

Gurit 2022 Results

Media and Analyst Conference

2 March 2023 at 09:00 AM CET

WITH PASSION FOR A SUSTAINABLE FUTURE

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

FY 2022 Highlights

Sales CHF 499.5m

High: Marine & Industrial and China Wind markets;
Low: Western wind blade customer demand

Operating profit margin: 4.5%

Adjusted operating profit margin: 2.3%

Proposal of no dividend payout for 2022

Marine & Industrial business continues strong performance

>20% YoY growth and successful PET diversification

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

Streamline Portfolio and strengthening Wind offering

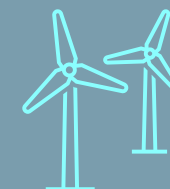
Execution of Strategy on track and Improved ESG ratings



499.5
million CHF
Net sales



2.3%
Adjusted
Operating
profit margin



Group Executive Management

Daniel Dahlqvist and Lars Fuglsang newly on board



Mitja
Schulz

**Chief
Executive
Officer**
(CEO)



Philippe
Wirth

**Chief
Financial
Officer**
(CFO)



Bing
Chen

**Manu-
facturing
Solutions**
General
Manager



Daniel
Dahlqvist

**Wind
Systems**
General
Manager



Lance
Hill

**Marine/
Industrial**
General
Manager



Lars
Fuglsang

**Structural
Profiles**
General
Manager



Hannes
Haueis

**Head of
Group
Human
Resources**



New site in Chennai has successfully ramped up

We strengthened our operations in Taicang and Tianjin, CN

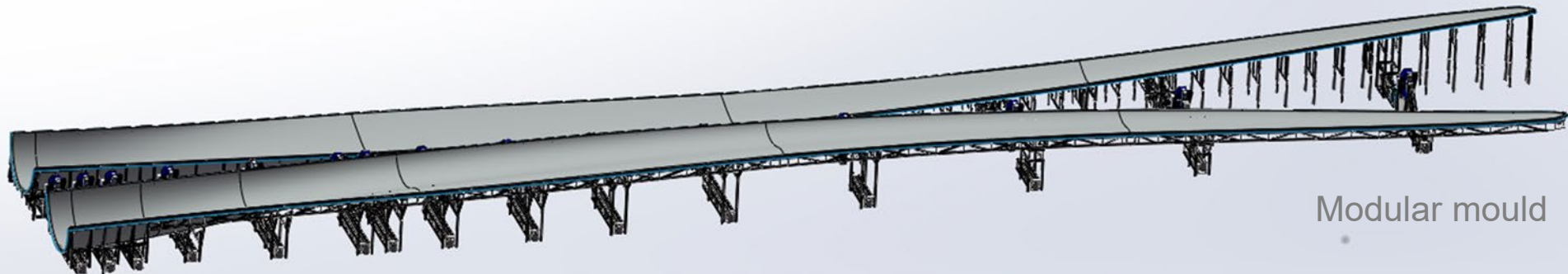


World's Longest Mould

126 meters in length. Built by Gurit Taicang

Gurit undisputed market leader for wind blade moulds:

- Most complete offering for blade manufacturing solutions
- New modular design
- India footprint expansion



Modular mould

Wind Innovation Center in Ringkobing, DK



- Enabling innovation, product development
- Customer intimacy: demonstration of our capabilities; Tests and Training
- **OptiCore** kitting software innovation: nominated for **JEC Innovation Award 2023**

Integration of Fiberline Composites

We anticipate the business reaching profitable levels in 2024



- **Gurit extended the product portfolio:**
ONE STOP SHOP FOR BLADE MANUFACTURERS



- **Industrialization in India** done **successfully**, but ramp-up of **lead customer** is **delayed**
- **Cost-optimized European footprint** needed to support **growing offshore business**



- Promising **new business development** engagement with **Chinese Wind OEM**
- **Existing business model** needs realignment



- Direct and indirect **purchasing synergies** identified and captured, leveraging **global procurement setup**
- **Supply Chain constraints** negatively impact operational performance

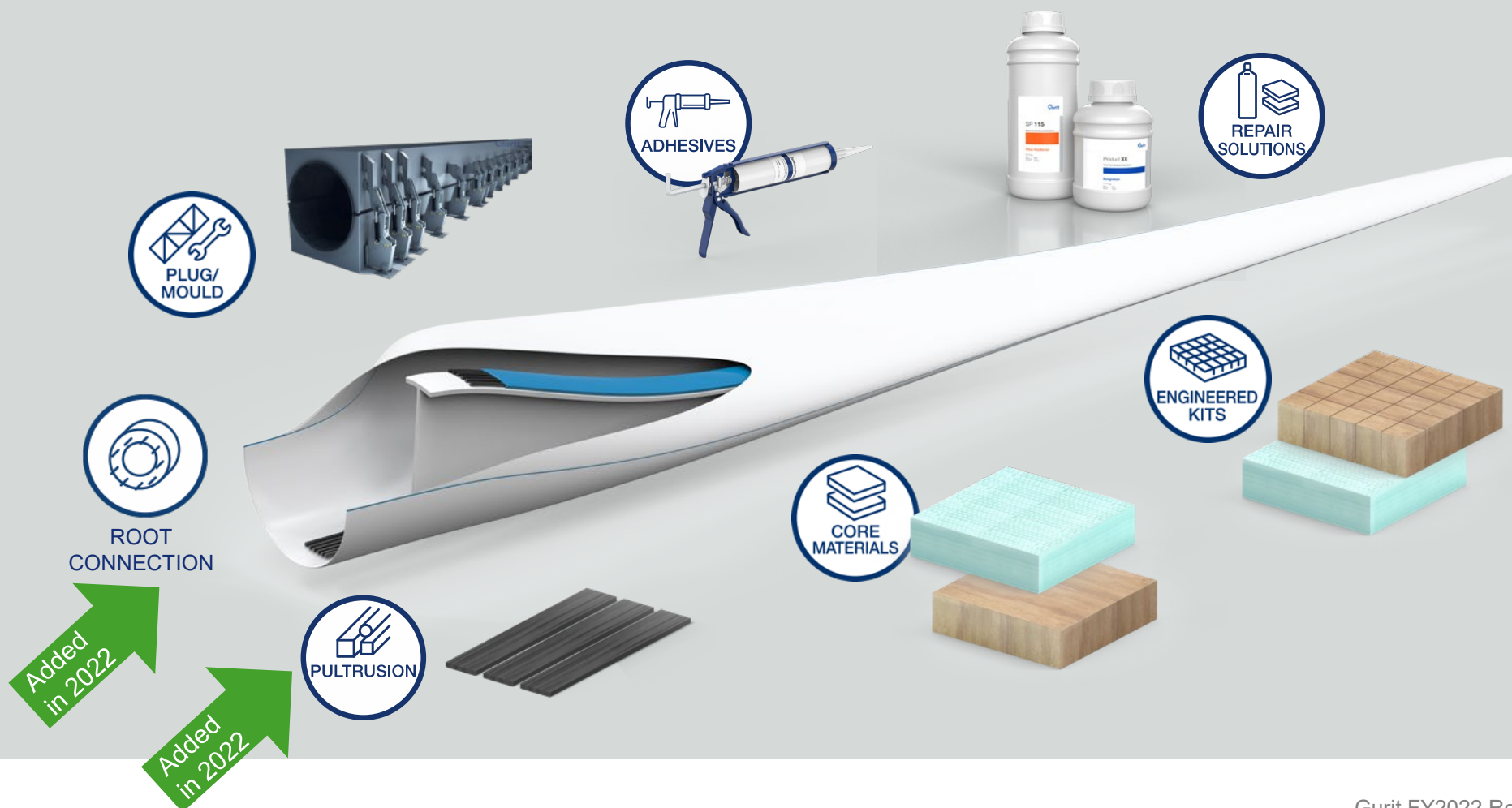


- Started to **extend offering outside of Wind markets**
by leveraging Gurit's **strong positioning** in Marine & Industrial segments

FIBERLINE
COMPOSITES
A GURIT GROUP COMPANY



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

Transition towards a **solution provider to our customers**

Marine & Industrial Business Growth

Widening Market Reach

- Gurit Marine and Industrial sales performed strongly: **>20% growth**
- **Successful diversification** into industrial market segments: **Architecture & Building, Transportation, Medical**, and many more
- **Product innovation:** I-Foam or Corecell™ I: with properties for wider **applications**
- Growth with new customers
- Sustainability concerns drive boatbuilders towards using Gurit recycled PET foam



Delivering on our Sustainability Commitments

Greenhouse Gas Emission Reduction

- ✓ Climate neutral scope 1 & 2
- ✓ GHG reduction targets in line with SBTi
- ✓ Operational efficiency and emission reductions

Responsible Supply Chain

- ✓ Supply Chain Risk Management System implemented

Safety First

- ✓ 23% reduction in accidents 2020-2022
- ✓ 0% SVHC in standard and essential products
- ✓ Chemical safety management system
- ✓ ISO certification roll-out plan
- ✓ Mental health training sessions & webinars

Resource utilisation Circularity

- ✓ Waste reduction
- ✓ PET recycling value chain
- ✓ Industry engagement towards circularity
- ✓ Bio-based product range

Good Governance

- ✓ Single Share Structure
- ✓ Anti-corruption & bribery policy and trainings

Social performance / employee matters

- ✓ Community & Employee engagement programs
- ✓ Diversity and Inclusion targets WIP
- ✓ Continued human rights training



ESG Ratings improved:

- EcoVadis bronze (2022) and silver (01/2023) = top 12%
- InRate governance rating: top-ascender of the year
- MSCI +20% improvement



MSCI
ESG RATINGS



www.gurit.com/sustainability



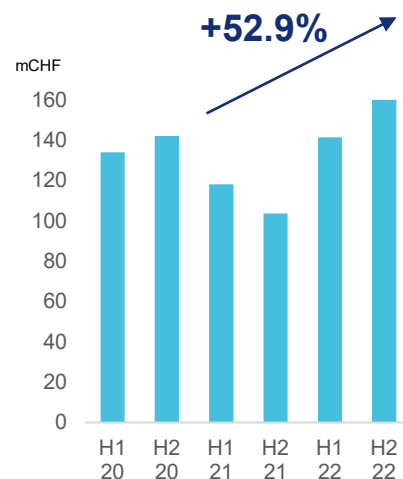
2022 Financial Results

Philippe Wirth, CFO



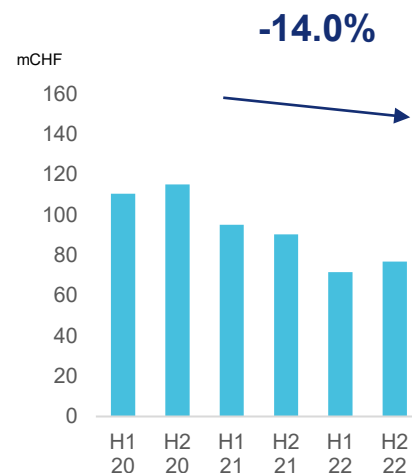
Sales impacted by a reduced demand of Western wind customers. Strong Marine and Industrial

Materials



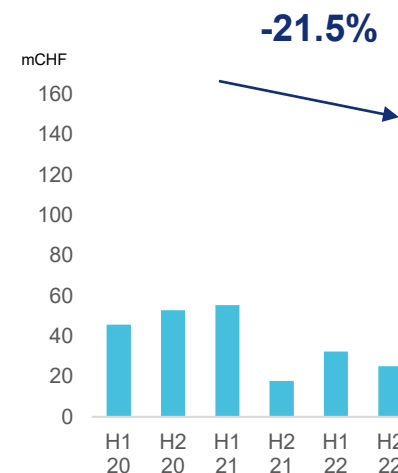
- Includes CHF 102.0m structural profile sales
- Strong Marine and Industrial sales in all regions.

Kitting



- Decline driven by a reduced customer demand, especially in the Western market.

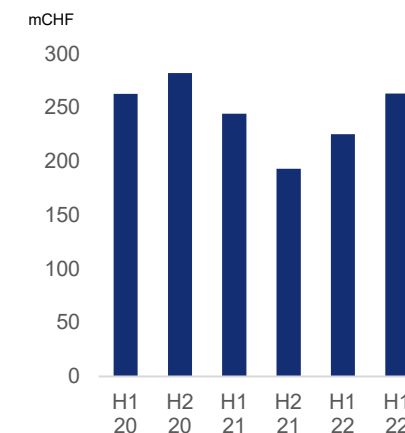
Man. Solutions



- Decline in in all Western regions compared to prior year
- Strong sales in China

Group

(continued operations)



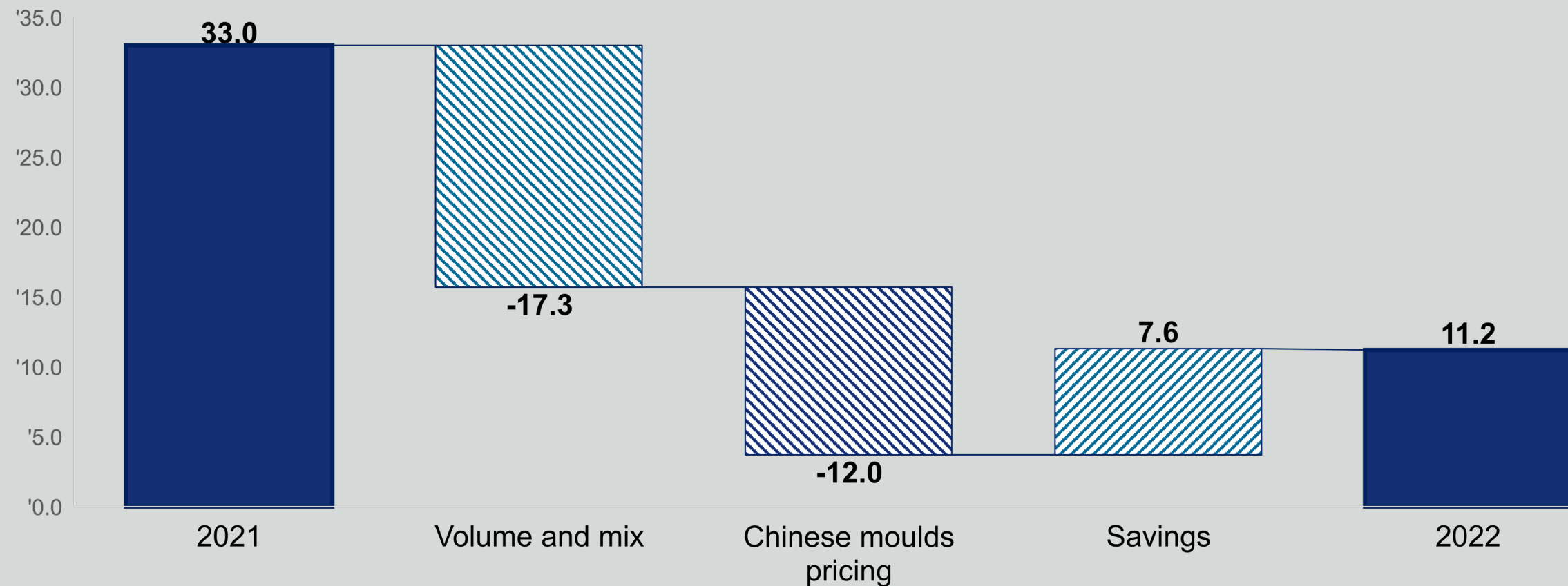
- +17.0% for continued operation
- 8.0% organic growth

Operating results impacted by challenging market

CHF million	2022	2021	
Sales <i>Growth</i>	499.5 11.9%	467.9	<ul style="list-style-type: none"> Organic Sales decline -8.0%
Gross profit <i>% of sales</i>	64.3 12.9%	85.0 18.2%	<ul style="list-style-type: none"> Dilutive impact of acquisition -2.4%-pts Lower pricing on China mould sales CHF -2.6%-pts
EBITDA <i>% of sales</i>	39.8 8.0%	41.0 8.8%	<ul style="list-style-type: none"> 2022 includes gain on sale of Aero CHF 18.3m Restructuring expense CHF 5.1m (2021: CHF 1.6m)
Adj. operating profit <i>% of sales</i>	11.2 2.3%	33.0 7.0%	<ul style="list-style-type: none"> Excludes gain on Aero divestment, restructuring and impairment charges

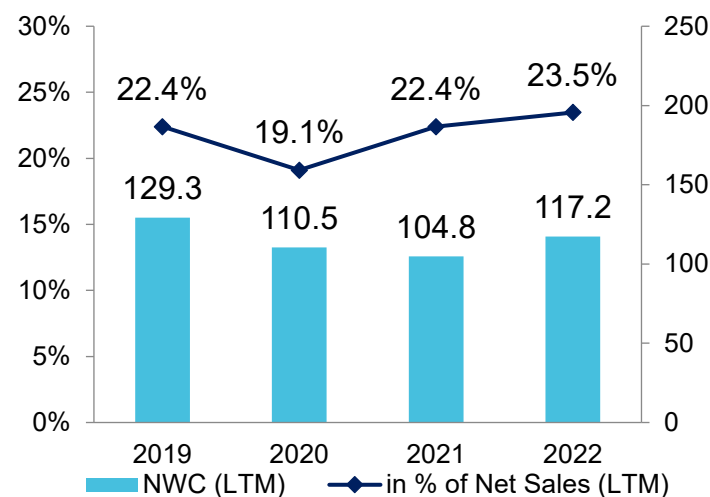
Adjusted operating profit

mCHF



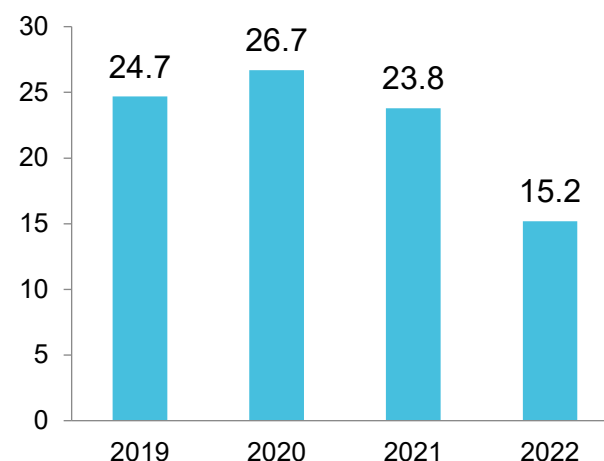
Free cash flow: strong recovery in the second half of the year

Trade Net Working Capital



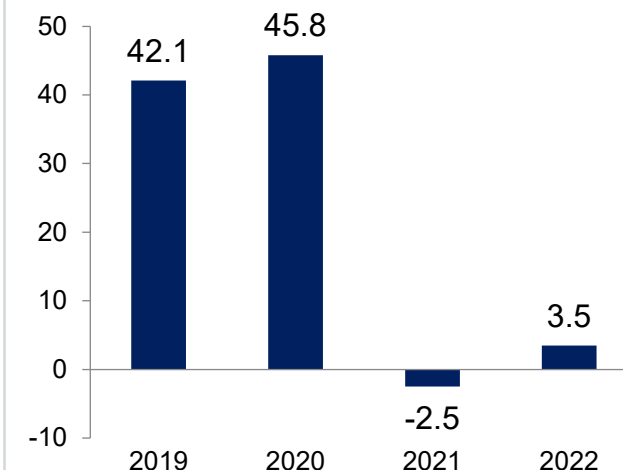
- % of sales improved from June 22 by 1.3%-ppts.
- Inventory inefficiencies (safety stocks) due to supply chain disruptions
- Longer receivables outstandings

CAPEX



- Investments into India

Free Cash Flow



- Lower EBITDA
- Timing of cash receipts / paid
- Lower tax and CAPEX

Balance sheet: higher leverage due to acquisition

CHF million	Dec 2022	Dec 2021	
Net Debt <i>Change</i>	84.0 +45.7	38.3	▪ Net debt increase due to acquisition / divestments CHF 40.8m
Equity Ratio <i>Change</i>	31.0% -20.3%-pts	51.3%	▪ Fiberline goodwill CHF 54.4m ▪ Currency CHF 9.7m
Gross Debt / EBITDA <i>Change</i>	2.8x +1.2x	1.6x	▪ Benefits from one-time gain of Aero sale in H1 ▪ No dividend and management shares in 2023 to keep balance sheet ratios in check
RONA¹⁾ <i>Change</i>	-2.5% -5.6%-pts	3.1%	▪ Negative due to theoretical goodwill impairment

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

Profitability pressures vary across the value chain

Margins are expected to improve thanks to continued ASP increase

Upstream supply chain

Upstream supply chain is under huge pressure as turbine suppliers are delivering negative results weighting down the Tier 1/2/3 showing mix results:

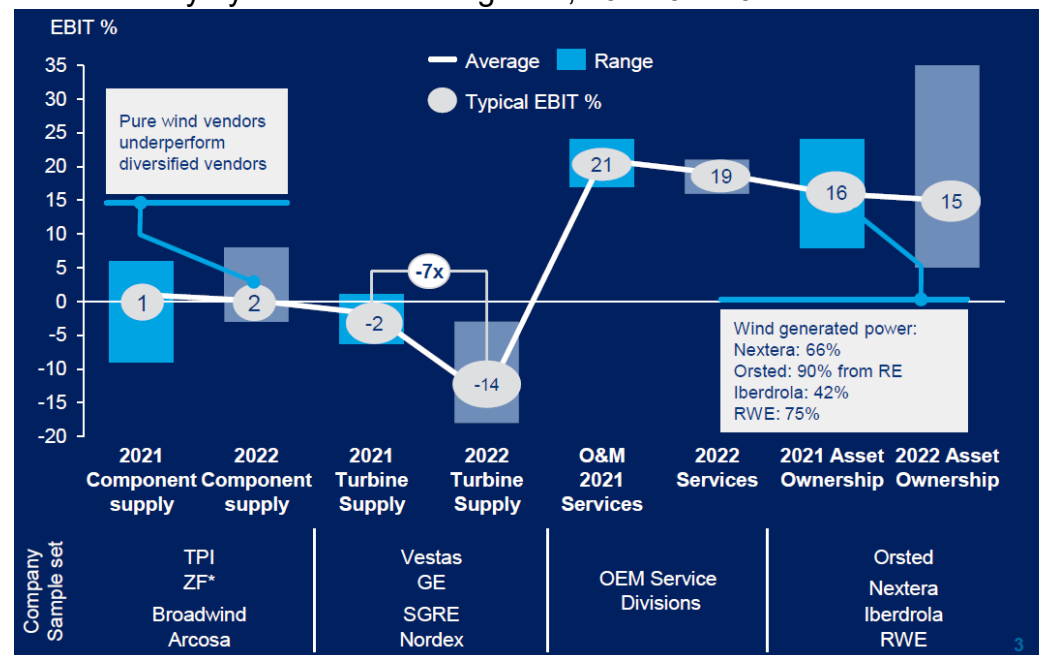
- **Time lag** in the whole chain from order to delivery.
- **High variability in demand** levels and impact of slow policy and permitting processes.
- **Low level of standardization** in a constant pursue for longer/larger turbines.

Downstream actors

Downstream actors enjoy the security of installed base:

- **Improving** Capex and Opex efficiencies.
- **Encouraging** market condition for alternative energy sources like wind.
- Increasing importance of **sustainability** in customer decisions.

Profitability by value stream segment, 2021-9M 2022



Positive trend:
Average Turbine Selling Price (ASP) evolution

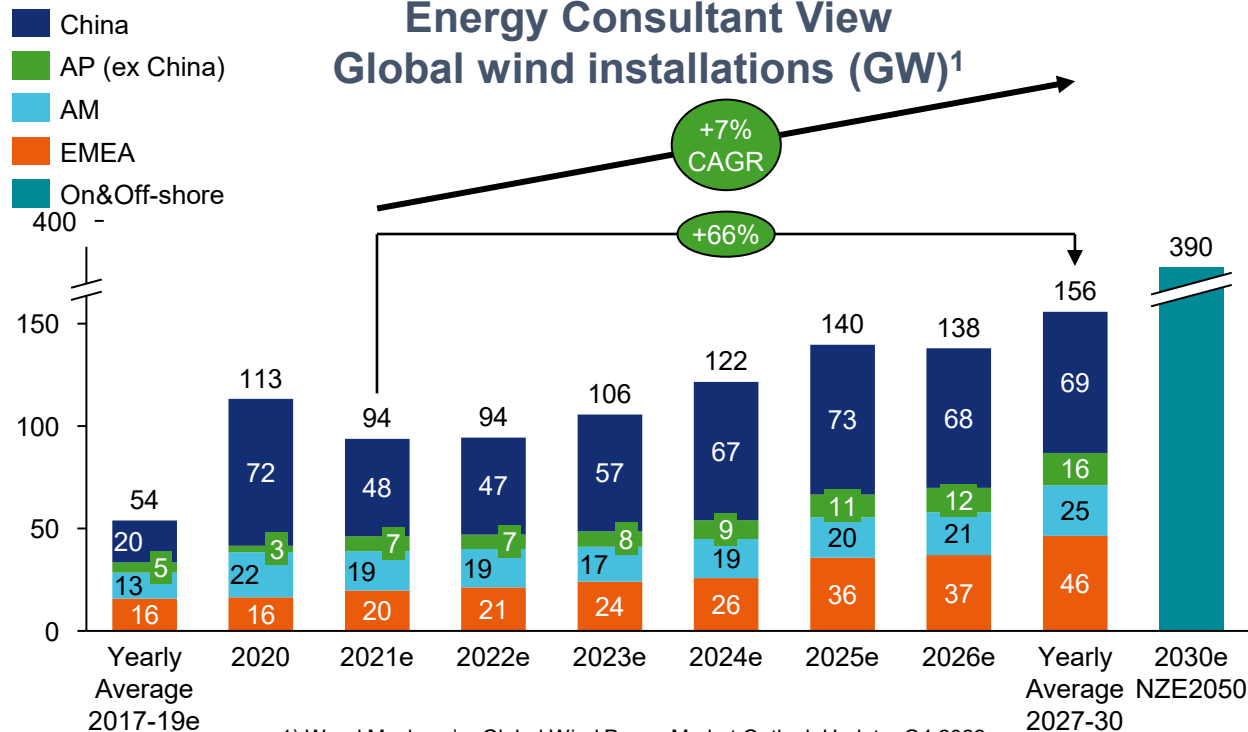
€m / MW; onshore



Wind Energy Market Outlook

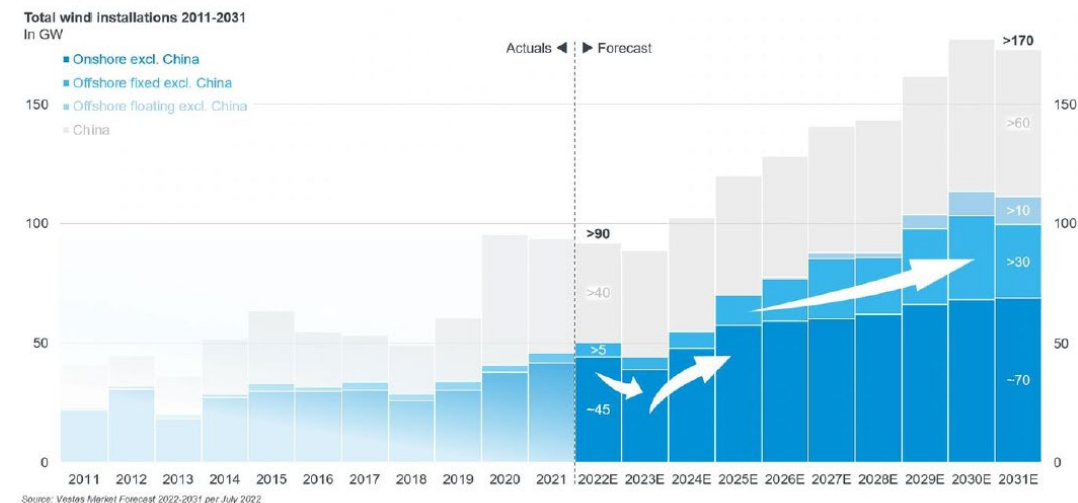
Transition period after high 2020, strong growth post-2024 expected

Energy Consultant View Global wind installations (GW)¹



Leading OEM View Global wind installations (GW)

Total wind market to double as offshore takes off



- Flat Annual Demand in 2022-24e outside China, followed by **solid long-term demand growth driven by the energy market decarbonisation**
- 2023 Blade manufacturing of Western OEM **expected to be lower** than 2022, while new Chinese blades are anticipated **to be higher** than projected
- **Offshore doubling** during the next decade
- Expected **2024 pivotal year** to re-engage with growth globally. We experience initial positive customer discussions to **increase blade manufacturing capacities** in the US as a result of the IRA support scheme

Positive Lightweighting Markets Outlook

Pursuing diversification

Marine and Industry market environment: 2020-28 CAGR 6.6% expected

- **Marine** market continues growth across all regions, exceeding expectations
- **Strong demand for PET** across all markets, in particular related to sustainability

Gurit forecast for Marine & Industrial Business: Gurit CAGR 2020-25: 11% expected

- Focus on wider Marine markets beyond super yachts
- **Focus on diversified PET growth markets: Industrial segments** offer new growth potentials through replacement of existing technologies with advanced composites. **Extension to additional market segments: Automotive interiors, truck linings, modular bathrooms, sustainable housing.**
- Business Unit expects to continue growing **faster than market segment**
- **BU ambition to double PET sales outside Marine**



2020-2028 forecast:
Marine Composite market to
ACCELERATE
at a CAGR *) of
6.6%



*) source: Reportsanddata (2021)

°) source: Marketdataforecast (2021)

Conclusion and Outlook

Conclusion

- 2022 was a **challenging year** for the wind energy supply chain
- Focus was and remains on **operational execution** and **debt reduction**, **Fit4Future** program yields expected savings
- **Western Wind markets** continue to be volatile near-term, with positive signals driven by IRA and Offshore. **China Wind** market momentum remains high
- **Marine & Industrial** with ongoing strong and profitable growth trajectory
- On track with our Sustainability ambitions and Gurit's **Strategy 2025** implementation

Outlook

- **FY 2023 Net Sales:**
CHF 450–510 million
- **Operating profit margin:**
2% – 5%
- Beyond 2023 **sound growth momentum** driven by stronger wind markets ; PET diversification and profitable Structural Profiles business

End of presentation

Thank you for joining us today!

To join the Q&A, please use your dial-in credentials.

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

Next dates

- **24 April:** AGM Annual General Meeting & Q1 net sales media release
- **16 August:** HY report and net sales media release
- **18 October:** Q3 net sales media release

Questions & Answers

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Thank you for your attention

Gurit

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