



## Financial Statements Review Q1-Q4 2021

REVENUE INCREASED SIGNIFICANTLY, PROFITABILITY  
DECLINED

FOR FORWARD THINKERS



# Exel Composites in brief

At Exel Composites, we use over 60 years' experience to solve challenges and help customers save resources.

Our forward-thinking composite solutions made with continuous manufacturing technologies serve customers in a wide range of industries around the world.

You can find our products used in applications from wind power and transportation to building and infrastructure.

Our collaborative approach and global footprint set us apart from our competition.

We use our expertise to help customers reduce weight, improve performance and energy efficiency and decrease total lifetime costs.

We want to be the first choice for sustainable composite solutions globally.

## Company values



Customer focused



Integrity



One Exel



Caring



Innovation



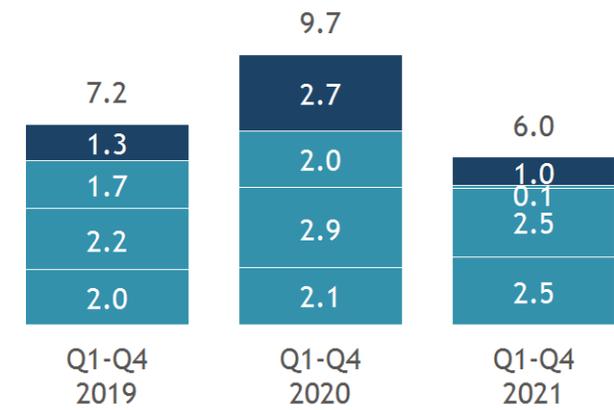
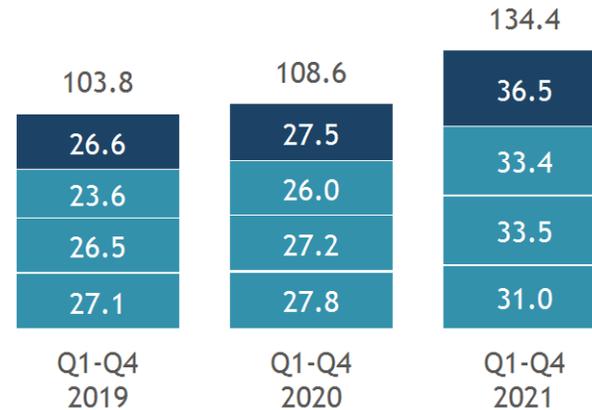
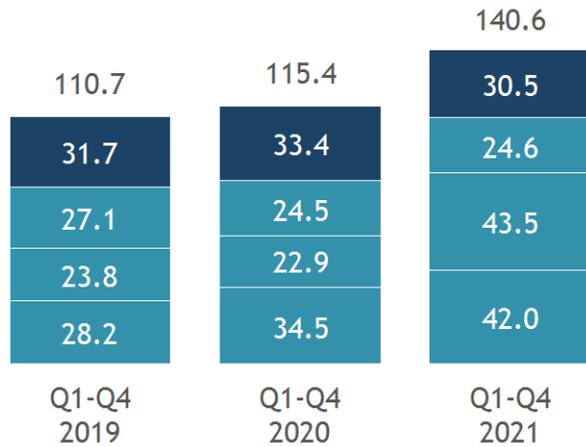
**EUR 134.4 million  
(108.6)**  
REVENUE  
Full year 2021 (2020)

**EUR 6.0 million  
(9.7)**  
ADJUSTED OPERATING PROFIT  
Full year 2021 (2020)

**715  
(665)**  
EMPLOYEES  
Average 2021 (2020)

Manufacturing in 7 countries  
Customers in over 50 countries

# 2021 highlights



## Order intake

Order intake increased significantly compared to the previous year.

Overall demand for our solutions recovered across our customer industries despite continued uncertainty due to the Covid-19.

## Revenue

Revenue increased significantly across all customer industries apart from Transport, where revenue was flattish compared to 2020.

Buildings and Infrastructure bypassed Wind Power as our largest customer industry.

Geographically, revenue grew across all our key regions, growth was particularly strong in Europe and North America.

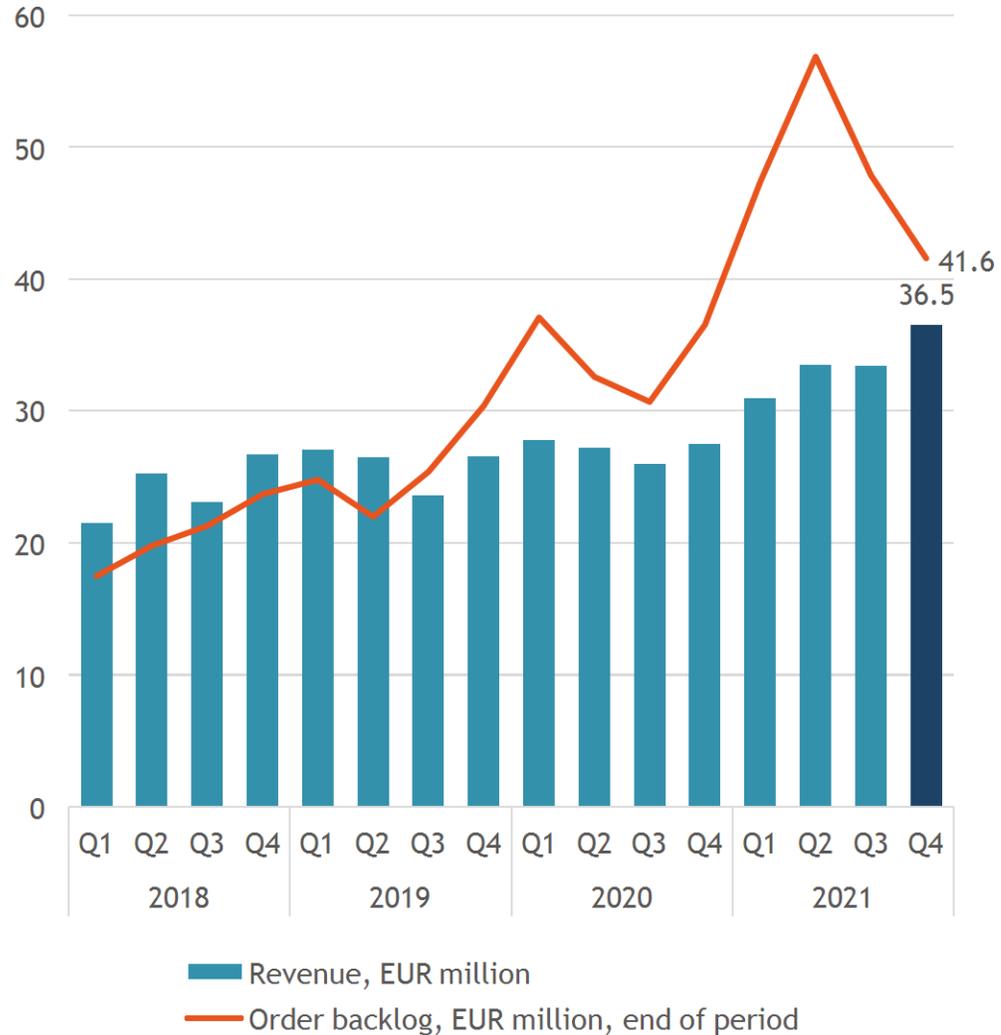
## Adjusted operating profit

Group profitability declined due to the poor financial performance of Exel USA in the second half of the year.

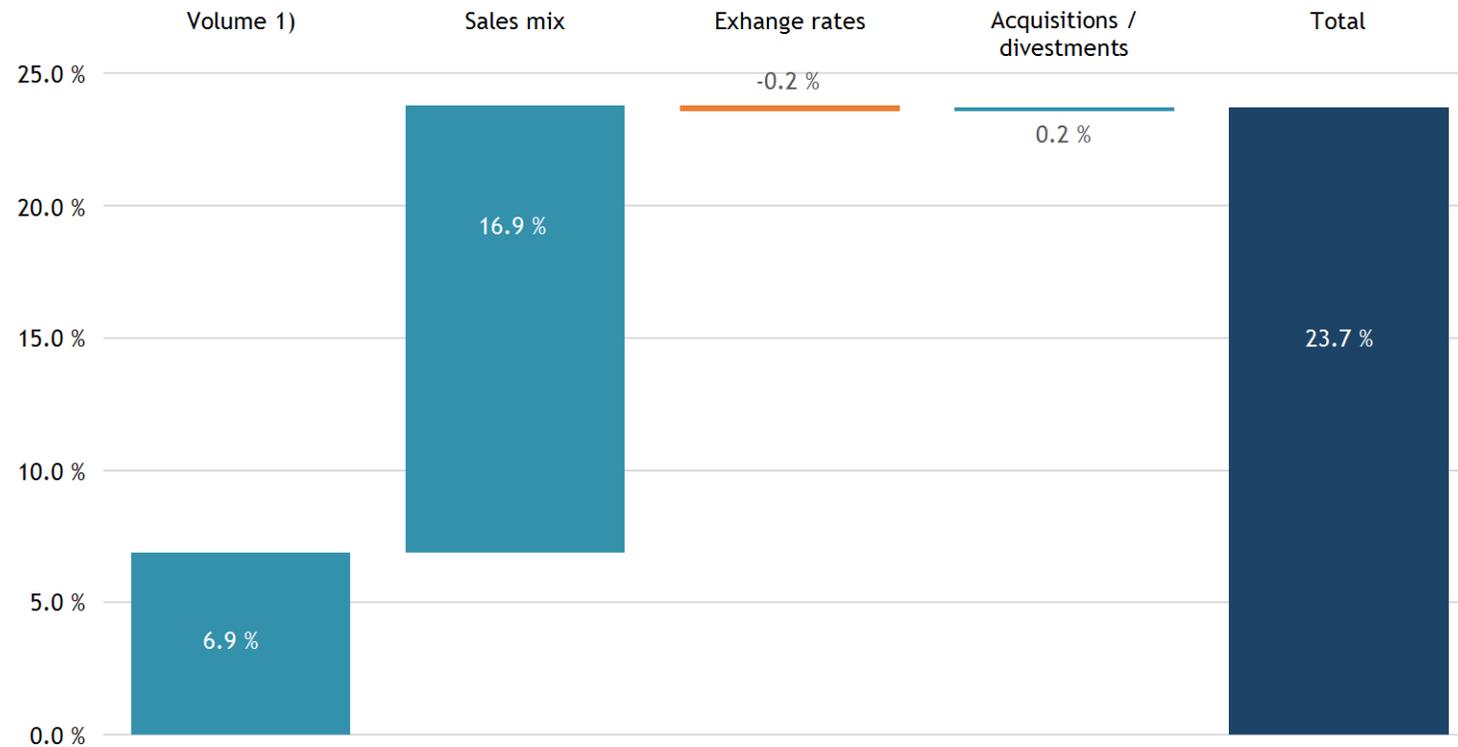
The lowered profitability was due to the ramp-up of a specific carbon fiber Wind Power product, produced in high volumes in our factory in the United States.

In the fourth quarter, the Group profitability already improved from the previous quarter, as expected.

## Strong order backlog at EUR 41.6 million at the end 2021 despite cancelled orders in the second half of the year



# Almost all of revenue growth in 2021 was organic



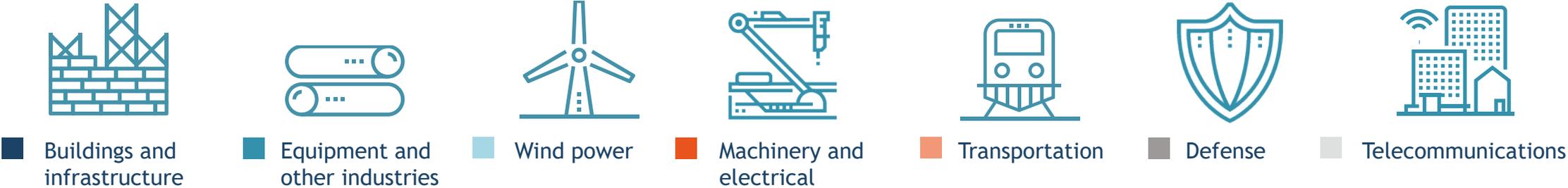
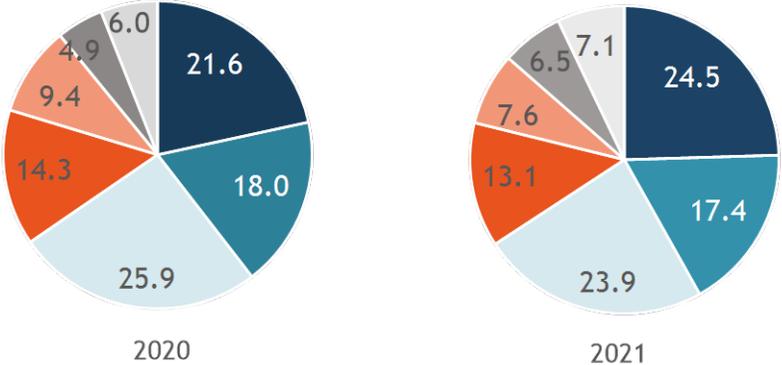
1) Volume impact calculated as difference in kilograms of delivered products times prior year average sales price/kg.

# Strong revenue increase in practically all customer industries

Revenue by customer industry, EUR million

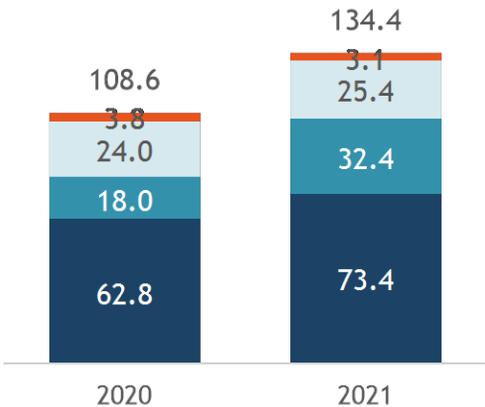


Revenue share by customer industry, %



# Revenue growth driven by North America and Europe

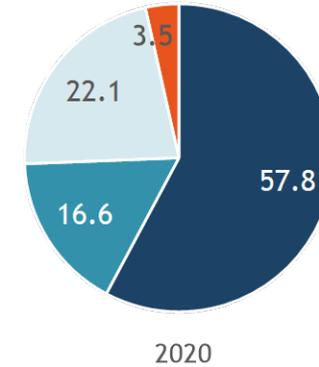
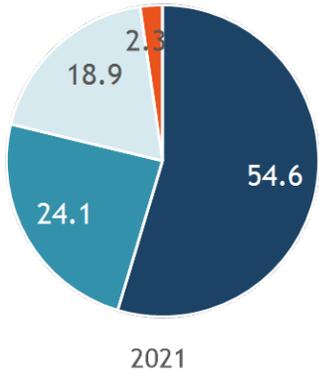
Revenue by region<sup>1)</sup>,  
EUR million



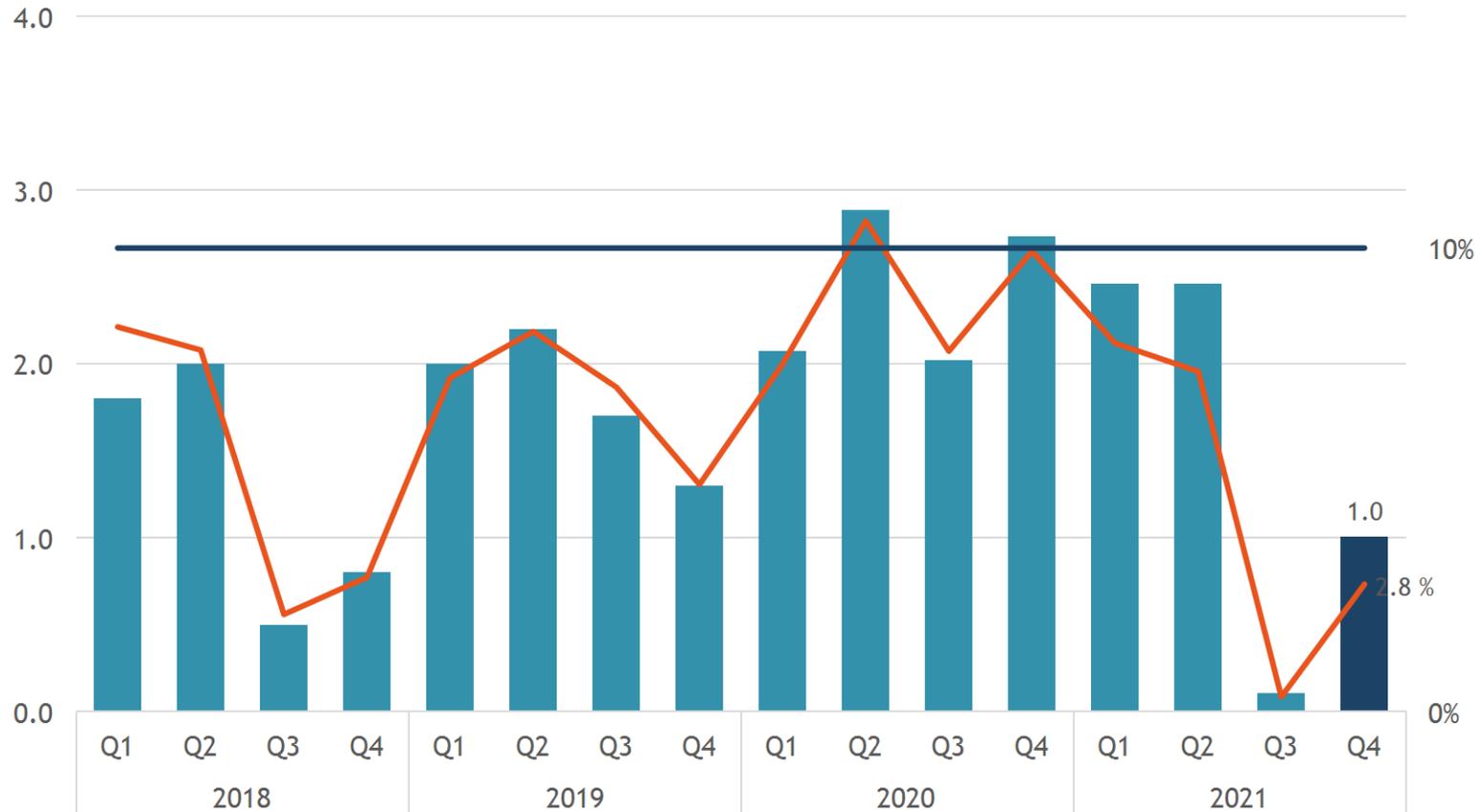
■ Europe ■ North America ■ Asia-Pacific ■ Rest of the world

<sup>1)</sup> Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.

Revenue share by region<sup>1)</sup>,  
%



## Adjusted operating profit in 2021 declined due to the poor performance of the business unit in the US in the second half of the year



■ Adjusted operating profit, EUR million  
— Adjusted operating profit margin, %  
— Operating profit target, %

- ▶ Lowered profitability mainly due to the ramp-up of a specific carbon fiber Wind Power product, produced in high volumes in our factory in the United States.
- ▶ In the fourth quarter, the Group profitability improved already from the previous quarter, as expected.

## Impacts of the Covid-19 pandemic in Q4 2021



The Covid-19 pandemic continued to cause some uncertainty in the global business environment, but overall demand for our solutions recovered across our customer industries.

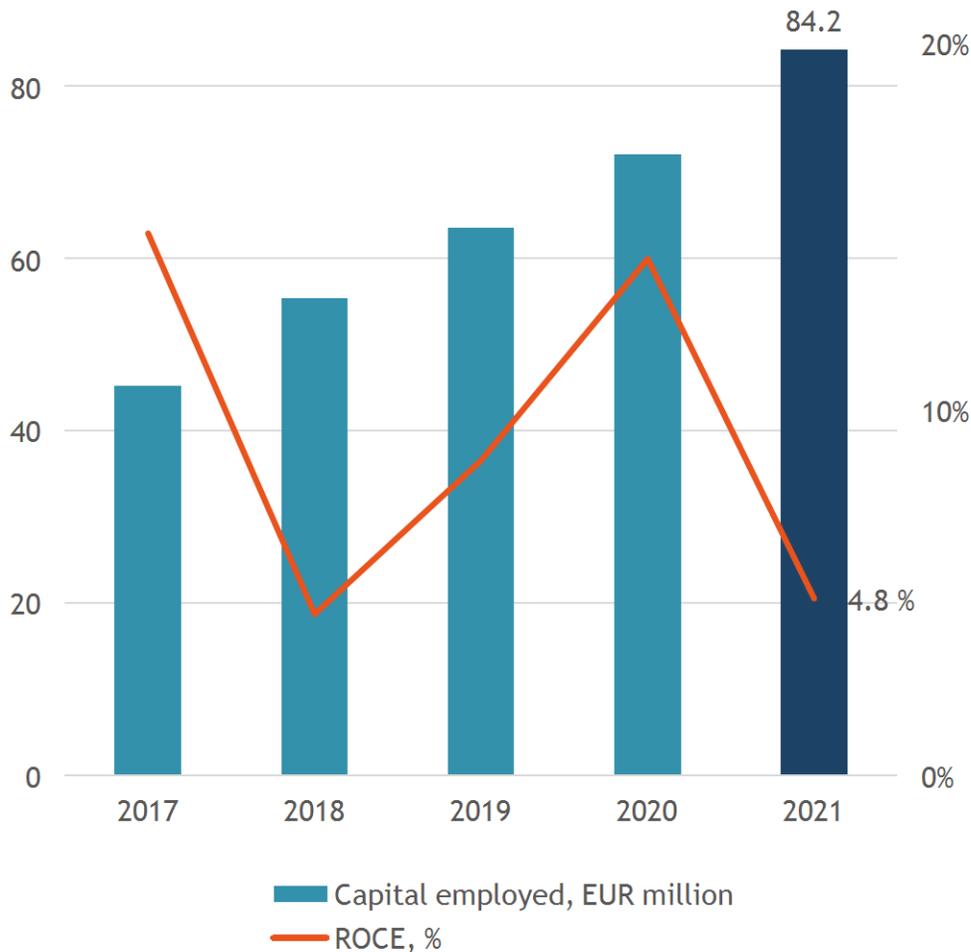
Our factories operated almost without disruptions throughout the year despite pandemic related challenges in raw material availability.

All units continued with tightened Group and business unit level safety and hygiene instructions.

The Group's liquidity and cash situation during the year was good, and the Covid-19 pandemic has had limited impact on Group liquidity.

We continue to monitor the situation closely and maintain a continuous interaction and dialogue with our customers, suppliers, and business partners to ensure timely reaction.

# Return on capital employed at 4.8% in 2021



**5.5**  
Return on equity, %



# Exel Composites strategy

## Vision:

TO BE THE FIRST CHOICE FOR SUSTAINABLE COMPOSITE SOLUTIONS GLOBALLY

## FOCUSED GROWTH AREAS



### Protect and grow strongholds

- Multiply existing applications to new customers
- Gain knowledge and improve efficiency in focus applications



### Create true global footprint

- Establish sales coverage in new areas
- Grow supply and service to new market areas
- Utilize global footprint as value add



### Build leadership in China

- Increase domestic and export sales
- Create value offering for mid-segment
- Expand R&D and manufacturing capacity



### Penetrate growing / new applications

- Solutions for wind power, transportation, building and infrastructure
- Penetrate mid-segment



### Growth in new technologies

- Increase secondary processing and vertical integration offering
- Invest in new composite technologies

## Foundation built on company values:

CUSTOMER FOCUSED ♦ INTEGRITY ♦ ONE EXEL ♦ CARING ♦ INNOVATIVE

# Highlights of strategy implementation in 2021



## Joint venture established in India

- The joint venture with Kineco Group, established in October, is an important steppingstone for us to enter the fast-growing Indian composites market.



## Production start in the new facility in Austria

- Production started smoothly in this new state-of-art facility. The increased production capacity will respond to the long-term demand in Central Europe.



## Growth in new and stronghold applications

- Conductor core applications (Buildings and infrastructure)
- Camouflage net support poles (Defense)
- Antenna radomes (Telecommunications)



## Developing the fundamentals of Group sustainability

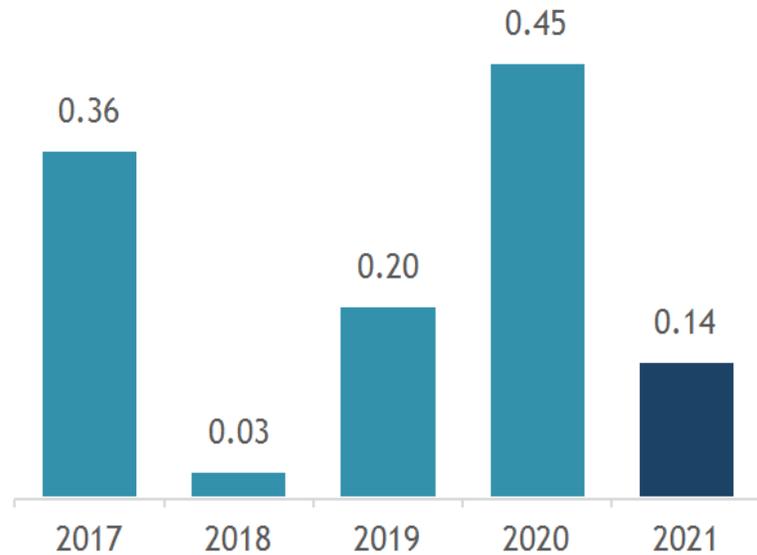
- Our vision is to be the first choice for sustainable composite solutions globally. Our sustainability work continues on in 2022.

32.6%

## Share of EU Taxonomy-eligible revenue

- Manufacture of renewable energy technologies (applications for Wind Power)
- Manufacture of energy efficiency equipment for buildings (composite window and door profiles)

## Earnings per share at EUR 0.14 in 2021



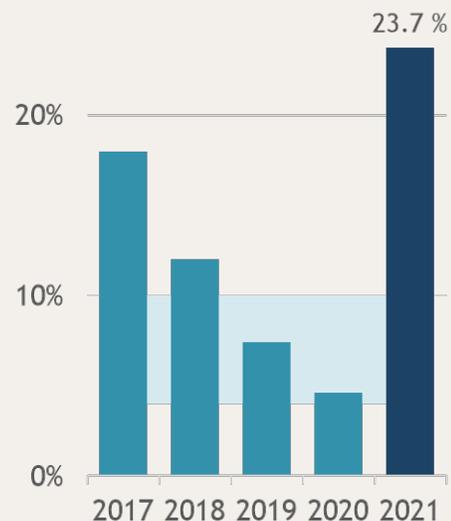
- The Board proposes to the Annual General Meeting that a dividend of EUR 0.20 per share be paid based on the adopted financial statements for the financial year ended on 31 December 2021. The Board proposes that the dividend be paid in two installments.



# Exel's long-term financial targets

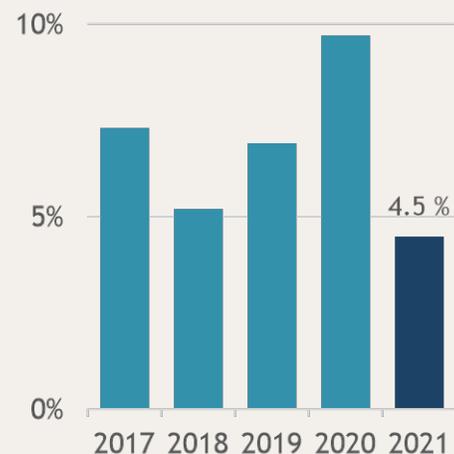
## Growth

Revenue growth:  
2x market growth <sup>1)</sup>



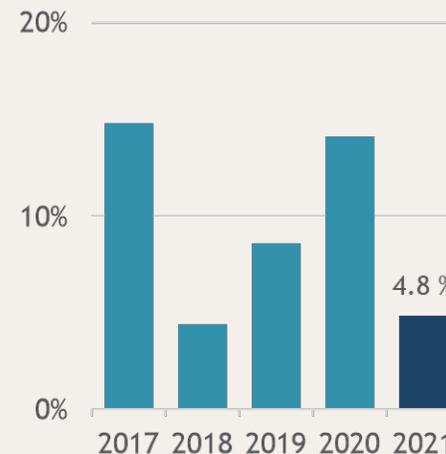
## Profitability

Adjusted operating profit  
margin >10%



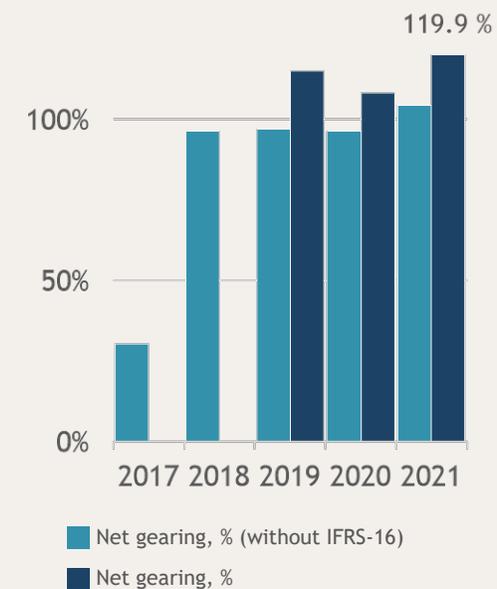
## Capital efficiency

Return on capital  
employed  
> 20%



## Financial position

Net gearing  
≤ 80%



<sup>1)</sup> The average annual growth rate estimated for the global composites market is, according to customer industry, region and source, between 2%-5% in volume in the coming years.

## Guidance for 2022

Exel Composites expects that revenue in 2022 will be at last year's level and adjusted operating profit will increase compared to 2021.



**Thank you! Kiitos!**

Questions? Kysymyksiä?

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More information at [www.exelcomposites.com](http://www.exelcomposites.com)

## Financial calendar 2022

- Financial Statements Release 2021 15 February 2022
- Business Review Q1 2022 29 April 2022
- Half Year Financial Report Q1-Q2 2022 20 July 2022
- Business Review Q1-Q3 2022 3 November 2022
- Annual General Meeting 2022 25 March 2022

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