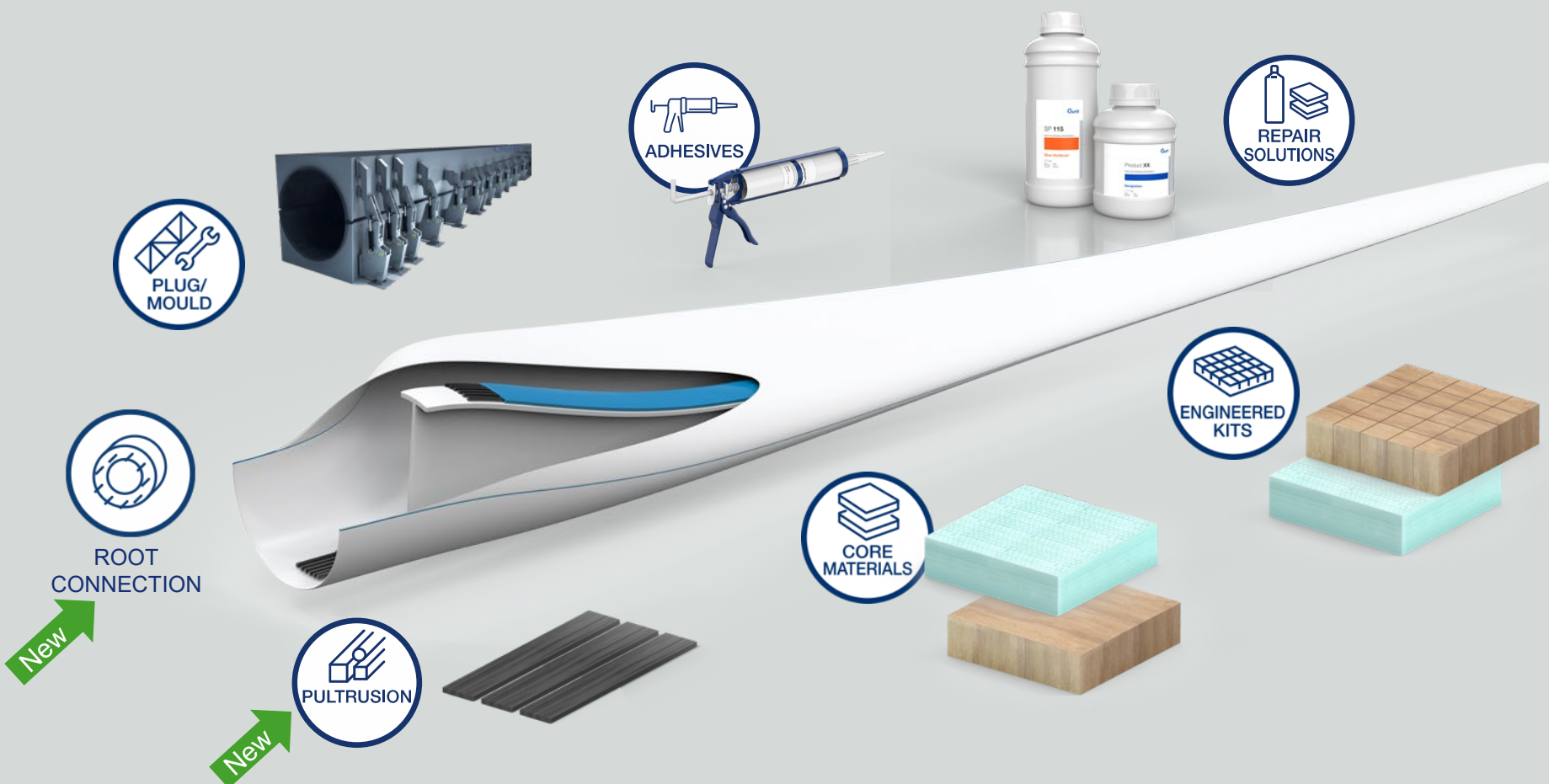


~108 m CHF
Net sales (2021)

1979

Founded in Denmark
by the Thorning family

Fiberline acquisition extends Gurit wind rotor blade portfolio



Access to all wind OEM and 90% of blade manufacturers

Manufacturing sites in all major global wind hubs

Most complete offering to wind blade manufacturers: up to 50% blade value chain coverage

Important step in the transition towards a solution provider to our customers

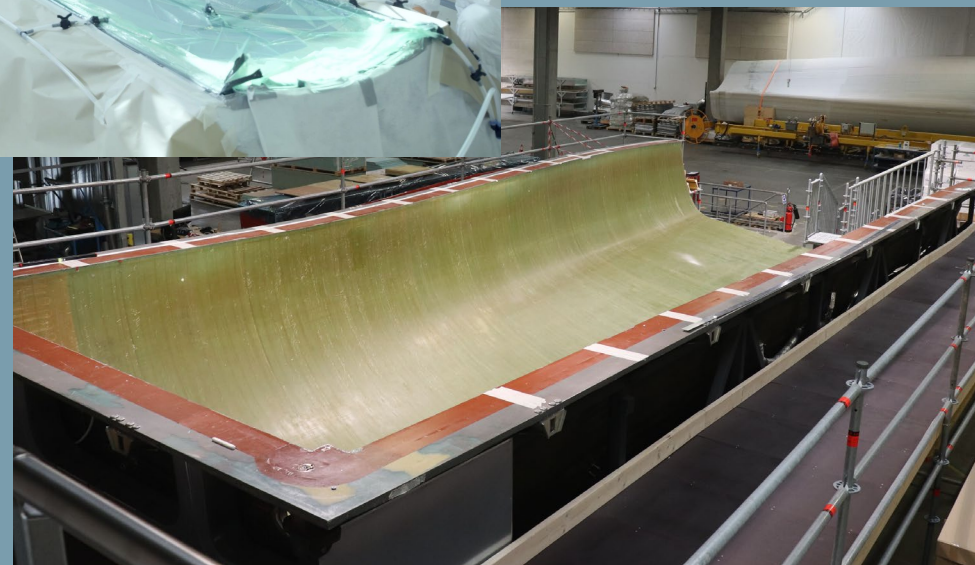
Executing our strategy

Growing as an innovative company

New OPTICORE design platform will help to further reduce blade production cost by further optimizing the core material kit design: **research funding** received

New Wind Innovation Center in Ringkøbing, Denmark

Product innovation initiative and green product pipeline engagements



Sustainability performance highlights 1HY

Corporate Governance – Resource utilisation – New Rating



- **Safety First:**
2.60 YTD lowest ever LTA ratio since start of program



- **Corporate Governance:**
one share one vote: introduction of listed **single registered share in May**



- **Resource utilisation:**
Program to reduce waste, emissions, energy consumption.
100% renewable electricity

- **Ecovadis** bronze rating received

- **Supply Chain Risk Mapping & Management System.**

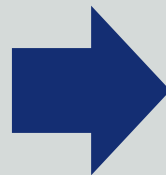
- **Local community initiatives** started at various sites



Gurit response to wind market challenges

Current challenges

- **Global economy:**
 - Covid
 - War in Ukraine
 - Supply Chain Disruptions
 - Inflation
- **Wind market:**
 - Customer profitability
 - Rotor blade demand
 - China market dynamics
 - Size matters



Gurit response

- ✓ **Fit-for-Future program:**
 - Footprint, plant efficiencies
 - Indirect and SG&A costs
- ✓ **Tactical measures:**
 - Mitigation of energy & natural gas impacts
 - Pricing
 - NWC task force
- ✓ **Strategy 2025:**
Continued execution of future-relevant topics:
Product innovation; PET diversification; Wind Application Center; Marine & Industrial growth

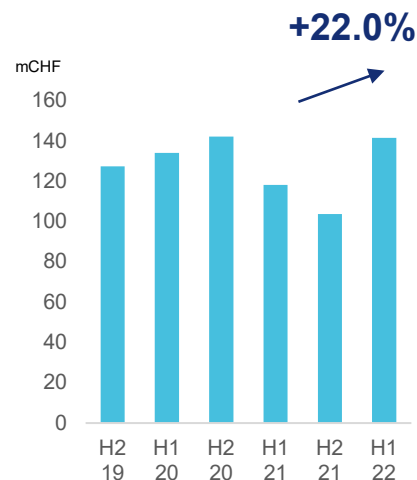
H1 2022 Financial Results

Philippe Wirth, CFO



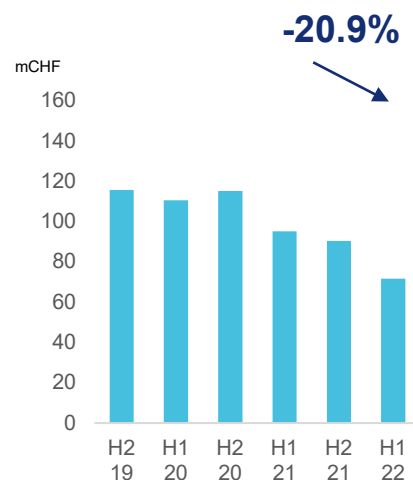
Sales impacted by lower blade demand

Materials



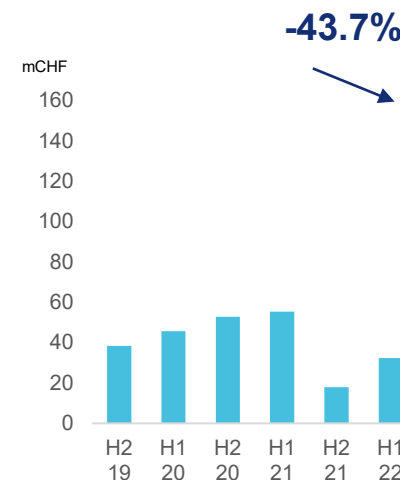
- Includes CHF 27.4m Structural Profile sales
- Wind Materials decline driven by a reduced demand
- Offset by strong Marine and Industrial sales in all regions

Kitting



- Decline driven by a reduced customer demand especially in Europe and China

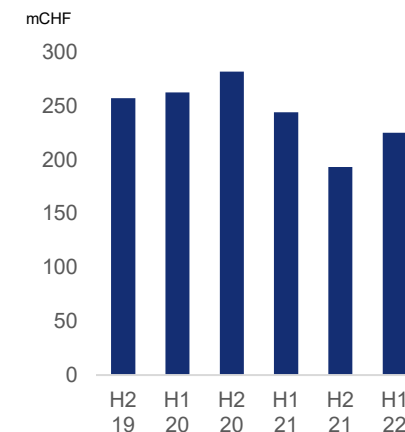
Man. Solutions



- Decline in in all regions compared to prior year
- Pick-up of sales in China

Group

(continued operations)

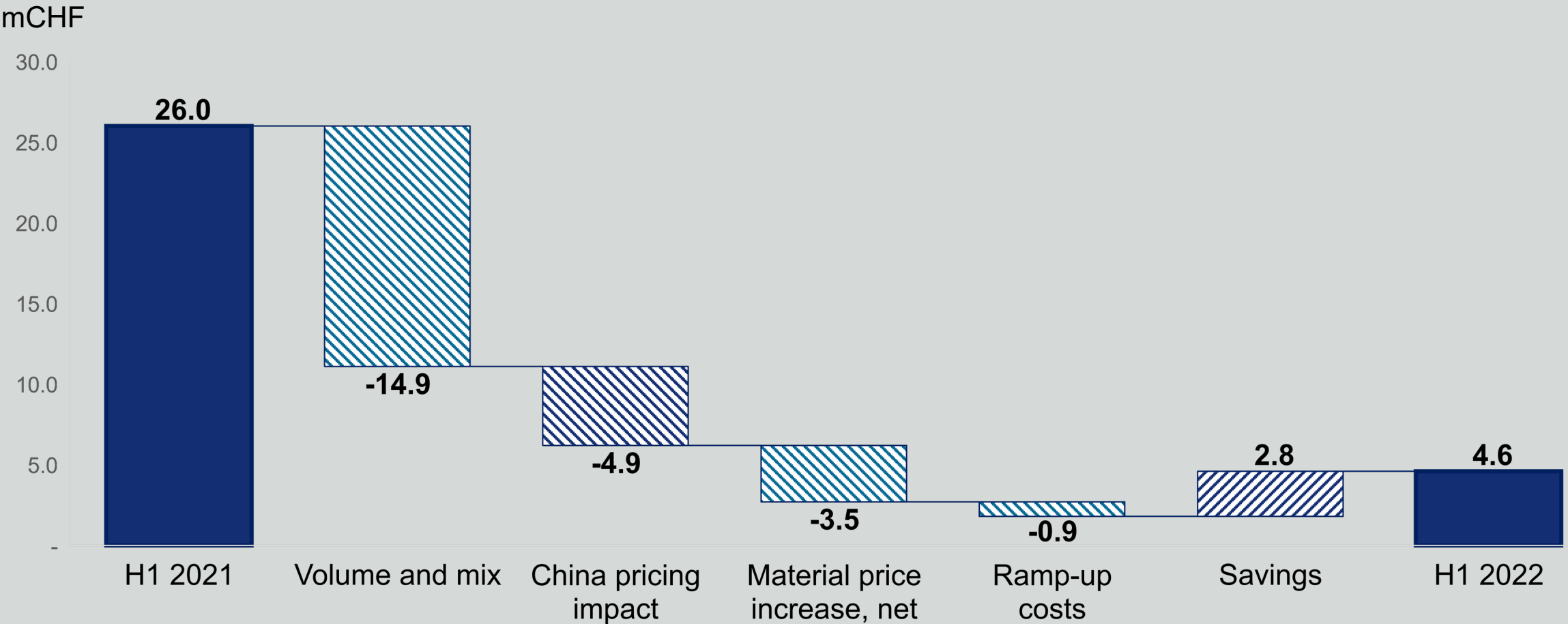


- 5.7% for continued operation
- 17.6% organic growth

Operating results impacted by challenging market

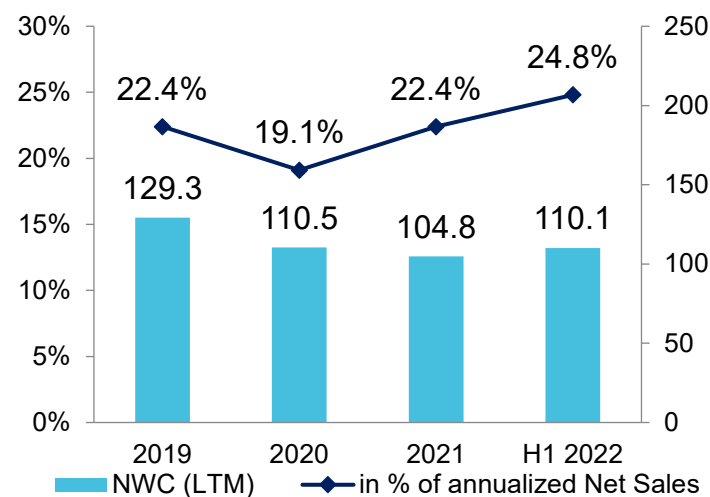
CHF million	H1 2022	H1 2021	
Sales <i>Growth cont. ops.</i>	234.8 -5.7%	258.6	<ul style="list-style-type: none"> Organic Sales (excl. Structural Profiles) decline -17.6%
Gross profit <i>% of sales</i>	30.9 13.2%	50.7 19.6%	<ul style="list-style-type: none"> Raw material and freight costs CHF -3.5m Lower pricing on China sales CHF -4.9m
EBITDA <i>% of sales</i>	28.1 12.0%	27.2 10.5%	<ul style="list-style-type: none"> 2022 includes gain on sale of Aero CHF 18.3m Restructuring expense CHF 2.3m (2021: CHF 1.5m)
Adj. operating profit <i>% of sales</i>	4.6 2.0%	26.0 10.1%	<ul style="list-style-type: none"> Excludes gain on Aero divestment, restructuring and impairment charges Includes ramp-up costs CHF 5.6m (2022: CHF 4.7m)

Adjusted operating profit



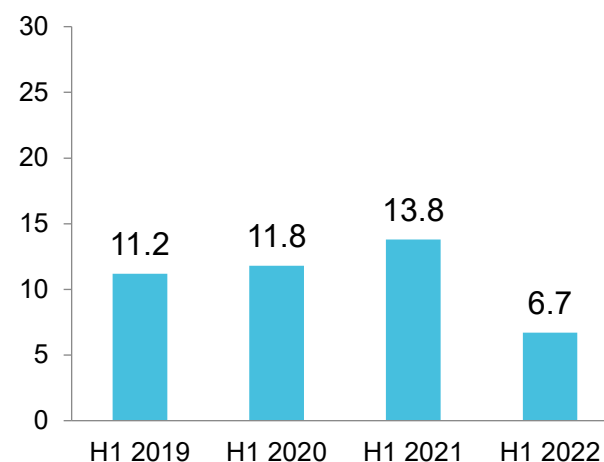
Cash flow: negatively impacted by higher net working capital

Trade Net Working Capital



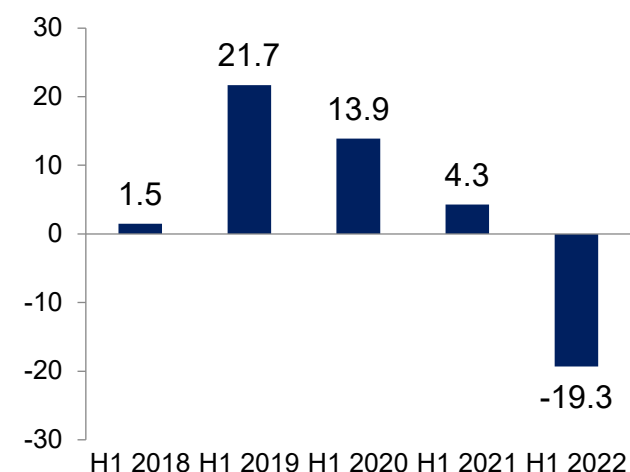
- Timing of payments
- Inventory inefficiencies (safety stocks) due to supply chain disruptions

CAPEX



- Investments into India

Free Cash Flow



- Lower EBITDA
- Negative timing of cash receipts

Balance sheet: higher leverage due to acquisition

CHF million	Jun 2022	Dec 2021	
Net Debt <i>Change</i>	104.2 +65.9	38.3	▪ Net debt increase due to Acquisition / Divestments CHF 40.8m
Equity Ratio <i>Change</i>	34.0% -17.3%-pts	51.3%	▪ Equity reduction due to the Fiberline Goodwill CHF 53.3m
Gross Debt / EBITDA <i>Change</i>	3.3x +1.7x	1.6x	▪ Increase due to higher borrowings
RONA¹⁾ <i>Change</i>	10.8% +7.7%-pts	3.1%	▪ Increase due to sale of Aero

1) Return on net assets: Operating profit less adjusted taxes / net operating assets (including goodwill)

Outlook

Mitja Schulz
CEO



WITH PASSION FOR A SUSTAINABLE FUTURE

Wind Market Outlook 2023-2026

Recent government announcements support mid- and long-term growth of Wind Energy

RWE Boosts Spending on Wind, Solar as Gas Crisis Deepens

- Renewables expenditure will exceed 5 billion euros this year

France offers wind farms higher electricity price boost

Energy security: France takes emergency measures to boost renewables

Renewable Energy
Electrification Big
Inflation Reduction
Expanding wind energy
Energy Provisions In The
Inflation Reduction Act

Germany to require states to allocate land for wind farms

Reuters

European Commission

EU strategy on offshore renewable energy

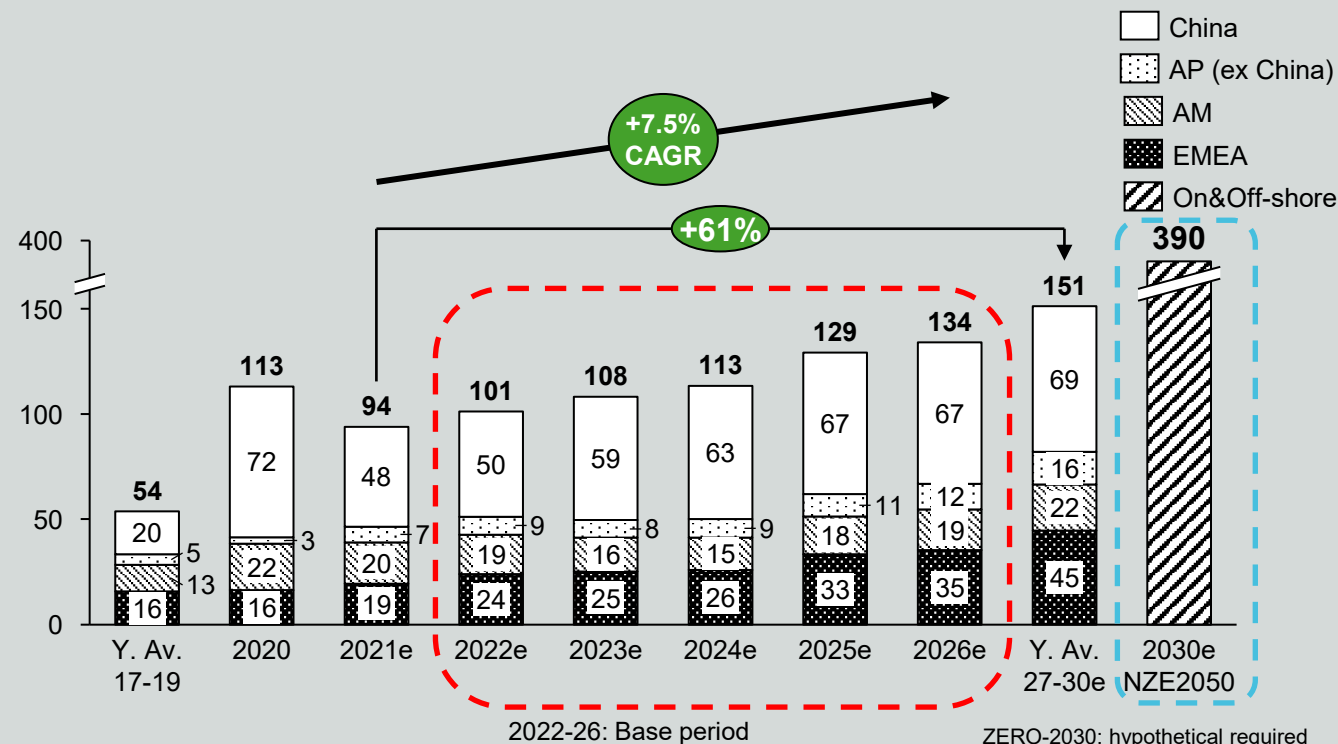
Federal government declares Australia's first six offshore wind energy zones

Washington Post

Energy Dies In Darkness

The War in Ukraine Is Speeding Europe's Pivot to Renewables

Wood Mackenzie confirms a strong outlook for future wind turbine installations



Source:

Wood Mackenzie: Global Wind Power Market Outlook Update: Q2 2022

Conclusion and Outlook

Conclusion

- Focus remains on **operational execution** to tackle inflation headwinds
- Western **Wind market environment** continues to be volatile near-term, but mid- and long-term outlook expected to be strong driven by most recent commitments towards renewable energy
- **Marine & Industrial** with ongoing strong growth trajectory
- Implementation of Gurit's **Strategy 2025** is on track.

Outlook

- **FY 2022 Net Sales:**
CHF 500-530 million
- **Adjusted operating profit margin:**
between 2.0% and 4.0%
- Longer-term market outlook for wind energy remains strong

End of presentation

Thank you for joining us today!

Please use your dial-in credentials if you wish to attend the Q&A session.

Contact: investor@gurit.com
+41 44 316 15 50

Next dates

- **21 October:** Q3 net sales media release
- **30 January:** Preliminary results release
- **2 March (new date):** FY 2022 results media release at 07:00
media conference webcast at 09:00

Questions & Answers



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Thank you for your attention

Gurit

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