

Gurit 2023 Results

Media and Analyst Conference

4 March 2024 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 2023 - Highlights

Sales in CHFm

459.9

+2.7% ¹⁾ vs. 2022

Free cash flow in CHFm

27.2

3.5 in 2022

Adj. operating profit margin

4.5%

2.3% in 2022

Net debt in CHFm

59.9

84.0m in December 2022

- **Sales impacted by strong CHF, achieved growth of 2.7% FX adjusted.** Much stronger activities with Western Wind customers, selectivity in China. Marine and other industrial markets continue growth trajectory.
- **Improved adjusted operating profit margin,** driven by better sales mix, improved operational performance in new sites and cost saving measures. Business unit Structural Profiles still generated losses in the DK site.
- **Free cash flow improved** CHF 23.7m compared to last year, driven by higher operating profit and stringent NWC management.
- **Significantly de-leveraged** balance sheet.

1) Net sales growth of continued operation @ constant exchange rates

FY 2023 : Business Update

- **Wind market:** Slow recovery in the Western world, **higher activity in China** but **overcapacities** for wind turbines and in the supply chain.
- **Strengthened our position as leading PET & Kitting provider** to Western wind customers. Becoming **more selective** with business in China.
- **New plants in India and Mexico: Chennai profitable year 1.** PET & Kitting volumes on track, 1st mold shipped, flawless ramp up of CF pultrusion. Mexico with **strong order outlook** for 2024.
- **Full integrated** Structural Profiles BU still loss making and impacted by lower offshore activities in DK and delayed ramp up in India. Continued **restructuring** at SPBU plant in DK to adjust costs to market needs.
- **Marine Market:** Year on year growth, strong market pull Q1-3, Q4 stable. Won **new major Marine accounts** in Europe.
- **Recycled PET foam** is both gaining shares in existing markets while growing in recognition as a superior material option in new applications, driven by Energy Efficiency considerations of customers.



Chennai site:
1st anniversary
Co-location
concept.



Wide Marine
Applications:



Sustainability Highlights 2023

33%
REDUCTION

of waste sent to landfill since 2020

22%
REDUCTION

in scope 1 Greenhouse Gas emissions since 2020

 **920**
MILLION
FEWER

post-consumer bottles sent to landfill by turning them into PET flakes and granules

25

Engaged with 25 entities to investigate and increase innovation around circularity

54%
REDUCTION

in recordable workplace accidents since 2020

0%

of price-listed products contains substances of very high concern

82%

of sites have actively supported our local communities



Public commitment to the Women's Empowerment Principles and The 5 Standards of Conduct



Report-a-Concern platform launched



Human rights risks and impacts identified through the value chain



Introduction of the Gurit Product Design for Safety and Sustainability guiding principles

Globally recognized ESG Ratings



Sustainability Award



Changes in the Group Executive Management

- Karen Glauser joined Gurit on February 1st 2024 as new Head of Group HR, replacing Hannes Haueis who left Gurit end of November 2023.
- Javier Perez will join Gurit as new CFO on May 1st 2024, succeeding Philippe Wirth who will leave Gurit end of March 2024.

We extend a warm welcome to Karen and Javier and wish them good luck and much success in their new roles.

We thank Philippe Wirth and Hannes Haueis for their support and strong commitment during their time with Gurit and wish both all the best for the future.



2023 Financial Results

Philippe Wirth, CFO



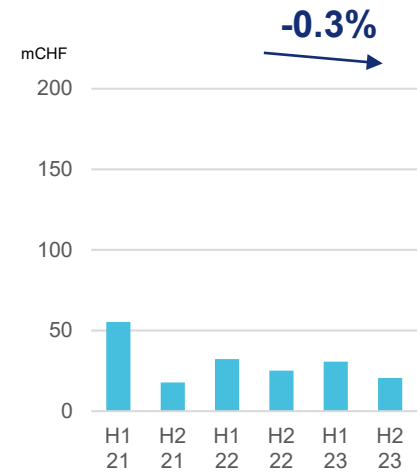
Western wind market continues to recover

Wind Materials



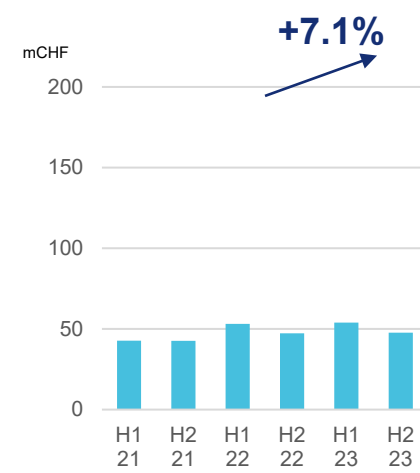
- +1.3% excluding Structural Profiles
- Difficult comparison in H2 in Structural Profiles due to one-time safety stock orders in India

Man. Solutions



- Shift of sales from China to Europe and Americas

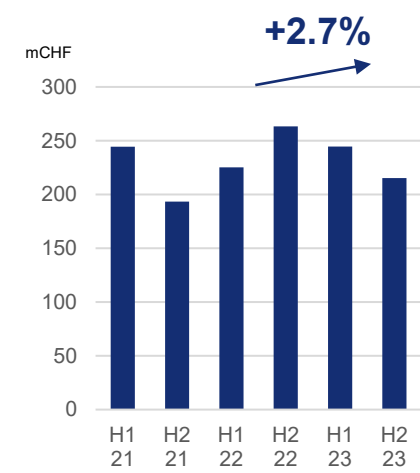
Marine & Industrial



- Strong Marine and Industrial sales in all regions.

Group

(continued operations)



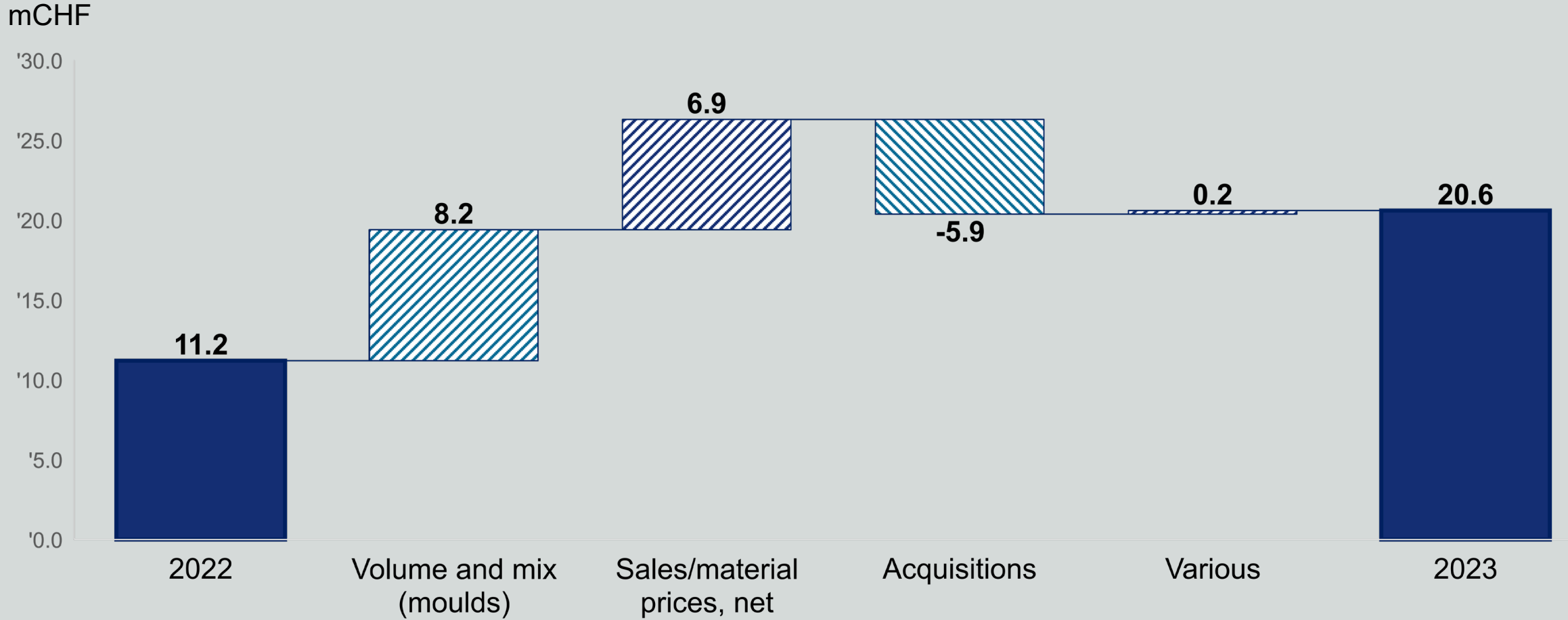
- +2.7% for continued operation
- Sales shift from Chinese to Western customers

All growth rates at constant exchange rates

Operating results benefit from an improved market environment

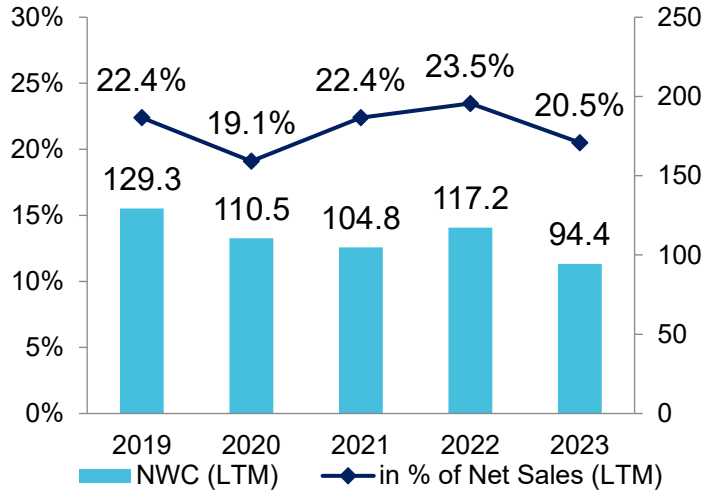
CHF Million	2023	2022	
Sales <i>Growth</i>	459.9 -7.9%	499.5	▪ Sales increase (excl. M&A) 2.6% at constant exchange rates
Gross profit <i>% of sales</i>	74.8 16.3%	64.3 12.9%	▪ Manufacturing Solutions product mix CHF +8.2m ▪ Sales price, raw material costs CHF + 6.9m
EBITDA <i>% of sales</i>	34.6 7.5%	39.8 8.0%	▪ 2022 includes gain on sale of Aero CHF 18.3m ▪ Restructuring expense CHF 0.9m (2021: CHF 5.1m)
Adj. operating profit <i>% of sales</i>	20.6 4.5%	11.2 2.3%	▪ Excludes gain on sale of Aero (2022), restructuring and impairment charges

Adjusted operating profit



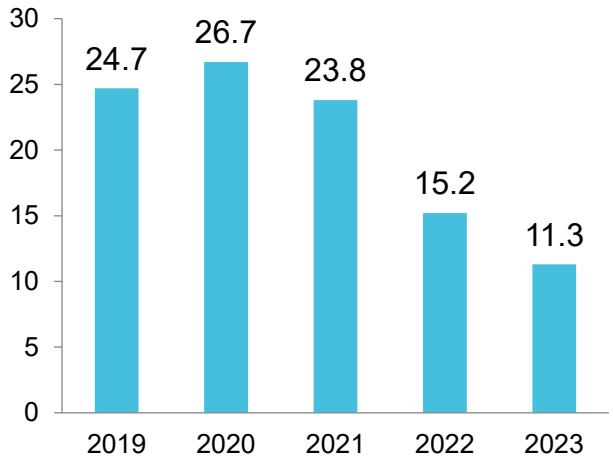
Cash flow management initiatives are bearing fruit

Trade Net Working Capital



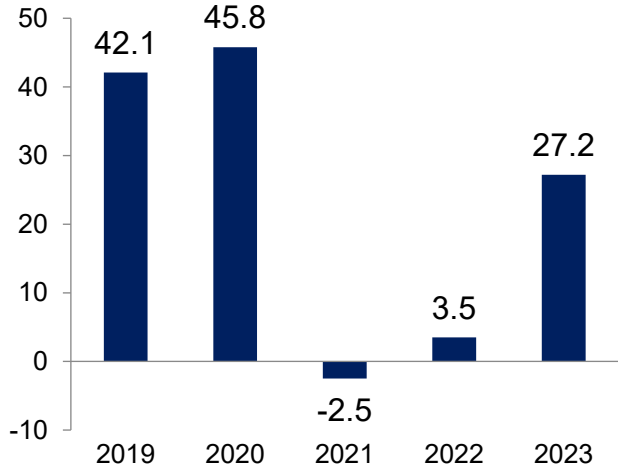
- Focus on NWC reduction is bearing fruit
- Further reduction in the NWC since June 2023

CAPEX



- Investments into India

Free Cash Flow



- Improved EBITDA
- Lower net working capital

Strengthened balance sheet

CHF million	Dec 2023	Dec 2022	
Net debt	59.9	84.0	<ul style="list-style-type: none"> 2023 reduction in line with free cash flow
<i>Change</i>	<i>-24.1</i>		
Equity ratio	28.3%	31.0%	<ul style="list-style-type: none"> Fiberline additional goodwill CHF 21.3m Currency loss CHF 20.6m
<i>Change</i>	<i>-2.7%-pts</i>		
Gross debt / EBITDA	2.1x	2.8x	<ul style="list-style-type: none"> Borrowings reduction CHF 38.8m since December 2022 (CHF 63.9m since June 2022)
<i>Change</i>	<i>-0.7x</i>		
RONA¹⁾	2.4%	-2.5%	<ul style="list-style-type: none"> Improved legacy business
<i>Change</i>	<i>+4.9%-pts</i>		

1) Return on net assets: Operating profit less adjusted taxes / net operating assets (including goodwill)

Outlook

Mitja Schulz
CEO



COP28 Pillars: Dual & Complementary Market Approach into Decarbonization

IEA's five criteria for success at COP28

Pillars for action between now and 2030:

1. Triple global **renewable power** capacity
2. Double the rate of **energy efficiency** improvements
3. Commitments by the **fossil fuel industry**, and oil and gas companies in particular, to align activities with the Paris Agreement, starting by **cutting methane emissions** from operations by 75%
4. Establish **large-scale financing mechanisms** to triple clean energy investment in **emerging and developing economies**
5. Commit to measures that ensure an **orderly decline in the use of fossil fuels**, including an end to new approvals of unabated **coal-fired power plants**



Renewables

- Wind Energy



Energy Efficient Applications

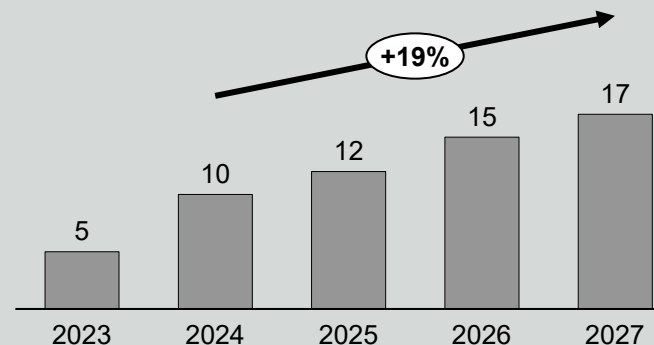
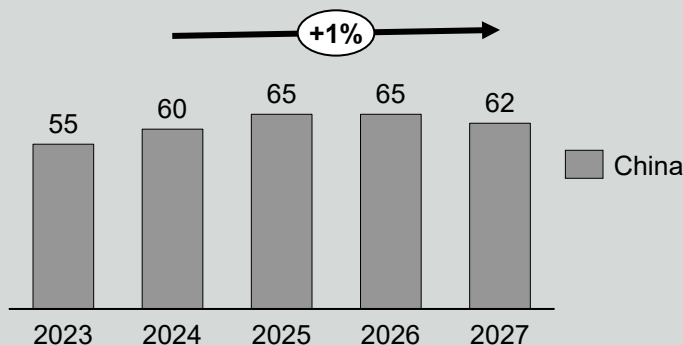
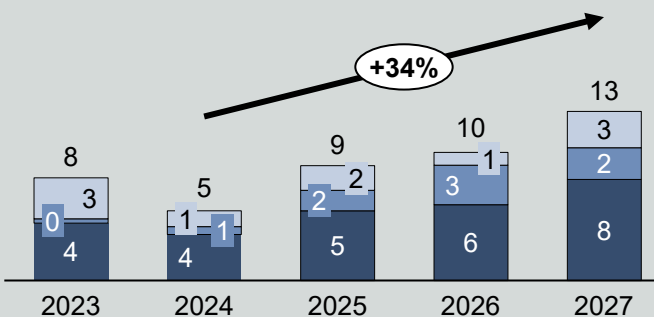
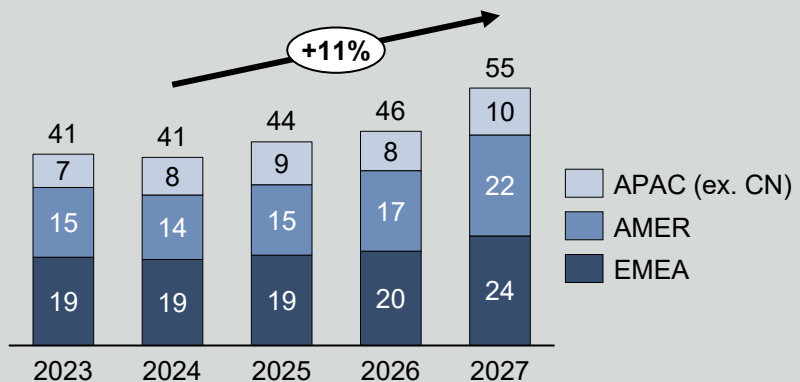
- Reduced energy consumption through lightweighting & insulation
- Easier manufacturability and material handling
- Full recyclability



Western Wind markets are expected to grow substantially from 2025 onwards, yielding double-digit CAGR

Onshore

Offshore



- **2024 growth expected in China, while Westerners show slight decline vs. 2023 and still consume sizeable blade inventories.**
- **Most Western OEMs progressing well on their financial improvement plans.**
- **Incentives packages start to translate into growth pipeline particularly onshore in both EU & USA.**
- **2025 growth expected both in China and all Western markets.**
- **Offshore growth still seeing some delays linked to financing high cost, fundamentals still valid.**
- **China is expected to experience growth: ON stable at 60-65GW and OFF growing gradually exceeding '21 peak levels in 2025.**

1) Brinckmann – 2023-Global Wind Supplier Forecast (Nov-23)

Positive Lightweighting Markets Outlook

Pursuing diversification

Marine and Industry market environment:

2023-30 CAGR 5.0-7.0% expected

- **Marine** market continues to grow across all regions.
- **Strong demand for PET** across all markets, in particular related to sustainability.

Gurit forecast for Marine & Energy Efficient Application Business:

Gurit expects to grow stronger than market average

- Focus on wider Marine markets beyond super yachts.
- **Focus on diversified PET growth markets: new segments** offer new growth potentials through replacement of existing technologies with advanced composites. **Extension to additional market segments: furniture, truck linings, modular bathrooms, sustainable housing.**
- Ambition to **double PET sales outside Marine** in the next 3-4 years.



Acquisition of FX Composites in Dallas to enable US growth for Energy Efficient Composites

KERDYN™ PANEL SOLUTIONS

RECREATIONAL VEHICLES (RV)

TRANSPORTATION VEHICLES

GARAGE AND DOORS

FURNITURE AND INTERIOR FITTINGS

CONSTRUCTION AND INSULATION

BOAT DECKS AND CABINETY

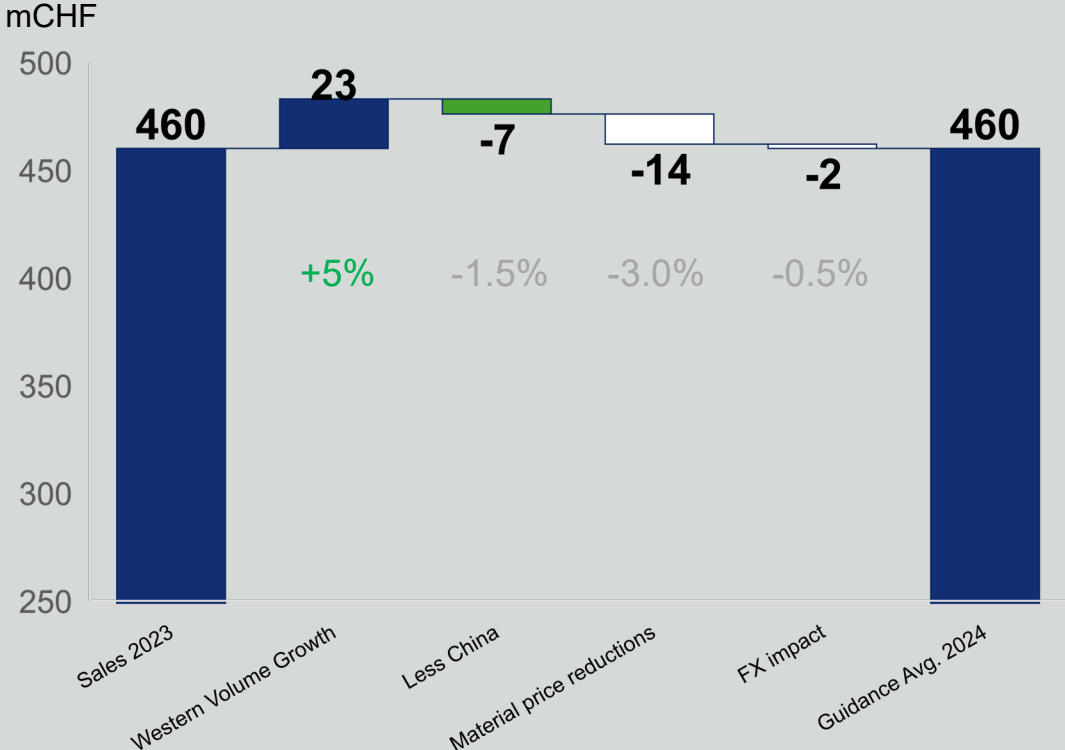
- Reduced weight, whilst retaining stability
- Sustainable: a recycled and recyclable panel structure
- Good insulation properties

- US Market is the **most prominent to growth.**
- Developing Energy Efficient Composite requires a **visible and scalable Hub** both to be identified as a **committed regional player**, and operationally allow us to accelerate access to new applications and wider addressable.
- FX Composites (Texas, USA) acquisition provides the **first milestone towards Energy Efficient Composites market development.**



2024 Volume Growth of ~5% driven by Western Market share gains, offset by Material price reductions and less China business

Rationalize Sales



Market Share

Renewables – Wind – Market Share

- **Winning market share** across the Wind portfolio into Western OEMs and their global footprint.
- **Secured LTAs** in place, covering 2024-2026 and partially 2027.
- **Being more selective with Wind business in Domestic China.** Improving margins and keeping capacities for higher value-adding projects.

Energy Efficient Applications

- **Energy Efficient composites**, displacing incumbent products, gradually make their way into established markets.
- **Increasing Market share in Marine segments.**

Conclusion and Outlook

Conclusion

- 2023 saw **moderate growth** in a still difficult Wind market environment, impacted by a strong CHF.
- Improved **operating profit** and **cash flow** performance, **de-leveraged balance sheet**.
- Gurit **gained market share** and secured its future **with strong multi-year LTAs**.
- **Marine & Industrial** with ongoing strong and profitable growth trajectory – look into **wider addressable** with Energy Efficient Applications.
- Will keep focus on **cash management & operational execution** and continue **delivering improved financial results**.

Outlook

- **FY 2024 Net Sales:**
435 - 485 million CHF
- **Adj. Operating profit margin:**
5% – 8%
- Expect **back-end loaded** year 2024
- Beyond 2024 - **accelerate growth momentum:**
 - Western Wind markets expected to pull
 - Additional impulse from “Energy Efficiency” market penetration beyond Marine

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

- **18 April:** AGM Annual General Meeting & Q1 net sales media release
- **19 August:** HY report, sales media release, Analyst & Media Conference
- **09 October:** Capital Markets Day
- **31 October:** Q3 net sales media release

Questions & Answers

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Thank you for your attention

investor@gurit.com
www.gurit.com