

Gurit reports net sales of CHF 258.6 million in the first half of 2021

Zurich, August 17, 2021 – Ad hoc announcement pursuant to Art. 53 LR

Gurit (SIX Swiss Exchange: GUR) today reports unaudited sales results for the first half of 2021. Net sales for this period were CHF 258.6 million which is a decline of -8.5% at constant exchange rates or -8.0% in reported CHF versus prior year.

As expected, net sales in the first half year were impacted by a temporarily reduced demand for wind blades in China in 2021 as a result of the expiry of the Chinese wind feed-in tariffs by year-end 2020, and by an accelerating decrease in balsa demand and price. The Marine and Industrial markets have rebounded strongly to pre-COVID-19 levels and Aerospace has stabilized at low levels.

Composite Materials achieved net sales of CHF 118.2 million for the first half of 2021. This represents a decrease of -12.9% at constant exchange rates compared to the first half of 2020. The decrease is mainly due to lower Wind demand in China and globally reduced volumes and prices in balsa while Marine and Industrial markets are back to pre-pandemic levels. While the company believes the slowdown in China is temporary, it also assumes that the trend to replace balsa by PET is permanent and adjusts its balsa operations accordingly.

Kitting recorded net sales of CHF 95.2 million for the first half of 2021. This is a decrease of -13.7% at constant exchange rates compared to the first half of the prior year. Kitting net sales were also negatively impacted compared to prior year due to the slowdown in China as well as lower material pricing. In order to fully capitalize on its co-location synergies, Gurit is on track to relocate its entire Kitting operation from the U.S. to Mexico.

Tooling saw an increase in first half of 2021 net sales by 19.6% at constant exchange rates compared to the first half of 2020 to CHF 55.4 million. The strong growth is mainly due to the timing of orders of western wind turbine OEMs and blade manufacturers in the first quarter of this year, while for the second half-year the company anticipates a weakening of the tooling market in general and particularly in China.

Aerospace net sales in the first half of 2021 amounted to CHF 14.2 million; this corresponds to a decline by -23.7% at constant exchange rates compared to the first half of 2020. While the Business Unit faced a sharp decline compared to prior year's pre-COVID-19 levels in the first quarter, sales have stabilized at low levels, necessary cost adjustments have been executed and the Business Unit sees a sales increase of 6.0% compared to the second half of 2020.

NET SALES in MCHF	First Half Year			
	HY 2021	HY 2020	Change in reported CHF	Change @ constant HY 2021 rates
Net sales by markets:				
Composite Materials	118.2	134.1	-11.8%	-12.9%
Kitting	95.2	110.5	-13.9%	-13.7%
Tooling	55.4	45.8	20.9%	19.6%
Aerospace	14.2	18.2	-22.0%	-23.7%
Elimination	-24.3	-27.5		
Total continued operations	258.6	281.1	-8.0%	-8.5%
Discontinued operations (Composite Components)	0.0	2.1	-100.0%	-100.0%
Total Group	258.6	283.2	-8.7%	-9.2%
Operating profit	18.6	31.3		
Profit for the period	10.3	22.0		
Operating Cashflow	19.3	25.6		
Capital expenditures	13.8	11.8		
Equity in % of total assets	47.4%	38.5%		

Profitability

Gurit reached an Operating Profit of CHF 18.6 million with a margin of 7.2% which includes expenses of CHF 7.4 million to adjust the balsa footprint and consolidate the kitting operation for America in Mexico. In addition, the company faced significant start-up costs for its new PET extruder facilities. The Profit for 1HY of 2021 amounted to CHF 10.3 million and 4% margin of net sales. This equals to earnings per listed bearer share of CHF 25.61 in 1HY 2021 (1HY 2020: CHF 47.13).

Cash Flow and Balance Sheet

Gurit achieved a Net Cash Flow from operating activities of CHF 19.3 million (CHF 25.6 million in 1HY 2020) mainly due to lower profit in 2021 compared to 2020. Capital expenditures amounted to CHF 13.8 million during 1HY 2021 compared to CHF 11.8 million for the first half of the previous year. Major growth capacity investments were made in Mexico and India.

Outlook

For the year 2021, Gurit expects a revenue of around CHF 500 million and an operating profit margin of around 8% including restructuring charges. Adjusted for these one-time charges operating profit continues to be expected in the range of 9-11%. The perspectives for renewable wind energy remain positive.

After the strong wind market in 2020, Gurit expects a transition period until the market continues to grow strongly again, supported by major offshore capacity expansions globally and a strong domestic China market. The long-term outlook remains unchanged however, driven by increased demand for renewable energy and commitments from governments to reach carbon neutrality targets.

Gurit to join WindEurope

As part of its commitment to driving innovation and sustainability and to strengthen its position as key supplier to the Wind Industry, Gurit joins WindEurope, a trade association that promotes the development of wind energy with various innovation and sustainability initiatives.

Online publication of Half Year Results and media/analyst online conference

On Tuesday, August 17, 2021 Gurit Management will discuss the results of the First Half-Year 2021 interim report in a public **webcast at 09:00 AM CEST**. The presentation will be held in English and will be accessible at www.gurit.com/Investors/Webcasts.

Under the same link an archived version of the public webcast will be made available. Analysts and journalist are invited to participate in the private Q&A conference call upon prior registration via investor@gurit.com

A **Capital Markets Day** for investors, analysts and financial media representatives is scheduled to take place on **August 31, 2021 in Zurich**. Participants are kindly invited to register at <https://gurit-event.com/>

About Gurit

The subsidiaries of Gurit Holding AG, Wattwil/Switzerland, (SIX Swiss Exchange: GUR) are specialized on the development and manufacture of advanced composite materials, composite tooling equipment and core kitting services. The product range comprises structural core materials, fibre reinforced prepregs, formulated products such as adhesives, resins as well as structural composite engineering. Gurit supplies global growth markets such as the wind turbine industry, aerospace, marine, rail and many more. Gurit operates production sites and offices in Australia, Canada, China, Denmark, Ecuador, Germany, India, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, United Kingdom and the United States.

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