



# Online event for shareholders

25 March 2022



# Online event for the shareholders of Exel Composites Plc, 25 March 2022

Resolutions by the Annual General Meeting

Presentation by President and CEO Riku Kytömäki

Questions & Answers



## Present today



**Riku Kytömäki**

President and CEO

+358 50 511 8288

[riku.kytomaki@exelcomposites.com](mailto:riku.kytomaki@exelcomposites.com)



**Mikko Kettunen**

CFO

+358 50 3477 462

[mikko.kettunen@exelcomposites.com](mailto:mikko.kettunen@exelcomposites.com)



**Noora Koikkalainen**

Investor Relations Manager

+358 50 562 6552

[noora.koikkalainen@exelcomposites.com](mailto:noora.koikkalainen@exelcomposites.com)

# Online event for the shareholders of Exel Composites Plc, 25 March 2022

## ➤ Resolutions by the Annual General Meeting

Presentation by President and CEO Riku Kytömäki

Questions & Answers



## Resolutions by the Annual General Meeting

Exel Composites' AGM was held on 25 March 2022 at 9:30 EET following an exceptional meeting procedure in order to limit the spread of the Covid-19 pandemic.

The company's Board of Directors resolved, based on the temporary legislation, that shareholders may participate in the meeting only by authorizing a proxy representative to represent and vote in advance on their behalf.

A total of 30 shareholders were represented in the General Meeting representing 4,195,657 shares and votes.



# Adoption of the financial statements and dividend distribution

The AGM adopted the financial statements, reviewed the Remuneration Report 2021, and discharged the members of the Board of Directors and the company's President and CEO from liability for the financial year 2021.

The AGM resolved to distribute a dividend of EUR 0.20 per share in two installments.

## FIRST INSTALLMENT:

**EUR 0.10**

Dividend per share

**8.9.2022**

Record date

**15.9.2022**

Payment date

## SECOND INSTALLMENT:

**EUR 0.10**

Dividend per share

**8.12.2022**

Record date

**15.12.2022**

Payment date

# Composition and remuneration of the Board of Directors

In accordance with the proposal of the Nomination Board, the number of members was confirmed to be six. The term of office of the Board members continues until the end of next AGM.

**Reima Kerttula**



Re-elected as a  
Chairman

**Petri Helsky**



Re-elected as a  
member

**Helena Nordman-  
Knutson**



Re-elected as a  
member

**Jouko Peussa**



Re-elected as a  
member

**Kirsi Sormunen**



Re-elected as a  
member

**Jouni Heinonen**



Elected as a new  
member

In accordance with the proposal of the Nomination Board, the annual remuneration for the Board members is as follows:

- Chairman: EUR 45,000 (43,000)
- Board member: EUR 21,000 (20,000)

## Jouni Heinonen, new member of the Board of Directors



Born 1960, M.Sc (Mechanical Eng.)  
Swiss and Finnish citizen

Managing Partner, HVD Partners GmbH

No Exel Composites holdings

### **Key professional experience**

Chairman of the Board, Solifos AG

Operating Partner, Humatica AG

CEO & member of the Board, Plumettaz SA

CEO, Gurit Holding AG

COO, Gurit Composite Technologies

CEO & member of the Board, Nextrom Holding SA

### **Key positions of trust (current)**

Chairman of the Board of Directors, SAMP Srl

Chairman of the Board of Directors, Finnester Oy

Member of the Board of Directors, Astera Solutions GmbH

### **Independence**

Independent of the Company and its major shareholders



## Other resolutions of the AGM

In accordance with the proposal of the Board of Directors:

- Ernst & Young Oy, Authorized Public Accountants having the principal responsibility, was re-elected as auditor of the company.
- The Board of Directors was authorized to decide on the repurchase and/or on the acceptance as pledge of a maximum of 600,000 of the company's own shares.
- The Board of Directors was authorized to decide on a share issue and the special entitlement of shares.

The minutes of the AGM will be available on the company's website as of 8 April 2022.

➤ <https://investors.exelcomposites.com/governance/general-meeting/annual-general-meeting-2022/>

# Online event for the shareholders of Exel Composites Plc, 25 March 2022

Resolutions by the Annual General Meeting

➤ Presentation by President and CEO Riku Kytömäki

Questions & Answers





# Exel Composites in business and market environment

# Exel Composites in brief

➤ In 2020, we celebrated our 60<sup>th</sup> anniversary

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



Trust



Innovation



➤ Manufacturing in 7 countries

➤ Customers in over 50 countries

## ➤ Why composites?

Trends driving our future

**Rapid urbanization:**  
smarter cities and infrastructure

**Climate change:**  
Sustainability and circular economy

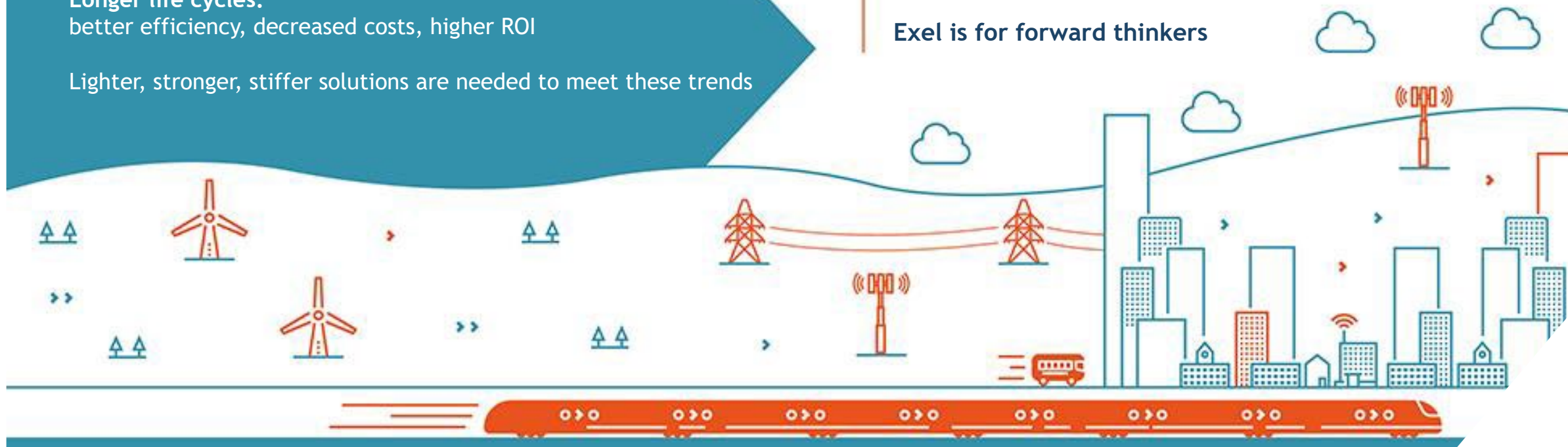
**Longer life cycles:**  
better efficiency, decreased costs, higher ROI

Lighter, stronger, stiffer solutions are needed to meet these trends

Our purpose is to solve challenges and save resources with composites

Our vision is to be the first choice for sustainable composites solutions globally

**Exel is for forward thinkers**





# Exel Composites' strategy is based on five pillars

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



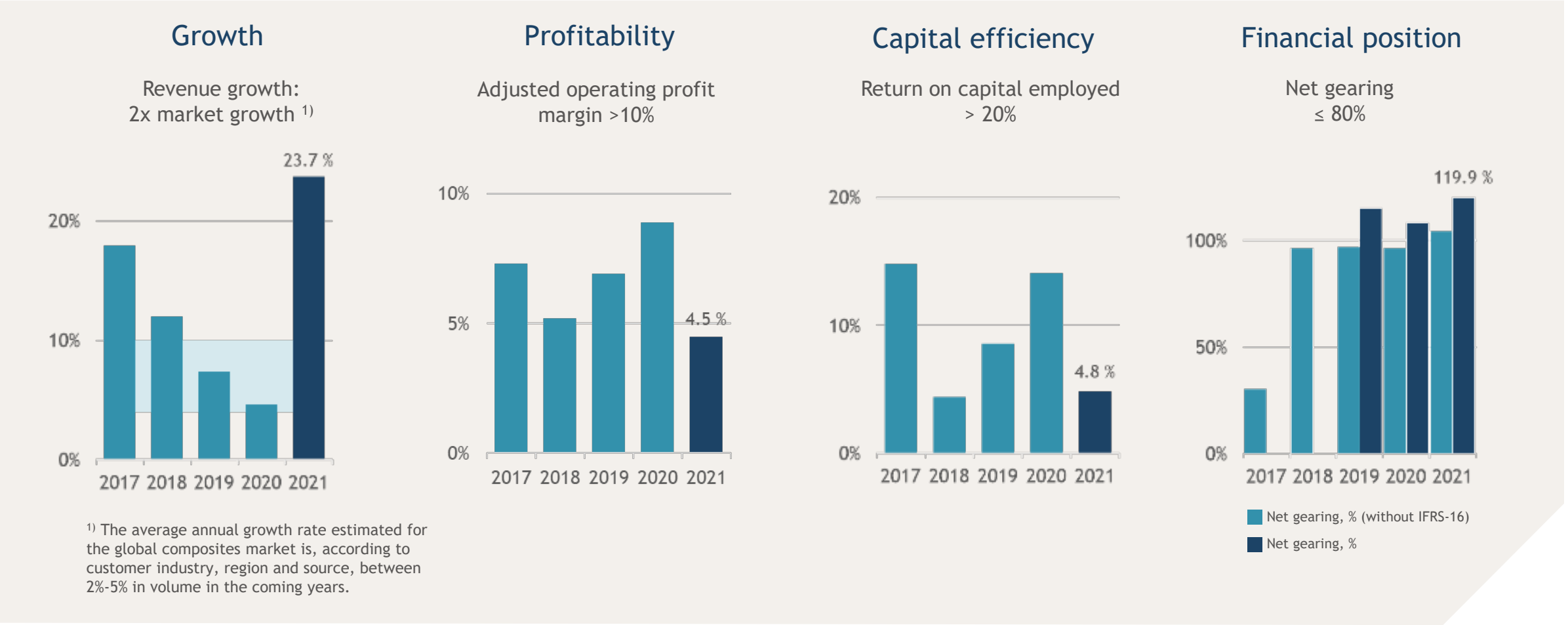
### Growth in new technologies

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

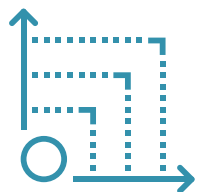
Foundation built on company values:

CUSTOMER FOCUSED ♦ INTEGRITY ♦ ONE EXEL ♦ CARING ♦ INNOVATIVE

# Our long-term target is profitable growth and distributing dividends of minimum 40% of net profit



# Exel Composites as an investment



## Optimally positioned within a growing market

With our efficient, continuous production technologies, we answer to the growing demand for composite materials. This demand is driven by global megatrends, such as sustainability, urbanization and total life cycle cost management.



## Technology leadership creates competitive advantage

Our leading expertise in a variety of composite production technologies and raw materials allows us to solve our customers' challenges. We continuously perfect our offering with over 60 years of R&D experience.



## Global operations enable global customers

We are the only company within our industry with manufacturing, R&D and sales presence in all main market areas. This sets us ahead of our competitors.



## Diversified business portfolio reduces risk

Diversified customer industries and regional presence reduces the volatility of our sales. Our business model, based on tailored products, supports customer commitment. Typically, our customer relationships span over a decade.

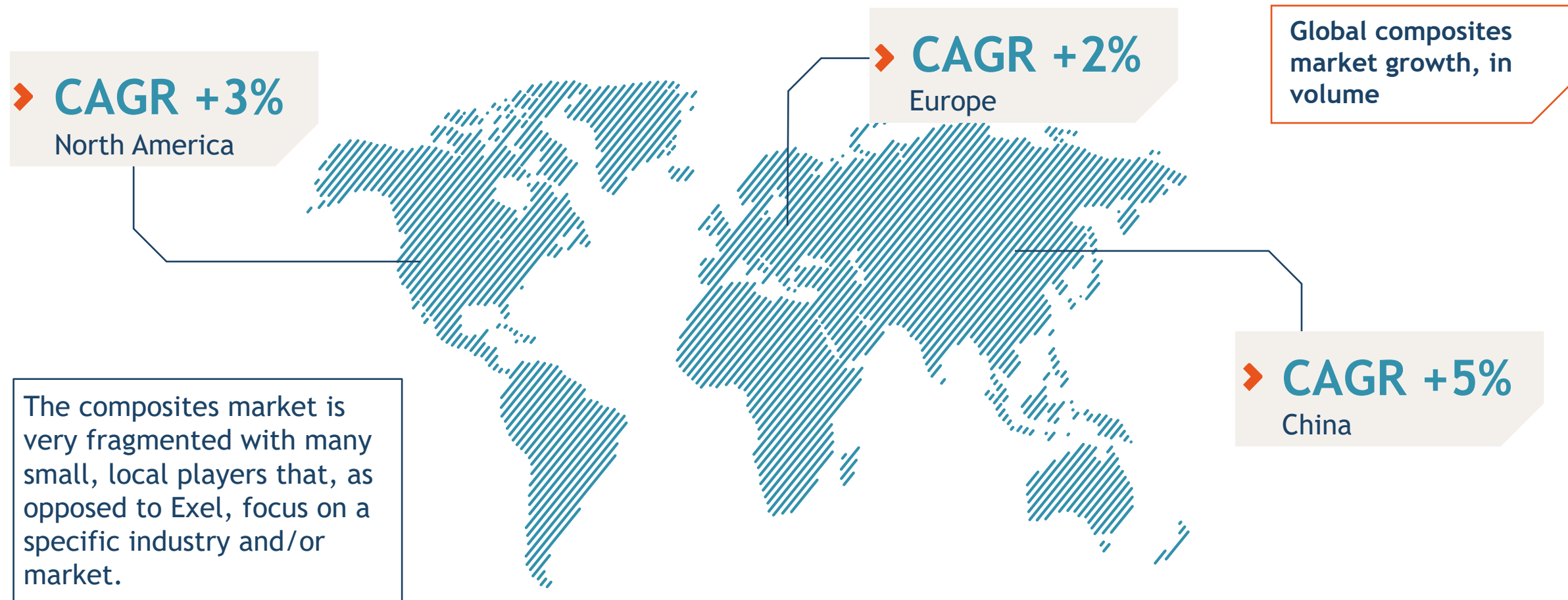


## Sustainability is at the core of our business

We provide sustainable composite solutions that help our customers save resources and mitigate climate change. Composites' unique properties, such as lightness and durability, provide for longer life cycles and improved performance, lowering thus the negative impacts of the end-product on the environment.

## Largest markets are North America, North Asia and Europe

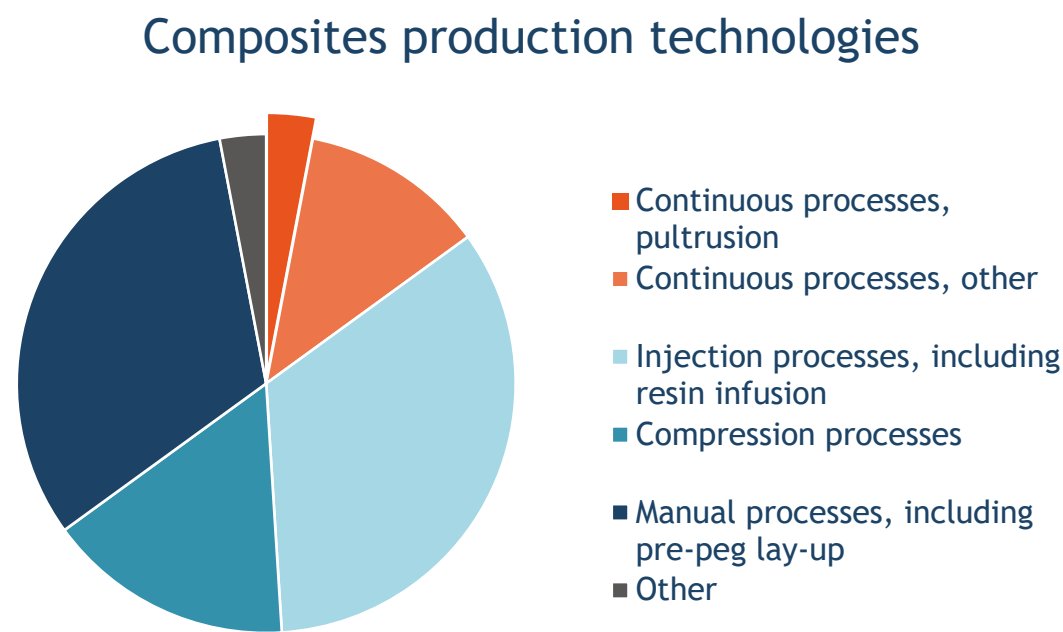
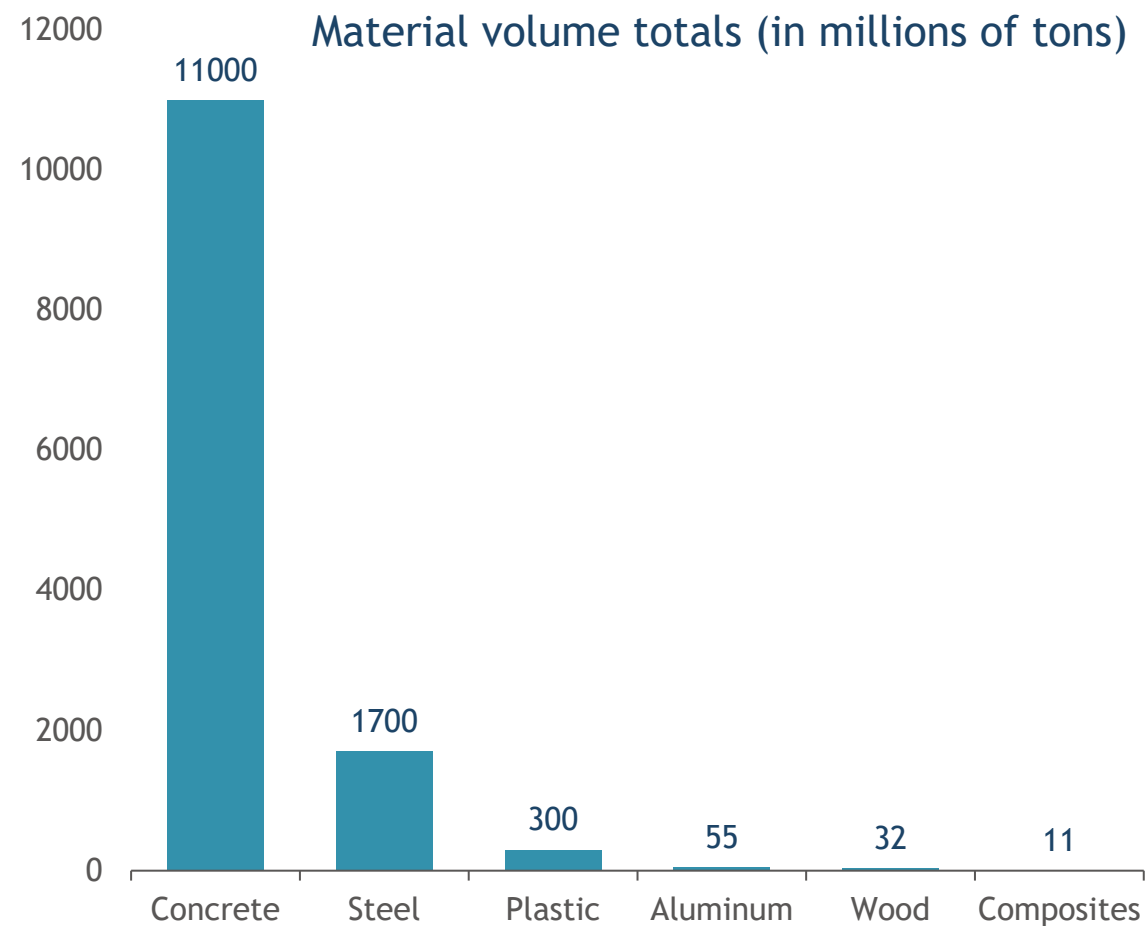
### 1. OPTIMALLY POSITIONED WITHIN A GROWING MARKET



Source: JEC, Overview of the global composites market 2018-2023

# Annual growth rate for the global composites market estimated 2%-5% in the coming years

## 1. OPTIMALLY POSITIONED WITHIN A GROWING MARKET



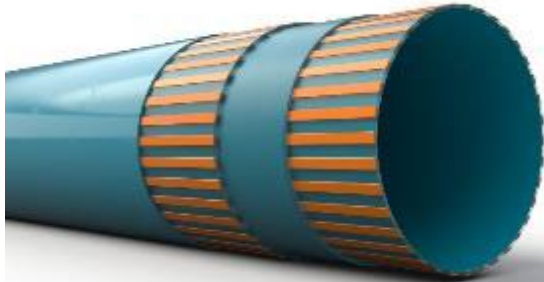
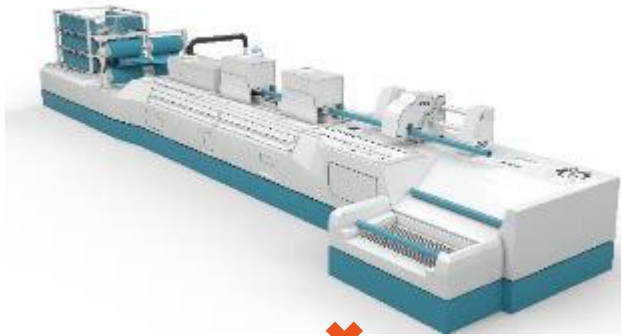
We see growth potential for composites as a material as well as for pultrusion as a production technology within the composites market.

Source: JEC, Overview of the global composites market 2018-2023



We are a leading company in the field of pultrusion, which is our main production technology

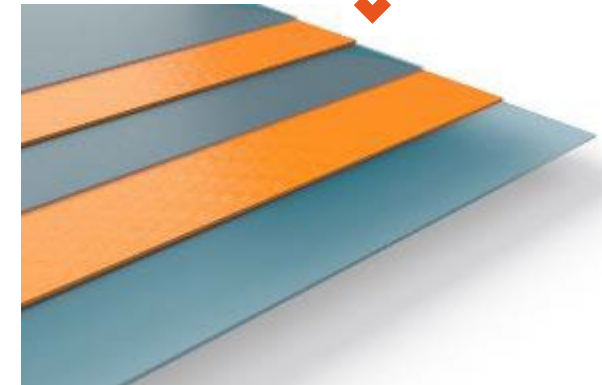
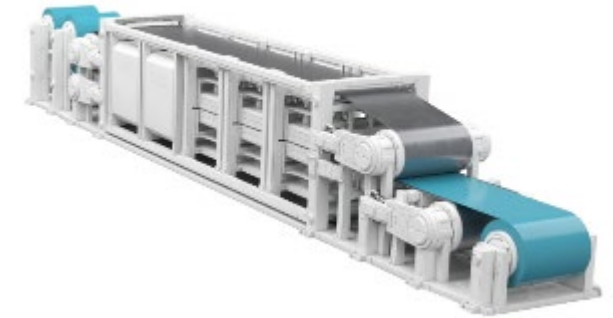
## 2. TECHNOLOGY LEADERSHIP CREATES COMPETITIVE ADVANTAGE



Pultrusion



Pull-winding



Continuous lamination

We are present in all main composites markets:  
Asia, North America and Europe

### 3. GLOBAL OPERATIONS ENABLE GLOBAL CUSTOMERS



Our tailored offering serves customers across several industries

#### 4. DIVERSIFIED BUSINESS PORTFOLIO REDUCES RISK



Buildings and  
infrastructure



Equipment and other  
industries



Wind power



Machinery and electrical



Transportation



Defense



Telecommunications



## Our composites solutions are used in many applications

### 4. DIVERSIFIED BUSINESS PORTFOLIO REDUCES RISK



#### Wind turbines

The high strength and stiffness of composites combined with their low weight and design flexibility make them a perfect material for turbines. You can find composites in blade reinforcements, blade laminates, spar caps, blade root joints, spacers and carrots, for example.



#### Power transmission

Our carbon fiber conductor core rods both support the conductor's load and reduce overall weight to accommodate more conductor. This helps send more amperage down the lines reusing existing pylons and other T&D infrastructure. Exel also manufactures glass fiber insulation rods used to attach the conductors to the masts.



#### Handles, railings and equipment

Different additives can be added to the resin mix, giving the composite product additional properties. For example, Exel's antiviral Protector™ adds viral / Covid-19 defenses in a wide range of areas, including public transportation, door frames, or even in mop and broom handles.



#### Elevators

UltraRope®, developed by Exel and Kone, weighs around one-seventh of that of traditional steel elevator rope, meaning it can provide significant energy efficiencies across the elevator mechanical process. It is also more durable and less susceptible to wear and abrasion than steel rope counterparts.

# Sustainability is a critical part of Exel's business

## 5. SUSTAINABILITY IS AT THE CORE OF OUR BUSINESS



**We are committed to market transparency and raising environmental standards.**

- ◆ Our goal is to develop sustainable, safe and reliable products that help our customers save resources and mitigate climate change
- ◆ We want to provide a safe, fair and inspiring environment for our employees and neighbors, and conduct our business according to the highest business ethics and standards
- ◆ We aim to reduce the negative impact of our own operations to the environment and climate





# 2021 highlights

## Significant increase in revenue and order intake in 2021, adjusted operating profit declined

Strong order intake and order backlog at the end of the year.

Revenue growth was organic.

Adjusted operating profit declined compared to previous year due to challenges in the business unit in the US.

Successful execution of strategy.

# Highlights of strategy implementation in 2021



## Joint venture established in India

- The joint venture with Kinenco 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 the new state-of-art facility in Austria. 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 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)

## In February 2022, Exel Composites announced the closure of one of its manufacturing facilities in Nanjing, China

Initiated employee negotiations concern 46 employees.

Manufacturing of the closed site is intended to be transferred to Exel's other manufacturing unit in the Nanjing area.

Annual synergies and cost savings approximately EUR 0.7 million.

Exel is also planning to sell the real estate of the factory to be closed.

The aggregated one-time impact of the closure and the sale of the facility is estimated to be positive on Group operating profit and cash flow in 2022.



## Impacts of the Covid-19 pandemic in 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.

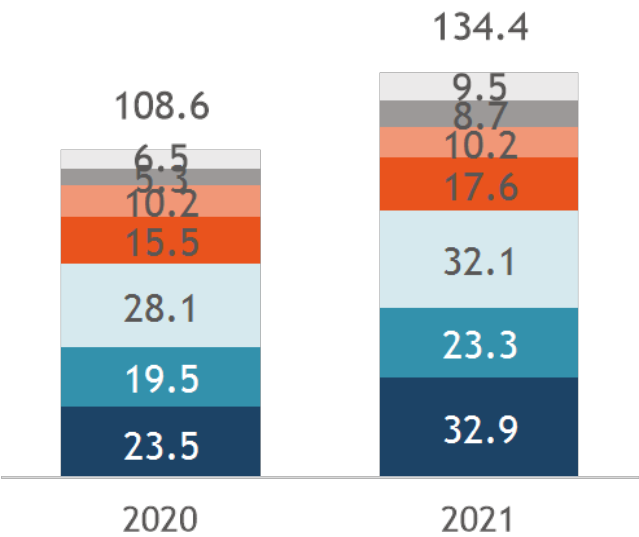


## The war in Ukraine has currently no direct impact on Exel Composites' business activities

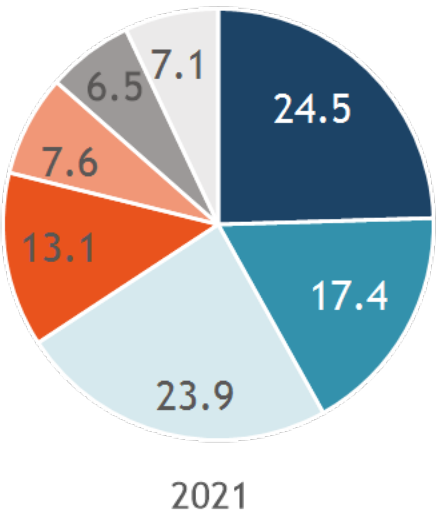
- No orders in our order book from Russian, Belarussian or Ukrainian customers.
- Some of our customers outside the affected areas in turn have customers in areas affected by the war, which consequently may have an indirect impact also on the demand for our products.
- Exel has individual suppliers with factories in the affected areas. These suppliers, however, also operate factories elsewhere. In addition, Exel has alternative suppliers for raw materials. So far, we have not seen impacts on raw material availability.
- In case raw material prices in general were to fluctuate due to the war, this will naturally also impact Exel.

# Strong revenue increase in practically all customer industries

Revenue by customer industry,  
EUR million

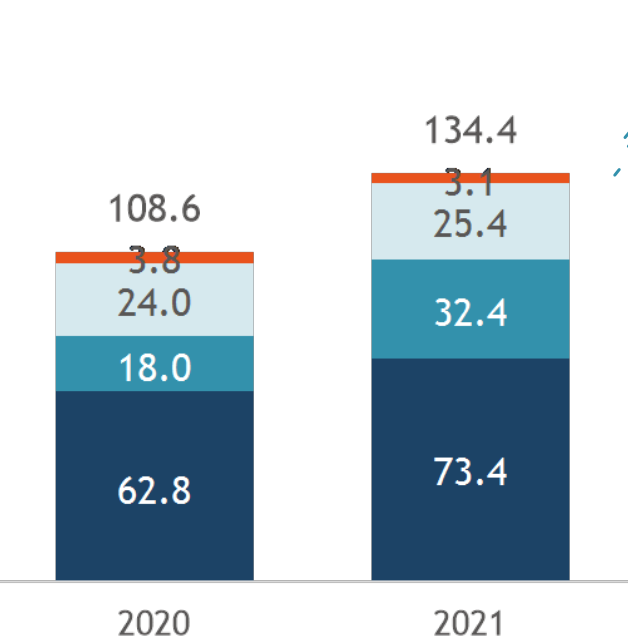


Revenue share by customer industry,  
%

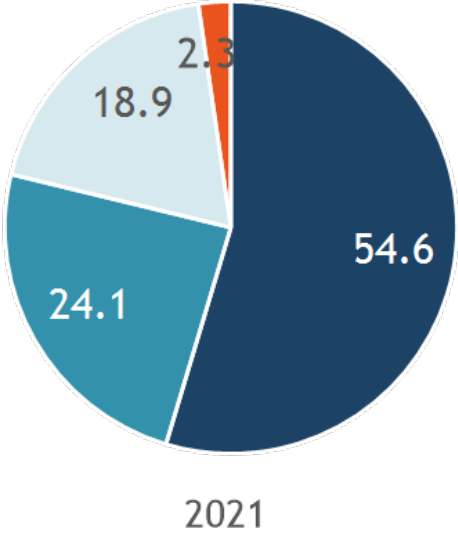


# Revenue growth driven by North America and Europe

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



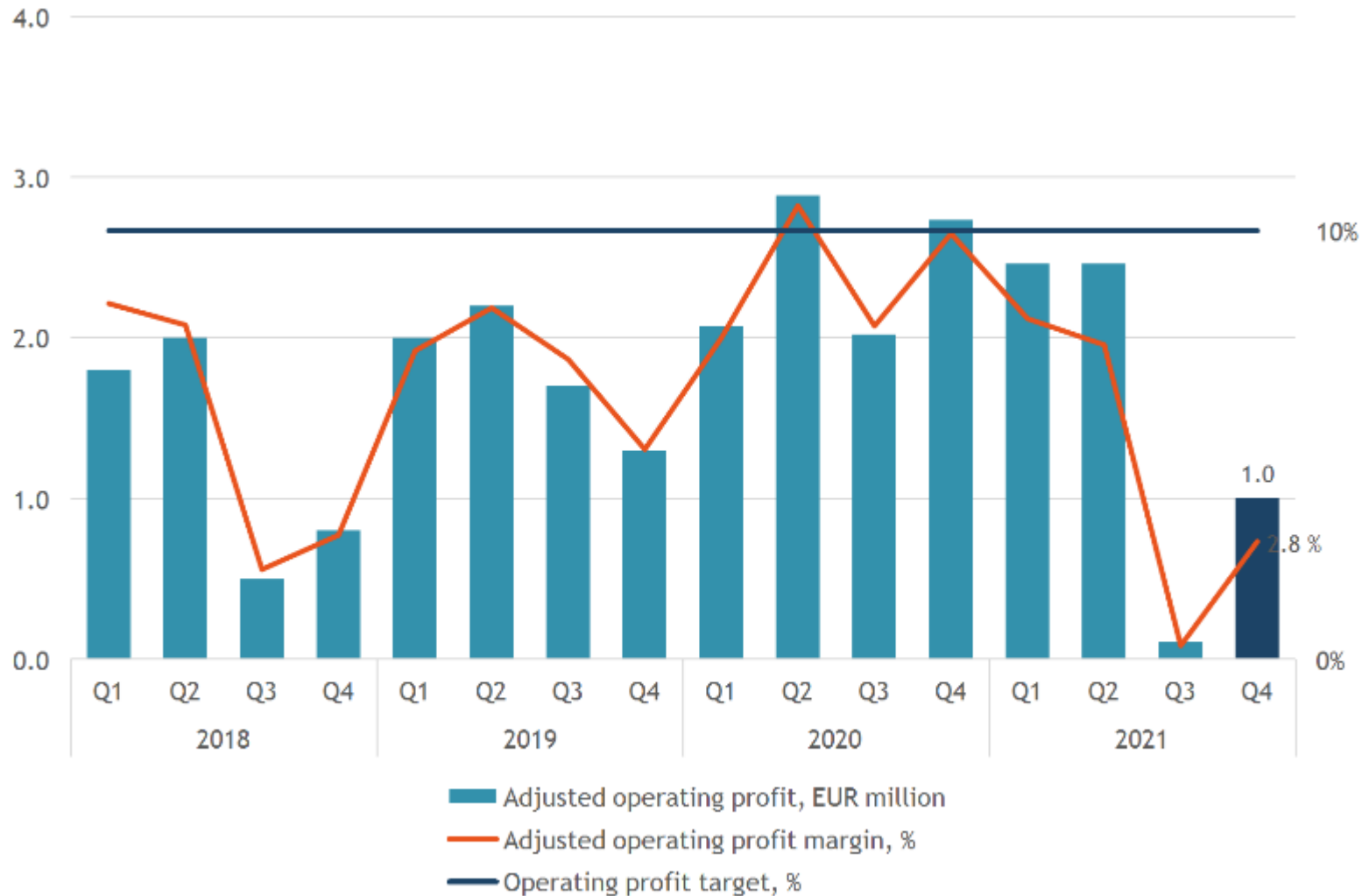
Revenue share by region<sup>1)</sup>,  
%



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

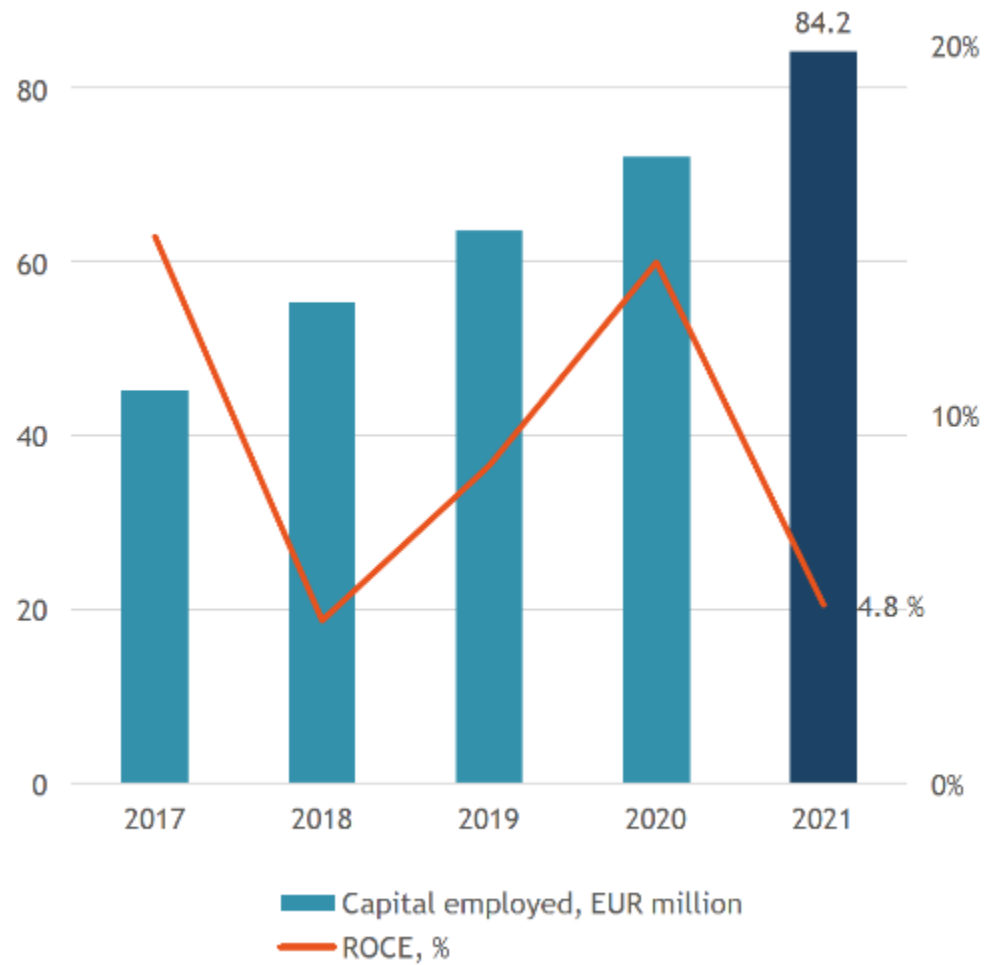
<sup>1)</sup> Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.

## 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

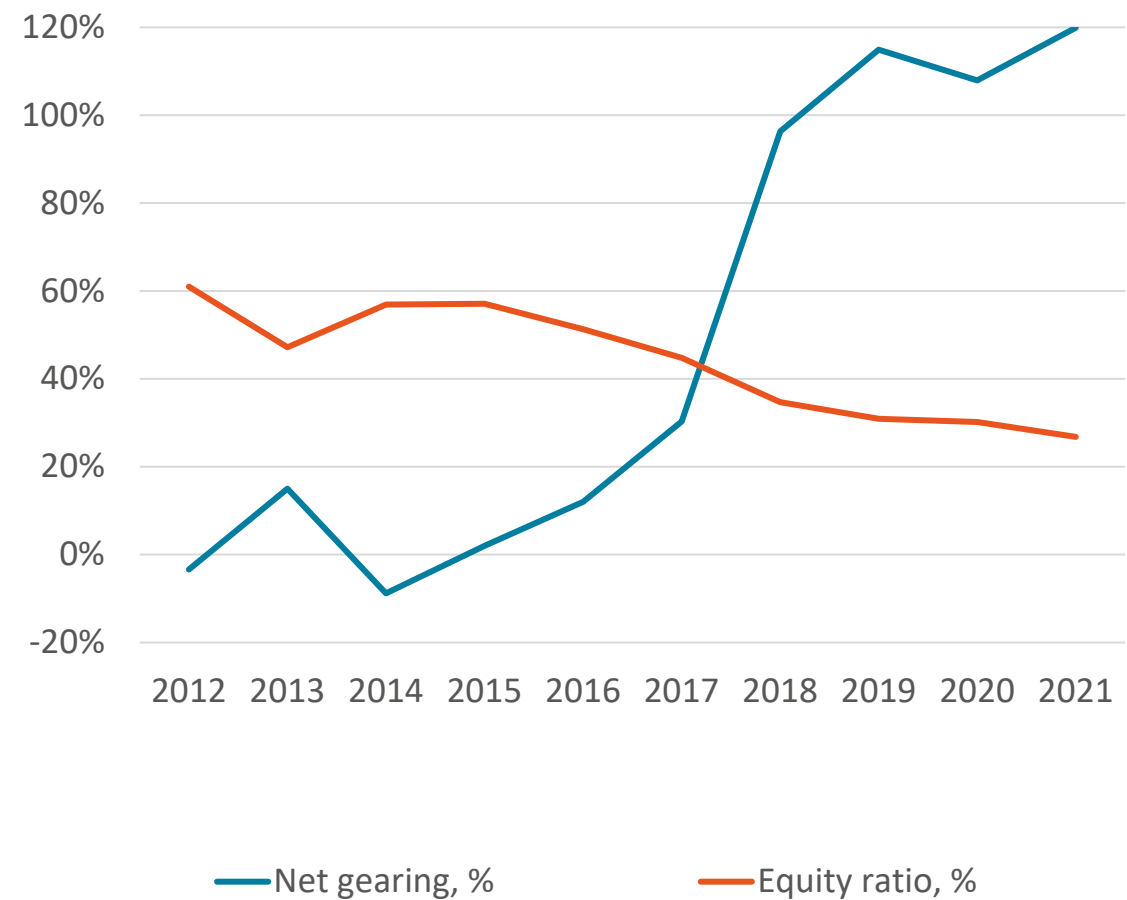


- Lowered profitability mainly due to the ramp-up of a specific carbon fiber Wind Power product, produced in high volumes in our factory in the United States.
- In the fourth quarter, the Group profitability improved already from the previous quarter, as expected.

# Return on capital employed at 4.8% in 2021

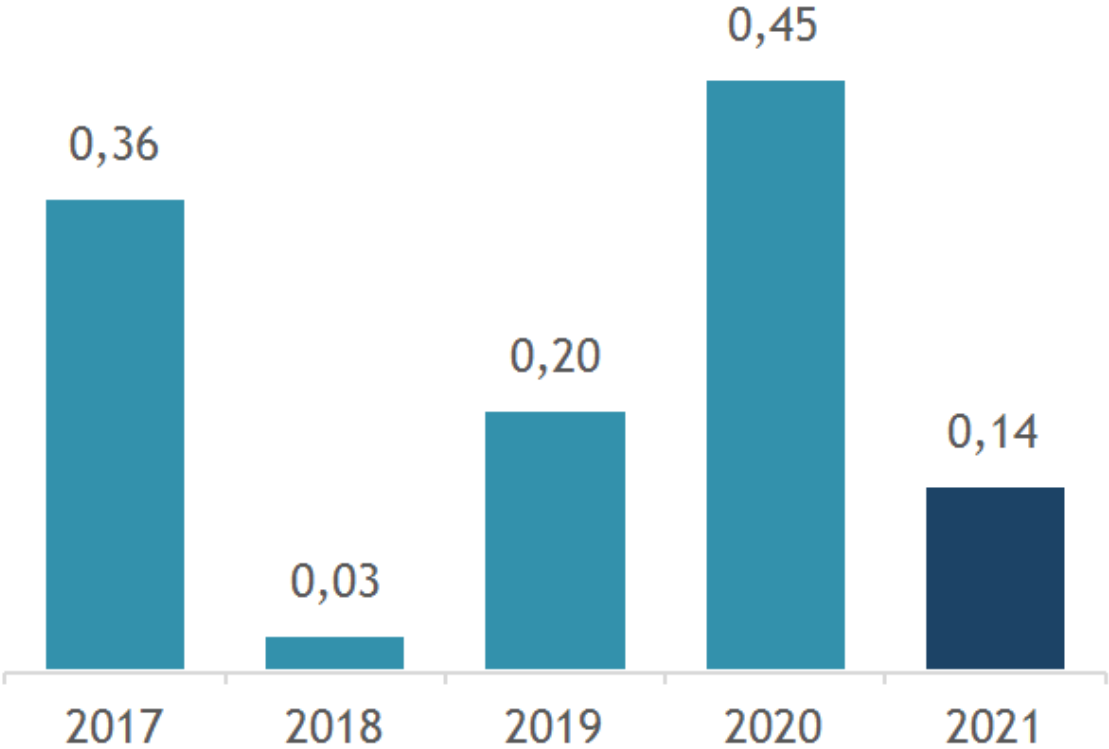


# Net gearing at 119.9% in 2021

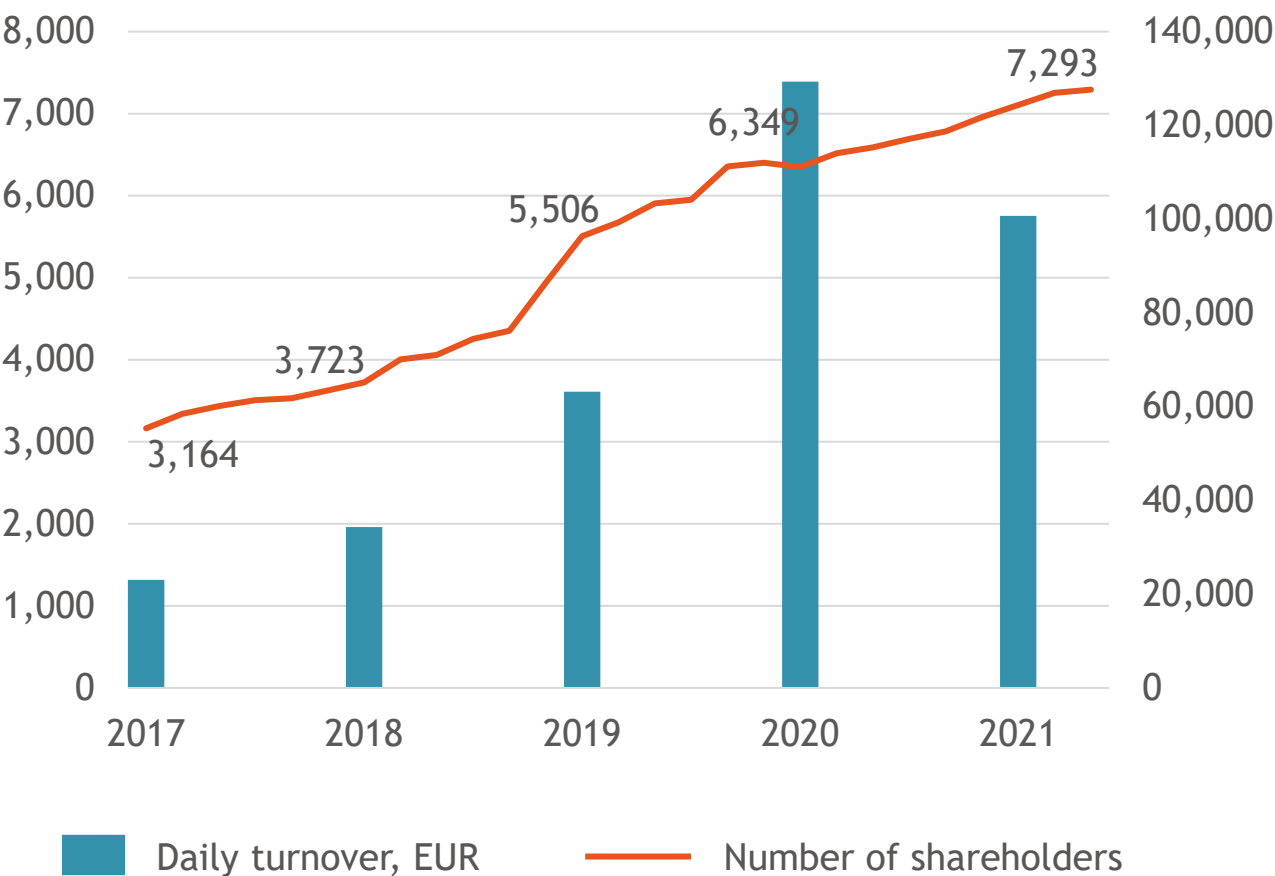




# Earnings per share at EUR 0.14 in 2021



# Number of shareholders continued to grow in 2021



## 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.

# Online event for the shareholders of Exel Composites Plc, 25 March 2022

Resolutions by the Annual General Meeting

Presentation by President and CEO Riku Kytömäki

➤ Questions & Answers



