

Gurit 2020 Results Media and Analyst Conference

2 March 2021 at 09:00 AM CET



Mitja Schulz, CEO



Philippe Wirth, CFO



Introductory statement

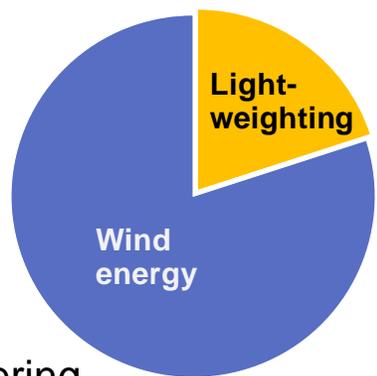
This presentation may include forward-looking statements that reflect the intentions, beliefs or current expectations and projections of Gurit Holding AG about the future results of operations, financial condition, liquidity, performance and similar circumstances.

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 Gurit at a Glance**
- 2 Business Review**
- 3 2020 Financial Results**
- 4 Strategy & Market**
- 5 Summary and Guidance**
- 6 Q&A session restricted to Analysts & Financial Journalists**

Our Business - Wind Energy and Lightweighting



Market

Wind Energy



Lightweighting

Aero



Marine



Industrial



Offering

Offering		Wind Energy	Aero	Marine	Industrial
Composite Materials:					
▪ Core materials		✓		✓	✓
▪ Prepreg		✓	✓	✓	✓
▪ Formulated		✓		✓	✓
Tooling		✓			
Kitting		✓			
Structural Engineering				✓	✓

Business review

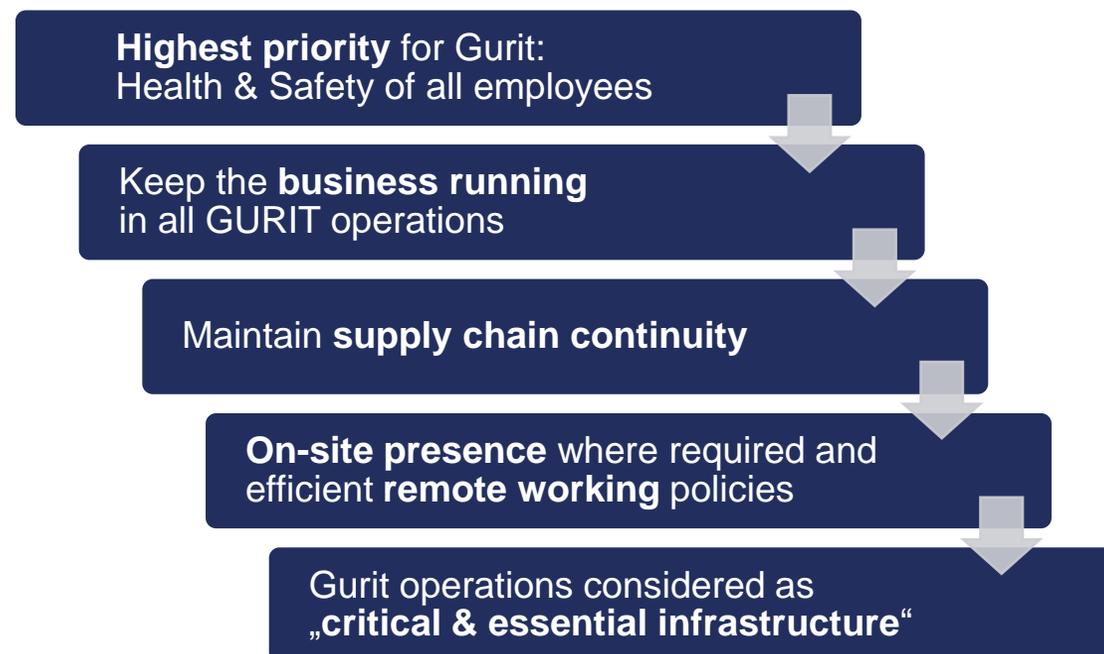
WITH PASSION FOR A **SUSTAINABLE** FUTURE



Impact of the COVID-19 crisis

Executing our strategy despite influences of the global pandemic

Success factors for managing the C-19 crisis



- **Global situation and business environment**
 - COVID-19 **still spreading** in Europe, Americas and India, impacting all important markets
 - Gurit’s supply chain **generally running**, but transport and shipments are seeing **bottlenecks**
 - **Marine and Aviation** markets heavily impacted
- **Gurit’s strong focus on supporting the business and our customers**
 - New site in **Mexico commissioned** and construction for **sites in India** started
 - **Extruder lines** built and installed remotely
 - Strong **cost management** executed
 - Restructured **Aero business** to mitigate crisis impact
- **Despite all challenges GURIT achieved 8.9%* sales increase**

* At constant fx rates

Financial performance in line with guidance

- **Net Sales growth*:**
8.9% at constant exchange rates
to **CHF 576.7 million**
(2019: CHF 558.3 million)
- **Operating Profit growth*:**
4.2% to **CHF 64.1 million**
(2019: CHF 61.5 million)
- **Operating profit margin*:**
11.1% for 2020
(2019: 11.0%)

* Continued business



Composite Materials: Strong growth in Wind

Net Sales: CHF 276.2 million (2019: CHF 249.7 million)
Increase by 16.1% vs. FY 2019 (at constant fx rates)

Strong growth in Wind market. Balsa cost / prices increases boosting revenues.
 Marine and Industrial materials markets impacted by COVID-19

Key Business Steps 2020

- Former Composite Materials **business unit split-up** into «Wind» and «Marine/Industrial»; **market-focused** organization & sales approach
- **PET capacity** expansion: 3rd extruder commissioned in China
- Mexico **extruder** commissioned Q4/2020 despite COVID-19 restrictions
- **PET India**: Site leased and construction started; Building extruders at Gurit CoC
- Secured **long-term PET deals** with major wind customers
- Vertical integration and high level of inhouse-competency: USP in **PET value creation**



Wind: Accelerated **substitution of PVC & Balsa** by higher performing, recyclable **PET** core materials
Marine & Industrial: Growing demand for **recyclable PET** in multiple industry segments

Aerospace: Heavily impacted by COVID-19

Net Sales: CHF 31.6 million (2019: CHF 53.5 million)
Decrease by 39.3% vs. FY 2019 (*at constant fx rates*)

Global decline in passenger traffic due to COVID-19
thus declining orders for new aircraft plus supply chain de-stocking

Key Business Steps 2020

- Managing **crisis impacts**: Accelerated business transfer Zullwil to Kassel and closed Zullwil plant Q4/2020
- **Modernisation** of Kassel site; additional new prepreg tower invested
- **Business development** campaigns to drive global sales opportunities



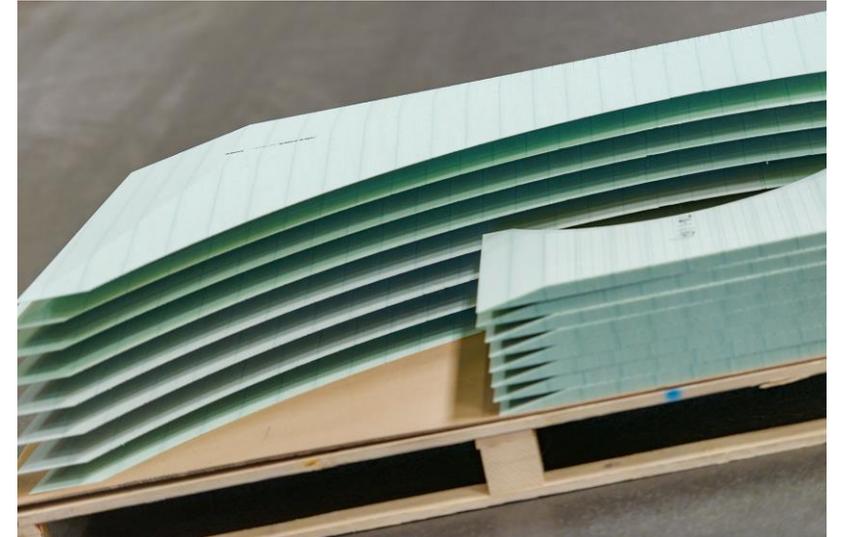
The aerospace market has stabilized. Gradual recovery in the coming years; long-term recovery path – expect 5y to reach pre-pandemic industry levels.

Kitting: Expanded footprint to ensure customer proximity

Net Sales: CHF 225.6 (2019: CHF 190.7 million)
Strong growth of 25.4% vs. FY 2019 (*at constant fx rates*)

Key Business Steps

- Capability proven to serve customers out of **alternative sites** under COVID impact; high level of **standardization** in plants globally
- Secured **long-term supply agreements** with major customers
- Innovation on **next generation kitting lines** through digitalization and higher automation
- Strengthened **Kitting organization** to prep for future growth
- Capacity increase in **best cost regions**: Mexico & China done, expansions in North & South India under construction



Unrivalled global core kitting footprint; co-location strategy for synergies PET extrusion & kitting
Focus on launching innovative modular designs to the market in 2021.

Tooling: next steps towards automation

Net Sales: CHF 98.7 million

(2019: CHF 106.1 million)

Decrease by 1.7% vs. FY 2019

(at constant fx rates)

Key Business Steps 2020

- **Strong global market position** and **improved market share** with domestic customers in **China**
- Drove innovation of **Industry 4.0 process automation** equipment; transition from tooling supplier to **blades manufacturing solution provider**
- New **power hinge** generation
- Preparing **India footprint** expansion for 2021



Over 100m long mould, largest ever built by Gurit



2020 Financial Results

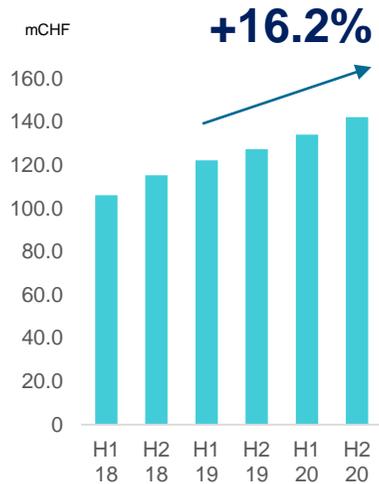
Philippe Wirth
CFO

WITH PASSION FOR A **SUSTAINABLE** FUTURE



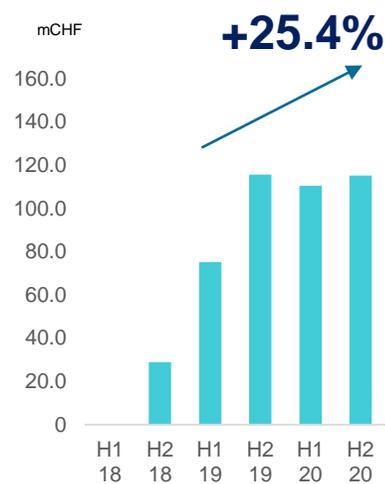
Strong sales growth driven by wind energy demand

Materials



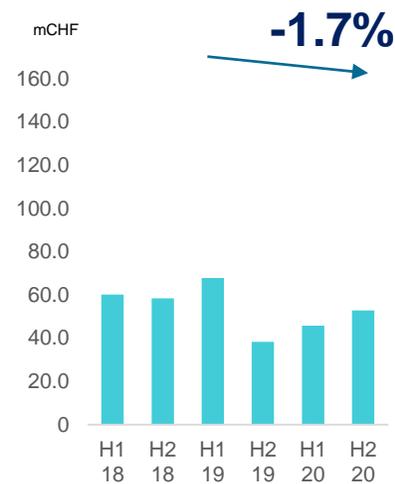
- **Growth** mainly driven by strong wind energy demand

Kitting



- **Strong growth** particularly in China and Europe

Tooling



- **Slightly below prior year** with mix shift towards more sales in the Chinese market

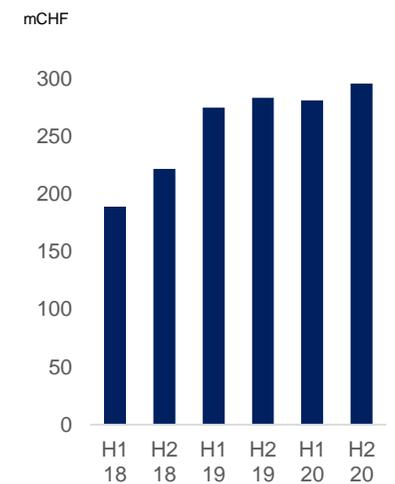
Aerospace



- Demand **contracted** due to COVID-19

Group

(Continued Operation)



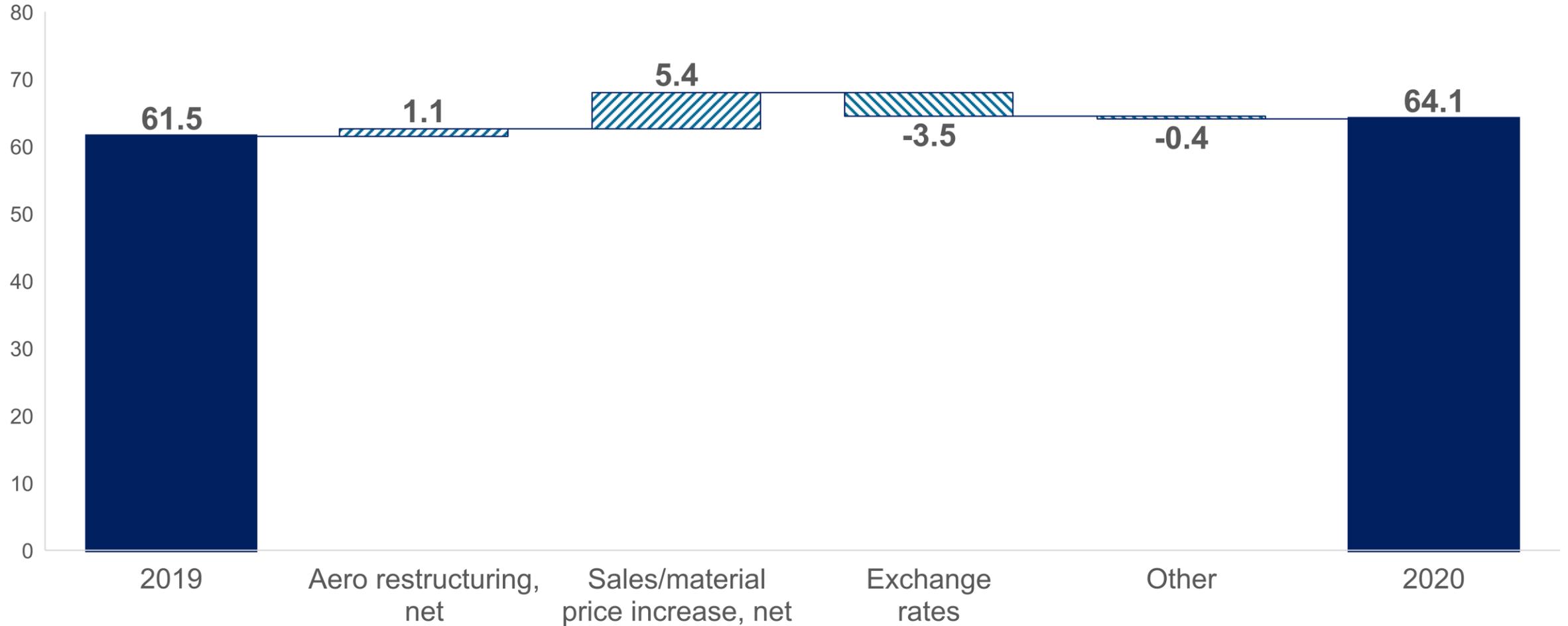
- **Strong growth: + 8.9%**
- Organic growth +8.6% (at constant currency)

Solid operating results despite challenging environment

Continued operations CHF million	2020	2019	
Sales <i>Growth</i>	576.7 +8.9%	558.3	<ul style="list-style-type: none"> ▪ Sales growth +8.9% at constant currency ▪ Organic growth +8.6% at constant currency
Gross Profit <i>% of sales</i>	120.9 21.0%	121.1 21.7%	<ul style="list-style-type: none"> ▪ Gross profit 0.7%-pts below prior year ▪ Tooling shift to lower margins sales ▪ Aerospace reduction due to volume
EBITDA <i>% of sales</i>	76.4 13.2%	76.6 13.7%	<ul style="list-style-type: none"> ▪ Lower results from Tooling and Aero offset by higher results in Materials and Kitting ▪ Includes one-time Aero restructuring expenses of CHF 0.9m in 2020 and CHF 0.3m in 2019
Operating Profit <i>% of sales</i>	64.1 11.1%	61.5 11.0%	<ul style="list-style-type: none"> ▪ Includes one-time Aero restructuring and impairment expenses of CHF 0.9m in 2020 and CHF 2.0m in 2019

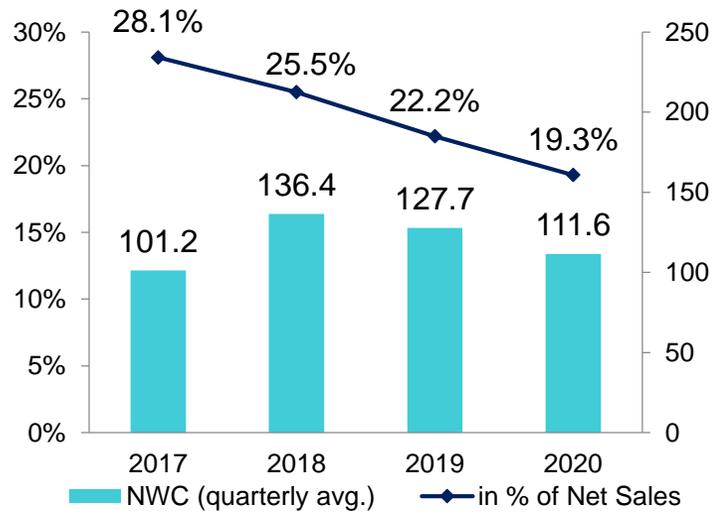
Operating profit increase year on year

(Continued Business)



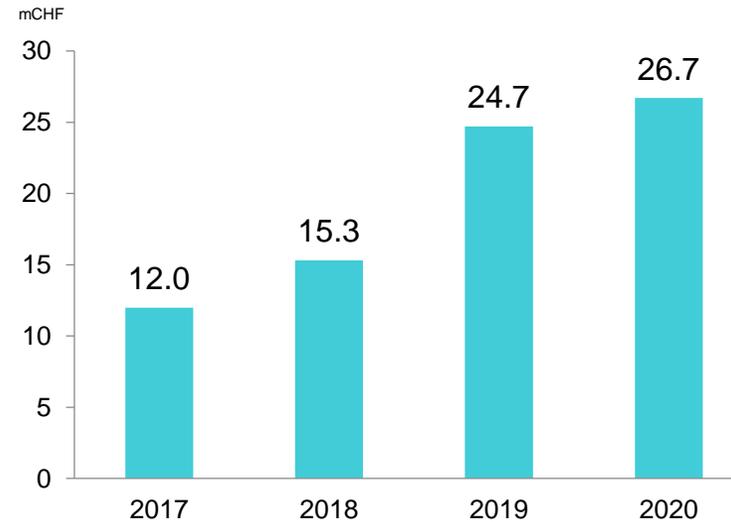
Continued improvements in free cash flow

Net Working Capital



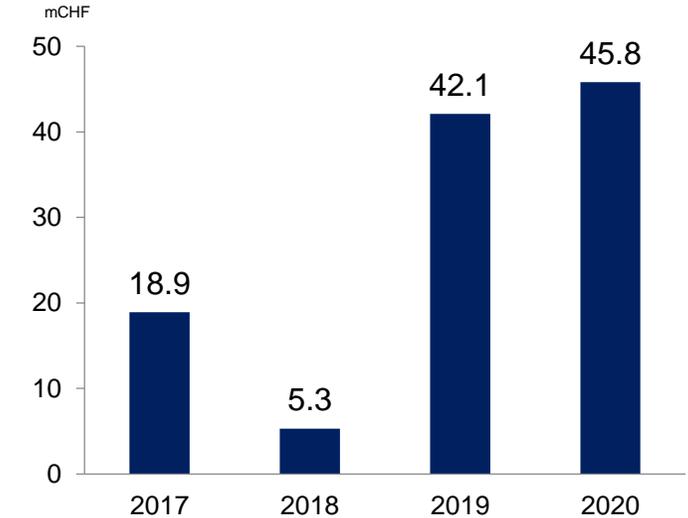
- On average we continue to improve the trade NWC
- Trade NWC 2020 benefits from Tooling shift to China with better payment terms

CAPEX



- Kitting and Materials (PET) facility in China and Mexico expansion and ramp-up

Free Cash Flow



- Higher total EBITDA CHF 4.9m compared to prior year
- Decrease in working capital compared to prior year 7.7m

Robust balance sheet

CHF million	Dec 2020	Dec 2019	
Net Debt <i>Change</i>	19.9 -33.0	52.9	<ul style="list-style-type: none"> Net debt reduction CHF 33m compared to prior year
Equity Ratio <i>Change</i>	45.7% +5.5 %-pts	40.2%	<ul style="list-style-type: none"> Strengthening of Swiss Franc reduces equity by CHF 10.6m Equity ratio reduction due to currency -1.4%-pts
Gross Debt / EBITDA <i>Change</i>	0.9x -0.5x	1.4x	<ul style="list-style-type: none"> Debt reduction CHF 31m
RONA¹⁾ <i>Change</i>	16.0% +3.8 %-pts	12.2%	<ul style="list-style-type: none"> Higher operating profit and lower average net operating assets compared to prior year mainly due to the divestment of Automotive

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

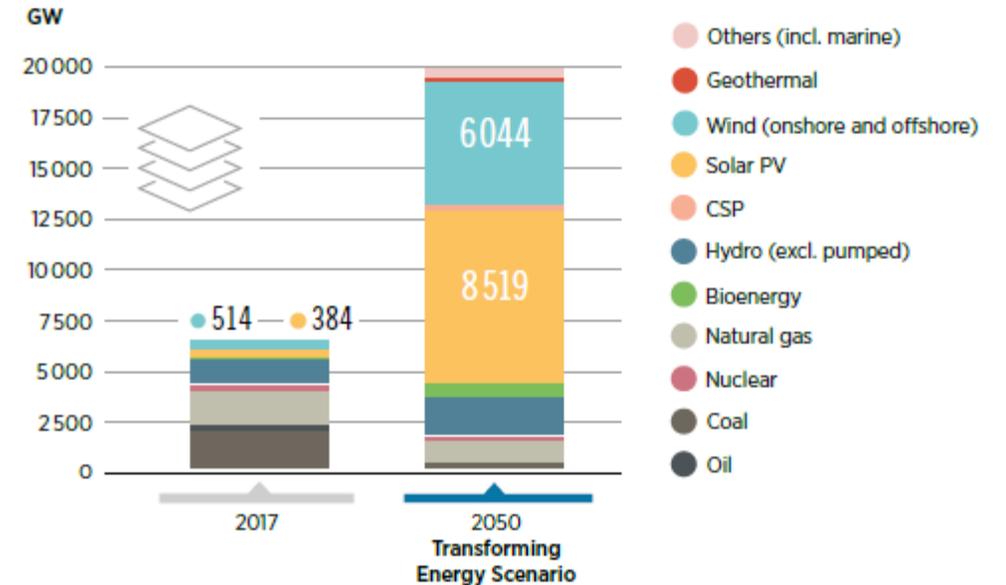
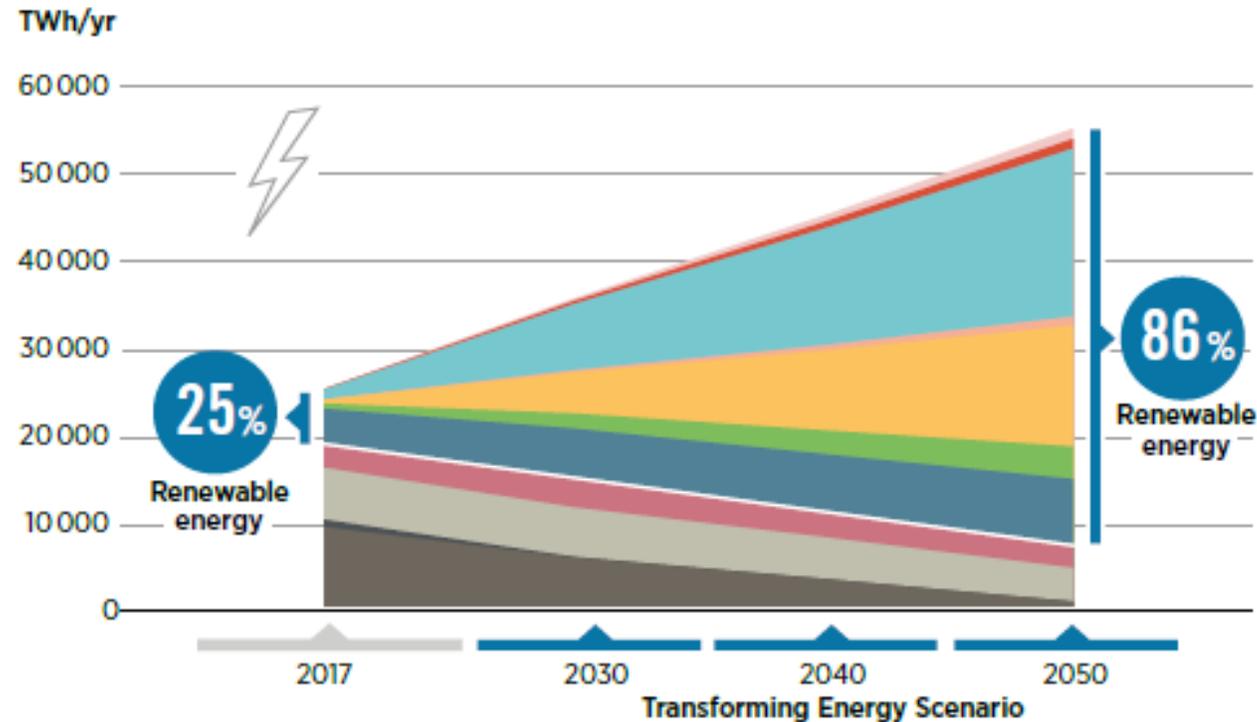
Strategy & market outlook



Renewables to dominate future electricity generation

Renewable power generation until 2050

Breakdown of total installed capacity by source 2017-2050



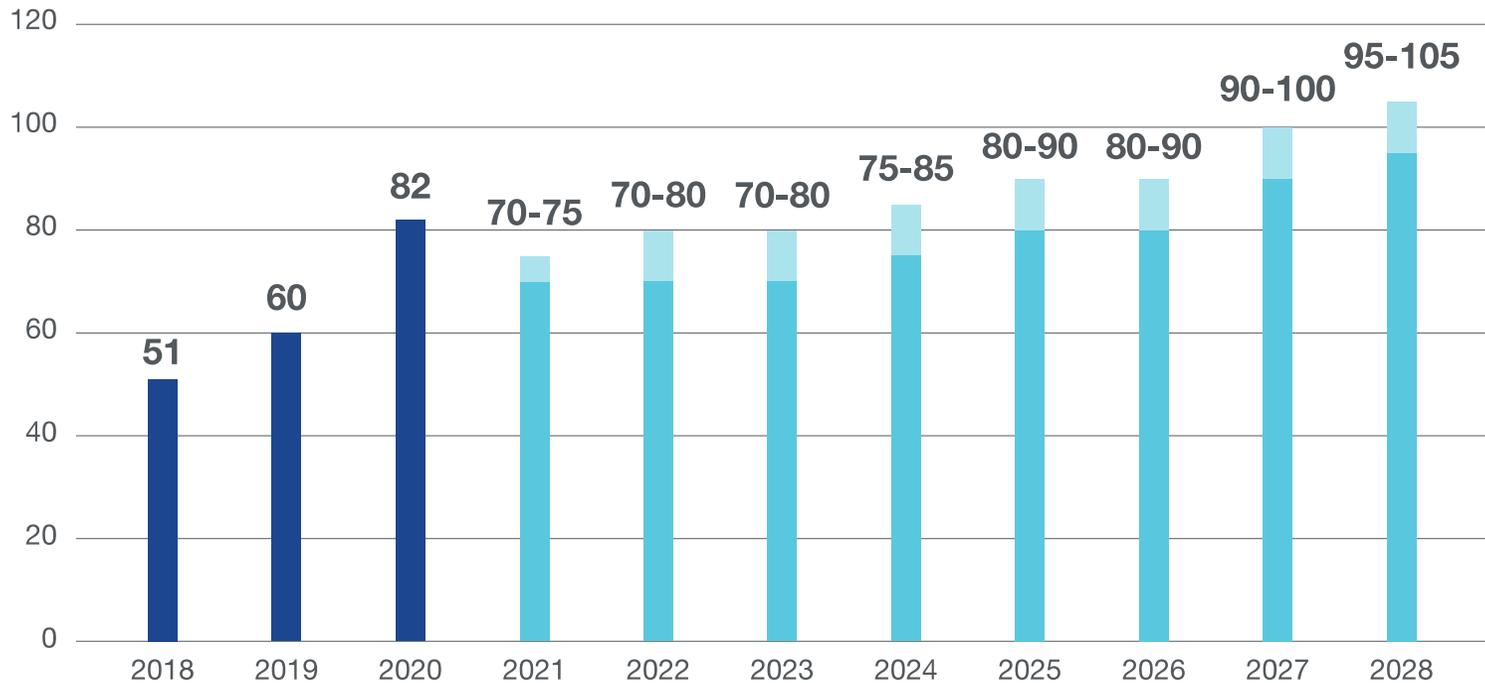
Strong long-term growth perspective:

- **Net-zero emission targets established:** CHN (2060); JPN, KOR & CAN (all 2050)
- **USA:** Biden administration with encouraging signals and beneficial for renewables
- **EU Green Deal:** 60 GW by 2030, 300 GW by 2050 (offshore wind)

Source: IRENA

Wind energy continues long-term growth trajectory

Wind power capacity installed annually*



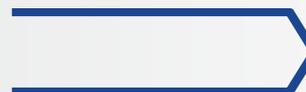
■ 2018 – 2020: based on GWEC data
 ■ 2021 onwards: internal assumptions

- **China** wind turbine grid-connections **grew rapidly** due to an **installation rush** before the expiry of feed-in tariffs for onshore wind
- 2021 will be at **lower level** as a result of **China prebuilds**, partially offset by **stronger global wind markets**
- Anticipate **fast rebound on 80+ GW levels** as early as 2022 driven by net-zero plans and renewables growth

Wind market trends & Gurit's strategic positioning

Technologies

- **Larger rotors** and **split blade** technology
- **Digitalization & Modularization**
- **End of Life** management & **recyclability** of turbine components



- Drive **Tooling Automation, sensor integration** and **Industry 4.0** forward
- Build on **Inhouse PET value creation**
- Engage in **EoL** customer discussions with **Next Gen core materials**

Market

- **Onshore blade** manufacturing footprint continues to consolidate in best cost countries
- **Offshore** project tied to local content req.
- Rising wind blade **service & repair** market



- Expand **global manufacturing footprint** and leverage **co-location synergies**
- Strengthen Gurit's offering for wind blade **repair kits**

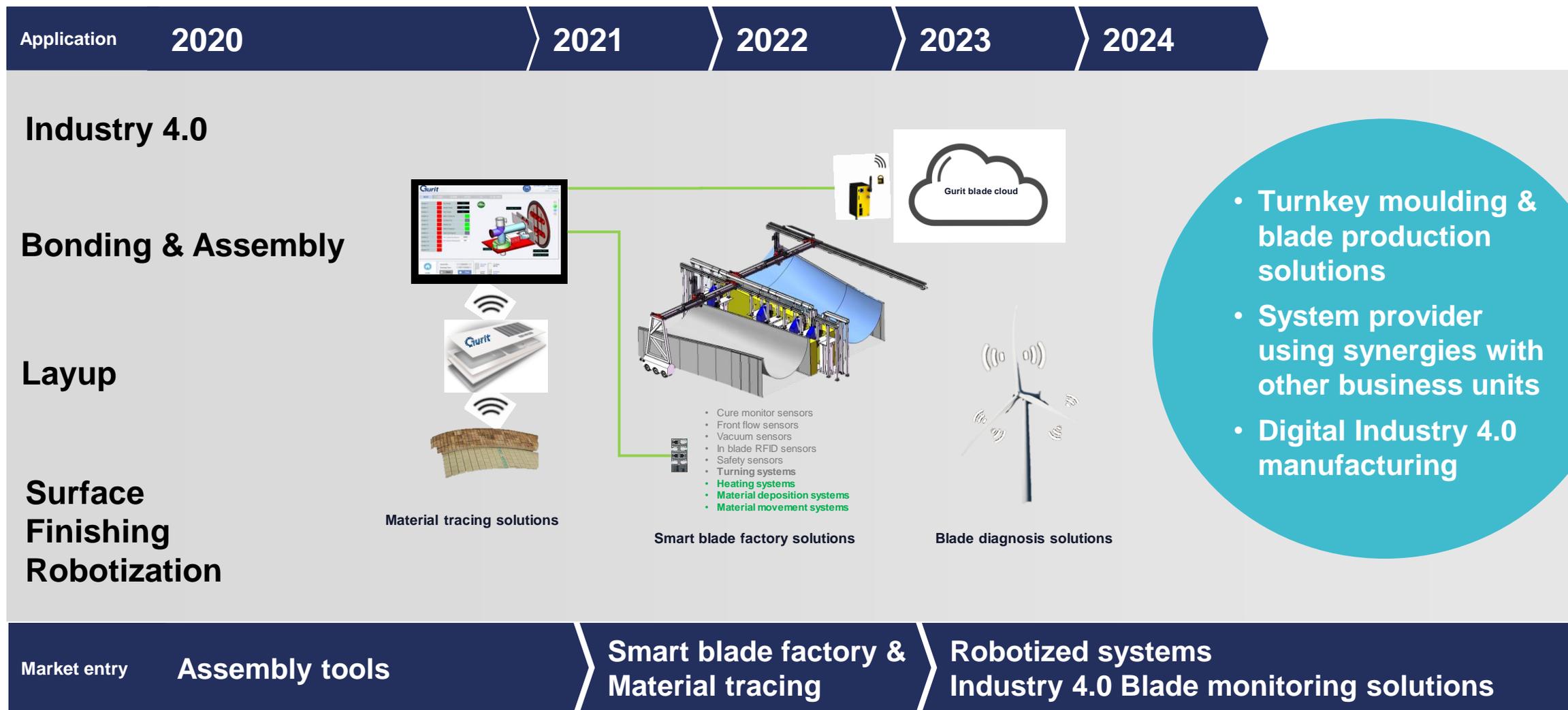
Wind OEM expectations towards supply base

- OEM reduce **supply chain complexity** and integrate core suppliers in **early development** process
- R&D capabilities, cost leadership, global footprint, financial strength & sustainability as key **decision criterias** to select strategic suppliers



- Transition from component supply to **systems solution provider**
- Strengthen **engineering capacities** and bundle Gurit's application know-how
- Tier-1 **supply chain management**

Tooling automation & digitalization roadmap



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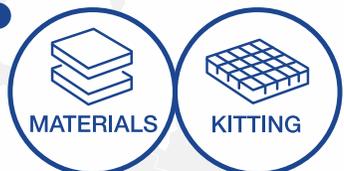
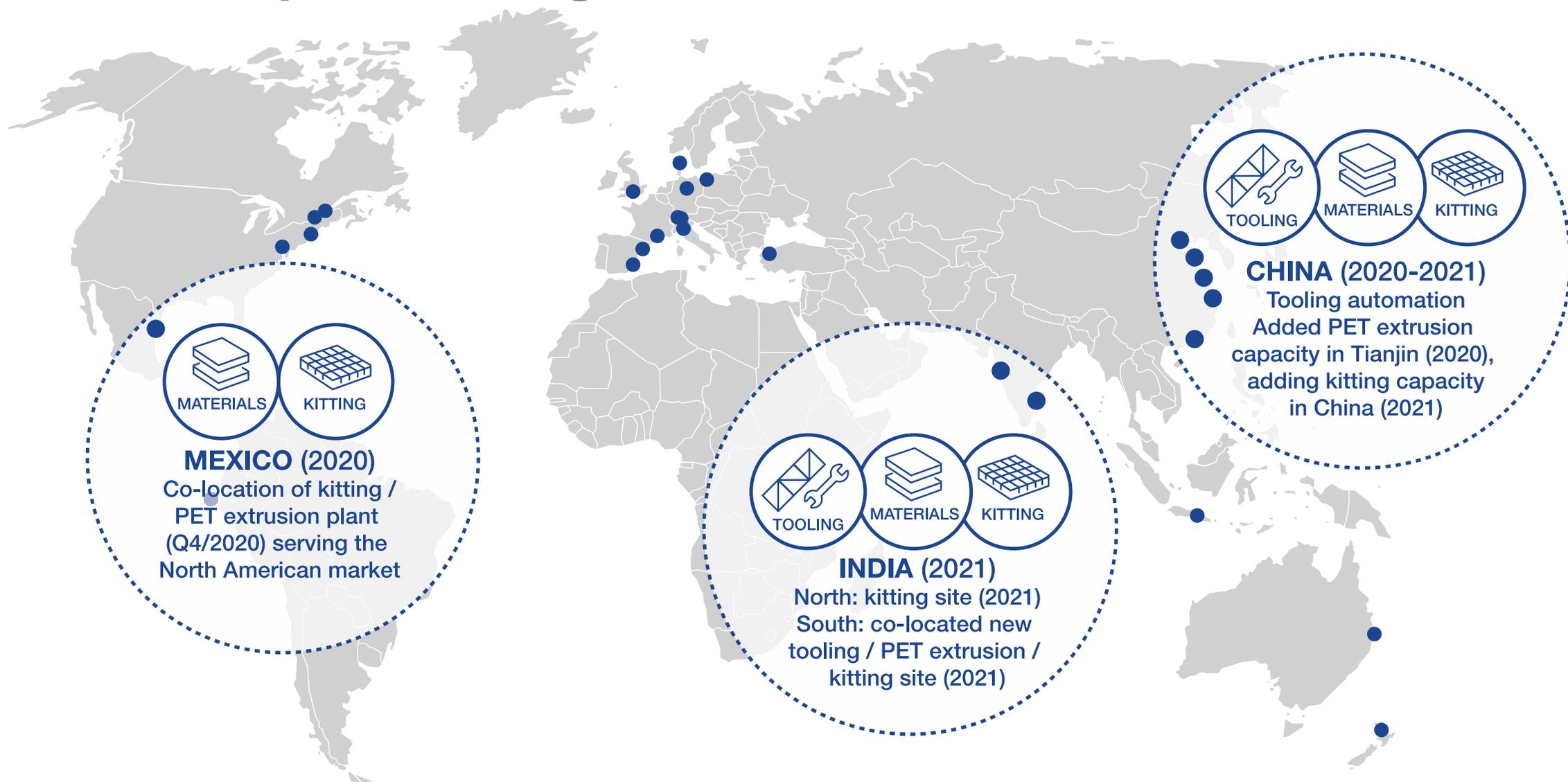
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Global footprint: strategic investments



MEXICO (2020)
Co-location of kitting / PET extrusion plant (Q4/2020) serving the North American market

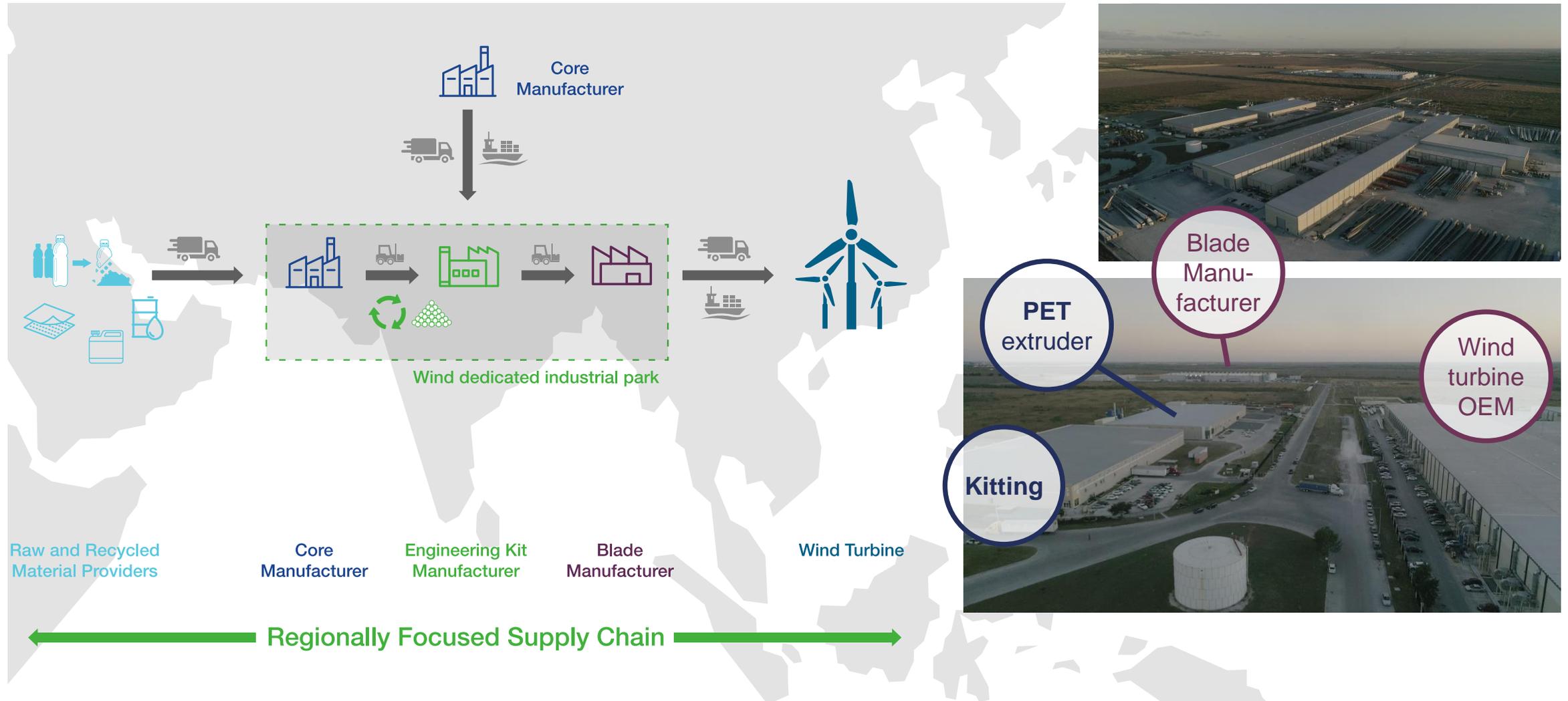


INDIA (2021)
North: kitting site (2021)
South: co-located new tooling / PET extrusion / kitting site (2021)



CHINA (2020-2021)
Tooling automation
Added PET extrusion capacity in Tianjin (2020), adding kitting capacity in China (2021)

Leveraging synergies in dedicated wind industry parks



Wind market trends & Gurit's strategic positioning

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- Digitalization & Modularization
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Growth opportunities outside of Wind business



Marine

Materials:
Corecell™, Kerdyn™, formulated & prepreg

Applications:
5-35m boats, superyachts, raceyachts, multiple components



Transportation

Materials:
Prepreg, Kerdyn™

Applications:
Body panels, structural & cosmetic, Kerdyn™ for refrigerated trucks



Rail

Materials:
FR prepreg, Kerdyn™, FR panel solution

Applications:
Multiple interior & exterior



Agriculture

Materials:
Prepreg, adhesive

Applications:
Carbon booms



Civil / Building

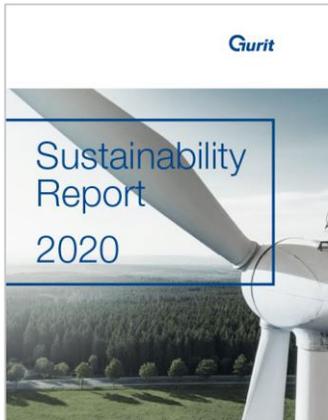
Materials:
Kerdyn™ FR, formulated & prepreg for architectural applications

Applications:
Window infill, sills, doors & architectural

Gurit started implementation of sustainability strategy

Implementation 2021–

- Sustainability organisation
- Related workstreams
- Commitments & transparent reporting



Download the Gurit Sustainability Report 2020:
www.gurit.com/sustainability



Gurit to become climate neutral in 2021*

Our approach to climate neutrality:

1. Reduce emissions

Optimize production & transportation, reduce waste

2. 100% Renewable electricity

3. Compensation

for emissions that cannot yet be avoided:
Wind energy project in India



* for direct emissions under direct influence (GHG scope 1, 2, partial 3)

Summary and Guidance

- Strong **execution**, solid **portfolio**, robust **balance sheet**
- Temporary reduced **wind demand** in **China**; **Balsa price** normalization
- **Mid-term growth outlook**: Expand **manufacturing footprint** & grow **innovation leadership** position as **system supplier** to the wind industry
- Marine markets recovering **on pre-COVID levels**, Industrial offering **new growth potentials**
- Aerospace has **stabilized** at a low level, gradual longer-term recovery expected.

Guidance 2021

- Sales in the range of **CHF 530 – 580 million**
- Operating **profit margin between 9 – 11%**

End of public webcast

Thank you for joining us today.

Participants registered for the private Q&A session please stay on the line.

The Q&A session is reserved for financial analysts, investors, media representatives.

Contact: investor@gurit.com

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Next dates

- April 14: **Q1 net sales results**
- August 17: **1HY2021 results**
- End of August: **Capital Markets Day**
- October 15: **Q3 net sales results**



**Thank you
for your attention**

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