

## Media release

# Gurit reports solid net sales of CHF 244.6 million in the first half of 2023 and an improved profitability

Zurich, August 16, 2023 – Ad hoc announcement pursuant to Art. 53 LR

**Gurit (SIX Swiss Exchange: GURN) today reports unaudited net sales for the first half of 2023 at CHF 244.6 million, which is an increase of 12.8% at constant exchange rates or 4.2% in reported CHF compared to the first half of 2022. Furthermore, Gurit acquires the remaining 40% share of the Structural Profiles business and announces an organizational change in the Board of Directors.**

Excluding acquisition effects, total Group sales grew by 8.6% at constant exchange rates. The Western Wind market shows cautious signs of recovery, as our customers order new blade moulds which we expect to translate into material sales in due course while the Chinese Wind market performs solidly, albeit remains very competitive. Marine and other industrial markets continue to experience strong growth with an increase in demand for PET structural foam for industrial applications, particularly in Europe and North America.

**Composite Materials** achieved net sales of CHF 160.8 million for the first half of 2023. This represents an increase of 21.0% at constant exchange rates compared to the first half of 2022. Excluding acquisitions, Composite Materials sales increased 6.1% at constant exchange rates driven by market share gains with recycled PET in all Western material markets based on the successful ramp up of our Mexican and Indian manufacturing sites.

**Kitting** recorded net sales of CHF 71.1 million for the first half of 2023. This is an increase of 10.4% at constant exchange rates compared to the first half of the prior year. The year-on-year increase is due to new projects with Western customers primarily in India and North America. Kitting sales are expected to receive additional momentum once new blade moulds come online for Western wind customers. The European Kitting footprint has been successfully adjusted, with the relocation of operations from Denmark to Spain and Turkey.

**Manufacturing Solutions** saw an increase of its first half of 2023 net sales by 5.1% at constant exchange rates compared to prior year to CHF 30.7 million. The mould mix significantly changed in 2023 versus 2022 with many more mould systems sold to Western customers as they are tooling-up for the next generation of bigger turbines.

<b>Key financial figures in CHF million</b>	<b>H1 2023</b>	<b>H1 2022</b>	<b>Change in reported CHF</b>	<b>Change @ constant HY 2022 rates</b>
<b>Net sales by markets:</b>				
Composite Materials 1)	160.8	141.4	13.7%	21.0%
Kitting	71.1	71.6	-0.7%	10.4%
Man. Solutions	30.7	32.4	-5.0%	5.1%
Elimination	-18.0	-20.2	-10.5%	-4.8%
<b>Total continued operations</b>	<b>244.6</b>	<b>225.3</b>	<b>8.6%</b>	<b>17.6%</b>
Aerospace	0.0	9.6	-100.0%	-100.0%
<b>Total Group</b>	<b>244.6</b>	<b>234.8</b>	<b>4.2%</b>	<b>12.8%</b>
Composite Materials (excl. acq. effects)	113.3	114.1	-0.7%	6.1%
Total Group (excl. acq. effects)	197.1	197.9	-0.4%	8.6%
Operating profit 2)	13.0	19.8		
Operating profit margin	5.3%	8.4%		
Adjusted operating profit	13.6	4.6		
Adjusted operating profit margin	5.6%	2.0%		
Profit for the period	4.4	16.6		
Operating cash flow	12.5	-13.1		
Capital expenditures	5.5	6.7		
Net debt	78.0	104.2		
Equity in % of total assets	33.8%	34.0%		

1) Composite Materials sales contain Structural profiles sales of CHF 47.5 million in 2023 and CHF 27.4 million in 2022 for a period of 2 months (May, June) following the acquisition end of April 2022.

2) 2022 includes gain on sale of the Aero business of CHF 18.3 million.

### **Adjusted operating profit more than doubled**

Gurit reached an operating profit of CHF 13.0 million with an operating profit margin of 5.3%. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit significantly improved to CHF 13.6 million with an adjusted operating profit margin of 5.6%, compared to CHF 4.6 million or 2.0% in the first half of the prior year. The adjusted operating profit margin has improved to above 10% in the businesses without the 2022 acquired Structural Profiles business, which ran a sizeable loss in its Danish operations while

the promising Indian site will ramp-up during H2 2023. The profit improvement stems mainly from a more favourable product mix in the Manufacturing Solutions business, better performance in the newly set-up PET operations and cost saving measures undertaken in 2022 and 2023. Earnings per share are CHF 1.54 in H1 2023 (H1 2022: CHF 3.61 which includes CHF 3.91 gain per share from the sales of the Aero business).

### **Cash Flow and Balance Sheet**

Gurit significantly improved the cash flow generation from operating activities to CHF 12.5 million compared to CHF -13.1 million in the first half of the previous year. This increase is due to a higher operating profit in 2023 and many working capital improvements made in H2 2022 and 2023. Capital expenditures amounted to CHF 5.5 million during H1 2023 compared to CHF 6.7 million for the first half of the previous year. Major growth capacity investments particularly in structural profiles, were made at the now fully operational site in Chennai, India. Gurit could also significantly reduce the net debt by CHF 26.2 million from CHF 104.2 million in June 2022 to CHF 78.0 million in June 2023.

### **Outlook**

After a better than expected first half performance, Gurit anticipates the good business environment in Marine & Industrial to continue, while the company expects short-term uncertainties to remain in Wind. Gurit raises the adjusted operating profit guidance for the full year of 2023 on the operating profit margin from a range of 2-5% so far to 3-6% and expects net sales in the range of CHF 460-490 million.

### **Gurit acquires the remaining 40% share of the Structural Profiles business**

As reported earlier, Gurit acquired 60% of Fiberline Composites A/S in May 2022. Immediately after this first acquisition step Gurit started setting-up the business also in India as part of its Chennai campus. This operation will go in full ramp-up in H2 2023. The existing Danish operation has been hurt by high cost and low customer demand in 2022 and markedly in 2023 and creates a significant loss in H1 2023 and the entire year.

In order to accelerate the improvement also in the Danish operations, Gurit has signed a share purchase agreement with the Thorning family over the residual 40% of the shares on 15.8.2023, earlier than originally anticipated, to gain full control over the business. The closing took place at the same date at a purchase price of no more than EUR 28.15 million, which includes a cash consideration and a longer term earn-out. The agreement with the minority shareholder will enable Gurit to accelerate the turn-around of the business and fully leverage all synergies of the group.

### **Organizational change in the Board of Directors**

Effective 16.8.2023 Rudolf Hadorn has resigned from the Board of Directors of Gurit for private reasons. He will fully dedicate himself to pursue his various private business activities. The Board of Directors thanks Rudolf Hadorn for the almost 16 years of service as a CEO and member of the Board of Directors and wishes him all the best. Board Member Philippe Royer

was elected by the Board of Directors as Chairman of Gurit until the next Annual General Meeting in 2024.

### **Gurit obtains A-Rating for its ESG Performance**

Gurit's Sustainability performance has been awarded with an A rating from MSCI for the first time in July 2023, ranking Gurit within the top tier of all rated companies in the specialty chemicals sector. It indicates the company's practices of managing ESG risks and opportunities are well-aligned with shareholder interests and is an important recognition of Gurit's execution of its sustainability strategy.

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

On Wednesday, 16 August 2023, Gurit Management will discuss the results of the First Half-Year 2023 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](http://www.gurit.com/Investors/Webcasts). Under the same link an archived version of the public webcast will be made available. Analysts and journalists are invited to participate in the Q&A conference call upon prior registration via [investor@gurit.com](mailto:investor@gurit.com)

The half-year report 2023 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: GURN) are specialized in 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 and resins as well as structural composite engineering. Gurit supplies global growth markets such as the wind turbine industry, marine, building and many more. Gurit operates production sites and offices in Australia, Canada, China, Denmark, Ecuador, India, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, United Kingdom and the United States.  
[www.gurit.com](http://www.gurit.com)

#### **Gurit Group Communications**

Phone: +41 44 316 15 50, e-mail: [investor \(at\) gurit.com](mailto:investor@gurit.com)

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