

Gurit reports net sales of CHF 234.8 million in the first half of 2022

Zurich, August 17, 2022 – Ad hoc announcement pursuant to Art. 53 LR

Gurit (SIX Swiss Exchange: GUR) today reports unaudited sales results for the first half of 2022. Net sales for this period were CHF 234.8 million which is a decline of -7.0% at constant exchange rates or -9.2% in reported CHF versus prior year. For Continued Operations, the decline was -5.7% at constant exchange rates.

Net sales in the first half year continued to be impacted by a challenging market for wind turbine blades. Our largest Western wind customers produced less blades year-over-year. In China we observed a market growth, however at very aggressive price levels. While the wind market faces challenges, the marine and other industrial markets saw good growth towards well above pre-pandemic levels. As reported in April, Gurit acquired a majority stake in the wind industry supplier Fiberline Composites to strengthen its product offering for the wind energy market and divested its Aerospace business.

Composite Materials achieved net sales of CHF 141.4 million for the first half of 2022, which includes CHF 27.4 million of the newly acquired Structural Profiles business (operating under the brand Fiberline). This represents an increase of 22% at constant exchange rates compared to the first half of 2021. The demand for wind core materials achieved lower levels compared to last year, while the sales for Marine and other industrial segments grew year-over-year.

Kitting recorded net sales of CHF 71.6 million for the first half of 2022. This is a decrease of -20.9% at constant exchange rates compared to the first half of the prior year. In response to the continued challenging environment, the kitting production for Europe will be consolidated at the Gurit sites in Spain and Turkey. These sites will be strengthened and accommodate the volumes from Ringkøbing, Denmark, which is being converted into an innovation hub for the wind industry and now hosts a wind innovation center.

Manufacturing Solutions (Tooling) saw a decrease in its first half of 2022 net sales by -43.7% at constant exchange rates compared to a very strong first half of 2021, down to CHF 32.4 million. The market for wind blade moulds remains challenging as Western wind turbine manufacturers are delaying investments into new production equipment and the Chinese market saw increased price pressure.

NET SALES in MCHF	First Half Year			
	H1 2022	H1 2021	Change in reported CHF	Change @ constant HY 2021 rates
Net sales by markets:				
Composite Materials *	141.4	118.2	19.7%	22.0%
Kitting	71.6	95.2	-24.7%	-20.9%
Man. Solutions	32.4	55.4	-41.6%	-43.7%
Elimination	-20.2	-24.3		
Total continued operations	225.3	244.4	-7.8%	-5.7%
Aerospace	9.6	14.2	-32.6%	-29.4%
Total Group	234.8	258.6	-9.2%	-7.0%
Operating profit	19.8	18.6		
Operating profit margin	8.4%	7.2%		
Adjusted operating profit	4.6	26.0		
Adjusted operating profit margin	2.0%	10.1%		
Profit for the period	16.6	10.3		
Operating Cashflow	-13.1	19.3		
Capital expenditures	6.7	13.8		
Equity in % of total assets	34.0%	47.4%		

* Composite Materials contains Structural profiles sales of CHF 27.4 million for a period of 2 months since the acquisition end of April 2022.

Profitability

Gurit reached an Operating Profit of CHF 19.8 million with an operating profit margin of 8.4% of net sales. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit is at CHF 4.6 million with an adjusted operating profit margin of 2.0% of net sales. The lower profit is mainly due to reduced sales in Wind, particularly in Manufacturing Solutions, and impacted by increased raw material, energy and freight costs. In the first half year 2022, the operating profit is temporarily impacted by CHF 5.6 million (H1 2021 CHF 4.7 million) ramp-up cost in its new and major production sites in Mexico and India. Earnings per share are CHF 3.61 in H1 2022 (H1 2021: CHF 2.56).

Cash Flow and Balance Sheet

Gurit achieved a net cash flow from operating activities of CHF -13.1 million compared to CHF 19.3 million in the first half of the previous year. The reduction is due to a lower operating profit in 2022 and higher working capital levels caused by the timing of received trade payments. Capital expenditures amounted to CHF 6.7 million during H1 2022 compared to CHF 13.8 million for the first half of the previous year. Major growth capacity investments were made at the now operating site in Chennai, India.

Outlook

Gurit expects a stronger second half year, driven by the initiated cost-out programs and new plants going operational. For the full year net sales are expected around CHF 500-530 million with an adjusted operating profit margin between 2.0% and 4.0%. Adjusted operating profit does not include further restructuring and impairment charges in the second half of this year, which might become necessary if market conditions worsen further.

We believe that the longer-term market outlook for wind energy remains strong, driven by an increasing demand for renewable energy and recently announced international support policies.

Online publication of Half Year Results and media/analyst online conference

On Tuesday, August 17, 2022 Gurit Management will discuss the results of the First Half-Year 2022 interim report in a public **webcast at 09:00 AM CEST**. The presentation will be held in English and will be accessible at www.gurit.com/Investors/Webcasts

Under the same link an archived version of the public webcast will be made available. Analysts and journalist are invited to participate in the private Q&A conference call upon prior registration via investor@gurit.com

The half-year report 2022 is available under the following link:

<https://www.gurit.com/investors/reports>

About Gurit

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

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