

## **Gurit grows sales 1.8% to CHF 351.0 million and achieves operational EBIT margin of 7.7% excl. one-time charges in 2012**

- **Net sales for FY 2012 grow 1.8% to CHF 351.0 million**
- **Operational EBIT margin excluding one-time charges of 7.7%**
- **Operating profit margin of 3.6%; net profit of CHF 13.7 million**
- **Cash-flow of CHF 48.3 million; net cash position of CHF 6.0 million, equity ratio of 70.5%**
- **Proposed distribution of CHF 15.00 per bearer share**

*Zurich/Switzerland, March 12, 2013. Gurit's net sales grew 1.8% to CHF 351.0 million in FY 2012. After three successful quarters, particularly demand for Wind Energy materials and services declined strongly towards year-end. Respective restructuring efforts reduced the operating profit margin to 3.6%, while the operational EBIT margin excluding all one-time items reached 7.7% of net sales. Boosted by the release of a CHF 11.9 million deferred tax liability, net profit for the period was CHF 13.7 million after CHF 22.3 million a year ago. Gurit achieved a strong cash flow from operating activities of CHF 48.3 million and closed the year with a net cash position of CHF 6.0 million, and a strong balance sheet featuring an equity ratio of 70.5%. The Board of Directors proposes to distribute CHF 15.00 per listed bearer share for FY 2012 out of capital reserves.*

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Gurit reports 1.8% higher net sales of CHF 351.0 million for FY 2012. As announced earlier, material sales to the wind energy market nearly came to a standstill in Q4 2012 in America due to the late extension of the production tax credits for renewable energies in the USA. They also suffered from a very low investment level, over-capacities, and price pressure in Asia. The reduced outlook in the Wind Energy target market led to restructuring measures, which impacted earnings negatively. On the positive side, sales to Aerospace/Rail, Automotive, as well as to Industrial and Marine customers continued to grow during Q4 2012. Over the full year 2012, sales to Aerospace/Rail customers increased by 6.8%, sales to Industrial and Marine customers by 15.7%, whereas Automotive sales largely exceeded for the first time the sales volume of CHF 10 million with an increase of 76.4% over the prior year.

### **Solid operational performance and important restructuring measures**

Despite the sharp drop of the demand in the Wind Energy market in Q4 2012, Gurit posts for the full year 2012 an operational EBIT margin of 7.7%, excluding one-time items. This is close to the lower end of the long-term operating profit guidance of 8-10%. To counteract the sharp decline in demand in the Wind Energy market towards year-end, Gurit was forced to mothball its prepreg productions in Canada and China and to reduce its work-force by some 150 people. The resulting restructuring charges of CHF 12 million, mainly due to the impairment of fixed assets and inventory, was the main reason for the decrease of the operating profit to CHF 12.7 million or 3.6% of net sales. After lower financial expenses and an income tax credit resulting from the release of a CHF 11.9 million deferred tax liability at the holding company level, the profit for the year amounted to CHF 13.7 million. This equals CHF 29.39 per listed bearer share after CHF 47.83 recorded a year ago.

### **Strong operating cash flow, net cash position, and solid balance sheet**

Gurit generated a strong cash flow from operating activities of CHF 48.3 million after recording a negative cash flow of CHF 2.5 million for the prior year. This improvement was largely attributable to a reduction in working capital due to better collection of accounts receivable and lower sales levels towards year-end. Group-wide capital expenditures amounted only to CHF 6 million: Apart from maintenance expenses, 2012 saw the investments into a new factory for glued balsa blocks in Ecuador and capacity increases in the Automotive parts production in the UK. The UK plant will see yet another doubling expansion in 2013. Gurit closed the books with cash and cash equivalents of CHF 37.3 million, a net cash position of CHF 6.0 million and a healthy balance sheet featuring an equity ratio of 70.5% – up from 53.5% a year ago.

### **New Group organization geared for future growth**

The new Group organization announced earlier this year will help Gurit to address significant new growth opportunities beyond its traditional markets and leverage the engineering and composites know-how as well as the Group's global capacities and presence more effectively.



*Gurit Composite Materials* covers all the material supplies to the traditionally served markets as well as new applications and industries which are newly converting to the versatile composite materials.

*Gurit Composite Systems and Engineering* comprises of Gurit's structural engineering business and its component manufacturing capabilities including the development and production of Automotive systems, composite Tooling equipment and other select finished parts.

### **Outlook and proposed distribution to shareholders**

Gurit today is well positioned to seize all composite material supply opportunities and rapidly expand its engineering, tooling and finished parts and solutions business at the same time. Putting a comprehensive focus on the global composites market, Gurit is confident in growing the addressable market significantly over the next years.

Supported by the now renewed production tax credits in the US, Gurit expects the Wind Energy market to recover gradually from current levels during 2013. Gurit's Composite Material business should also benefit in 2013 from further growing sales to other existing and new markets. Additional customer wins and larger car body part series in Automotive as well as a slowly recovering Tooling business should support Gurit's Composite Systems and Engineering sales. Sales are expected to recover gradually from the low Q4 2012 level to around CHF 300 million for FY 2013 and the operating profit is estimated to exceed 6% of sales.

Thanks to the excellent cash flow and the solid operational performance, the Board of Directors proposes to keep the distribution out of capital reserves at the same level as a year ago, i.e. to distribute CHF 15.00 per listed bearer share for FY 2012.



Key financial figures in CHF 1000	2011	2012	% change	Change at constant 2011 rates
Wind Energy	196,697	204,590	4.0%	0.2%
Tooling	43,216	24,936	-42.3%	-46.7%
Transportation	51,859	60,137	16.0%	16.6%
Industrial and Marine	49,764	57,553	15.7%	9.5%
Engineered Structures	3,183	3,804	19.5%	13.3%
<b>Total net sales</b>	<b>344,719</b>	<b>351,020</b>	<b>1.8%</b>	<b>-2.1%</b>
Operational EBIT	27,638	26,878	-2.7%	
Operating profit	28,143	12,730	-54.8%	
EBIT	31,046	13,920	-55.2%	
Profit for the period	22,340	13,747	-38.5%	
Operating cash flow	-2,474	48,319	-	
Capital expenditures	10,108	6,023	-40.4%	
Equity ratio	53.5%	70.5%		

### Online publication of Annual Report 2012, Media/Analyst conference, and international Webcast on March 12, 2013

Gurit publishes its full Annual Report 2012 today online at 07.00 a.m. CET at <http://investors.gurit.com/publicationsdownloads.aspx>. Management will also discuss the results in further detail at a joint media and analyst conference in Zurich at 09:30 a.m. The conference will take place at SIX Swiss Exchange's Convention Point, Selnau Strasse 30, CH-8021 Zurich. The presentations will be held in English and will also be accessible as a webcast on [www.gurit.com](http://www.gurit.com) where an archived version will later be available for download.

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**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, the UK, Canada, Spain, Australia, New Zealand, the USA, Ecuador, Brazil, India and China.