

Media release

Gurit Reports Net Sales of CHF 499.5 million and an Operating Profit Margin of 4.5% for 2022

Zurich, March 2, 2023 – Ad hoc announcement pursuant to Art. 53 LR

- **Net Sales 2022 of CHF 499.5 million**
- **Operating profit margin at 4.5% of net sales and 2.3% adjusted for one-off items**

Gurit (SIX Swiss Exchange: GURN) today reported net sales of CHF 499.5 million for the full year of 2022. Gurit reached an Operating Profit of CHF 22.3 million with a margin of 4.5% of net sales. Adjusted for one-off items, the operating profit was CHF 11.2 million or 2.3% of net sales. Net profit amounted to CHF 9.1 million in 2022.

Gurit saw its net sales increase by 11.9% at constant exchange rates or 6.7% in reported CHF versus prior year and Continued Operations grew by 11.6% in reported CHF. Net sales 2022 were affected by Western Wind customers facing with lower volumes and demand uncertainties, a dynamic and highly competitive Chinese wind market, the Marine & Industrial business with strong growth and the sales contribution of the Structural Profiles acquisition in May 2022.

Composite Materials reported net sales of CHF 325.5 million for 2022. This increase of 52.9% at constant rates compared to 2021 contains a contribution of CHF 102.0 million from Structural Profiles (Fiberline Composites), in which Gurit acquired a 60% stake in May 2022. Wind sales have been influenced by a stronger Wind market in China but a reduced demand from the rest of the world. The Structural Profiles business is loss making driven by supply chain challenges and delayed customer ramp-ups in India. We anticipate the business reaching profitable levels in 2024. The Gurit Marine and Industrial sales have performed strongly with more than 20% growth. Customers in particular request our recyclable PET foam for multiple applications in building & construction, transportation and other industrial segments.

Kitting recorded net sales of CHF 148.6 million for 2022. This is a decrease of -14.0% at constant exchange rates compared to 2021. Kitting saw a generally lower demand from Western wind customers. The optimization of the European kitting footprint was executed according to plan and will provide positive momentum on the business performance in 2023.

The Business Unit **Manufacturing Solutions (Tooling)** reported net sales of CHF 57.5 million, which represents a decrease of -21.5% at constant exchange rates compared to 2021. Manufacturing solutions net sales were low due to Western customers having had almost no mould demand in 2022. In contrast, the mould business in the Chinese domestic market saw good sales, however in a very competitive business environment. We expect the mould business with Western wind customers to recover markedly in 2023.

Net sales by regions of destination in 2022 showed once more the Asia-Pacific region contributing the largest share with 43.6% of total sales, compared to 39.9% in 2021. Deliveries to Europe accounted for 33.0% of total Group sales in 2022 (2021: 31.2%). Goods delivered to the Americas accounted for 17.1% of total Group sales (2021: 21.9%), while supply to the rest of the world amounted to 6.3% (2021: 7.0%).

Profitability

Gurit reached an Operating Profit of CHF 22.3 million with a margin of 4.5% of net sales. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit margin was 2.3%. This compares to an operating profit margin of 5.0% and an adjusted operating profit margin of 7.0% in the calendar year 2021.

Lower Wind volumes and inflation affecting raw material, energy and logistics costs as well as the impact of Structural Profiles negatively influenced Gurit's profitability. In 2022, the management initiated the Fit 4 Future program, aiming to drive group-wide cost reductions and implement structural measures to reduce personnel and overhead costs. The majority of these restructuring measures have been implemented already and will bring positive effects in 2023 and onwards.

Net profit for the year 2022 amounted to CHF 9.1 million. This equals earnings per share of CHF 1.98 in 2022 (2021: CHF 2.43).

Cash Flow and Balance Sheet

Gurit achieved a Net Cash Flow from operating activities of CHF 16.2 million (2021: CHF 20.9 million). Capital expenditures amounted to CHF 15.2 million in 2022 compared to CHF 23.8 million in the previous year. We continued to invest mainly into PET extrusion capacities as well as a new plant for carbon fiber structural profiles in India. The equity ratio declined to 31%, mainly due to the offsetting of Goodwill resulting from the Structural Profiles acquisition in equity, according to Swiss Gap FER. The increase in net debt is equally attributable to the Structural Profiles acquisition and its expansion to India.

Outlook 2023

We expect the Marine and Industrial markets to continue to grow. As for the wind industry in 2023 we expect further growth in the Chinese wind market, whereas we see reduced wind blade manufacturing forecasts from the Western wind customers. Our restructuring programs and the recovery of the Western mould business will have a positive impact on the financial results. Beyond 2023 we expect a very positive growth momentum globally for Wind Energy, supported by recent government policy announcements in the European Union and the United States.

As a result of reduced demands from Western Wind customers and considering the positive effects from the cost saving programs, we expect net sales between 450– 510 million CHF and an operating profit margin of 2% – 5% excluding M&A effects, restructuring and impairment charges.

On track to deliver on ESG targets

Gurit has achieved a solid sustainability performance over the last 12 months. Building on a strong structure, specific strategic objectives were set with significant progress made across all material areas by the end of the year, including a reduction of greenhouse gas emissions when comparing our legacy sites with their 2020 emissions. As well as making sustainability improvements within our own operations, we also started to systematically assess the ESG risks in the value chain and are actively engaging with several collaboration projects on circularity and end-of-life challenges faced by our industry. Our efforts were also awarded

with an improved position with several rating agencies, such as EcoVadis where Gurit now ranks among the top 12% of all companies assessed.

Read more in our Sustainability Report which is part of our integrated annual report.

Key financial figures in CHF million				
	2022	2021	Change in reported CHF	Change @ constant 2021 rates
Net sales by markets:				
Composite Materials	325.5	221.8	46.7%	52.9%
Kitting	148.6	185.5	-19.9%	-14.0%
Manufacturing Solutions (Tooling)	57.5	73.2	-21.4%	-21.5%
<i>Elimination</i>	<i>-43.0</i>	<i>-42.7</i>	<i>0.6%</i>	<i>2.5%</i>
Total Continued Operations	488.6	437.8	11.6%	17.0%
Aerospace	10.8	30.1	-64.0%	-62.4%
Total Group	499.5	467.9	6.7%	11.9%
EBITDA	39.8	41.0		
EBITDA Margin	8.0%	8.8%		
Operating profit	22.3	23.4		
Operating Profit Margin	4.5%	5.0%		
Adjusted Operating profit	11.2	33.0		
Adj. Operating profit margin	2.3%	7.0%		
Profit for the year	9.1	9.2		
Operating Cashflow	16.2	20.9		
Capital expenditures	15.2	23.8		
Net Debt	84.0	38.3		
Equity in % of total assets	31.0%	51.3%		

* Composite Materials contains Structural Profiles (Fiberline) sales of CHF 102 million for a period of 8 months since the acquisition end of April 2022.

Annual General Meeting of Shareholders on April 24, 2023

The Annual General Meeting will be held on April 24, 2023 at 16:30 CET in Zurich. The share register will close on Monday, 27.3.2023 at 17:00 CET. Contacts for shareholders to register their shares or for address changes:

share.register@computershare.ch

Due to the significant funds required and the resulting debt level from the strategic acquisition of 60% of the Structural Profiles (Fiberline) business in 2022 and the current level of profitability of Gurit, the Board of Directors recommends to the AGM not to pay out a dividend in 2023 and to use the funds to reduce the debt level of the company further. The full invitation to the AGM including all motions proposed by the Board of Directors will be available for download at least 20 days prior to the AGM at: <http://www.gurit.com/Investors/AGM>

Online publication of Annual Report 2022, Media and Analyst webcast on March 2, 2023

The Gurit **Annual Report 2022** is available online at www.gurit.com/investors/reports

The **Sustainability Report 2022** is available as a part of the integrated Annual Report or as a separate document on the Gurit website at www.gurit.com/sustainability

Management will discuss the results at a joint **media and analyst webcast** on March 2, 2023, at 09:00 a.m. CET. As always, the presentations will be held in English and can be accessed on the following URL: <http://www.gurit.com/Investors/Webcasts> An archived version will later be made available on the same link. Financial Analysts and Media Representatives who wish to ask questions during the **Q&A** conference call may do so **upon prior registration** via e-mail at investor@gurit.com

Roadshow

In the afternoon of March 2, 2023 Gurit CEO Mitja Schulz and CFO Philippe Wirth will be available to meet investors at a roadshow at the premises of Zürcher Kantonalbank in Zurich. For more information: <https://broker.zkb.ch/en/corporate-access/calendar>

About Gurit

The subsidiaries of Gurit Holding AG, Wattwil/Switzerland, (SIX Swiss Exchange: GURN) are specialized on the development and manufacture of advanced composite materials, composite tooling equipment and core kitting services. The product range comprises structural core materials, structural profiles, prepregs, formulated products such as adhesives, resins as well as structural composite engineering. Gurit supplies global growth markets such as the wind turbine industry, marine, rail and many more. Gurit operates production sites and offices in Australia, Canada, China, Denmark, Ecuador, Germany (?), India, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, United Kingdom and the United States.
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Forward-looking statements:

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