

# Gurit H1 2022 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 **Q&A session** for Analysts & Financial Journalists

# H1 2022 Highlights

## Sales of 234.8m CHF

Impacted by lower blades demand of Western wind customers

## Operating profit margin: 8.4%

### Adjusted operating profit margin: 2%

Impacted by inflation, lower tooling business, ramp-up costs

## "Lightweighting" business continues to grow

Strong growth in both the Marine and Industrial segments

## Divestment of Aerospace business and acquisition of Fiberline Composites A/S

## Execution of Strategy

- **Global Footprint:** South India site inaugurated, started deliveries
- **Fit4Future program** to adapt to market situation and prepare for growth
- On track with **sustainability** initiatives



**234.8**  
million CHF  
Net sales



**2%**  
Adjusted Operating  
profit



Up to **50%**  
coverage of the WTG  
rotor blade value chain

# Executing our strategy: global footprint

Inauguration of our Chennai, South India campus in June





# Positive Lightweighting Markets

## Successful diversification of PET applications



### Marine / other industries market environment

- **Marine** market continues to exceed expectations
- Business development with **high volume boatbuilders**
- Sustainability concerns drive boatbuilders towards using Gurit recycled PET foam
- Application potential for PET and composites in many industries, including **architecture & building** and **transportation** (e.g. truck linings, motorhomes)
- Agricultural equipment sector adds to positive momentum
- Business Unit continues to grow **faster than market segment**

# Majority stake in Fiberline Composites announced in April



**324**  
Employees

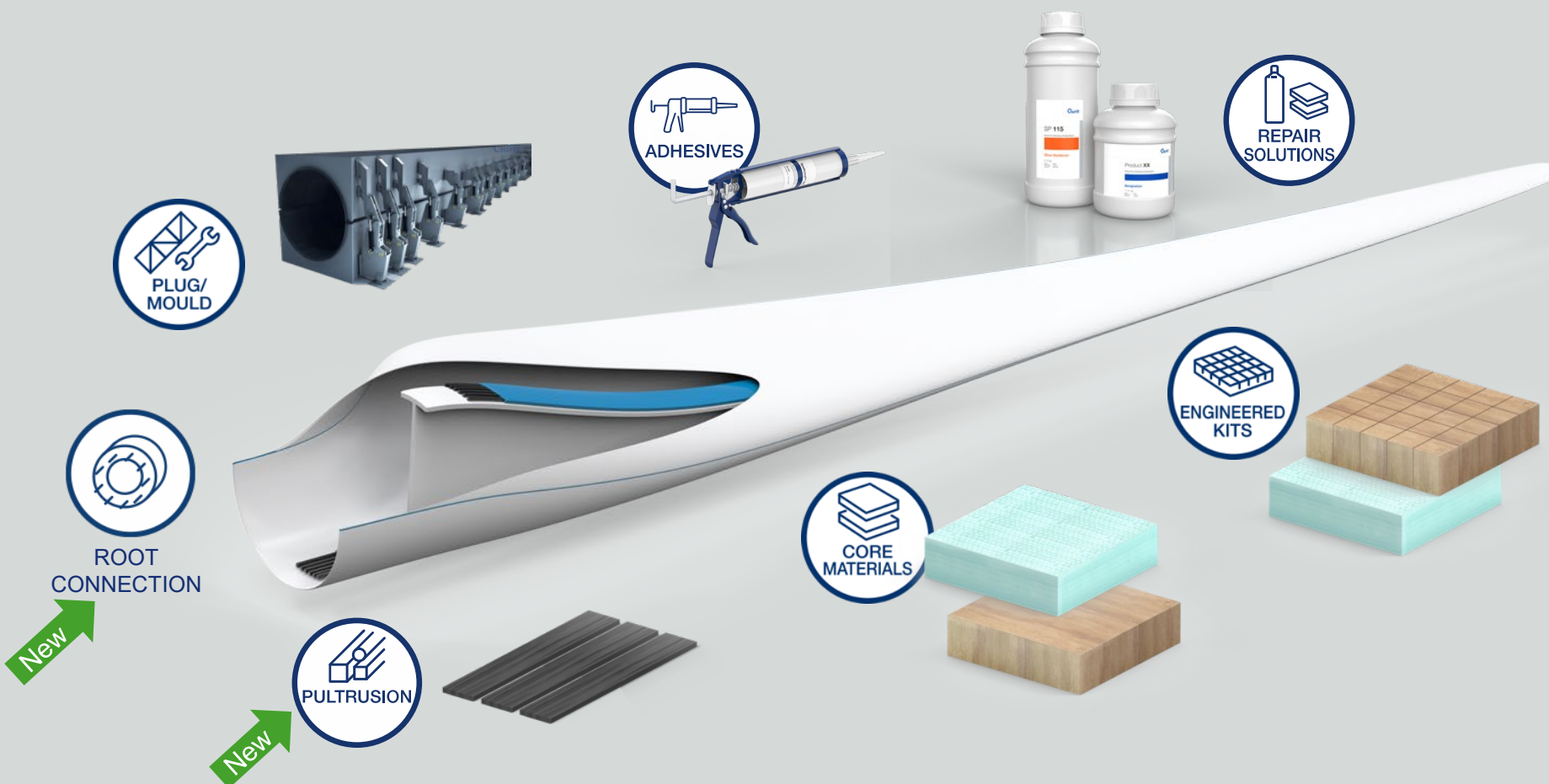


**~108** m CHF  
Net sales (2021)

**1979**

Founded in Denmark  
by the Thorning family

# Fiberline acquisition extends Gurit wind rotor blade portfolio



**Access to all wind OEM and 90% of blade manufacturers**

**Manufacturing sites in all major global wind hubs**

**Most complete offering to wind blade manufacturers: up to 50% blade value chain coverage**

**Important step in the transition towards a solution provider to our customers**



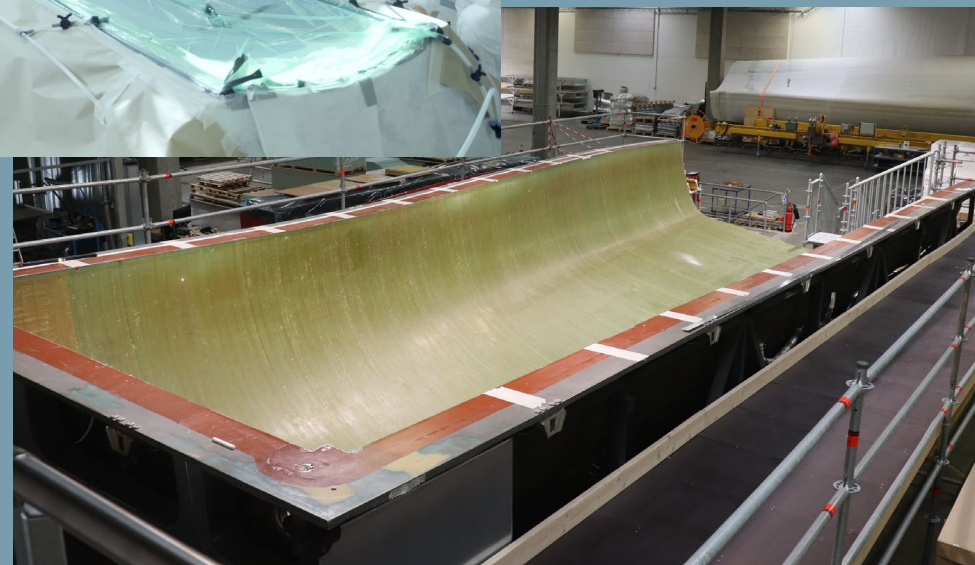
# Executing our strategy

## Growing as an innovative company

**New OPTICORE design platform** will help to further reduce blade production cost by further optimizing the core material kit design: **research funding** received

**New Wind Innovation Center** in Ringkøbing, Denmark

**Product innovation initiative** and green product pipeline engagements



# Sustainability performance highlights 1HY

## Corporate Governance – Resource utilisation – New Rating



- **Safety First:**  
2.60 YTD lowest ever LTA ratio since start of program



- **Corporate Governance:**  
one share one vote: introduction of listed **single registered share in May**



- **Resource utilisation:**  
Program to reduce waste, emissions, energy consumption.  
**100% renewable electricity**

- **Ecovadis** bronze rating received

- **Supply Chain Risk Mapping & Management System.**

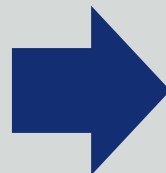
- **Local community initiatives** started at various sites



# Gurit response to wind market challenges

## Current challenges

- **Global economy:**
  - Covid
  - War in Ukraine
  - Supply Chain Disruptions
  - Inflation
- **Wind market:**
  - Customer profitability
  - Rotor blade demand
  - China market dynamics
  - Size matters



## Gurit response

- ✓ **Fit-for-Future program:**
  - Footprint, plant efficiencies
  - Indirect and SG&A costs
- ✓ **Tactical measures:**
  - Mitigation of energy & natural gas impacts
  - Pricing
  - NWC task force
- ✓ **Strategy 2025:**  
Continued execution of future-relevant topics:  
Product innovation; PET diversification; Wind Application Center; Marine & Industrial growth

# H1 2022 Financial Results

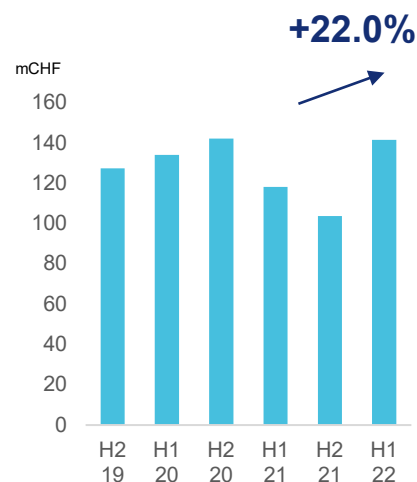
**Philippe Wirth, CFO**





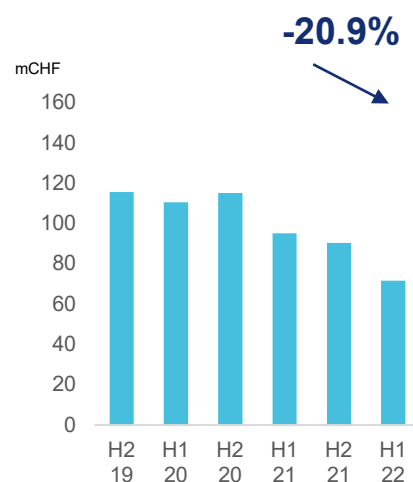
# Sales impacted by lower blade demand

## Materials



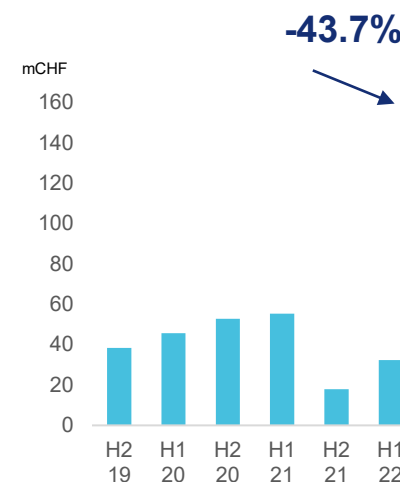
- Includes CHF 27.4m Structural Profile sales
- Wind Materials decline driven by a reduced demand in USA and India
- Offset by strong Marine and Industrial sales in all regions

## Kitting



- Decline driven by a reduced customer demand especially in Europe and China

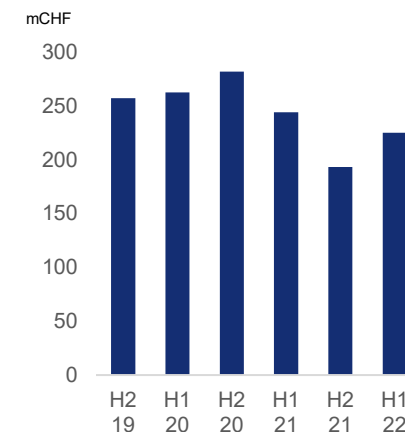
## Man. Solutions



- Decline in in all regions compared to prior year
- Pick-up of sales in China

## Group

(continued operations)

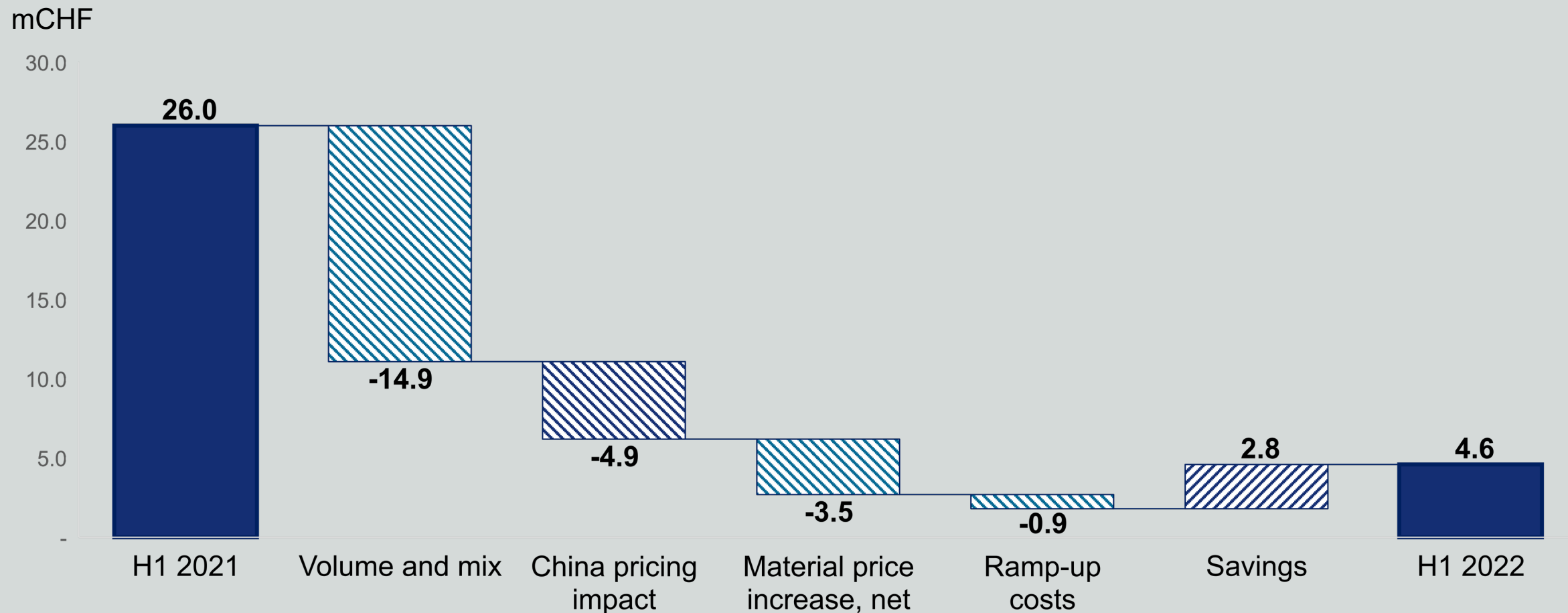


- 5.7% for continued operation
- 17.6% organic growth

# Operating results impacted by challenging market

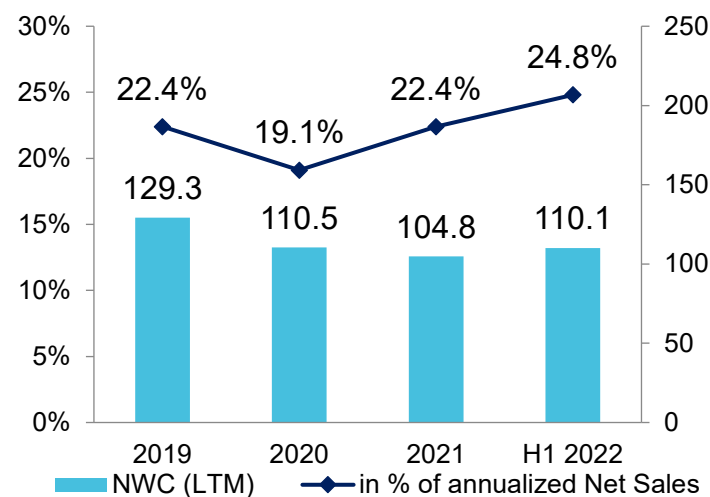
CHF million	H1 2022	H1 2021	
<b>Sales</b> <i>Growth cont. ops.</i>	<b>234.8</b> -5.7%	<b>258.6</b>	<ul style="list-style-type: none"> <li>Organic Sales (excl. Structural Profiles) decline -17.6%</li> </ul>
<b>Gross profit</b> <i>% of sales</i>	<b>30.9</b> 13.2%	<b>50.7</b> 19.6%	<ul style="list-style-type: none"> <li>Raw material and freight costs CHF -3.5m</li> <li>Lower pricing on China sales CHF -4.9m</li> </ul>
<b>EBITDA</b> <i>% of sales</i>	<b>28.1</b> 12.0%	<b>27.2</b> 10.5%	<ul style="list-style-type: none"> <li>2022 includes gain on sale of Aero CHF 18.3m</li> <li>Restructuring expense CHF 2.3m (2021: CHF 1.5m)</li> </ul>
<b>Adj. operating profit</b> <i>% of sales</i>	<b>4.6</b> 2.0%	<b>26.0</b> 10.1%	<ul style="list-style-type: none"> <li>Excludes gain on Aero divestment, restructuring and impairment charges</li> <li>Includes ramp-up costs CHF 5.6m (2022: CHF 4.7m)</li> </ul>

# Adjusted operating profit



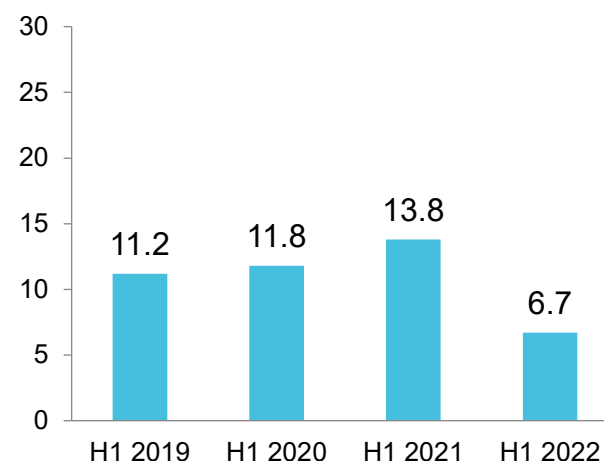
# Cash flow: negatively impacted by higher net working capital

## Trade Net Working Capital



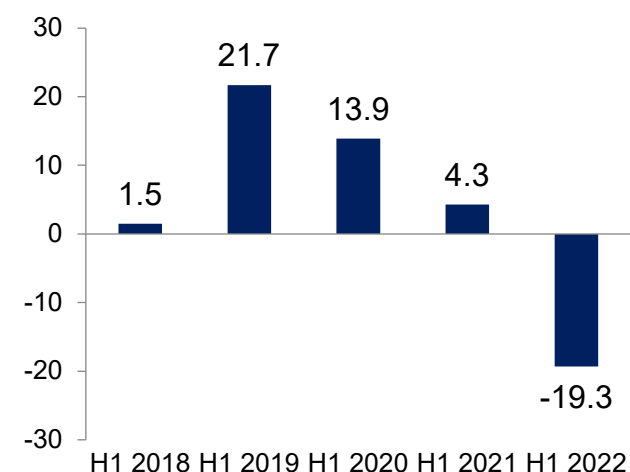
- Timing of payments
- Inventory inefficiencies (safety stocks) due to supply chain disruptions

## CAPEX



- Investments into India

## Free Cash Flow



- Lower EBITDA
- Negative timing of cash receipts



## Balance sheet: higher leverage due to acquisition

CHF million	Jun 2022	Dec 2021	
<b>Net Debt</b> <i>Change</i>	<b>104.2</b> +65.9	<b>38.3</b>	▪ Net debt increase due to Acquisition / Divestments CHF 40.8m
<b>Equity Ratio</b> <i>Change</i>	<b>34.0%</b> -17.3%-pts	<b>51.3%</b>	▪ Equity reduction due to the Fiberline Goodwill CHF 53.3m
<b>Gross Debt / EBITDA</b> <i>Change</i>	<b>3.3x</b> +1.7x	<b>1.6x</b>	▪ Increase due to higher borrowings
<b>RONA<sup>1)</sup></b> <i>Change</i>	<b>10.8%</b> +7.7%-pts	<b>3.1%</b>	▪ Increase due to sale of Aero

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

# Outlook

**Mitja Schulz**  
CEO



WITH PASSION FOR A SUSTAINABLE FUTURE

# Wind Market Outlook 2023-2026

Recent government announcements support mid- and long-term growth of Wind Energy

## RWE Boosts Spending on Wind, Solar as Gas Crisis Deepens

- Renewables expenditure will exceed 5 billion euros this year

France offers wind farms higher electricity price boost

Energy security: France takes emergency measures to boost renewables

Renewable Energy  
Electrification Big  
Inflation Reduction  
Expanding wind energy  
Energy Provisions In The  
Inflation Reduction Act

Germany to require states to allocate land for wind farms

Reuters

European Commission

EU strategy on offshore renewable energy

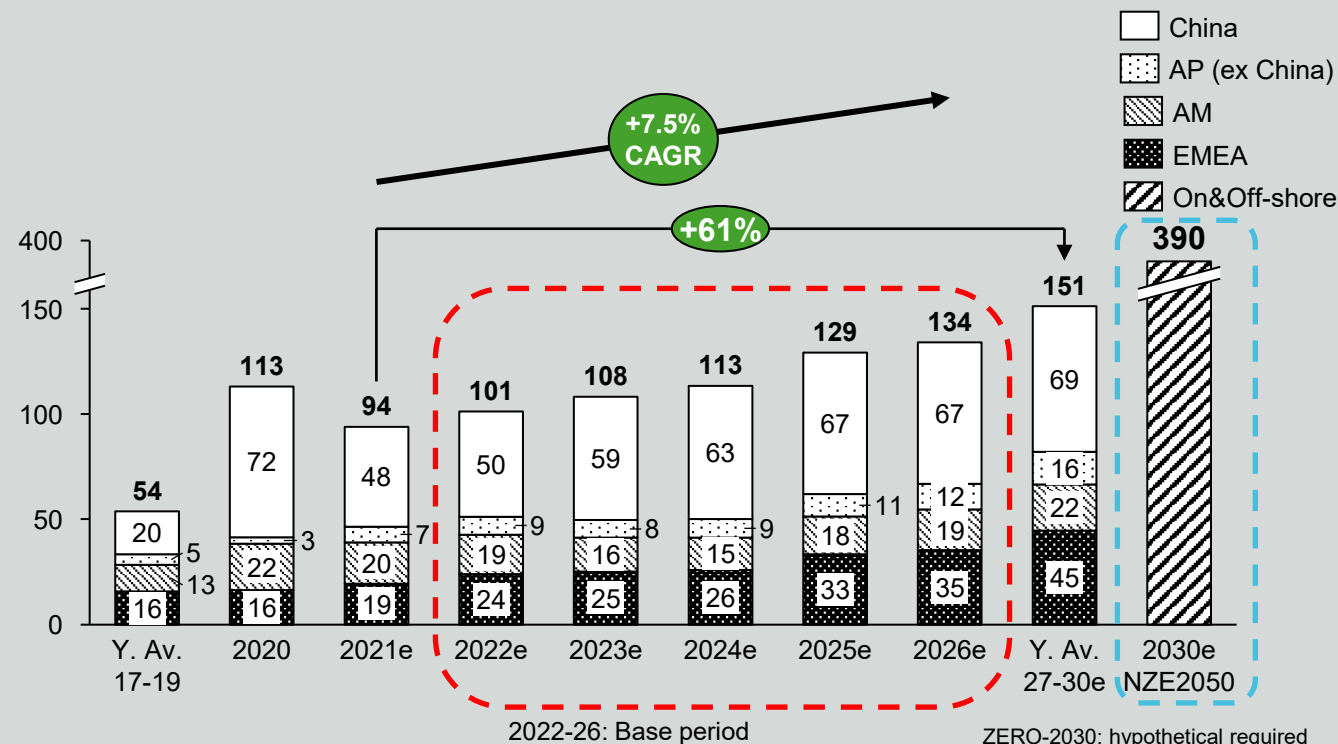
Federal government declares Australia's first six offshore wind energy zones

Washington Post

Energy Dies In Darkness

The War in Ukraine Is Speeding Europe's Pivot to Renewables

Wood Mackenzie confirms a strong outlook for future wind turbine installations



Source:

Wood Mackenzie: Global Wind Power Market Outlook Update: Q2 2022

# Conclusion and Outlook

## Conclusion

- Focus remains on **operational execution** to tackle inflation headwinds
- Western **Wind market environment** continues to be volatile near-term, but mid- and long-term outlook expected to be strong driven by most recent commitments towards renewable energy
- **Marine & Industrial** with ongoing strong growth trajectory
- Implementation of Gurit's **Strategy 2025** is on track.

## Outlook

- **FY 2022 Net Sales:**  
CHF 500-530 million
- **Adjusted operating profit margin:**  
between 2.0% and 4.0%
- Longer-term market outlook for wind energy remains strong



# End of presentation

Thank you for joining us today!

Please use your dial-in credentials if you wish to attend the Q&A session.

Contact: [investor@gurit.com](mailto:investor@gurit.com)  
+41 44 316 15 50

## Next dates

- **21 October:** Q3 net sales media release
- **30 January:** Preliminary results release
- **2 March (new date):** FY 2022 results media release at 07:00  
media conference webcast at 09:00

# Questions & Answers



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**Philippe Wirth**  
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# Thank you for your attention

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