



## Half Year Financial Report Q1-Q2 2024

GOOD IMPROVEMENT IN Q2 ORDER INTAKE, REVENUE AND PROFITS –  
STRENGTHENED FINANCIAL POSITION AFTER RIGHTS ISSUE AND NEW  
FINANCING AGREEMENT

FOR FORWARD THINKERS



# Half Year Financial Report Q1-Q2 2024 & financial briefing, 15 August 2024



**Paul Sohlberg**  
President and CEO



**Mikko Rummukainen**  
CFO



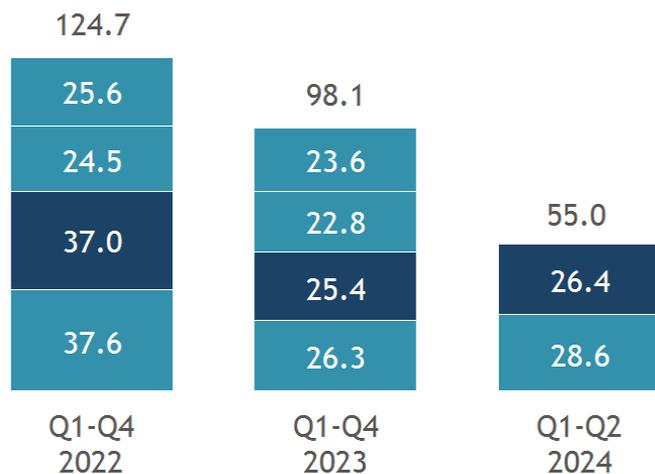
## Q2 2024 highlights

- Q2 2024 order intake, revenue and operating profit increased
- Adjusted operating profit margin 5.2%, turning H1 operating profit positive
- Successful rights issue and a new financing agreement strengthened financial position
- New operating model with two business units fully operational
- Guidance for 2024 intact

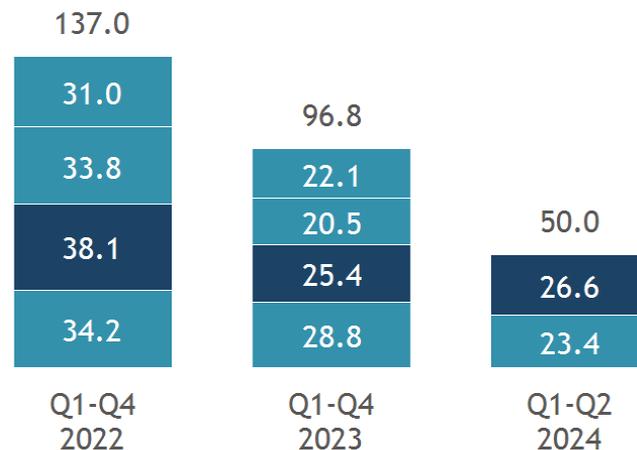
# Q2 2024 financial highlights



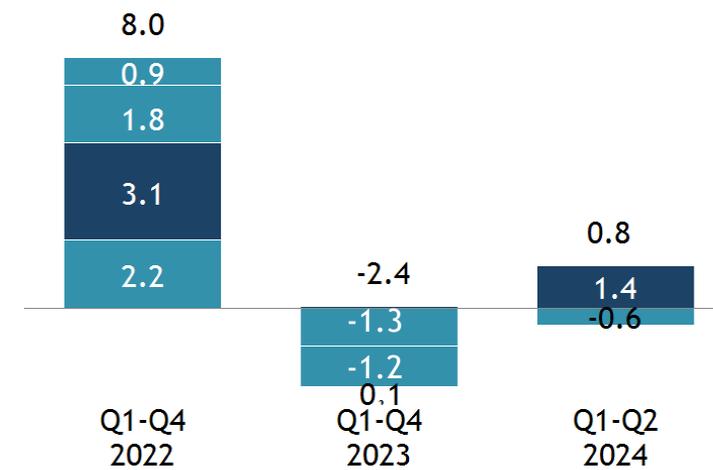
Order intake, EUR million



Revenue, EUR million

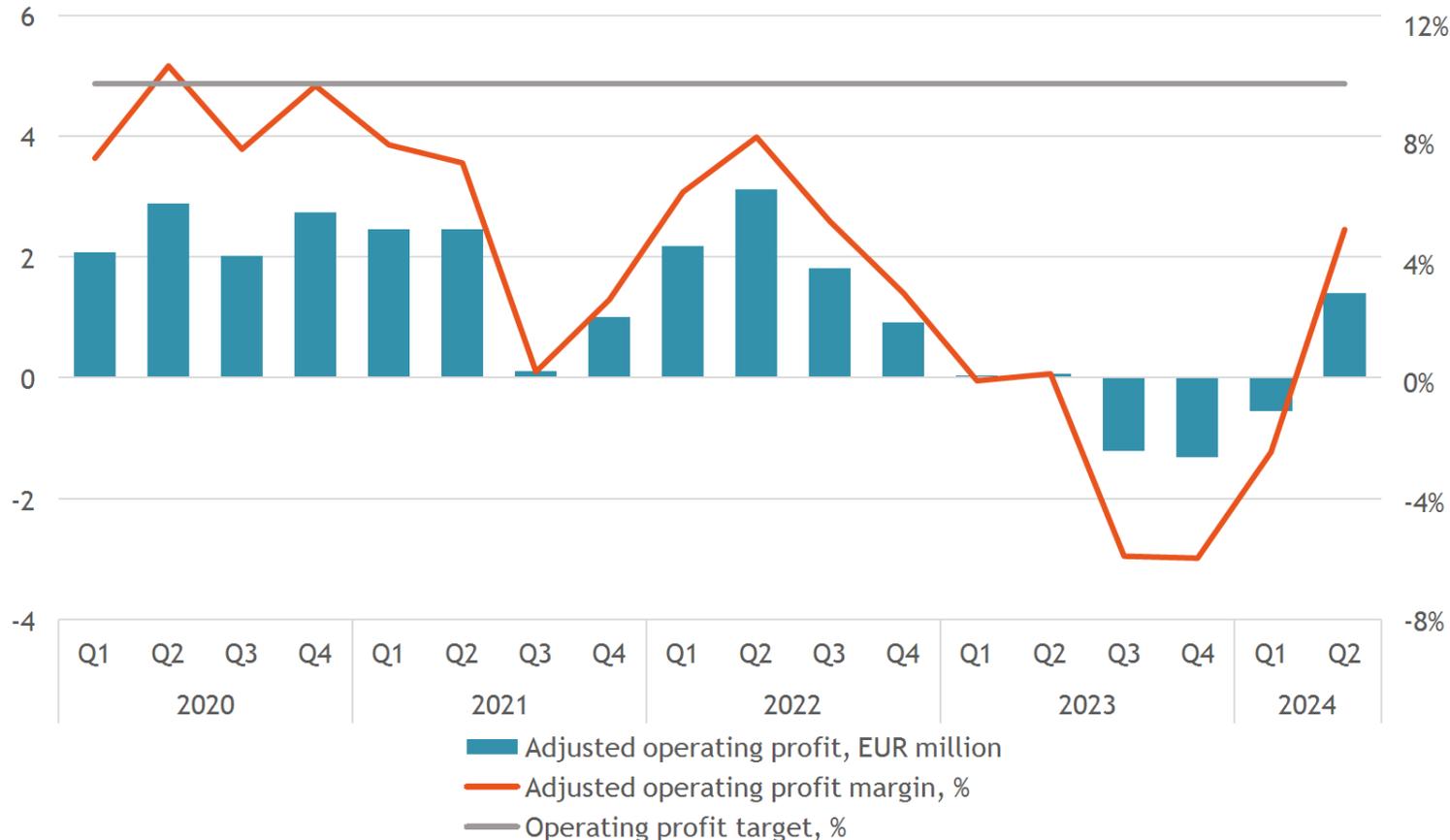


Adjusted operating profit, EUR million



# Operating profit turned to clearly positive

- Significant improvement in both operating profit and adjusted operating profit



The second consecutive upward quarter in adjusted operating profit

Positive development in operating profit due to

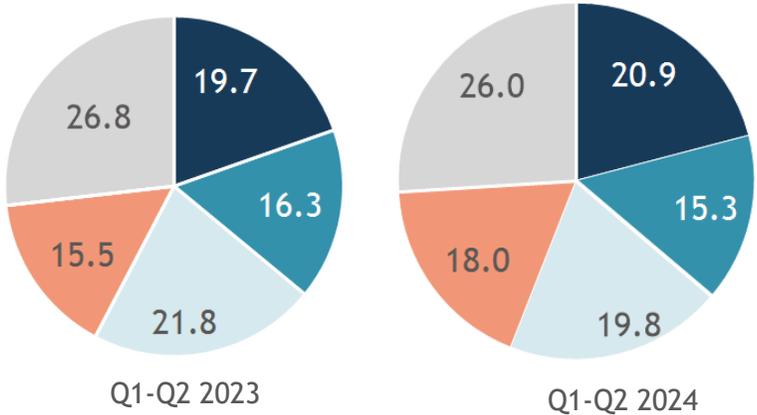
- increased order intake and revenue
- actions to optimize capacity
- cost control
- operational measures

# Revenue in Q2 2024 grew in all customer industries apart from the Energy sector and Other

Revenue by customer industry, EUR million



Revenue share by customer industry, %



Buildings and infrastructure



Industrial



Energy



Transportation



Other

## Order backlog 31% higher than a year ago

### - Increase in order intake resulted in revenue growth in Q2



- Order intake increased to EUR 55.0 million for H1 2024.
- Markets developed in line with our expectations.
- Increased customer activity in most of our strategic industries, in construction market the situation is still challenging.
- **The third** consecutive upward quarter in revenue. We achieved revenue growth both from the comparison period last year and the previous quarter.
- Revenue in H1 2024 was EUR 50.0 million, which is a decrease by 7.8% comparing to the same period last year.



**New operating model  
based on two business units  
now fully operational**

# Engineered Solutions Business Unit: Tailored solutions in multiple industries



## H1 2024

- Markets picked up and demand developed favorably, especially in defense applications and tubes
- New customers in the USA, particularly in the building and infrastructure sector
- Many orders received in the first half are now in production and expected to become revenue in the latter half 2024
- Demand outlook cautiously positive. However, there is still uncertainty as to when the recovery in demand will further accelerate. Capacity is therefore being managed cautiously.
- Significant customer agreements signed, including a partnership agreement with Flying Whales airship company, among others

Revenue Q2 2024,  
EUR million

**22.4**

Revenue H1 2024,  
EUR million

**41.5**

Share of Group  
revenue, H1 2024

**83%**

## Industrial Solutions Business Unit: Selected applications with significant growth potential



### H1 2024

- Significant customer agreements signed in H1 2024, including multi-year agreements with a major wind turbine manufacturer to deliver carbon fiber planks for spar caps from our new factory in India and with Foton Bus and Coach company
- Demand in the market cautiously positive with signs of markets picking up, but some customers continued to postpone orders and consume material inventories
- Revenue impacted by customer rescheduling of deliveries and to some extent by the Red Sea conflict
- Several new customers secured, which is expected to positively impact volumes starting in late 2024

Revenue Q2 2024,  
EUR million

**4.2**

Revenue H1 2024,  
EUR million

**8.5**

Share of Group  
revenue, H1 2024

**17%**

## New partnerships in the first half 2024



### Partnership with Flying Whales airship company

- Cooperation to design carbon fiber tubes to the airship's fuselage
- Exel can act as a partner both during the development and the mass production phases
- Development phase ongoing



### New multi-year agreement with Foton Bus and Coach company

- Pultruded parts to Foton's electric buses
- Cooperation directly with Foton's R & D department
- Commercial deliveries are expected to begin in 2024



### Partnership with Fairmat to close the loop of carbon fiber waste

- Fairmat will recycle Exel Composites' carbon fiber composite scrap from Exel's two plants in Finland at its Nantes manufacturing facility
- Second-generation CFRP Chips and high-performance composite units produced significantly reduce waste

## Guidance and outlook

### Guidance for 2024 (unchanged)

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

### Outlook

Macroeconomic sentiment remains indecisive and has even shown some signs of cooling off during the summer. Uncertainty about the global economic outlook and geopolitical situation continues.

We expect the customer activity to remain at the current level in the second half of 2024, and it will continue to require daily efforts from us to maintain the good development.



**Strategy implementation  
accelerated**

## The funds raised in the share issue accelerate our strategic initiatives



- Share issue clearly oversubscribed: 141% of offer shares subscribed
- Exel gained gross proceeds of EUR 21.8 million, which will be used for
  - investments to support Exel’s growth
  - financing of working capital needs
  - strategic factory network optimization
  - debt repayments
- 8,425 shareholders at the end of June: institutions 55%, households 45%
- A new financing agreement of EUR 52.4 million into force in June
- EUR 6.5 million of debt repaid on 1 July 2024

# Target over EUR 200 million revenue and strong profits

## STABILITY & PROFITABILITY ~2024-2025

- Two distinct business units
- Factory network review gives economies of scale
- More responsive sales
- Develop more standardized offering
- Sourcing and procurement savings
- Investments in composite research

## GROWTH ~2025-2027

- Leverage & develop new product platforms
- Enhance operational capabilities & increase production capacity
- Fully utilize benefits from the updated sales model
- More sustainable & technically developed offering

Revenue  
>200 MEUR

Adjusted EBIT  
margin >10%

Net debt to EBITDA  
< 3x

# Status of strategy implementation

Action	Status	Comment
Decision to build a 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	Completed	
Rights offering and new financing agreements	Completed	
Strategic factory review 2 (Belgium)	Progressing	Proceeding to action phase
New manufacturing facility in India into production	Progressing	Start of production in 2024
Sale of UK Runcorn factory property	Progressing	Aim to complete sale in H2 2024
Strategic factory review 3	Not yet started	



## Equipping of the new production facility in India accelerated - production to start in 2024

In July 2023, Exel announced a strategic decision to expand its manufacturing operations in India and to build a new facility near Goa

The facility is optimized for serving wind power industry customers in India and globally

Joint venture between Exel Composites and Kinenco

Current status:

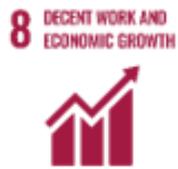
- The equipping of the manufacturing facility is underway
- Production lines have been ordered
- Recruitment and training of personnel have begun



# Achievements in sustainability

- Focusing on waste and emissions reduction and circularity
  - Carbon footprint reduction in both materials and own operations
  - Exel is progressing towards reaching zero waste to landfill target
  - Audits of waste streams conducted
  - Preparations to introduce bio-based resins in H2 2024 in a wide scale
- First double materiality assessment process completed
- Building preparedness to report according to CSRD for 2024

➤ Nearly 2/3 of customers say that composites are “important” or “very important” to their sustainability goals.





## Q2 key takeaways

- Third consecutive upward quarter in revenue, second in adjusted operating profit
- Operating profit turned to positive with significant improvement y-on-y
- Positive operative cash flow of EUR 2.6 million in H1
- Increased customer activity in most strategic industries, order backlog 31% higher y-on-y
- We expect the customer activity to remain at the current level in H2 2024



**Thank you!**

Q&A

Next financial report:

31 October 2024 [Q1-Q3 2024 Business Review](#)

FOR FORWARD THINKERS



**exel** | FOR  
FORWARD  
THINKERS