



Financial Statements Review Q1-Q4 2023

2023 REVENUE 96.8 MEUR AND ADJUSTED OPERATING PROFIT -2.4 MEUR

FOR FORWARD THINKERS



Financial Statements Review Q1-Q4 2023

Financial briefing, 16 February 2024



Paul Sohlberg

President and CEO



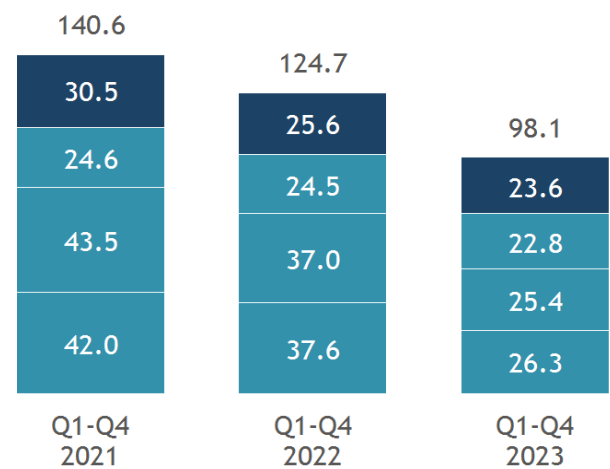
Mikko Rummukainen

CFO

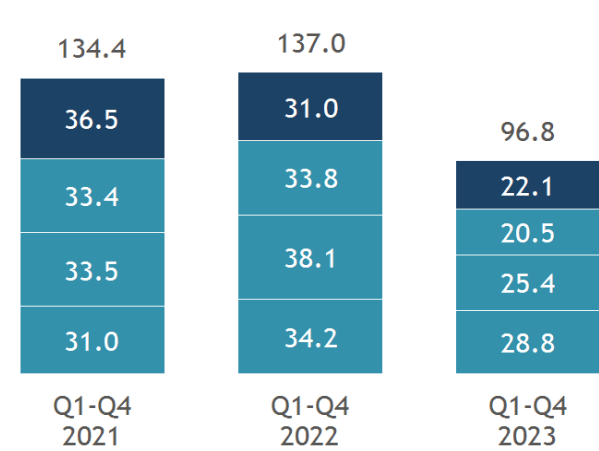
Order intake and revenue increased from Q3 2023 despite continued challenging market environment

- Order intake and revenue increased from Q3 2023, decreased YoY
- Adjusted operating profit was impacted by lower revenue
- Decisive actions to manage working capital and costs resulted to 0.8 MEUR quarterly cash flow from operating activities
- Strategy implementation proceeding as planned
- Board proposes that no dividend be distributed for 2023

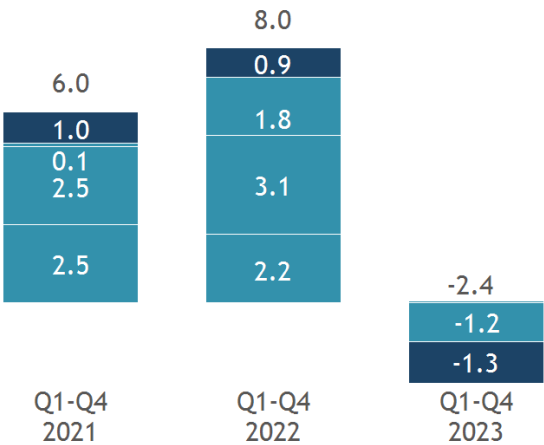
Order intake



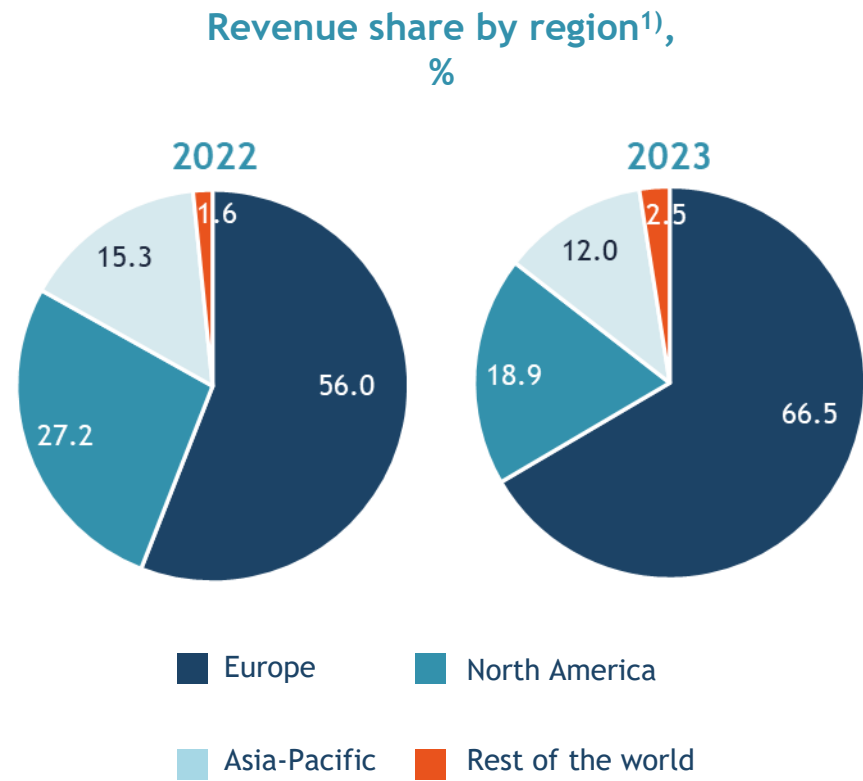
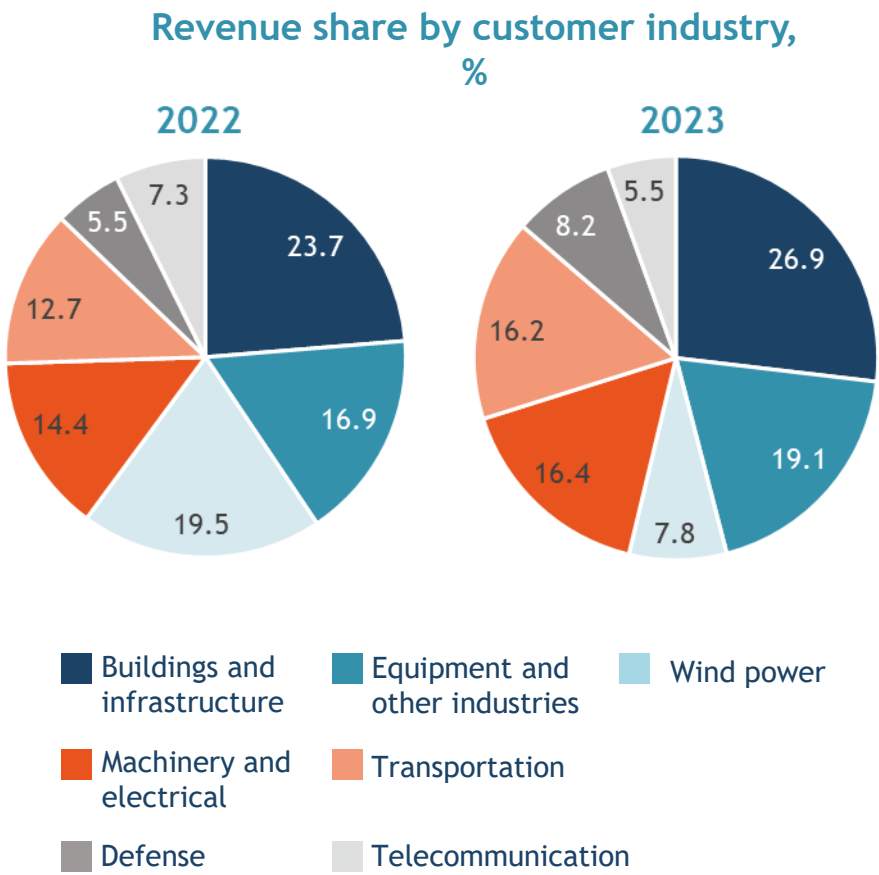
Revenue



Adjusted operating profit

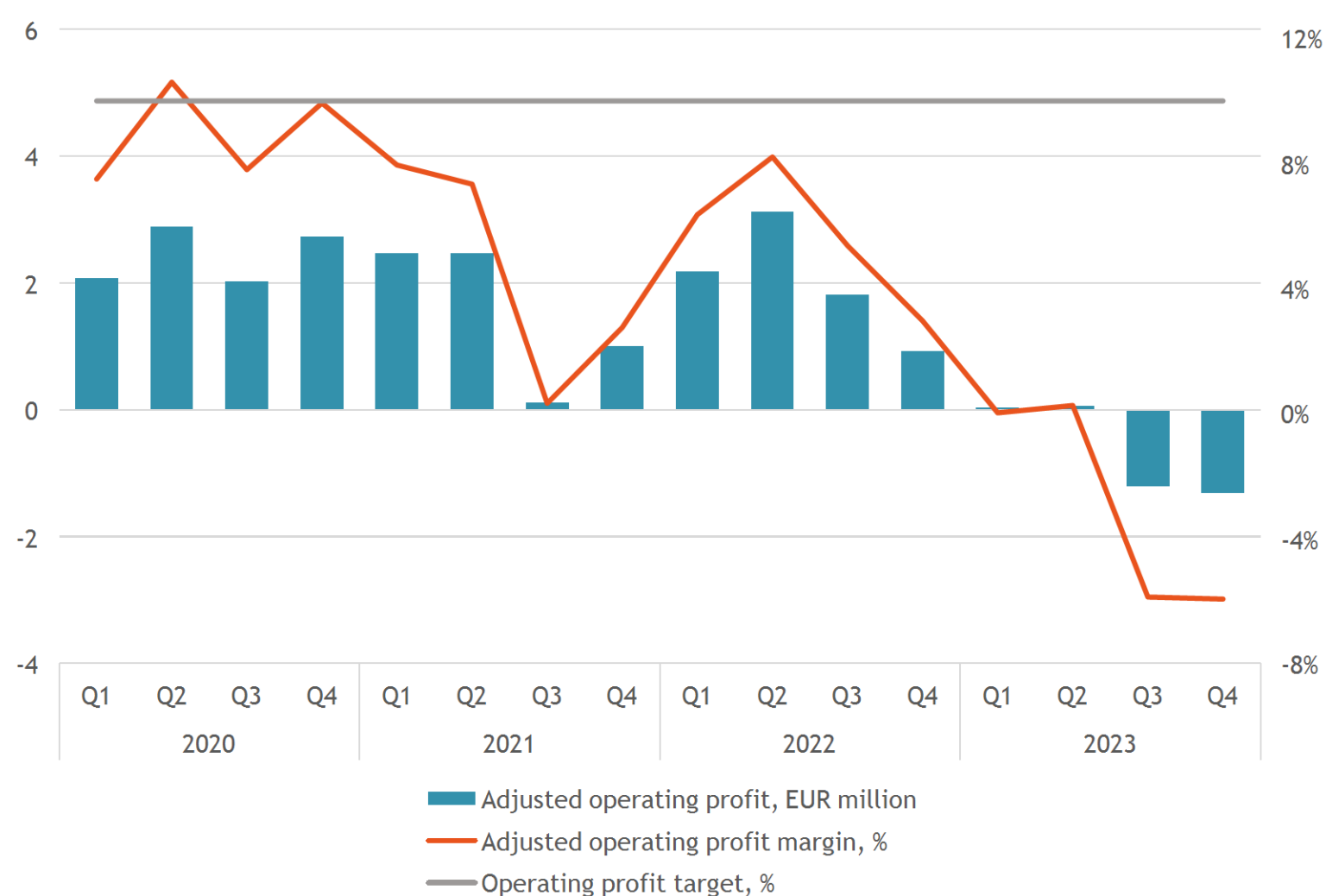


Revenue increased in Transportation in Q4, Asia-Pacific and North America pressed in 2023 due to lower orders in Wind power



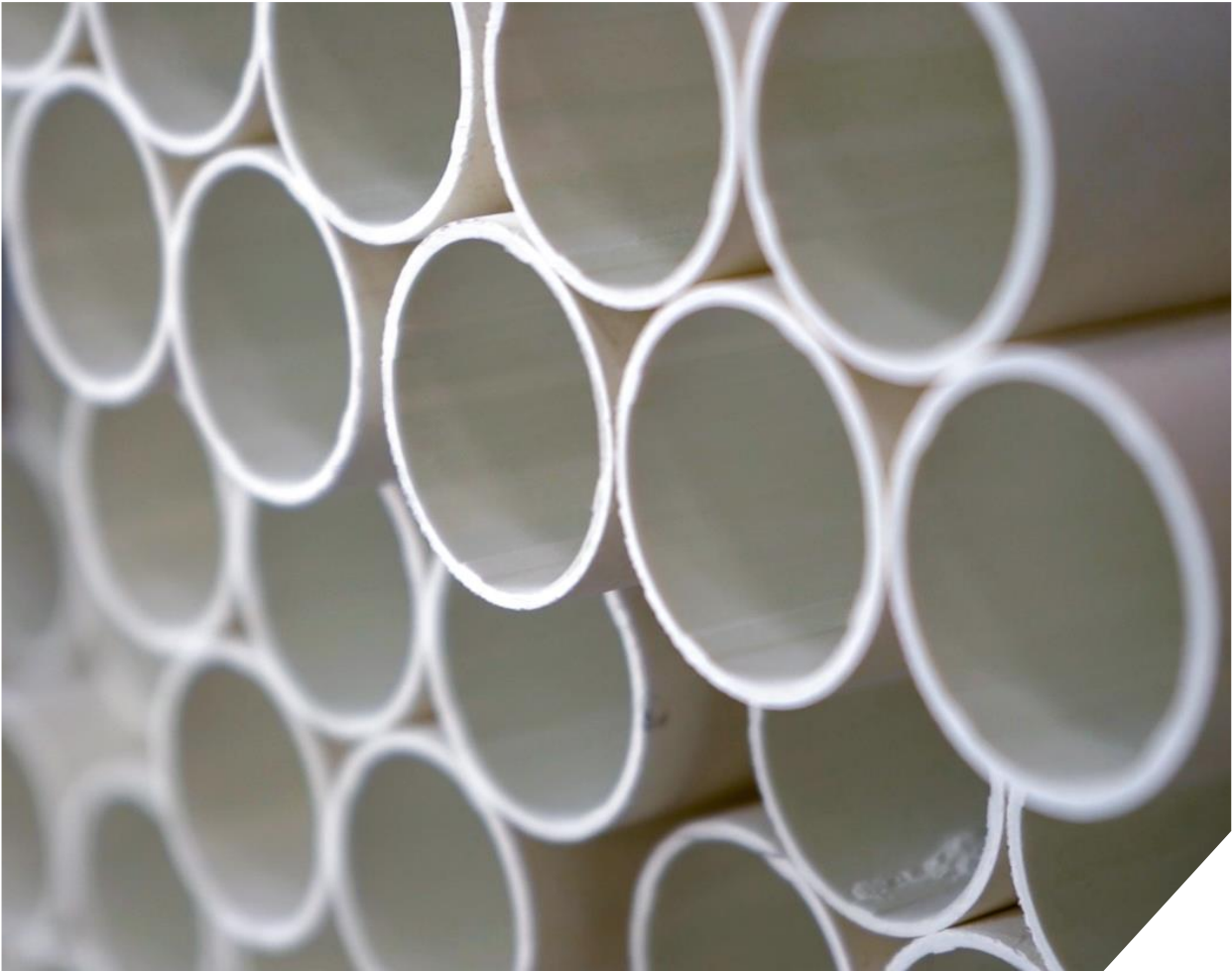
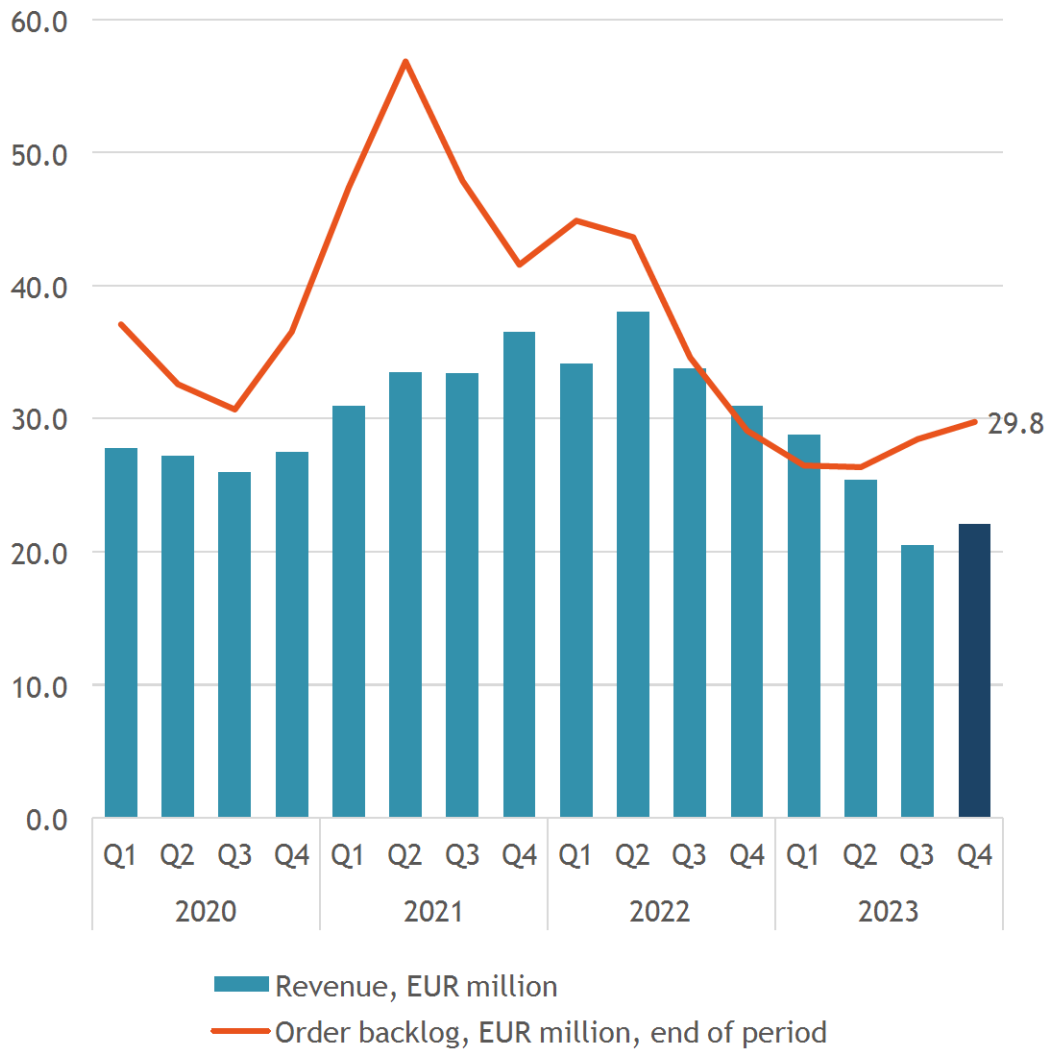
¹⁾ Revenue by customer location

Challenging market environment continued to weigh on our profitability despite counteractions



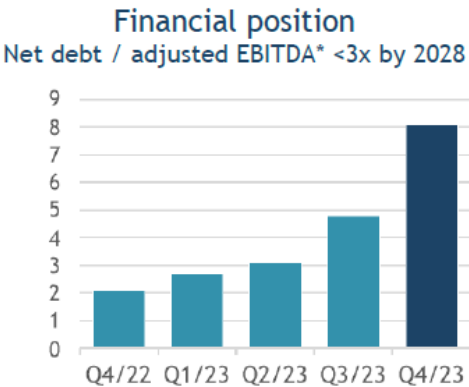
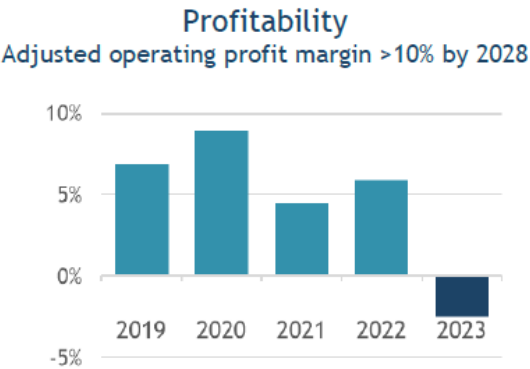
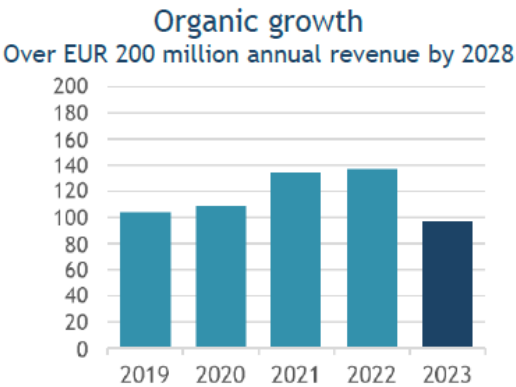
- › Q4 2023 results lower YoY due to lower revenue
- › 2023 results impacted by lower revenue in challenging market environment
- › Savings in personnel costs and operational fixed costs in 2023 resulted in lower costs YoY

Order backlog has increased for two consecutive quarters



Exel’s long-term targets

Financial targets



Sustainability targets



Environmental responsibility
GHG (scope 1 & 2) reduction according to UN established targets
Zero landfill by 2028
100% of research having positive sustainability impact

Employee engagement
Employee NPS score year-on-year improvements based on baseline 2024

*Last 12 months’ adjusted EBITDA, ** Number of injuries per million hours worked
Financial targets are considered over a business cycle. According to the company’s dividend policy, Exel Composites’ ambition is to distribute a minimum of 40% of net income in dividends, when permitted by the financial structure and growth opportunities.

Guidance and outlook

Guidance for 2024

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2024 compared to 2023

Outlook

- Visibility to market development still limited
- Considering overall economic sentiment, we expect demand to be somewhat soft in H1 2024 while Exel will continue to have free production capacity
- We have a clear execution plan. We look forward to 2024 with confidence

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



High ambition

Skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue and double digit adjusted operating profit margin within five years

Strategy implementation continues

| Action | Status |
|---|-----------|
| UK downsizing | Completed |
| Decision to build new manufacturing facility in India for wind power industry customers | Completed |
| Strategic factory review 1 (USA) | Completed |
| New operating model established | Completed |
| Aligning resources within new business units | Ongoing |
| Strategic factory review 2 (Belgium) | Ongoing |
| New manufacturing facility in India into production | Ongoing |
| Strategic factory review 3 | To-do |

New operating model with simplified structure established

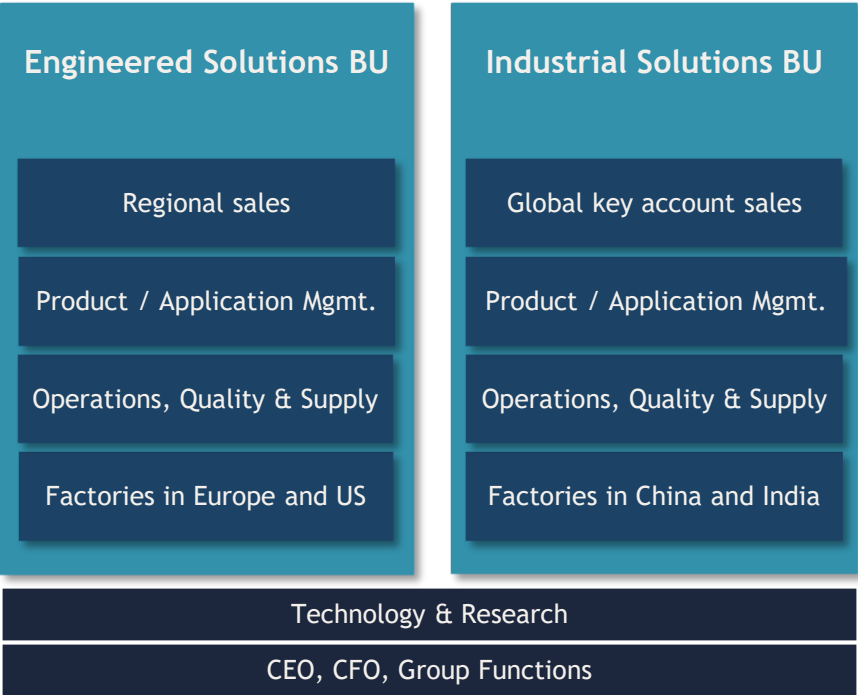
- Two dedicated customer-centric business units with full ownership of results and resources
- Business unit-based sales model with dedicated technical sales support team to provide stronger technical knowledge to customers

Engineered Solutions BU



Tailored solutions in multiple industries

Lead by Juha Honkanen,
EVP, Engineered Solutions BU



Industrial Solutions BU



Selected applications with significant growth potential

Lead by Kathy Wang,
EVP, Industrial Solutions BU

New multi-year agreement with Foton Bus and Coach company

A new multi-year co-operation contract was signed with Foton Bus and Coach company in February 2024

- Pultruded parts to Foton's buses

Foton is part of Chinese BAIC Company

- BAIC is also Mercedes-Benz AG's largest individual shareholder

Great potential commercial value

- Business starting in 2024



"It has been a great pleasure to work with Exel team so far, which is a professional, efficient and creative team. I am looking forward to the future cooperation, and I believe we will make the success for both companies!"

Head of group R&D Mr. He, Foton Bus and Coach company

Key takeaways

Despite counteractions
challenging market
environment
continued to weigh on
our profitability

Opening order backlog
for 2024 higher than a
year ago

Strategy
implementation
proceeding as planned

We look forward to
2024 with confidence



Thank you!

Q&A

26 March 2024
25 April 2024

AGM
Q1 2024 results

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