

# Gurit H1 2023 Results

## Media and Analyst Conference

**Mitja Schulz**  
CEO

**Philippe Wirth**  
CFO

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# 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 **Organizational Update**
- 5 **Q&A session** for Analysts & Journalists

# H1 2023 - Highlights

Sales in CHFm

244.6

+17.6% <sup>1)</sup> vs. H1 2022

Free cash flow in CHFm

6.5

-19.3m in H1 2022

Adj. operating profit margin

5.6%

2.0% in H1 2022

Net debt in CHFm

78.0

104.2m in June 2022

- **Sales in line with expectations.** Western Wind business with cautious signs of recovery, and solid Chinese wind business. Marine and other industrial markets continue growth trajectory.
- **Improved adjusted operating profit margin,** driven by product mix in Manufacturing Solutions, better operational performance in new sites and cost saving measures implemented.
- Recently acquired **Structural Profile business** still loss making.
- **Free cash flow improved** CHF 25.8m compared to first half of last year, driven by higher operating profit and stringent NWC management.
- Significantly **de-leveraged** balance sheet

1) Sales of total continued operations @ constant FX

# H1 2023: Wind

- **Western wind customers** are ordering moulds again – Manufacturing Solutions is seeing a more sustainable customer mix
- **PET market share** increasing
- Gurit maintains a **strong position in China**
- **Chennai plant** has had a successful first year. PET & Kitting volumes on track, 1st mould shipped, ramped up Carbon Fiber pultrusion lines
- Streamlined the **European kitting** manufacturing footprint (ES / TR)
- Launched innovative “Modular Mould” concept during JEC April 23
- Structural Profiles is still loss making and was impacted by operational issues in **Denmark** and the delayed ramp up of our lead customer in **India**
- Continued **restructuring** at the Fiberline plant in Denmark to adjust costs to market needs



Pultruded profiles and mould production in India

## Gurit acquires the remaining 40% share of Fiberline

- Agreement reached on Aug. 15<sup>th</sup> to **acquire the remaining 40%** from Thorning family.  
Purchase price of maximum EUR 28.15 million (cash deal and earn-out provision)
- Full integration of Structural Profiles will **strengthen** Gurit's position as **solution provider**
- **Cost-optimisation** of operations has been initiated with further plans in progress
- Starting to **leverage synergies** (global procurement, China sales)
- Extended the **product portfolio** of Structural profiles by strategically collaborating with Owens Corning, to jointly developing and sell **High Modulus Glass pultruded profiles** to the Wind industry



CARBON PULTRUSION



WIND TURBINE STRUCTURES



BLADE ROOT REINFORCEMENTS

# H1 2023: Marine & Industrial

- **Marine:** Year on year growth, driven by continued strong market environment for production and pleasure boats as well as sailing yachts
- Strong operational execution and price management
- **Business wins** with new Marine customers in EU and NA
- **Industrial** sectors see growth in PET demand, especially for applications in construction and transportation
- Expertise in **structural engineering** supports customer transition to composites from other materials



Hydrogen chase boat



Water pipes retrofit/repair with composite materials

# Execution of ESG strategy on track

Silver Medal Rating  
from **EcoVadis**  
(January 2023)



New **A-Rating** for ESG  
performance from MSCI  
(July 2023)

**MSCI**  
ESG RATINGS



Produced by MSCI ESG Research as of 07/2023

InRate Governance  
Rating improved **+7%**  
(2023 vs. 2022)



Continued engagement with industry-  
wide **sustainability initiatives**:



Launch of REPOXYBLE project on  
bio-based plastics (EU Horizon 02/2023)

Developing & sharing of **best  
practices** across our sites:



Gurit Tianjin driving PET innovation



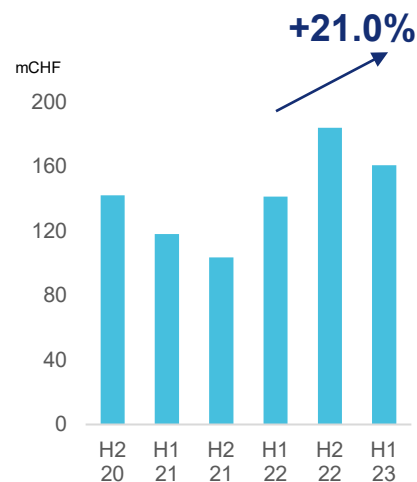
# H1 2023 Financial Results

**Philippe Wirth, CFO**



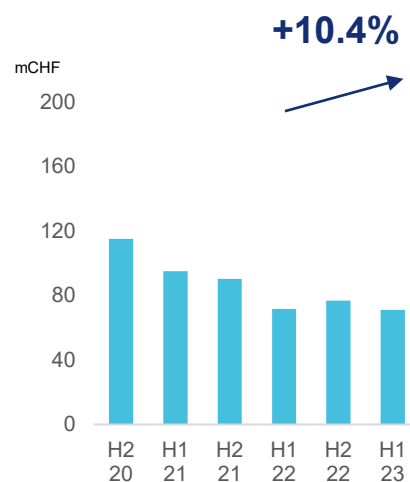
# Western wind market shows signs of recovery

## Materials



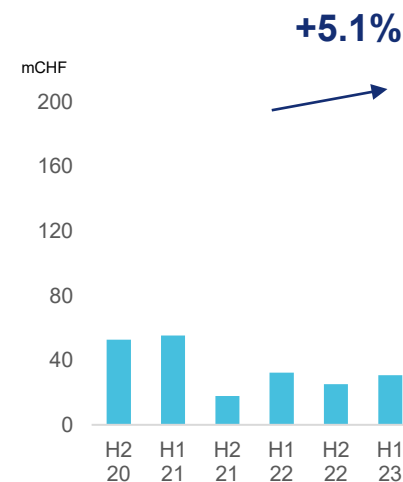
- +6.1% excluding Structural Profiles.
- Structural Profiles negatively impacted by delayed orders in India

## Kitting



- Increase in Europe and Americas

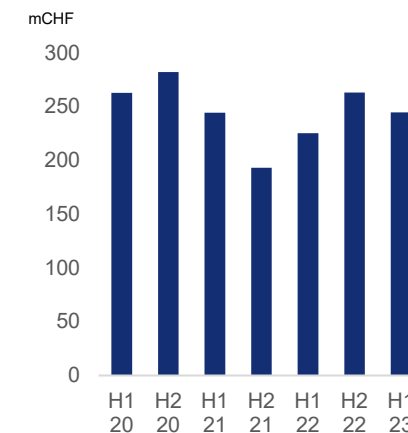
## Man. Solutions



- Shift of sales from China to Europe and Americas

## Group

(continued operations)

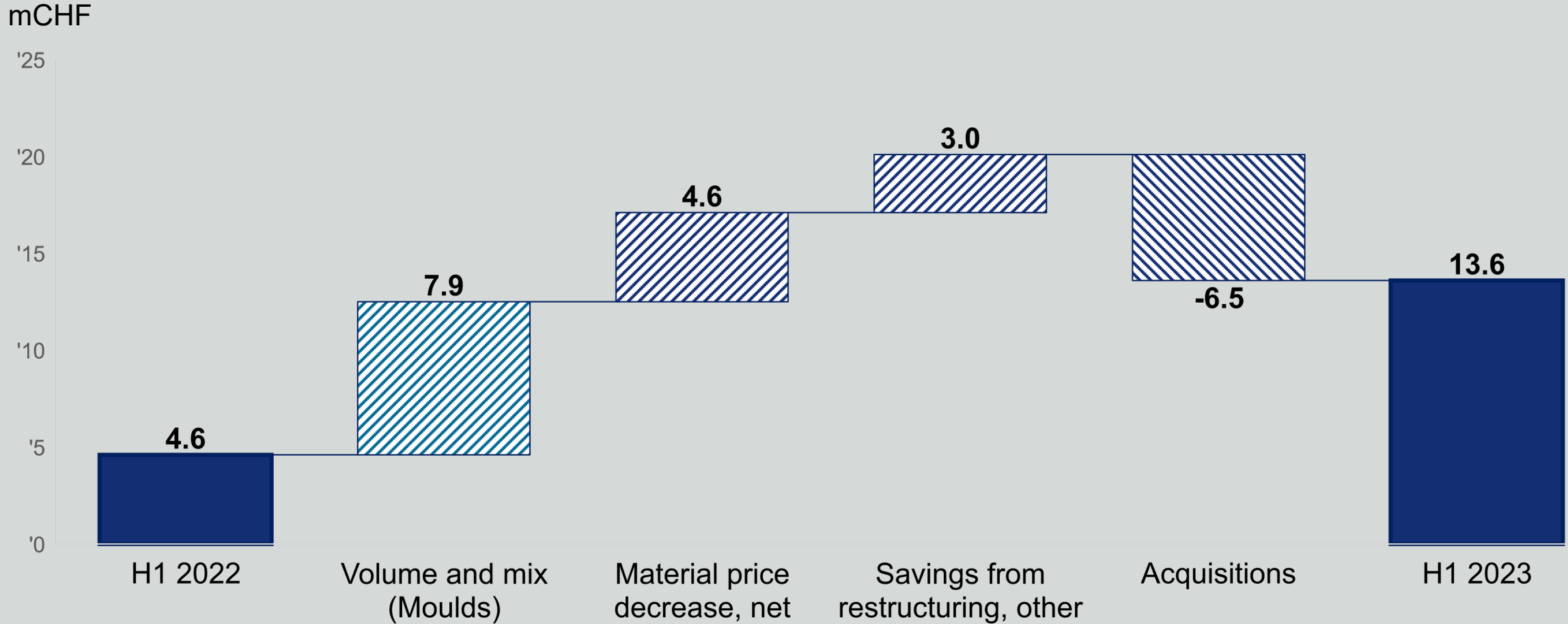


- +17.6% for continued operation
- +8.6% excl. M&A

# Operating results benefit from an improved market environment

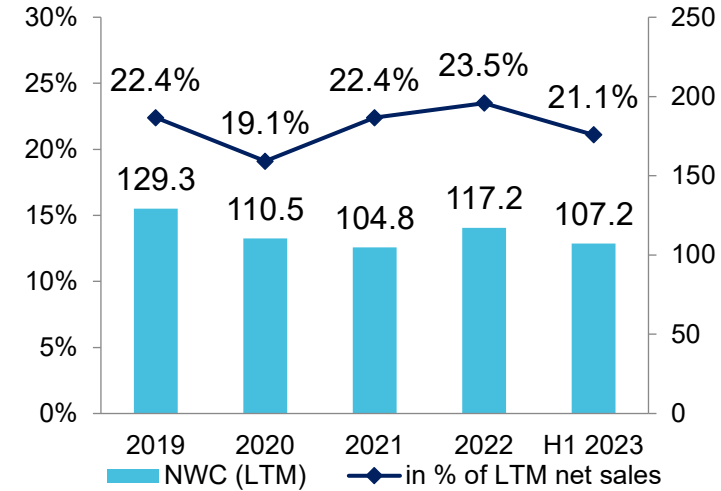
CHF million	H1 2023	H1 2022	
<b>Sales</b> <i>Growth</i>	<b>244.6</b> 12.8%	<b>234.8</b>	<ul style="list-style-type: none"> <li>Sales increase (excl. M&amp;A) 8.6% at constant exchange rates</li> </ul>
<b>Gross profit</b> <i>% of sales</i>	<b>41.8</b> 17.1%	<b>30.9</b> 13.2%	<ul style="list-style-type: none"> <li>Tooling product mix CHF +7.9m</li> <li>Raw material and freight costs CHF +4.6m</li> </ul>
<b>EBITDA</b> <i>% of sales</i>	<b>20.3</b> 8.3%	<b>28.1</b> 12.0%	<ul style="list-style-type: none"> <li>H1 2022 includes gain on sale of Aero CHF 18.3m</li> <li>Restructuring expense CHF 0.6m (2022: CHF 2.3m)</li> </ul>
<b>Adj. operating profit</b> <i>% of sales</i>	<b>13.6</b> 5.6%	<b>4.6</b> 2.0%	<ul style="list-style-type: none"> <li>Excludes gain on sale of Aero (2022), restructuring and impairment charges</li> </ul>

# Adjusted operating profit more than doubled



# Cash flow management initiatives are bearing fruit

## Trade net working capital



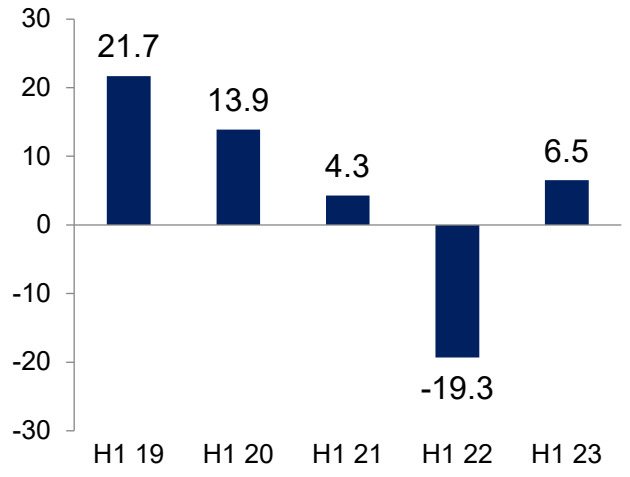
- Focus on NWC reduction is bearing fruit

## CAPEX



- Investments into India

## Free cash flow



- Improved EBITDA
- Lower net working capital

## Strengthened balance sheet

CHF million	Jun 2023	Dec 2022	Jun 2022	
<b>Net Debt</b> <i>Change</i>	<b>78.0</b> -6.0	<b>84.0</b>	<b>104.2</b>	▪ Reduction in line with free cash flow
<b>Equity Ratio</b> <i>Change</i>	<b>33.8%</b> +2.8%-pts	<b>31.0%</b>	<b>34.0%</b>	▪ Improvements in profits offset by currency
<b>Gross Debt / EBITDA</b> <i>Change</i>	<b>2.8x</b>	<b>2.8x</b>	<b>3.3x</b>	▪ Borrowings reduced by CHF 21.1m since December.
<b>RONA<sup>1)</sup></b> <i>Change</i>	<b>4.7%</b> +7.2%-pts	<b>-2.5%</b>	<b>10.8%</b>	▪ Benefits from an improved “legacy” business

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

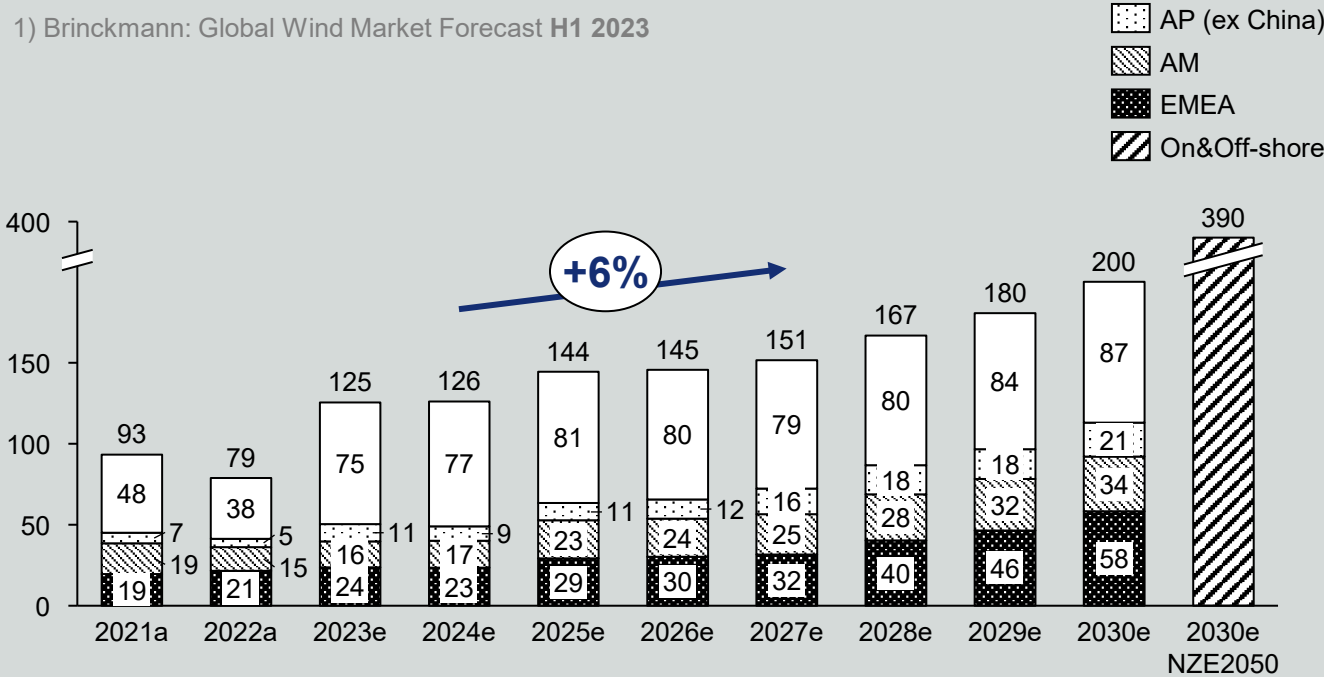
# Outlook

**Mitja Schulz**  
CEO



# Wind Market Outlook 2023-2030

1) Brinckmann: Global Wind Market Forecast H1 2023



**2023/24 focus on recovery and industry earnings improvement, 2025 profitable growth and industry investment mode.**

- **Short-term uncertainties remain** with some customers announcing negative impacts related to quality issues. We anticipate further blade stock depletion since customers sit on sizeable inventories.
- Latest Offshore **project cancelations** in UK and US drive the need for more flexible auction- and pricing schemes to enable the long-term feasibility of wind projects
- **EU & NA:** ASP's remain on higher avg. 23+24 expected to be on **similar activity levels**, before IRA impacts and Offshore growth kick in 25. New blade models will drive mould demand.
- **CN:** Anticipate **lower installation numbers** this year (~55 – 60GW). Market remains highly competitive. Gurit sees **growth potential** with CN customers winning projects outside of China



# Conclusion and Outlook

## Conclusion

- **H1 sales** within expected levels, positive Wind product mix and strong M&I business
- Initiated measures to improve **profitability and cash** deliver expected results
- **Acquisition** of remaining 40% shares in Fiberline Composites A/S to accelerate path towards profitability of the business
- Strategy **execution on track**

## Outlook

- **FY 2023 Net Sales:**  
CHF 460–490 million  
*(former outlook was CHF 450–510 million)*
- **Operating profit margin:**  
between 3%–6%  
*(former outlook was 2%–5%)*

# Organizational change Board of Directors

## Chairman Rudolf Hadorn stepping down for personal reasons



**Rudolf Hadorn** served Gurit for almost 16 years as CEO and member of the BoD.



**Philippe Royer** is a member of Gurit's BoD since 2019.

He was elected by the BoD as Chairman until the next Annual General Meeting in 2024.

# End of presentation

Thank you for joining us today!

Please use your dial-in credentials if you wish to join the Q&A session and ask questions.

Contact: [investor@gurit.com](mailto:investor@gurit.com)  
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## Next dates

- **18 October 2023**  
Q3 net sales media release
- **31 January 2024**  
Preliminary FY 2023 sales media release
- **4 March 2024**  
FY 2023 results media release at 07:00  
Webcast for analysts / media at 09:00 CET

# Questions & Answers

Thank you for your attention

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