

Media release

Gurit reports net sales of CHF 360.9 million in the first nine months of 2021

Zurich, October 15, 2021 – Ad hoc announcement pursuant to Art. 53 LR

Gurit (SIX Swiss Exchange: GUR) reports net sales of CHF 360.9 million for the first nine months of 2021. This is a decline of -17.6% at constant exchange rates or -16.6% in reported CHF versus prior year.

Gurit finished the third quarter with net sales impacted by a globally reduced demand for wind blades and by a decreasing demand and price of balsa, compared to a very strong previous year period. Both the Marine and Industrial markets as well as Aerospace have picked up double digit growth rates in the third quarter compared to prior year.

Composite Materials achieved net sales of CHF 169.2 million for the first nine months of 2021. This is a decrease of -20.0% at constant rates compared to the same period in 2020. The decrease is mainly due to lower Wind demand and globally reduced volumes and prices in balsa. Sales and profitability were also impacted by delays in the ramp-up of the new Mexican PET extrusion facility. The Marine and Industrial markets have performed strongly and saw double digit growth rates.

Kitting recorded net sales of CHF 138.0 million for the first nine months of 2021. This is a decrease of -21.2% at constant exchange rates compared to the same period in 2020. Kitting net sales were also negatively impacted by the slowdown in wind blade manufacturing as well as lower material pricing. The relocation of the Kitting operation from the U.S. to Mexico has been concluded during the third quarter.

The Business Unit Manufacturing Solutions (**Tooling**) reports net sales of CHF 64.0 million, which represents a decrease of -7.0% at constant exchange rates compared to the same period in 2020. As anticipated, the third quarter of 2021 shows a weakening of the tooling market in general and particularly in China.

Aerospace reports net sales of CHF 22.0 million for the first nine months of 2021. This represents a decrease of -10.6% at constant exchange rates compared to the same period in 2020. While the Business Unit faced a sharp decline compared to prior year's pre-COVID-19 levels in the first quarter, sales have grown double digit in the last two quarters. Trends continue to head in a positive direction with global aircraft OEMs increasing build rates and consumer air travel growing as pandemic restrictions lift around the world.

NET SALES in million CHF	FIRST 9 MONTHS				SALES BY QUARTER		
	2021	2020	Change in reported CHF	Change @ constant 2020 rates	Q1 2021	Q2 2021	Q3 2021
Composite Materials	169.2	207.8	-18.6%	-20.0%	59.8	58.4	51.1
Kitting	138.0	174.6	-20.9%	-21.2%	43.0	52.2	42.8
Tooling	64.0	67.0	-4.5%	-7.0%	30.6	24.7	8.6
Aerospace	22.0	24.2	-9.0%	-10.6%	6.6	7.6	7.8
Elimination	-32.3	-40.9			-12.3	-12.0	-8.0
Total Continued Operations	360.9	432.7	-16.6%	-17.6%	127.7	130.9	102.3
Composite Components (Discontinued Operations)	0.0	2.1	-100.0%	-100.0%	0.0	0.0	0.0
Total Group	360.9	434.8	-17.0%	-18.0%	127.7	130.9	102.3

Outlook

Driven by the uncertainty in regard to the implementation of subsidy schemes for new wind installations in the US and China and influenced by a continued strong increase of costs for raw materials, freight and transportation, Gurit now expects for the FY 2021 a revenue of around CHF 460 million and an operating profit margin of around 5%. Adjusted for one-time expenses related to restructuring and impairment charges operating profit is now expected to be in the range of 6-8%.

Gurit will issue a guidance for the Financial Year 2022 on March 1, 2022 together with its 2021 financial results.

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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