

Gurit H1 2024 Results

Media and Analyst Conference

Mitja Schulz
CEO

Javier Perez-Freije
CFO



19 August 2024 at 09:00 AM CEST

WITH PASSION FOR A SUSTAINABLE FUTURE

Agenda

- 1 **Business Update & Highlights**
- 2 **Financial Results**
- 3 **Outlook**
- 4 **Q&A Session** for Analysts & Financial Journalists

Gurit H1 2024 Key Figures

Sales in CHF million

213.5

-8.8%¹⁾ vs H1 2023

Free cash flow in CHF million

1.0

6.5 in H1 2023

Adjusted operating profit margin

5.4%

5.6% in H1 2023

Net debt in CHF million

63.4

78.0 in June 2023

1) Net sales at constant exchange rates

H1 2024 : Business Update

After a slow start in the year, stronger second quarter driven by ramp-ups of new wind blades and higher demands in the non-wind markets.



Wind

- ✓ Strong permitting and auction improvements and renewed interest in EU and in the UK
- ✓ IRA-linked restart of numerous wind production sites in USA
- ✓ China wind installations stay at good levels
- ✓ Structural profiles business on break-even trajectory



Wind

- × Western customers reduced and even stopped activities, to fix quality issues and deplete inventories
- × Adjusted capacities and initiated major restructuring
- × Delayed roll-out of new turbine platforms and extended lifespan of existing ones, reduced demand in tooling
- × Overcapacities in China drive price pressure on turbines, components, and materials

Non - Wind

- ✓ Following a period of early-year weakness, the Marine markets have now stabilized and are performing as anticipated
- ✓ Industrial markets continued to present numerous opportunities and our activities remained on track
- ✓ We transformed our site in Magog, Canada and successfully integrated the newly acquired FX Composites business in USA



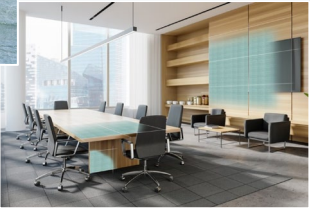
Dallas, TX, USA



Magog, Canada



Charal IMOCA 60

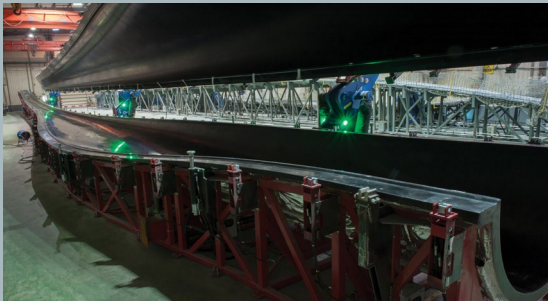


Wind Materials & Manufacturing Solutions in H1 2024

Successfully delivering on new product ramp ups



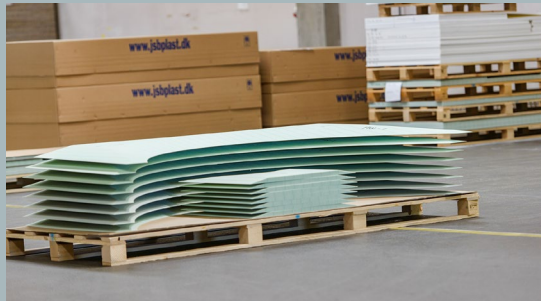
- Gurit long-term client awarding High-Tech Offshore Mold Project.



- Gurit Chennai manufactured tooling solutions for two major Indian OEMs. Projects for two other Indian customers are scheduled for H2 / 2024.



- Successfully ramped up several new core kits delivered for two major wind OEMs from multiple Gurit sites.



Lightweighting in Marine H1 2024

Leading Composites Engineering Team



Chase Zero Hydrogen Powered Foiling Catamaran, 10m and 13m production boats for the 37th AC regatta, Aug-Oct 2024.



SL Racing in NZ. Gurit engineering for Paris 2024 Olympian Emma Twigg – Silver Medal in Women’s single scull.

Gurit long-term client Riviera Motor Yachts Australia – delivered 6000th motor yacht in May at Sanctuary Cove Boat Show 2024.

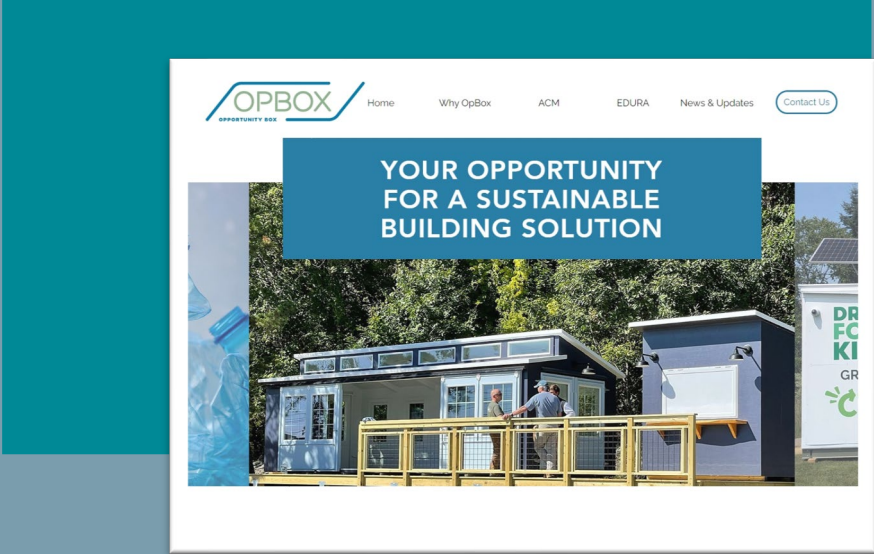


Industrial H1 2024 – Energy Efficiency Application Business

Market entry in Transportation and Building & Construction



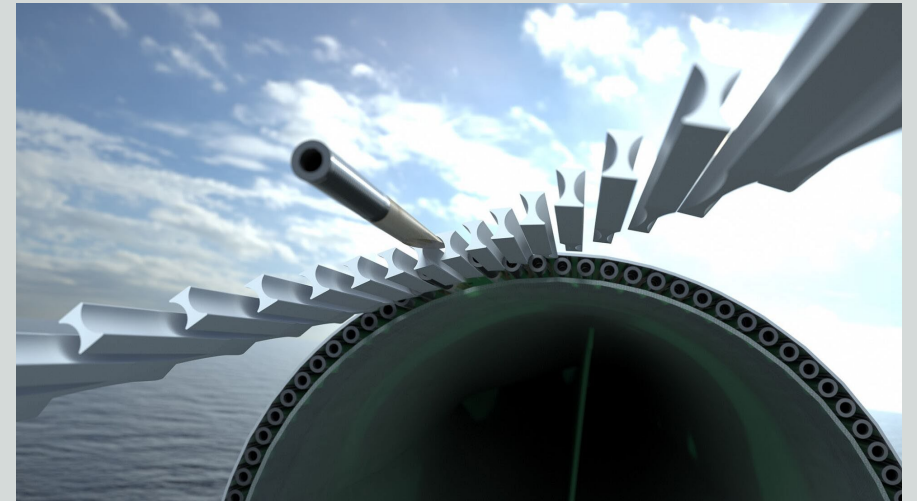
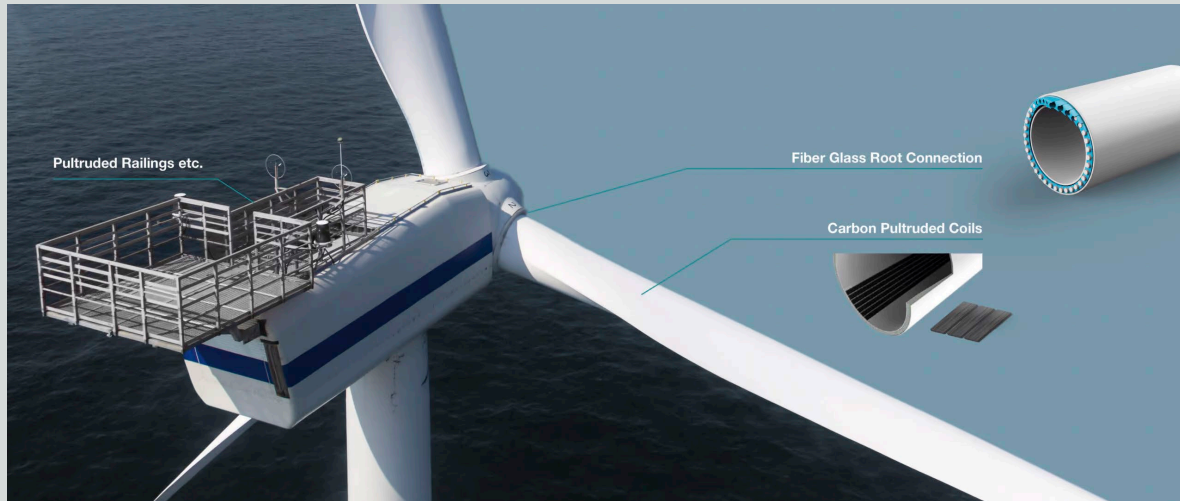
Spanish truck manufacturer Indetruck – The first isothermal trailer with a PET floor, developed for the supermarket chain Lidl.



The OpBox is a modular mobile retail or backyard unit, made in Maine USA – from the Edura building system, incorporating PET panels.

Relocation of the Manufacturing Site in Denmark

- Gurit to relocate the production site in Middelfart, Denmark, to Chennai, India, and Tianjin, China
- Increase the competitiveness of our Structural Profiles BU and important step towards future profitability of the business
- Relocation to be finalized in July 2025
- Expect total impairment charges, restructuring and relocation expenses in the amount of approximately CHF 10 million



HY 2024 Financial Results



Javier Perez-Freije
CFO



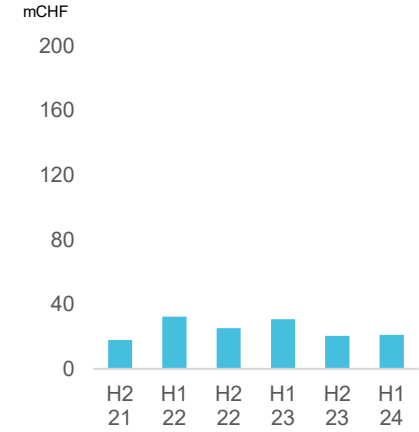
Subdued demand in wind segments

Wind Materials



- Lower sales volumes in most regions, particularly in Europe. India with strong sales growth

Man. Solutions



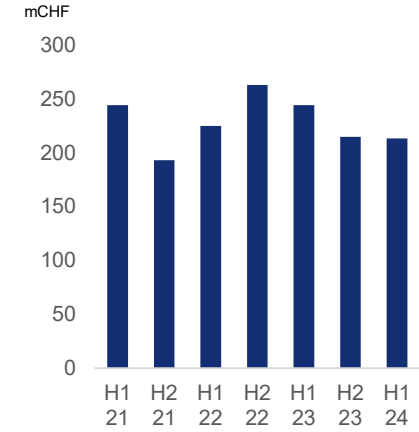
- Delayed or postponed projects in Europe and USA. Sales in Asia increased

Marine & Industrial



- Stable demand across most markets

Group (continued operations)



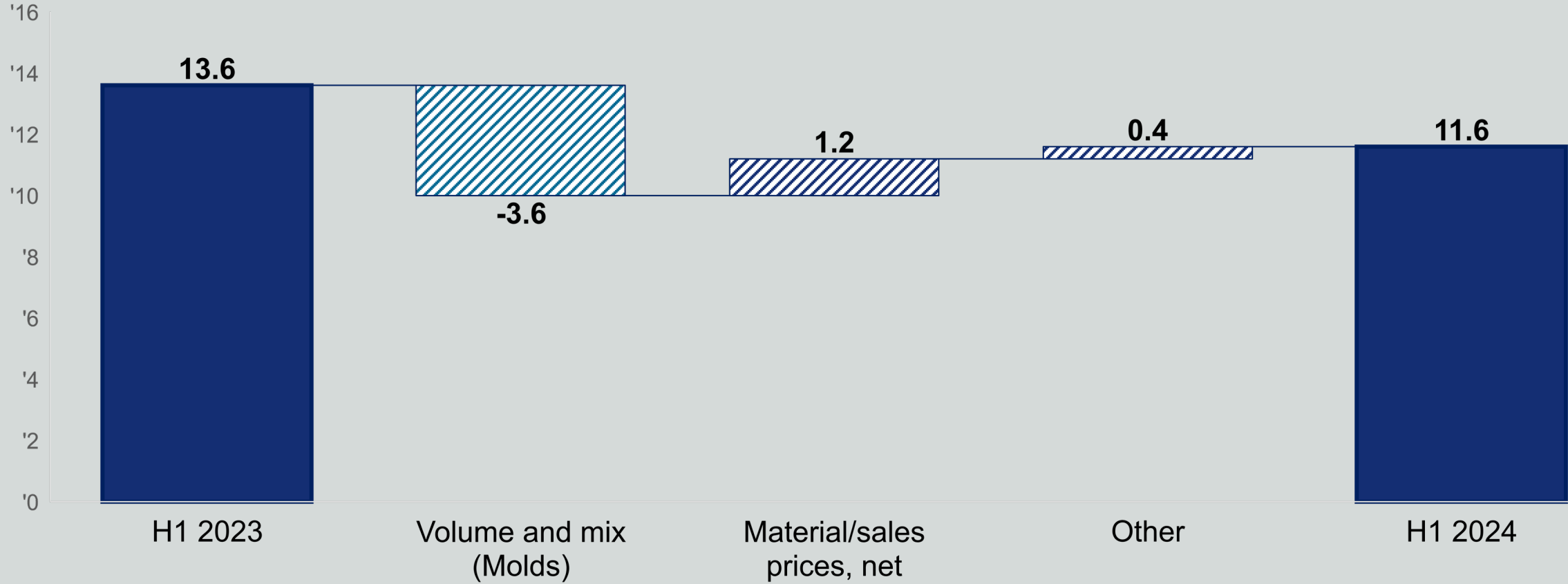
- Group sales declined by -8.8% compared to H1 2023 (at constant exchange rates)

Operating results remain stable despite lower volumes

CHF million	H1 2024	H1 2023	
Sales <i>at constant rates</i>	213.5 -8.8%	244.6	▪ Sales declined by -8.8% at constant rates
Gross profit <i>% of sales</i>	38.1 17.8%	41.8 17.1%	▪ Improved result of Structural Profiles (Fiberline)
EBITDA <i>% of sales</i>	17.4 8.1%	20.3 8.3%	▪ Restructuring expenses CHF 1.7m (2023: CHF 0.6m)
Adj. operating profit <i>% of sales</i>	11.6 5.4%	13.6 5.6%	▪ Excludes restructuring expenses

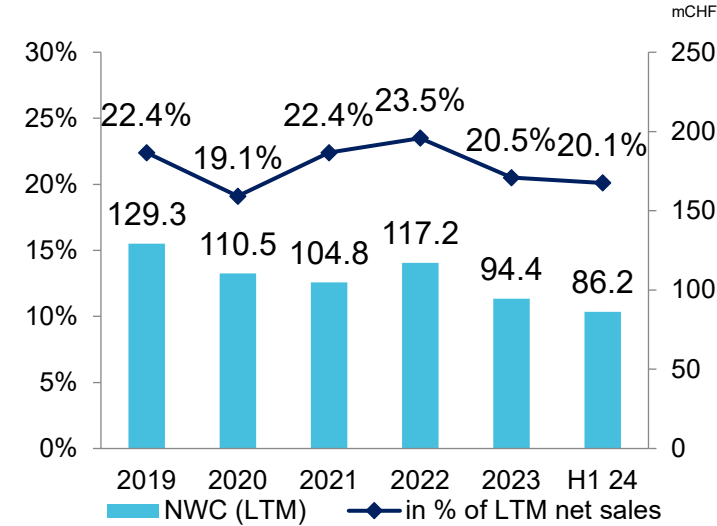
Bridge adjusted operating profit

CHF million



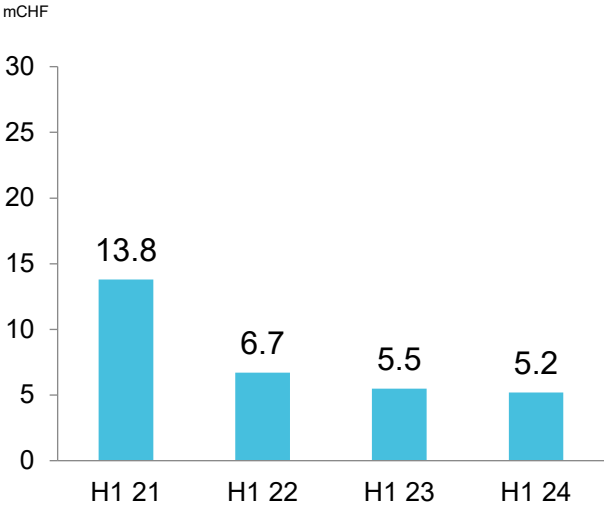
Net working capital management on track

Trade net working capital



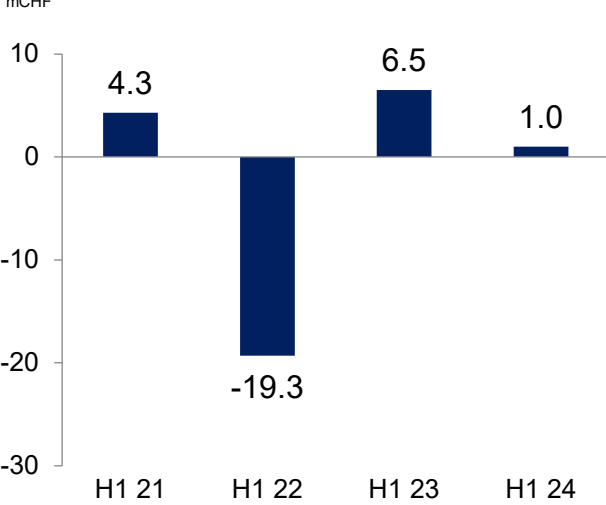
- Stable NWC compared to year end 2023

CAPEX



- Investments into PET capabilities

Free cash flow



- Positive free cash flow while the result is impacted by unfavorable tax and financial result

Balance sheet

CHF million	Jun 2024	Dec 2023	Jun 2023	
Net Debt <i>Change</i>	63.4 +3.5	59.9	78.0	▪ Increase in line with free cash flow
Equity Ratio <i>Change</i>	26.2% -2.1%-pts	28.3%	33.8%	▪ Ratio decreased due to loss of first half-year and goodwill offset
Gross Debt / EBITDA <i>Change</i>	2.5x +0.4x	2.1x	2.8x	▪ Borrowings increased by CHF 6.8m since December

HY 2024 Outlook

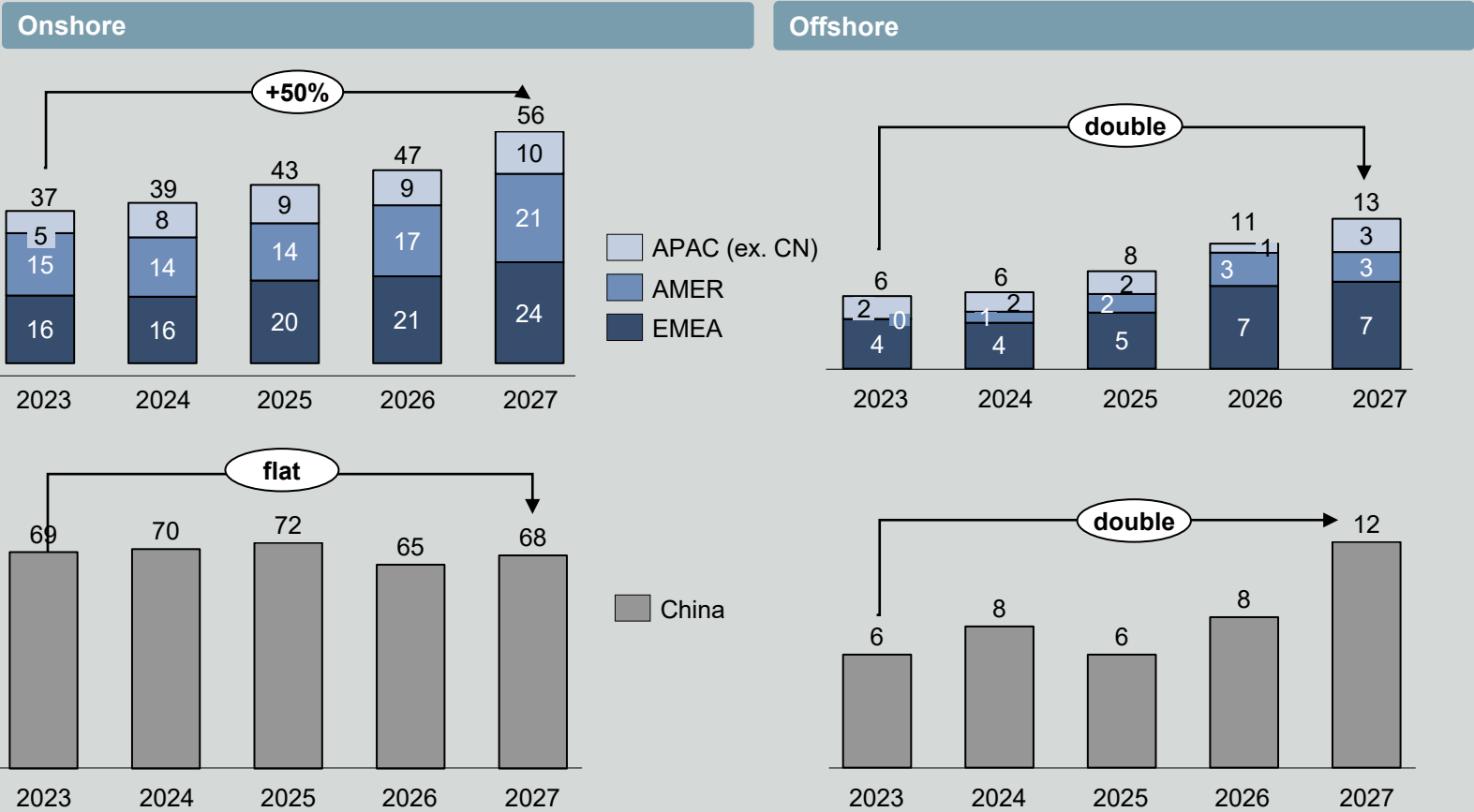


Mitja Schulz
CEO



Wind market forecast

Wind markets with delayed grow, Offshore expected to double in 2027



- Short-term market outlook foresees flattish development in all major wind markets except EMEA ON where installations grow driven by stronger permitting (GER).
- Despite all activities related to the IRA, AM not growing substantially before 2027.
- OFF delay related to slow permitting (US), high interest rates jeopardizing project profitability, manufacturing complexity and supply chain readiness.
- 2026-2027 with the expected growth momentum.
- China ON expected to remain flat in the next years, driving further competition due to overcapacities.
- China OFF will only grow from 2027.

Sources: Brinckmann – 2024 H1-Global Wind Market Forecast (Mar-24)

Positive Market Outlook for Marine & Industrial segments

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, related to sustainability.



Pursuing diversification



Gurit forecast for marine & energy efficient application business:



Gurit expects to grow stronger than market average



Ongoing expansion with traditional products in **current** marine composite applications.



- **Focus** on driving new sales in **emerging** marine market sectors, like subsea.
- **Expanding opportunities within industrial markets: new segments** offer new growth potentials through replacement of incumbent materials with PET panel solutions. **Extension to additional market segments: furniture, truck linings, indoor applications, sustainable housing.**
- Reiterate our ambition to **double PET sales outside Marine** in the next 3-4 years.



Conclusion and Outlook

Conclusion

- Q1 was slow, Q2 within expectations. Expect slightly stronger sales in H2 vs. H1, if customer demand and projects materialize as foreseen.
- **Wind markets** grow short-term slower than projected. Business environment remains dynamic and volatile. Mid-term growth expected in US and EMEA. Chinese competition increasing driven by overcapacities and no domestic China growth.
- Structural Profiles business at **break-even levels** and **next steps** towards profitability initiated.
- **Marine markets** resumed their growth, and **industrial markets** continued to offer multiple opportunities – overall performing as expected.
- **Reduced** net debt to CHF 63.4 million.

Outlook

- **Net Sales:**
At the lower end of our guidance of 435 - 485 million CHF
- **Adj. operating profit margin:**
Confirm the guidance of 5% – 8%
- Gurit to **maintain a strong market-leading position** with **Western wind** customers and will continue to adapt its **global footprint** and capacities to maintain its **advantageous** position in the **supply chain**
- **Marine and Industrial** with **increasing strategic relevance** for Gurit, driven by **Energy Efficiency ambitions** across industry segments

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 2024

- **31 October:** Press release on Q3 and 9-months 2024 net sales results

Questions & Answers

To join the Q&A, please use your dial-in credentials.



Disclaimer

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 based on assumptions and expectations which may prove to be erroneous, although Gurit Holding AG believes them to be reasonable at this time.

Thank you for your attention

investor@gurit.com
www.gurit.com