

# Gurit FY2021 Results

## Media and Analyst Conference



**Mitja Schulz**  
CEO



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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

# 2021 Highlights

## Revenue of 468m CHF

Impacted by Wind market decline and lower Balsa sales

## Adj. Operating profit margin of 7% (excl. restr. & imp. charges)

Impacted by material cost inflation; lower tooling business, ramp-up costs

## Growing "Lightweighting" business

Marine business on and above pre-Covid levels. Strong demand from Industrial segments. Aerospace with positive business outlook.

## On track with global footprint expansions

MX launched and India on track notwithstanding COVID challenges

## Improved ESG performance

## Initiated the "Gurit 2025" strategy program

Strongly emphasizing sustainability-, customer- and innovation focus



**467.9**  
million CHF  
Net sales



**7%**  
Adj. Operating profit



**100%** Western  
Wind OEM served,  
90% of all wind  
turbine blade makers  
(in terms of sales)

# 2021 review

## Footprint expansion & extended customer base

### Chennai, South India



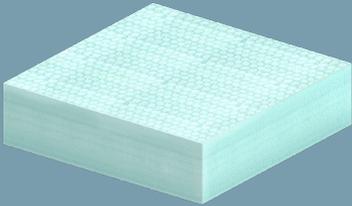
### Tamaulipas, Mexico



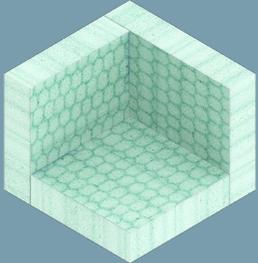
# 2021 – Extended important customer long-term agreements. Successfully won new customers in new business segments



**3-year**  
**core kit engineering**  
and supply contract with a  
major wind turbine  
manufacturer



Supply agreement with major  
North American **composite**  
**panel** manufacturer towards  
industrial applications



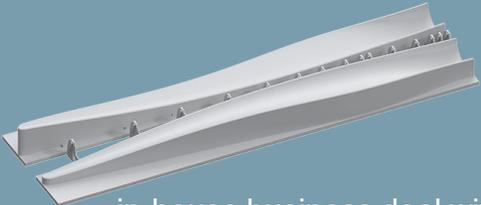
EMEA & USA growth through  
various channels/formats into  
**construction**  
**applications**



Awarded core and kitting supply  
contract into Italian world leading  
**superyacht manufacturer**



**5-year**  
materials supply contract extension with  
Swiss **aircraft manufacturer**



**5-year**  
in-house business deal with major blade  
manufacturer on **tooling and**  
**manufacturing equipment**



Awarded composite material  
supply contract into German  
**high volume yacht**  
**manufacturer**

# On track with innovation

## Gurit recognized as Finalist for JEC Innovation Awards



Te Ahi Tupua sculpture



Zero emission high speed ferry



Spabond 800 adhesive



Voith 'Carbon4Stack'

- **Te Ahi Tupua sculpture, New Zealand**  
Carbon Fiber Reinforced sculpture, Gurit engineering as enabler for complex shapes with fully recyclable materials
- **Zero Emission High Speed Ferry**  
Composites passenger ferry with zero emissions, reduced operational costs and lowered corrosion and fatigue
- **Spabond 800 adhesive**  
Innovative adhesive for Wind Turbine Blades. Extended working time, shortened cycle time
- **Marine Rotor Blades made of Voith 'Carbon4Stack'**  
Partner Voith and Gurit nominated for award for rotor blades made of "Carbon4Stack" which utilizes Gurit materials

# Progress on achieving Gurit's long-term ESG goals

## SUSTAINABILITY STRATEGY



### Execution of "Sustainability Strategy"

- Sustainability Organisation set-up
- 41 targets set in 8 dedicated workstreams on environmental, social and governance topics

> 20% ESG Ranking Improvement 2021 vs. 2020



## FOCUS: HEALTH AND SAFETY



Achieved 42% reduction in accident rate (LTAR) from 01/2019 to 12/2021.

- Gurit is on track with the program
- Risk Management, training and prevention systems implemented
- Post-pandemic global mental health program

## FOCUS: ENVIRONMENT



Achieved Climate neutrality for scope 1, 2, partial scope 3 in 2021

- Switched to 100% renewable electricity in 2021
- Operational emissions improvement program to start in 2022

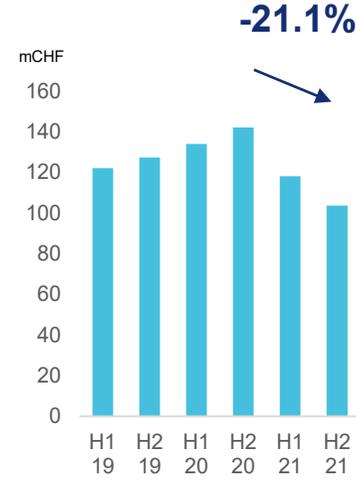
# FY2021 Financial Results

**Philippe Wirth**  
CFO



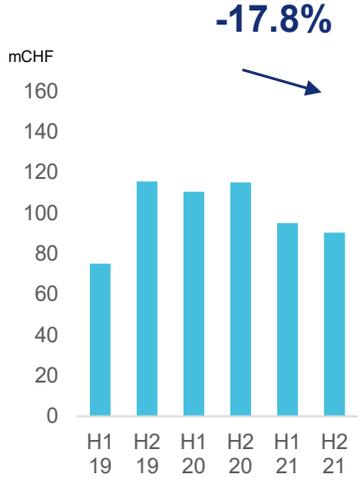
# Sales impacted by globally reduced demand for wind blades

## Materials



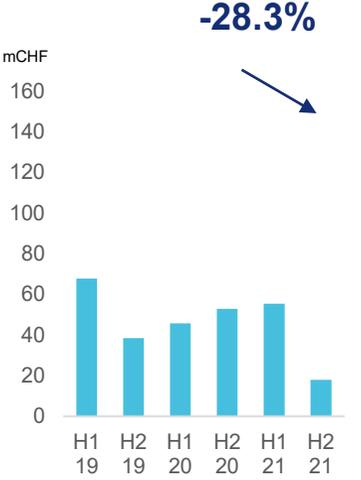
- Decline driven by a reduced demand in Balsa
- Other Wind materials decline offset by strong Marine and Industrial sales

## Kitting



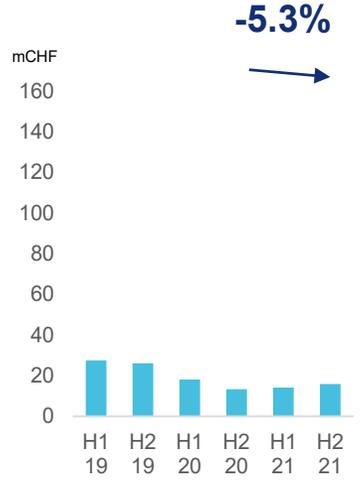
- Decline driven by a reduced customer demand in all regions

## Manuf. Solutions



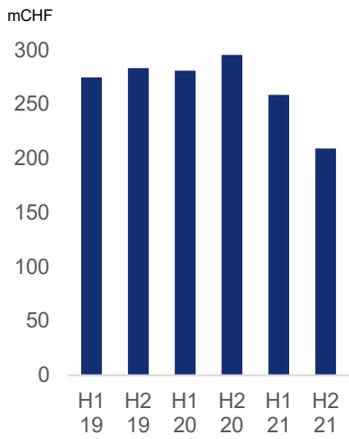
- Sharp decline in second half in all regions

## Aero



- Slowly recovering to pre-pandemic levels

## Group (continued operations)

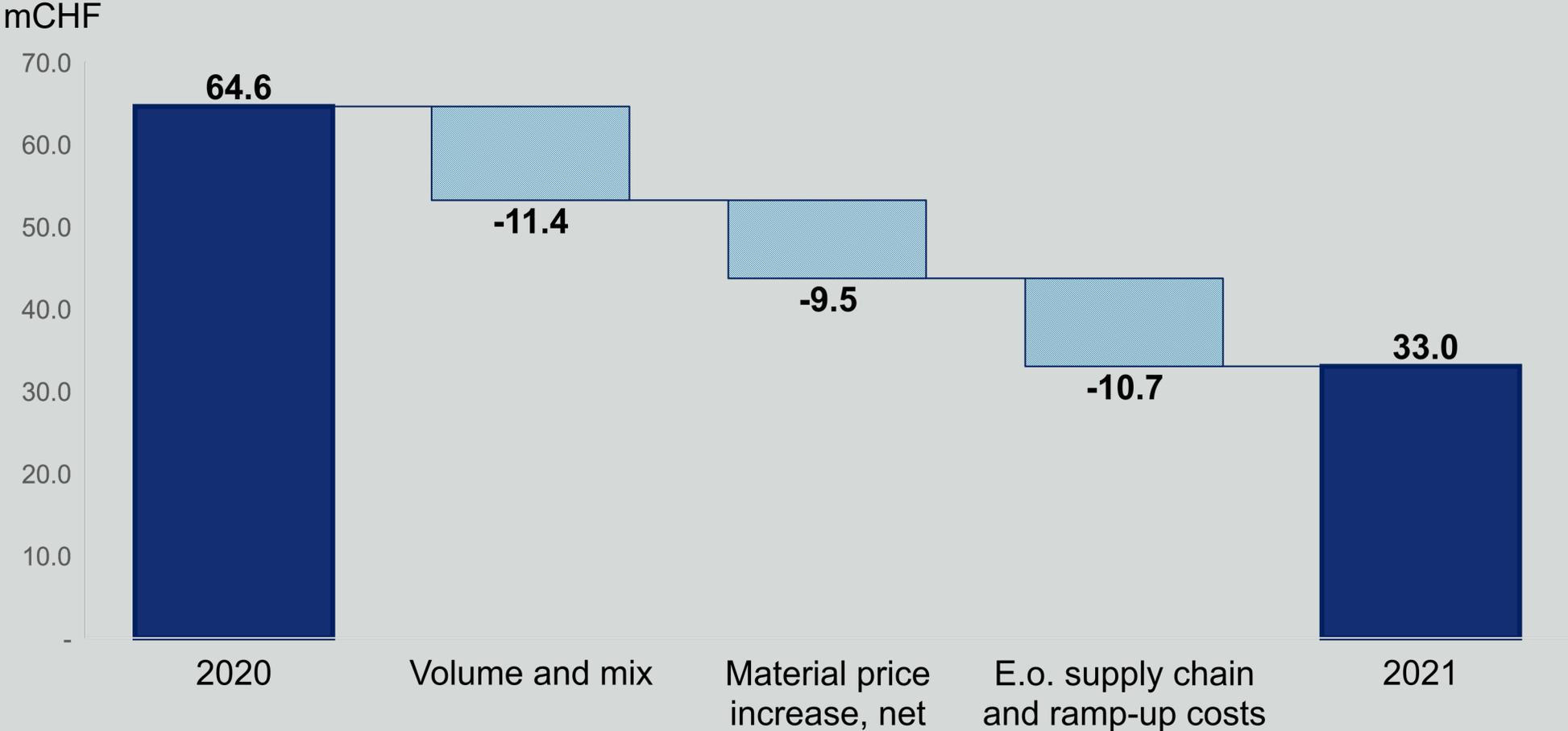


- -19.8% at 2020 exchange rates

## Operating results impacted by challenging market

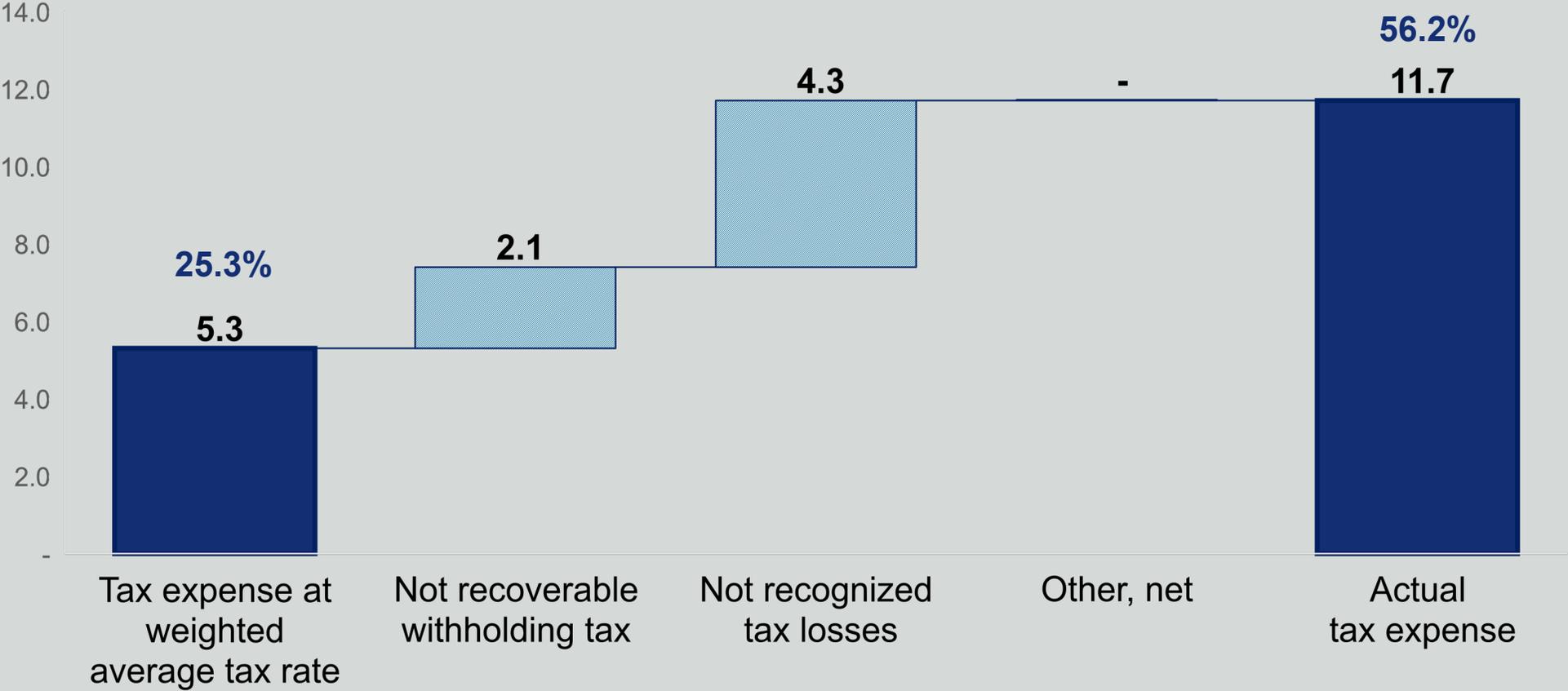
CHF million	2021	2020	
<b>Sales</b> <i>Growth</i>	<b>467.9</b> -19.8%	<b>578.8</b>	<ul style="list-style-type: none"> <li>Sales decline -19.8% at constant exchange rate (continued business)</li> </ul>
<b>Gross profit</b> <i>% of sales</i>	<b>85.0</b> 18.2%	<b>121.0</b> 20.9%	<ul style="list-style-type: none"> <li>Gross profit margin 2.7%- pts below prior year</li> <li>-1.0%-pts due to one-time balsa inventory write offs</li> <li>Raw material and freight costs</li> </ul>
<b>EBITDA</b> <i>% of sales</i>	<b>41.0</b> 8.8%	<b>76.9</b> 13.3%	<ul style="list-style-type: none"> <li>One-time balsa inventory write-off CHF 4.9m</li> <li>Increased raw material costs, net CHF 9.5m</li> <li>Reduced sales volume and ramp-up costs</li> </ul>
<b>Adj. operating profit</b> <i>% of sales</i>	<b>33.0</b> 7.0%	<b>64.6</b> 11.2%	<ul style="list-style-type: none"> <li>Adjusted for balsa footprint adjustments and consolidation of Kitting operation CHF 9.6m</li> </ul>

# Adjusted operating profit



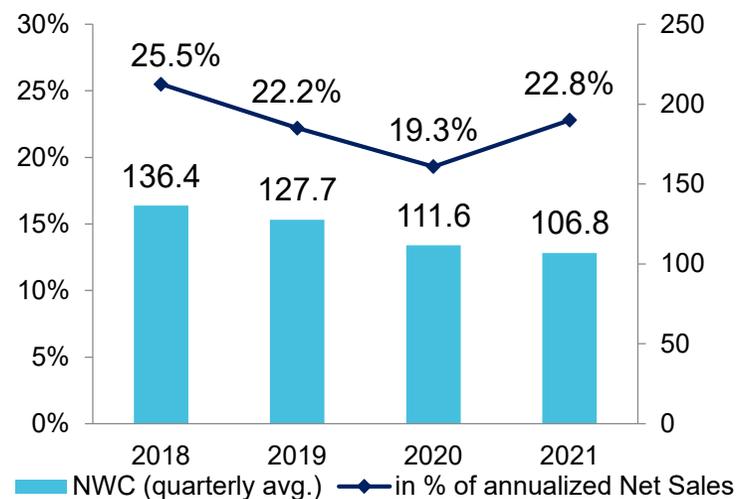
# Not recognized tax losses negatively impact the tax rate

mCHF



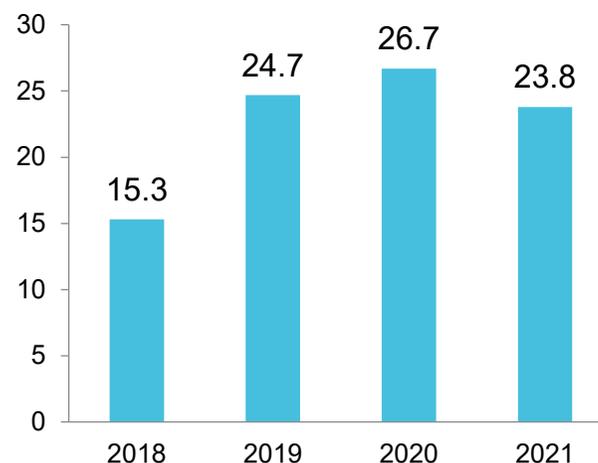
# Cash flow: continued investments in capacity

## Trade Net Working Capital



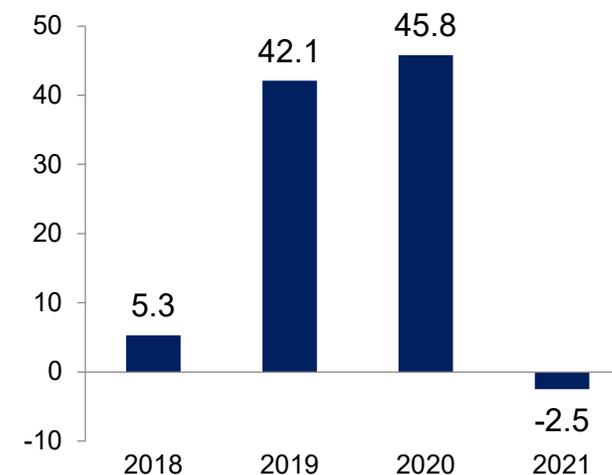
- Timing of prepayments in our China operations (mainly Manufacturing Solutions)
- Inventory inefficiencies (safety stocks) due to ramp up and supply chain disruptions

## CAPEX



- Investments into India (PET)

## Free Cash Flow



- Lower EBITDA
- Not compromising on expansion plans

# Healthy balance sheet

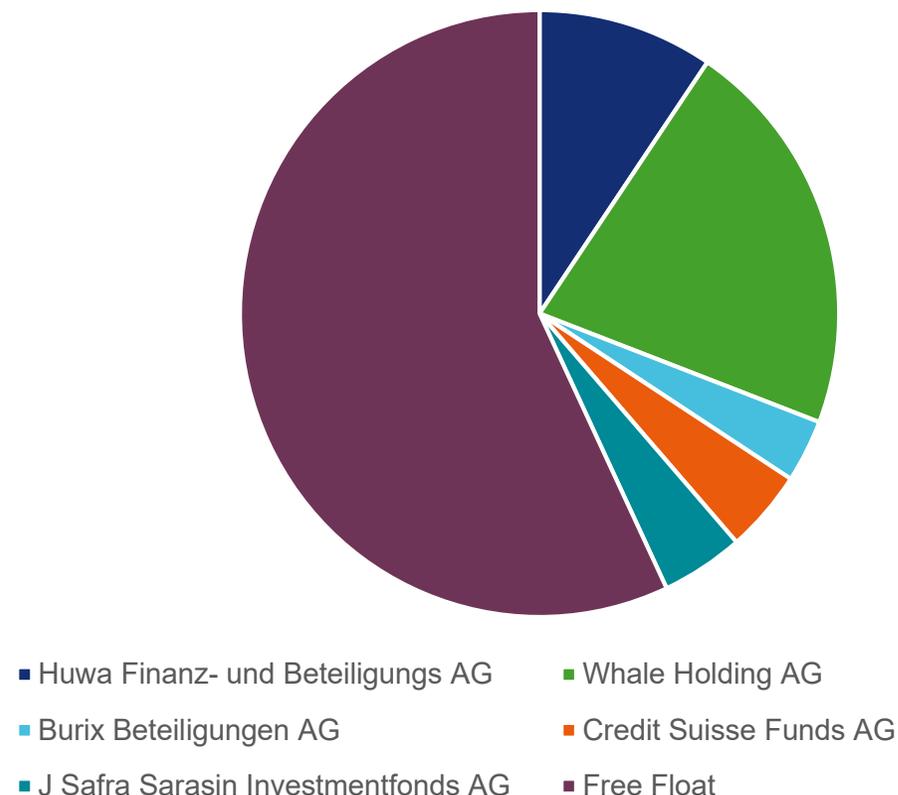
CHF million	Dec 2021	Dec 2020	
<b>Net Debt</b> <i>Change</i>	<b>38.3</b> +18.4	<b>19.9</b>	▪ Net debt increase CHF 18.4m compared to prior year
<b>Equity Ratio</b> <i>Change</i>	<b>51.3%</b> 5.6%-pts	<b>45.7%</b>	▪ Equity ratio remains solid
<b>Gross Debt / EBITDA</b> <i>Change</i>	<b>1.6x</b> +0.7x	<b>0.9x</b>	▪ Increase due to lower EBITDA
<b>RONA<sup>1)</sup></b> <i>Change</i>	<b>3.1%</b> -12.9%-pts	<b>16.0%</b>	▪ Adjusted for restructuring 7.7% in 2021

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

## One share, one vote

- Introduction of listed **single registered share**
- **1:10 share split** of current bearer shares, 1:2 split of current registered shares
- Voting rights of current registered shareholders would change from 36.4% to 10.3%
- Share capital remains at CHF 23 400 000, newly consisting of **4 680 000 registered shares with a nominal value of CHF 5.00 each**; listed on SIX
- Changes would become effective in **May 2022**

Major share holders after single share  
(based on Dec 2021 holdings)



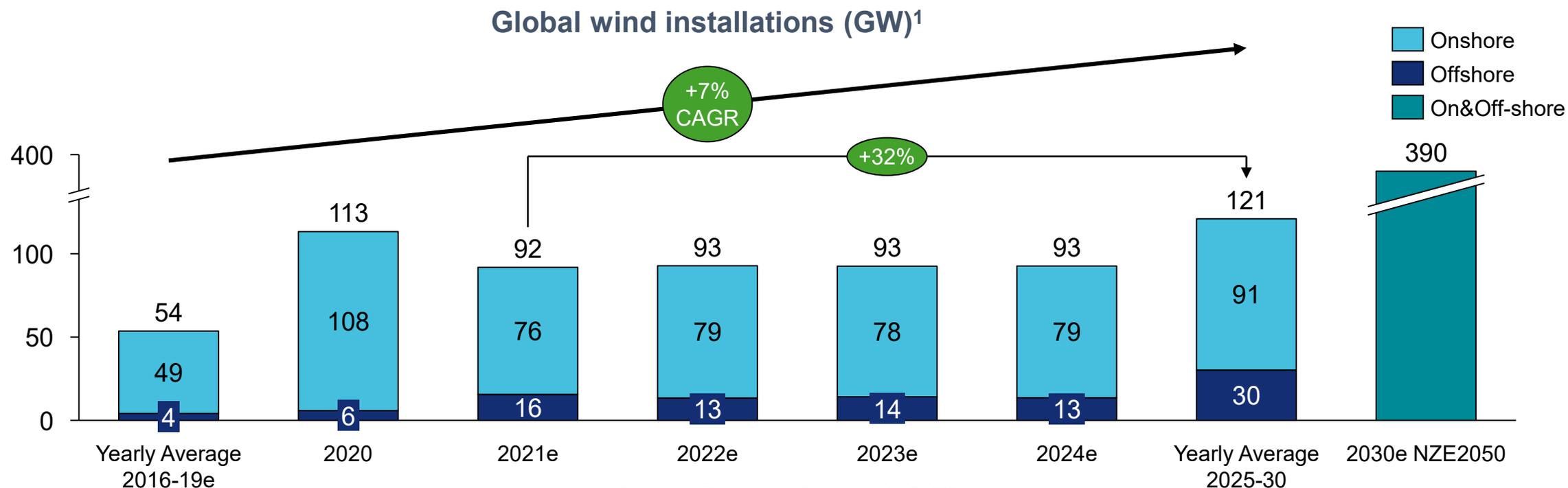
# Outlook

**Mitja Schulz**  
CEO



# Wind Energy Market Outlook

Transition period after high 2020, strong growth post-2024 expected



- Flat Annual Demand in 2022-24e, followed by **solid long-term demand growth driven by the energy market decarbonisation**
- Abnormal 2020 confirmed, within a period 2016-2030 developing a **7% CAGR growth** (52,7 to 135,6 GW)

- **Offshore doubling** during the next decade
- Expected **2024 pivotal year** to re-engage with growth globally
- **NetZero in 2050** would require 4.2x the current level of annual wind installation **reaching 390 GW average by 2030**

# Positive Lightweighting Markets Outlook

Pursuing diversification



2020-2028,  
the Marine Composite market  
will

**ACCELERATE**

at a CAGR \*) of

**6.6%**



## Marine and Industry market environment // Gurit CAGR 2020-25 11%

- **Marine** market continues to recover across all regions, exceeding expectations
- Renewed focus on wider Marine markets beyond super yachts
- **Strong demand for PET** across all markets, in particular related to sustainability
- **Industrial segments** offer new growth potentials through replacement of existing technologies with advanced composites
- **Organization has been strengthened to focus on diversified PET growth markets**
- Business Unit growing **faster than market segment**

## Aerospace market environment

- Aerospace has **stabilized at a low level**, gradual longer-term **recovery phase** has started, Gurit following the **market growth rate**



\*) source: Reportsanddata (2021)

°) source: Marketdataforecast (2021)

# 2022: Operational Execution and Strategy Fulfillment

**Strengthening**  
China regional  
set-up



**Ramp Up**  
India / Mexico



**Price & Cash**  
**Management**  
strengthening KAM



Raw Material ->  
**New Purchasing**  
**Organisation**



**Balsa Restart**  
after successful  
restructuring



## 2022

**EXECUTION FOCUS**  
**STRATEGIC DIRECTION**



**Innovation &**  
Product Roadmap



**Business Growth**  
outside of wind



**Sustainability &**  
**ESG**



Global deployment  
& **Footprint Mgt**



**M&A Opportunities**  
monitoring

**Operational Execution:**  
solid operational performance in a  
challenging market environment.

**Strategic Execution:**  
participate in long-term wind growth and  
set growth opportunities outside wind.

## Conclusion

- **Strategically on track**
- **Challenging Wind market environment**
- **Marine & Industrial with strong growth trajectory**
- **Firming up our ESG commitments**
- **2022 is all about EXECUTION**

## Outlook 2022

An uncertain wind market outlook, recent geopolitical developments and potentially continued disruptions of global supply chains influence our FY 2022 guidance. Gurit expects a revenue of around CHF 440-480 million, and an operating profit margin between 5.5% and 8.0%.

**End of presentation**  
Thank you for joining us today!

**Please stay on the line if you wish to attend the Q&A session**

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## **Next dates**

- **20 April: Virtual AGM & Q1 net sales**
- **17 August: 1HY 2022 results**
- **21 October: Q3 net sales**

# Questions & Answers



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CEO



**Philippe Wirth**  
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Thank you for your attention

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