

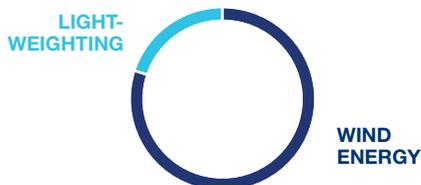
INTERIM REPORT 2022

KEY FACTS

Gurit saw its net sales decline by -7.0% at constant exchange rates or -9.2% in reported CHF versus prior year. For Continued Operations, the decline was -5.7% at constant exchange rates. Gurit reached an Operating Profit of CHF 19.8 million. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit is at CHF 4.6 million with an adjusted operating profit margin of 2.0% of net sales. The lower profit is mainly due to reduced sales in Wind, particularly in Manufacturing Solutions, and increased raw material, energy and freight costs. In the first half year 2022, the operating profit is temporarily impacted by CHF 5.6m (2021 H1 CHF 4.7m) ramp-up cost in its new and major production sites in Mexico and India. Earnings per share are CHF 3.61 in H1 2022 (H1 2021: CHF 2.56). Gurit achieved a net cash flow from operating activities of CHF -13.1 million compared to CHF 19.3 million in the first half of the previous year. The reduction is due to a lower operating profit in 2022 and higher working capital levels caused by the timing of received trade payments. Capital expenditures amounted to CHF 6.7 million in H1 2022 compared to CHF 13.8 million in H1 2021.

Net sales in the first half year continued to be impacted by a challenging market for wind turbine blades. Our largest Western wind customers produced less blades year-over-year. In China we observed a market growth, however at very aggressive price levels. While the wind market faces challenges, the marine and other industrial markets saw good growth towards well above pre-pandemic levels. As reported in April, Gurit acquired a majority stake in the wind industry supplier Fiberline Composites to strengthen its product offering for the wind energy market and divested its Aerospace business.

Split of net sales into wind energy and lightweighting



Lightweighting includes part of the segment Composite Materials.

Key Figures Consolidated Income Statement
H1 2022 (in CHF million)

Net sales	234.8
Adjusted Operating profit margin	2.0%
Net profit	16.6

Key Figures Consolidated Balance Sheet
(in CHF million)

	30.06.2022	30.06.2021
Total assets	401.7	369.4
thereof current assets	264.9	247.5
Total liabilities	265.3	194.4
thereof current liabilities	128.8	121.7
Equity	136.4	175.0
Equity ratio	34.0%	47.4%

Net Sales Development (Continued Business)
(in CHF million)



GURIT REPORTS NET SALES OF CHF 234.8 MILLION IN THE FIRST HALF OF 2022



Rudolf Hadorn, Chairman of the Board of Directors (left)
Mitja Schulz, CEO

Dear Shareholders,

In the first-half year of 2022 Gurit has been impacted by major challenges. In China we continued to see effects of Covid-19 with significant production and supply chain interruptions. Also, the outbreak of a war in the Ukraine did and continues to impact our input material and energy cost.

Our largest Western wind customers produced less blades year-over-year. In China we observed a market growth, however at very aggressive price levels. Additionally, the entire Wind Energy value chain faced difficulties in passing on the raised production cost in full to customers and consequentially the margins got hurt.

The medium-term perspectives for renewable wind energy remain positive. Various governments have taken steps to further increase wind energy production, both onshore and offshore, with the desire to meet climate targets and an increasing sense of urgency to reduce the dependency on fossil fuels. This will strongly support the demand for wind turbine blades, with a time lag equivalent to the time required for project development and permitting. Furthermore, technological advances towards cost-effective larger off-shore turbines will drive further growth in the medium and long-term.

While the wind market faces challenges, the marine and other industrial markets saw good growth towards well above pre-pandemic levels.

Total Group net sales of CHF 234.8 million were achieved for H1 of 2022, compared to net sales of CHF 258.6 million for the same period in 2021. For the continued business this is a decline of -5.7% at constant exchange rates and -7.8% in reported CHF.

STRATEGIC DEVELOPMENT

With the acquisition of a majority stake in the pultrusion technology specialist Fiberline Composites A/S – as announced on April 28, 2022 – Gurit took a major step in executing its strategy of enhancing its position in the wind turbine value chain. Fiberline widens Gurit's product offering into the Wind Energy market, with pultruded carbon and glass products that help to make blades stiffer and lighter. Pultrusion is therefore expected to replace traditional glass infused spars in longer wind blades, which are primarily used for offshore wind turbines – a market segment offering significant growth perspectives. The joint product portfolio and combined technology and innovation capabilities of both companies allow us to further strengthen our position as a one-stop-shop and solution provider for our customers. The Fiberline Composites operations form a new Gurit business unit called Structural Profiles. Synergies of co-locating the new Structural Profiles business with existing regional Gurit hubs have already been exploited in India at our new Chennai site and are also planned at our Mexican site.

The divestment of the Aerospace business as announced on April 14, 2022 was another important step taken during the first half-year. This is in line with Gurit's strategy to focus its activities on the Wind turbine industry as well as on the Marine and Industrial markets. We have found a new owner that offers our Aerospace business the opportunity of further growth, strategic development and thus a good future perspective also for the employees.

Gurit has successfully strengthened its global footprint with the opening of a large production site in Chennai, South India. The new campus has been inaugurated in June. Extrusion and kitting production are running, and the first PET core kits have been delivered to customers. With tooling and pultrusion now also becoming operational, Chennai is the first Gurit site combining PET extrusion, kitting, tooling and pultrusion at the same location. Gurit invested significant capital expenditures into the campus and also incurred start-up expense which affected the profitability in the first half-year 2022 markedly.

Furthermore, operational measures were taken to finalize the ramping up of the Mexican site's co-located extrusion and kitting operations. Also, in this site Gurit continued to incur start-up expense in significance.

The extended transition phase and supply chain challenges of the global wind market also called for an adjustment to the situation. Gurit has responded with a Fit-for-Future program where the operations of all business units are trimmed for observed shifts in material and technology use, the expected short-term and long-term market demands as well Gurit's unchanged ambitions to position itself as a leading innovative solution provider. Our sites in Falces, Spain and Izmir, Turkey will be strengthened and will accommodate the volumes from Ringkøbing, Denmark, which is being converted into an innovation hub for the wind industry. Ringkøbing now hosts a wind innovation center and will remain a kitting engineering center of excellence. Some operational adjustments are also being made to the Manufacturing Solutions operations. And to better serve the important Chinese market, the organisation in China has been adapted and enabled to respond even faster to market demands. We continue to observe a technology trend where wind turbine blade designers replace balsa with PET as the main core material. In anticipation of market demand, Gurit has further adjusted and right sized its balsa operations in Ecuador.

INITIATIVES SUPPORTING EXECUTION OF STRATEGY

During the first half year, Gurit teams have given further momentum to the execution of the “One Winning Gurit 2025 Strategy” with continued efforts in the fields of sustainability, human resources, and innovation. In Sustainability we have received a bronze medal rating from EcoVadis and further driven forward the work of our dedicated work-streams, for example focusing on resource utilisation, responsible supply chain, safety, the participation in industry-wide sustainability initiatives, as well as local community involvement. Furthermore, we have successfully launched an employee engagement initiative aiming at attracting and retaining employees. And we have started an innovation culture initiative, aiming at embedding a spirit of innovation throughout the company and systematically harvesting ideas and talent available internally.

ON TRACK FOR INNOVATION

As one of the building blocks of Gurit’s Strategy, driving innovation forward has been a key priority in the first half-year of 2022. Noteworthy is the OptiCore kit design platform, further reducing the resin uptake while improving properties of the final core kits for wind turbine blades. This innovative project has received funding and will further contribute to reducing wind blade production cost.

CORPORATE GOVERNANCE STRENGTHENED

With the introduction of a single share structure Gurit has applied the One-Share-One-Vote principle with equal voting rights for all shareholders and further strengthened its corporate governance and ESG performance. Simultaneously, a 1:10 share split of bearer shares and 1:2 share split of unlisted registered shares has been applied. Since May 2, 2022, 4’680’000 registered shares with a nominal value of CHF 5.00 each are trading on the SIX Swiss Exchange (Swiss security No. 801223, ISIN CH0008012236, symbol GURN). Furthermore, the Annual General Meeting has approved the amended articles of association and consequently abolished the opting-up clause and introduced authorised capital.

MARKET ENVIRONMENT H1 2022

WIND ENERGY IN EXTENDED TRANSITION PHASE

The global wind market demand stagnated at a high level in the Western world, with some demand shifts away from the US, whereas the Chinese market is expected to generate a strong demand of above 60 Gigawatts by the end of this year. The wind industry and therefore also Gurit continues to be impacted by supply chain shortages and production cost increases. Manufacturing solutions saw a weaker market, as the lower profitability of our wind customers also impacted their investment activity into new moulds and production equipment.

Market forecasts continue to anticipate strong growth in the medium term, supported by an increased demand for renewable energy and commitments from governments to reach carbon neutrality. Since the outbreak of the war in Ukraine this trend has been reinforced by a desire to achieve independence from fossil fuels. Technological advances also support a cost-effective installation of larger offshore turbines. The currently low share of offshore wind production is expected to double to reach 20% by 2025 and 30% by 2030.

With our unique global footprint, in particular with the newly added production campus in Chennai, India, the innovation capabilities and our product offering enhancement with the acquisition of Fiberline Gurit is well positioned for the market growth ahead.

LIGHTWEIGHTING

Marine/Industrial Recording Strong Growth

The marine markets continue to perform well, both thanks to increased customer demand in the leisure boat industry and our sales team successfully opening-up new market niches for Gurit products. Our industrial market segments also saw good growth, for example in the building & construction industry. Additional momentum is coming from the demand for our recycled PET foam, as end consumers are asking for more sustainable materials, where Gurit's Kerdyn recycled PET foam provides an excellent answer.

The Marine/Industrial Business Unit has been focusing to drive growth from existing and new PET applications within the leisure marine and other industrial markets, in addition to the longstanding Prepreg and Formulated Products markets.

SUPPLY CHAINS REMAIN UNDER PRESSURE

Global supply chains remained under pressure by cost increases, raw material shortages and still some transportation capacity bottlenecks. Part of the cost increases were carried by customers through price increases and contractual agreements linked to raw material cost indices, but the remaining share of cost increases impacted Gurit's profitability.

PROFITABILITY

Gurit reached an operating profit of CHF 19.8 million. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit is at CHF 4.6 million with an adjusted margin of 2.0% of net sales. This compares to an adjusted operating profit of CHF 26.0 million in the same period in the previous year. In addition to the mentioned raw material, energy and transportation cost increases, the sales and profit contribution of Manufacturing Solutions was significantly lower than in previous years, as Western customers withheld investments into new moulds and price pressure has increased in the Chinese local market. Moreover, Gurit incurred significant start-up expense in its new and major Chennai (India) and Matamoros (Mexico) sites of CHF 5.6 million in the first half-year 2022 (H1 2021 CHF 4.7 million). Gurit has taken strong measures as of now to improve earnings, raise the cost competitiveness and reduce of working capital levels with effects as of the second half-year 2022. Profit for the half-year of 2022 amounted to CHF 16.6 million. The earnings per share were CHF 3.61 in H1 2022 (H1 2021: CHF 2.56).

CASH FLOW AND BALANCE SHEET

Gurit achieved a net cash flow from operating activities of CHF -13.1 million compared to CHF 19.3 million in the first half of the previous year. The significant reduction is due to the significantly lower profitability in 2022 and a higher working capital level caused by the timing of received trade payments, compared to the previous year. Capital expenditures amounted to CHF 6.7 million during H1 2022 compared to CHF 13.8 million for the first half of the previous year. Major growth capacity investments were made at the now operating site in Chennai, India.

OUTLOOK

Gurit expects a stronger second half year, driven by the initiated cost-out programs and new plants going operational. For the full year net sales are expected around CHF 500-530 million with an adjusted operating profit margin between 2.0% and 4.0%. Adjusted operating profit does not include further restructuring and impairment charges in the second half of this year, which might become necessary if market conditions worsen further.

We believe that the longer-term market outlook for wind energy remains strong, driven by an increasing demand for renewable energy and recently announced international support policies.

Yours sincerely, Gurit Holding AG

A handwritten signature in blue ink, appearing to read 'Rud. Hadorn', with a stylized flourish at the end.

Rudolf Hadorn
Chairman of the
Board of Directors

A handwritten signature in blue ink, appearing to read 'Mitja Schulz', with a long horizontal flourish at the end.

Mitja Schulz
Chief Executive Officer

Zurich, August 2022

CONSOLIDATED INCOME STATEMENT

IN CHF 1000	NOTE	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
NET SALES	4	234 836	258 611
Cost of goods sold		– 203 925	– 207 866
GROSS PROFIT		30 911	50 745
Research and development expense		– 4 100	– 4 567
Selling expense		– 7 474	– 6 742
Administrative expense		– 15 304	– 16 901
Other operating income	9	18 778	494
Other operating expense	5	– 3 002	– 4 450
OPERATING PROFIT		19 809	18 579
Finance expense		– 2 303	– 3 400
Finance income		692	1 767
PROFIT BEFORE TAX		18 198	16 946
Income tax expense		– 1 580	– 6 631
PROFIT FOR THE HALF-YEAR		16 618	10 315
Thereof attributable to shareholders of Gurit		16 859	11 970
Thereof attributable to minority interests		– 241	– 1 655
EARNINGS PER SHARE			
Basic earnings per share		CHF 3.61	CHF 2.56
Diluted earnings per share		CHF 3.61	CHF 2.56

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET

IN CHF 1000	NOTE	AT JUNE 30, 2022 UNAUDITED	AT DECEMBER 31, 2021 AUDITED	AT JUNE 30, 2021 UNAUDITED
ASSETS				
Cash and cash equivalents		32 136	29 013	37 523
Derivative financial instruments		31	438	48
Trade receivables		96 083	77 750	99 174
Other receivables		17 471	13 183	13 040
Prepayments and accrued income		23 231	12 341	18 208
Inventories		95 993	80 230	79 459
CURRENT ASSETS		264 945	212 955	247 452
Other receivables		1 149	1 036	1 225
Deferred income tax assets		11 230	5 756	6 591
Property, plant and equipment		116 598	105 363	108 569
Intangible assets		7 731	6 853	5 611
NON-CURRENT ASSETS		136 708	119 008	121 996
TOTAL ASSETS		401 653	331 963	369 448
LIABILITIES AND EQUITY				
Borrowings	10	5 748	11 950	2 325
Derivative financial instruments		148	20	438
Trade payables		76 668	56 727	74 315
Other payables		11 634	4 907	3 732
Accrued liabilities and deferred income		30 645	25 949	37 265
Provisions		3 966	2 795	3 658
CURRENT LIABILITIES		128 809	102 348	121 733
Borrowings	10	130 572	55 321	67 506
Derivative financial instruments		205	–	–
Deferred income tax liabilities		1 358	1 323	1 898
Provisions		4 323	2 689	3 310
NON-CURRENT LIABILITIES		136 458	59 333	72 714
TOTAL LIABILITIES		265 267	161 681	194 447
Share capital		23 400	23 400	23 400
Capital reserve		330	270	269
Treasury shares		– 579	– 608	– 807
Retained earnings		109 992	149 849	154 763
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT		133 143	172 911	177 625
Minority interests		3 243	– 2 629	– 2 624
TOTAL EQUITY		136 386	170 282	175 001
TOTAL LIABILITIES AND EQUITY		401 653	331 963	369 448

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1000	NOTE	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
PROFIT FOR THE HALF-YEAR		16 618	10 315
Impairment		825	1 825
Depreciation and amortisation		7 499	6 810
Finance income and expense, net		1 611	1 633
Income tax expense		1 580	6 631
Net losses from disposal of fixed assets		12	64
Losses from disposal of intangible assets		–	97
(Profit) on disposal of subsidiaries	9	– 18 296	–
Other non-cash items		1 181	2 096
Change in trade receivables		– 11 829	1 403
Change in inventories		– 1 954	6 499
Change in other receivables and prepayments and accrued income		– 10 882	4 156
Change in trade payables		6 066	2 413
Change in other payables and accrued liabilities and deferred income		– 4 121	– 15 802
Change in provisions		2 784	– 1 830
Finance cost, net paid		– 1 066	– 738
Income tax paid		– 3 108	– 6 274
NET CASH FLOW FROM OPERATING ACTIVITIES		– 13 080	19 298
Purchase of property, plant and equipment		– 6 153	– 14 324
Proceeds from sale of property, plant and equipment		595	77
Purchase of intangible assets		– 678	– 785
Investments in loans receivable		– 387	– 56
Proceeds from repayments of loans receivable		108	206
Business acquisition	8	– 42 827	–
Proceeds from disposal of subsidiaries	9	34 674	–
NET CASH FLOW FROM INVESTING ACTIVITIES		– 14 668	– 14 882
Changes in current borrowings, net		– 17 267	– 2 392
Changes in non-current borrowings, net		53 946	4 595
Distribution to shareholders	7	– 3 273	– 14 005
Purchase of treasury shares		– 2 115	– 3 343
Acquisition of minority interests	8	–	– 22
NET CASH FLOW FROM FINANCING ACTIVITIES		31 291	– 15 167
NET CHANGE IN CASH AND CASH EQUIVALENTS		3 543	– 10 751
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE HALF-YEAR		29 013	47 273
Net change in cash and cash equivalents		3 543	– 10 751
Exchange (losses) / gains on cash		– 420	1 001
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		32 136	37 523

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN CHF 1000	NOTE	SHARE CAPITAL	CAPITAL RESERVE	TREASURY SHARES	HEDGING RESERVE
BALANCE AT JANUARY 1, 2021		23 400	226	- 263	- 56
Profit for the half-year		-	-	-	-
Currency translation adjustments		-	-	-	-
TOTAL INCOME AND EXPENSE FOR THE HALF-YEAR		-	-	-	-
Distribution to shareholders	7	-	-	-	-
Usage of treasury shares for share-based compensation		-	43	2 799	-
Share-based compensation		-	-	-	-
Purchase of treasury shares		-	-	- 3 343	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	43	- 544	-
ACQUISITION OF MINORITY INTERESTS	8	-	-	-	-
BALANCE AT JUNE 30, 2021		23 400	269	- 807	- 56
Profit for the half-year		-	-	-	-
Changes in hedging reserve		-	-	-	56
Currency translation adjustments		-	-	-	-
TOTAL INCOME AND EXPENSE FOR THE HALF-YEAR		-	-	-	56
Usage of treasury shares for share-based compensation		-	1	199	-
Share-based compensation		-	-	-	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	1	199	-
ACQUISITION OF MINORITY INTERESTS	8	-	-	-	-
MINORITY CAPITAL CONTRIBUTION		-	-	-	-
BALANCE AT DECEMBER 31, 2021		23 400	270	- 608	-
Profit for the half-year		-	-	-	-
Currency translation adjustments		-	-	-	-
TOTAL INCOME AND EXPENSE FOR THE HALF-YEAR		-	-	-	-
Distribution to shareholders	7	-	-	-	-
Usage of treasury shares for share-based compensation		-	60	2 144	-
Share-based compensation		-	-	-	-
Purchase of treasury shares		-	-	- 2 115	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	60	29	-
MINORITY INTEREST ON ACQUISITION OF SUBSIDIARY	8	-	-	-	-
GOODWILL DIRECTLY OFFSET WITH EQUITY	8	-	-	-	-
BALANCE AT JUNE 30, 2022		23 400	330	- 579	-

The accompanying notes form an integral part of these interim consolidated financial statements.

CURRENCY TRANSLATION ADJUSTMENTS	OFFSET GOODWILL	OTHER RETAINED EARNINGS	TOTAL RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT	MINORITY INTERESTS	TOTAL EQUITY
- 58 430	- 117 364	326 037	150 187	173 550	- 1 566	171 984
-	-	11 970	11 970	11 970	- 1 655	10 315
8 308	-	-	8 308	8 308	- 16	8 292
8 308	-	11 970	20 278	20 278	- 1 671	18 607
-	-	- 14 005	- 14 005	- 14 005	-	- 14 005
-	-	- 3 051	- 3 051	- 209	-	- 209
-	-	1 989	1 989	1 989	-	1 989
-	-	-	-	- 3 343	-	- 3 343
-	-	- 15 067	- 15 067	- 15 568	-	- 15 568
31	-	- 666	- 635	- 635	613	- 22
- 50 091	- 117 364	322 274	154 763	177 625	- 2 624	175 001
-	-	- 611	- 611	- 611	- 548	- 1 159
-	-	-	56	56	-	56
- 4 552	-	-	- 4 552	- 4 552	19	- 4 533
- 4 552	-	- 611	- 5 107	- 5 107	- 529	- 5 636
-	-	- 263	- 263	- 63	-	- 63
-	-	456	456	456	-	456
-	-	193	193	393	-	393
-	- 759	759	-	-	-	-
-	-	-	-	-	524	524
- 54 643	- 118 123	322 615	149 849	172 911	- 2 629	170 282
-	-	16 859	16 859	16 859	- 241	16 618
1 506	-	-	1 506	1 506	- 491	1 015
1 506	-	16 859	18 365	18 365	- 732	17 633
-	-	- 3 273	- 3 273	- 3 273	-	- 3 273
-	-	- 2 298	- 2 298	- 94	-	- 94
-	-	662	662	662	-	662
-	-	-	-	- 2 115	-	- 2 115
-	-	- 4 909	- 4 909	- 4 820	-	- 4 820
-	-	-	-	-	6 604	6 604
-	- 53 313	-	- 53 313	- 53 313	-	- 53 313
- 53 137	- 171 436	334 565	109 992	133 143	3 243	136 386

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Gurit Holding AG is a public limited company incorporated and domiciled in Switzerland whose registered shares are listed on SIX Swiss Exchange.

The introduction of a single registered share structure and a share split was approved at the Annual General Meeting on April 20, 2022. Gurit's share capital remained at CHF 23 400 000, newly consisting of 4 680 000 registered shares with a nominal value of CHF 5.00 each.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

These unaudited interim consolidated financial statements of the Group for the half-year ended June 30, 2022, have been prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER). They comply with the complementary recommendation for listed companies relating to interim reporting (Swiss GAAP FER 31, paragraphs 9 to 12). The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021. The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2021.

These unaudited interim consolidated financial statements were approved by the Board of Directors on August 12, 2022.

3. EXCHANGE RATES

The principal exchange rates versus the Swiss franc were as follows:

	JUNE 30, 2022	DECEMBER 31, 2021	JUNE 30, 2021	Ø HALF-YEAR 1 2022	Ø HALF-YEAR 1 2021
1 British Pound	1.1698	1.2334	1.2767	1.2260	1.2607
1 Canadian dollar	0.7446	0.7188	0.7458	0.7423	0.7282
1 Chinese yuan renminbi	0.1427	0.1435	0.1423	0.1457	0.1403
1 Danish Krone	0.1358	0.1392	0.1474	0.1388	0.1471
1 Euro	1.0101	1.0355	1.0961	1.0324	1.0943
1 US dollar	0.9564	0.9128	0.9189	0.9436	0.9081

4. SEGMENT INFORMATION

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
NET SALES BY SEGMENTS		
Composite Materials	141 439	118 183
Kitting	71 635	95 183
Manufacturing Solutions	32 363	55 371
Inter-segment elimination	– 20 171	– 24 322
TOTAL CONTINUED OPERATIONS	225 266	244 415
Aerospace	9 570	14 196
TOTAL GROUP	234 836	258 611

Gurit disclaims the disclosure of segment financial operating results as such disclosure would bear the risk of significant competitive disadvantages. The target markets in which most Business Units operate, are relatively confined market niches and the product offering of these units is relatively homogeneous. Most of the main direct competitors in the markets in which those segments operate are either not stock exchange-listed or do not disclose the relevant comparable segment information. As a result, disclosure of the performance of these segments would lead to significant competitive disadvantages.

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
NET SALES BY REGIONS OF DESTINATION		
Europe	78 585	79 997
Asia	98 821	107 837
Americas	41 043	56 388
Rest of the world	16 387	14 389
TOTAL NET SALES	234 836	258 611

5. OTHER OPERATING EXPENSE

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
Change in provision for impairment of trade receivables	– 135	787
Restructuring expenses	2 312	1 535
Impairment charges	825	1 825
Other operating expenses	–	303
TOTAL OTHER OPERATING EXPENSE	3 002	4 450

Restructuring expenses in the first half year 2022 relate mainly to the right-sizing of the organisation to the current demand in the Wind market.

Restructuring and impairment charges in the first half year 2021 related mainly to the balsa wood production sites in Indonesia and Ecuador and the former Kitting operations in the USA. In addition, the Group had recorded balsa inventory write downs of CHF 4 000 000 within “costs of goods sold”.

6. ADDITIONAL INFORMATION BY NATURE OF EXPENSE

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED	HALF-YEAR ENDED JUNE 30, 2021 UNAUDITED
Depreciation	6 849	6 138
Amortisation	650	672
Personnel expense	55 742	56 876

7. DIVIDENDS

In accordance with the resolution of the Annual General Meeting of Shareholders held on April 20, 2022, a dividend of CHF 3 276 000 has been distributed to the shareholders on April 26, 2022 (CHF 7.00 per bearer share, CHF 1.40 per registered share). In 2021, a dividend of CHF 14 040 000 has been distributed to the shareholders (CHF 30.00 per bearer share, CHF 6.00 per registered share).

8. BUSINESS ACQUISITION

On May 5, 2022, Gurit Holding AG acquired 60% of the shares of Fiberline Composites A/S, Denmark. This company owns directly or indirectly 100% of Advanced Carbon Pultrusion A/S, Denmark, 75.11% of Fiberline Asia Ltd., Hongkong and 75.11% of Fiberline Pultrusion Tianjin Ltd., China.

As part of the share purchase, Gurit acquired the right (call option) to purchase the remaining 40% of the shares in Fiberline Composites A/S in the time period from FY 2024 to 2025, at predefined commercial terms based on an EBITDA multiple. Should Gurit at such time however decide not to acquire the remaining 40% of equity share, the minority shareholder has the right to sell the entire company in the market, alternatively.

The purchase price allocation has been prepared on a provisional basis and will be finalized before the publication of the consolidated financial statements 2022. The transaction is provisionally summarised as follows:

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED
Purchase price	58 070
Direct costs related to the acquisition	974
TOTAL PURCHASE CONSIDERATION	59 044
Less: fair value of net assets acquired attributable to the shareholders of Gurit	– 5 731
GOODWILL	53 313
	100%
Cash and cash equivalents	4 798
Trade receivables	13 030
Other receivables	4 695
Inventories	19 083
Deferred income tax assets	4 788
Property, plant and equipment	21 878
Intangible assets	1 112
Borrowings	– 21 188
Trade payables	– 19 003
Other payables	– 16 788
Provisions	– 70
TOTAL FAIR VALUE OF NET ASSETS ACQUIRED	12 335
Total purchase consideration	59 044
Less: vendor loan	– 11 419
Less: cash and cash equivalents in subsidiaries acquired	– 4 798
CASH OUTFLOW ON ACQUISITION DURING THE HALF-YEAR	42 827

8.1 ACQUISITION OF MINORITY INTERESTS

In June 2021, the Group acquired the remaining 40% of the shares of Gurit Italy PET Recycling S.r.l, thereby increasing its shareholding to 100%. The purchase price amounted to CHF 22 000. Goodwill offset in equity amounted to CHF 759 000.

9. BUSINESS DIVESTMENT

On April 13, 2022, Gurit sold all of its shares in Gurit (Kassel) GmbH. The aerospace prepreg production site in Kassel employs 80 people. In the first half year 2022, up to the date of disposal, the Aerospace business unit generated net sales of CHF 9 570 000 (H1 2021: CHF 14 196 000) and an operating profit of CHF 401 000 (H1 2021: CHF 2 000).

At the date of the sale, Gurit (Kassel) GmbH contained the following balance sheet positions:

IN CHF 1000	HALF-YEAR ENDED JUNE 30, 2022 UNAUDITED
Cash and cash equivalents	656
Trade receivables	5 159
Deferred tax assets	208
Inventories	4 419
Property, plant and equipment	7 763
Intangible assets	112
Trade payables	– 3 543
Other payables	– 1 444
NET ASSETS DISPOSED	13 330

The net gain from this transaction amounted to CHF 18 296 000 and is recorded in the income statement within Other operating income.

10. BORROWINGS

IN CHF 1000	CURRENT	NON-CURRENT	TOTAL
AT JUNE 30, 2022 UNAUDITED			
Bank overdrafts	1 104	–	1 104
Bank loans	3 000	117 492	120 492
Vendor loans subordinated to bank loans	–	11 132	11 132
Other loans	1 126	–	1 126
Finance lease	518	1 948	2 466
TOTAL BORROWINGS	5 748	130 572	136 320
AT DECEMBER 31, 2021 AUDITED			
Bank loans	10 723	55 313	66 036
Other loans	1 031	–	1 031
Finance lease	196	8	204
TOTAL BORROWINGS	11 950	55 321	67 271

COMMITTED CREDIT FACILITIES

In connection with the Fiberline acquisition (note 8), Gurit Holding has renewed the credit facilities. As at June 30, 2022, Gurit Holding has unsecured committed credit facilities in place, amounting to a total of CHF 180 000 000. Contractual semi-annual amortization starts on June 30, 2023 with an amount of CHF 10 000 000. The remaining balance matures on December 31, 2025. These credit facilities are subject to compliance with agreed covenants regarding a minimum equity ratio and a maximum gross debt to EBITDA ratio starting from December 31, 2022.

The vendors of Fiberline have granted Gurit an unsecured Euro-denominated loan in the equivalent amount of CHF 11 132 000, repayable on May 5, 2024. This loan balance is subordinated to all committed bank loans.

EXPLANATION OF FINANCIAL TERMS USED

AMOUNTS IN CHF MILLION	REFERENCE	HALF-YEAR ENDED JUNE 30, 2022	HALF-YEAR ENDED JUNE 30, 2021
Operating profit	Consolidated Income Statement	19.8	18.6
+ Balsa inventory write down	Note 5	–	4.0
+ Restructuring expenses	Note 5	2.3	1.5
+ Impairment charges	Note 5	0.8	1.8
– Gain on disposal of subsidiary	Note 9	– 18.3	–
= ADJUSTED OPERATING PROFIT (EXCLUDING ONE-OFF ITEMS)		4.6	26.0
÷ Net Sales	Consolidated Income Statement	234.8	258.6
= ADJUSTED OPERATING PROFIT % OF NET SALES		2.0%	10.1%
Operating profit	Consolidated Income Statement	19.8	18.6
– Depreciation	Note 6	6.8	6.1
– Amortisation	Note 6	0.7	0.7
– Impairment	Note 5	0.8	1.8
= EBITDA		28.1	27.2
Additions to property, plant and equipment		6.0	13.0
+ Additions to intangible assets		0.7	0.8
= CAPITAL EXPENDITURES		6.7	13.8
Current borrowings	Consolidated Balance Sheet	5.7	2.3
+ Non-current borrowings	Consolidated Balance Sheet	130.6	67.5
= TOTAL GROSS DEBT		136.3	69.8
– Cash	Consolidated Balance Sheet	– 32.1	– 37.5
= NET DEBT		104.2	32.3
Total gross debt	as above	136.3	69.8
÷ EBITDA last 12 months		41.9	66.5
= GROSS DEBT / EBITDA RATIO		3.25	1.05
Equity	Consolidated Balance Sheet	136.4	175.0
÷ Total assets	Consolidated Balance Sheet	401.7	369.4
= EQUITY IN % OF TOTAL ASSETS		34.0%	47.4%

AMOUNTS IN CHF MILLION	HALF-YEAR 2022 AT HALF-YEAR 2021 EXCHANGE RATES	HALF-YEAR ENDED JUNE 30, 2021	CURRENCY ADJUSTED GROWTH
Net Sales			
Composite Materials	144.2	118.2	22%
Kitting	75.3	95.2	- 20.9%
Manufacturing Solutions	31.2	55.4	- 43.7%
Inter-segment elimination	- 20.3	- 24.3	-
TOTAL CONTINUED OPERATIONS	230.4	244.4	- 5.7%
Aerospace	10.0	14.2	- 29.4%
TOTAL GROUP	240.4	258.6	- 7.0%

INVESTOR RELATIONS

SHARE CAPITAL

The share capital of Gurit Holding AG is divided into:

4 680 000 registered shares at CHF 5.00 par value

Securities No. 117 356 711

STOCK MARKET TRADING

The shares are listed on SIX Swiss Exchange. Prices are published in the Swiss daily and financial press as well as in electronic price information systems under the following symbols or numbers:

Reuters

GURN.S

Telekurs

GURN

Securities no.

117 356 711

ISIN

CH1173567111

IMPORTANT DATES

The most important dates for publications this year and next are shown below:

October 21, 2022

Press release on Q3 2022 net sales

January 30, 2023

Press release on FY 2022 net sales

March 2, 2023

**Presentation full-year results 2022
Analyst/Media Conference
Publication of Annual Report 2022 and
Sustainability Report 2022**

April 2023

Annual General Meeting 2023

The key dates are continuously updated at www.gurit.com/Investors/Events

INTERNET/EMAIL ALERTS

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