



Business Review Q1-Q3 2023

FOR FORWARD THINKERS



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Financial briefing, 3 November 2023



Paul Sohlberg

President and CEO



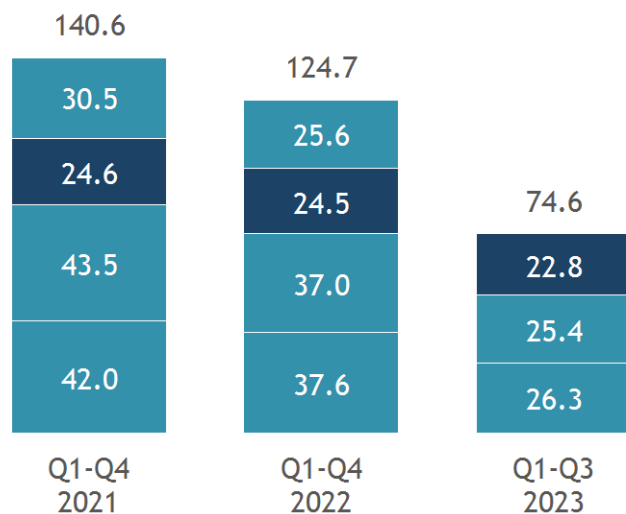
Mikko Rummukainen

CFO

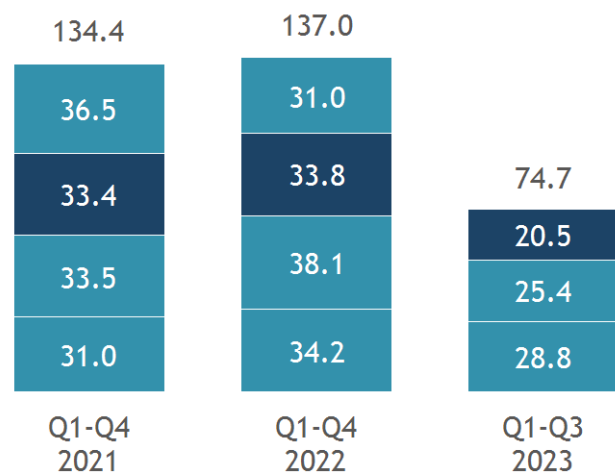
Q3 2023 executive summary

- Weak market conditions continued
- Order intake and revenue declined compared to Q2 2022
- Customer activity has increased
- Overall macroeconomic environment has weighed on the timing of order placement and on the schedules of certain large project orders
- Positive cash flow despite negative adjusted operating profit

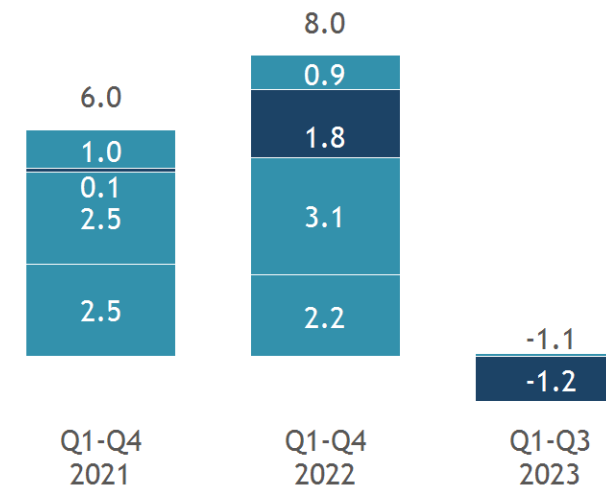
Order intake



Revenue

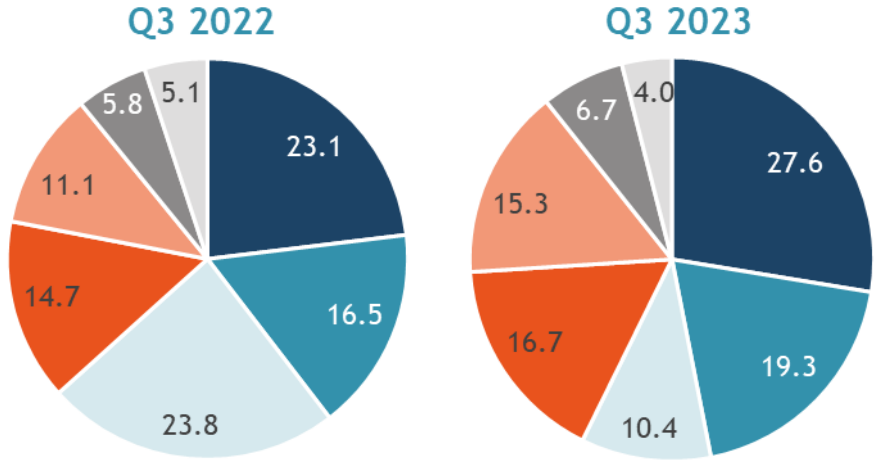


Adjusted operating profit



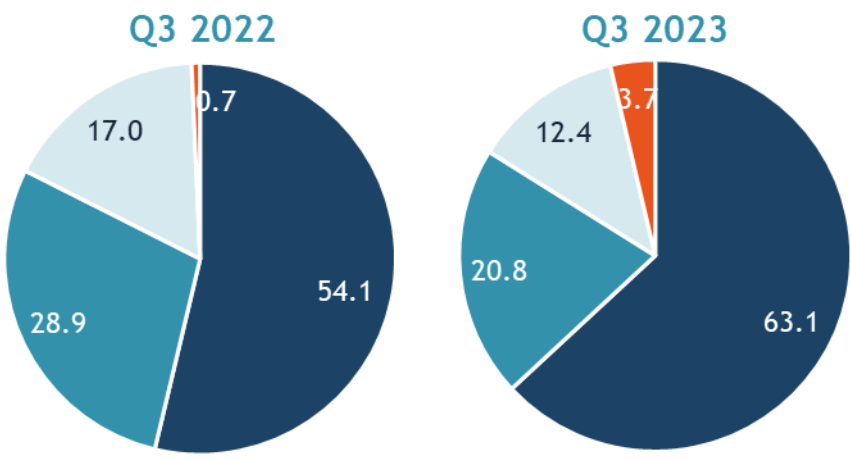
Revenue and mix affected by challenging market conditions. US factory refocused to address growth opportunities in North American tailored applications

Revenue share by customer industry, %



- Buildings and infrastructure
- Equipment and other industries
- Wind power
- Machinery and electrical
- Transportation
- Defense
- Telecommunication

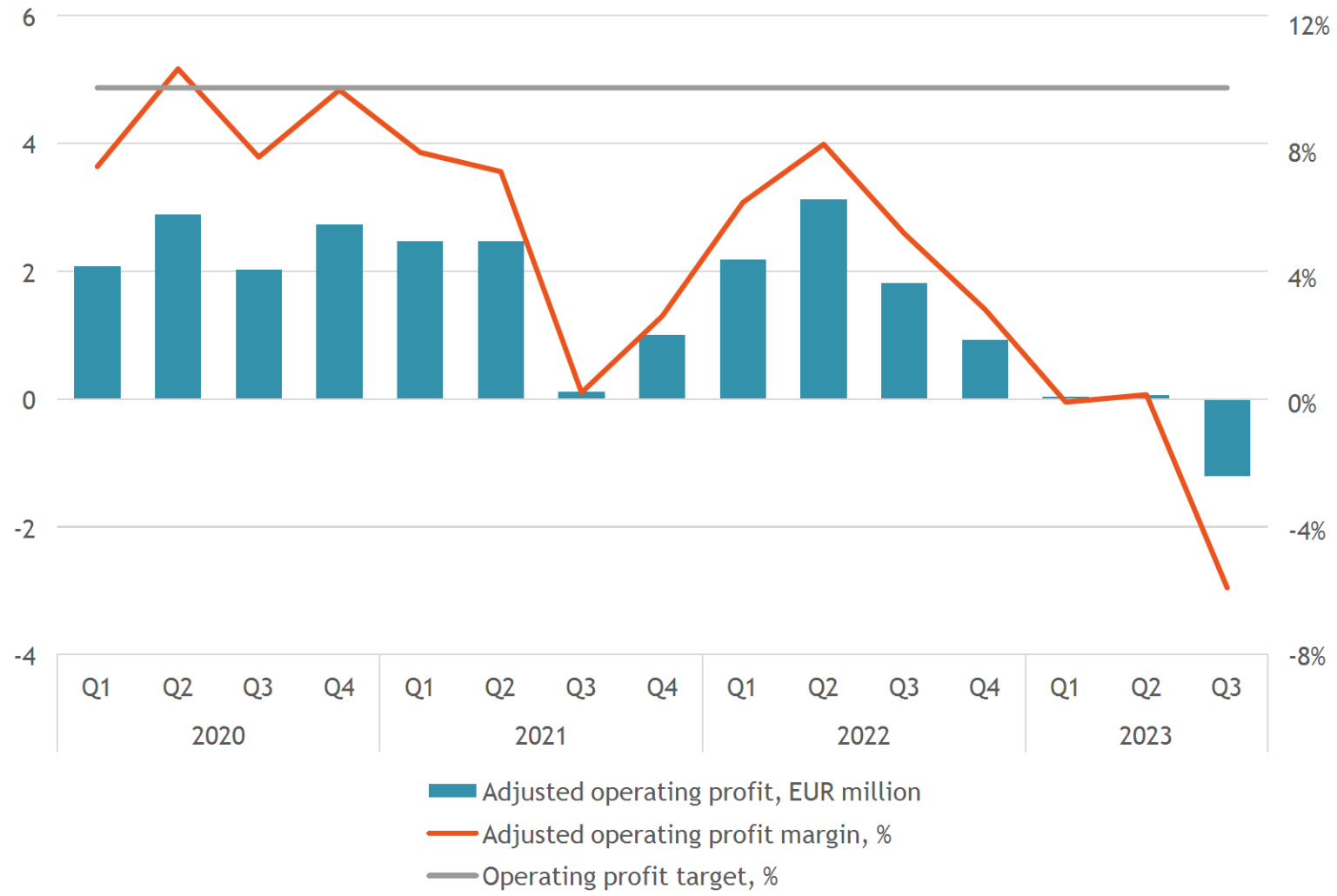
Revenue share by region¹⁾, %



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

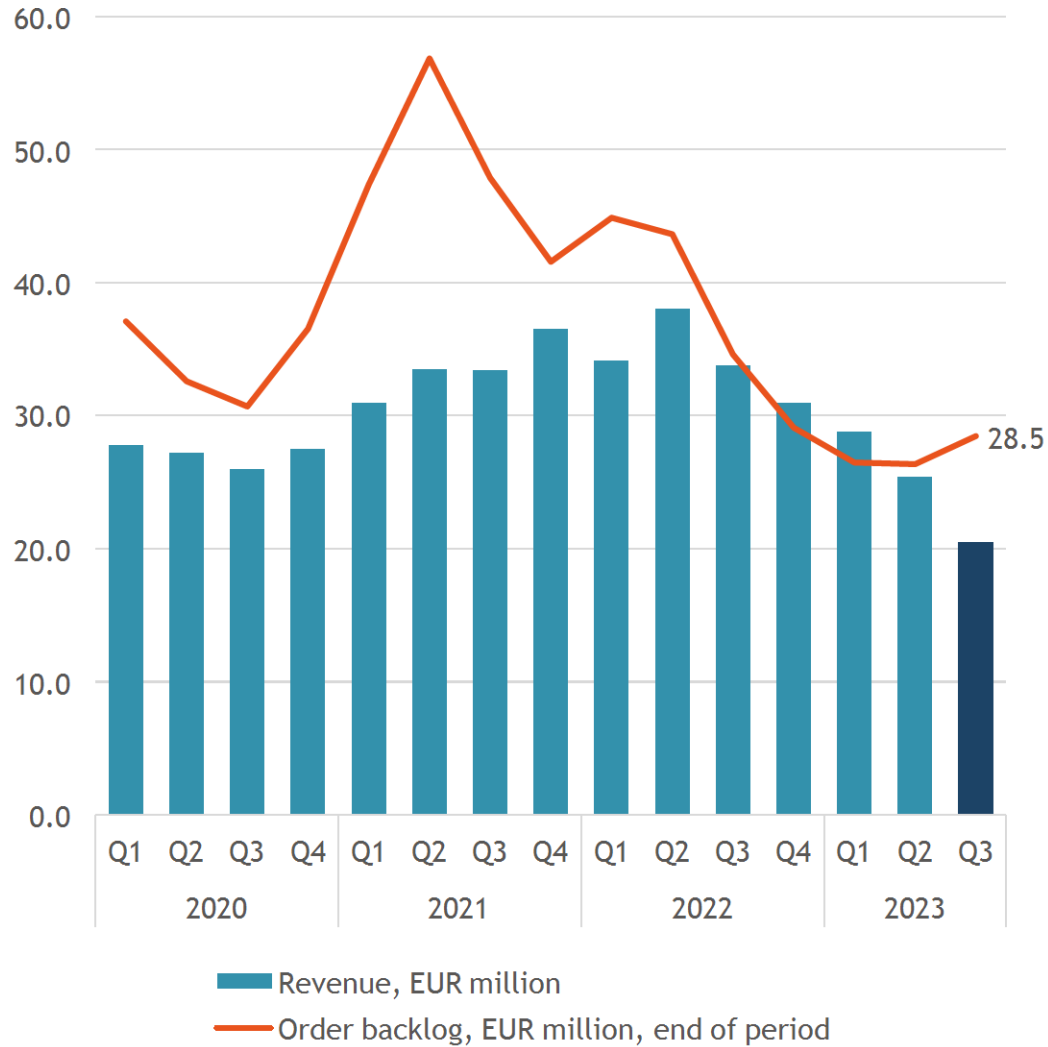
¹⁾ Revenue by customer location

Adjusted operating profit at -1.2 MEUR



- Lower results due to lower revenue
- Cost management activities continued
- Fixed costs decreased due to lower personnel costs following rigorous rightsizing activities

Order backlog development



Guidance and outlook

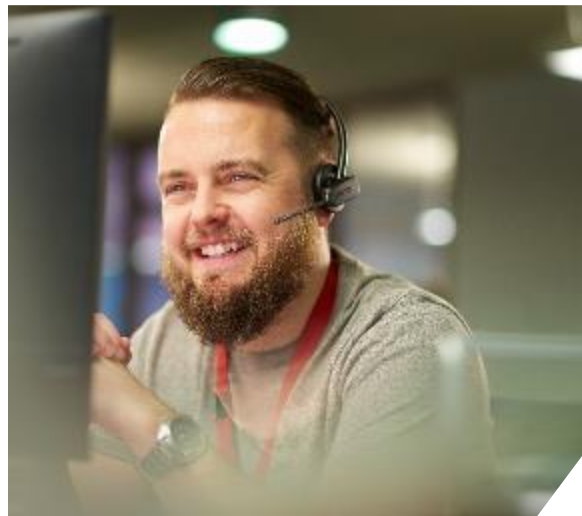
Guidance for 2023

Full year 2023 guidance for revenue was lowered on 19 October. Exel Composites expects that revenue and adjusted operating profit will decrease significantly in 2023 compared to 2022.

Outlook

- Overall macroeconomic environment has weighed on the timing of order placement and on the schedules of certain large project orders
- Slow order intake is expected to continue until the end of the year
- Our long-term demand outlook is positive

A transformative strategy based on sustainability, customer value and a high ambition in execution



Organic growth

Capturing growth from large and fast-growing energy transition and decarbonization applications driven by sustainability

Customer value

Focus on increasing value to customers through responsiveness and product platforms and composites design solutions in selected segments

Profitability

New operating model with two business units, larger factories with clear roles and efficiency improvements throughout to deliver solid profitability

Three sites will be placed under strategic review

High ambition

Skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue within five years

Strategic factory review completed in the United States

- Operations and factory to be refocused for tailored pullwinding tubes and customized pultruded composite profiles for North American markets
- Focus on attractive opportunities in composites tubes, electrical products and applications in building and infrastructure sectors
- Wind power industry customers to be served to an increasing extent from China and India
- Annual cost savings ~3 MEUR
- 4.3 MEUR asset write-down in Q4 2023

Key takeaways

Challenging market environment continued

Wind power customer negotiations progressing

Strategic review concerning US operations and factory completed

New strategy implementation proceeding

Join us at our Capital Markets Day



What: Further insights into our new strategy

When: 13 November 2023, 13:00 - 16:00 EET

Where: Musiikkitalo, Terassilämpö, Helsinki

How: Scan the QR code or register via email:
investor@exelcomposites.com

Full year 2023 results on 16 February 2024

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