



Financial Statements Review Q1-Q4 2022

STABLE REVENUE AND HIGHER PROFITABILITY IN 2022 COMPARED TO 2021

FOR FORWARD THINKERS



Financial Statements Review Q1-Q4 2022

Financial briefing, 17 February 2023



Jouni Heinonen

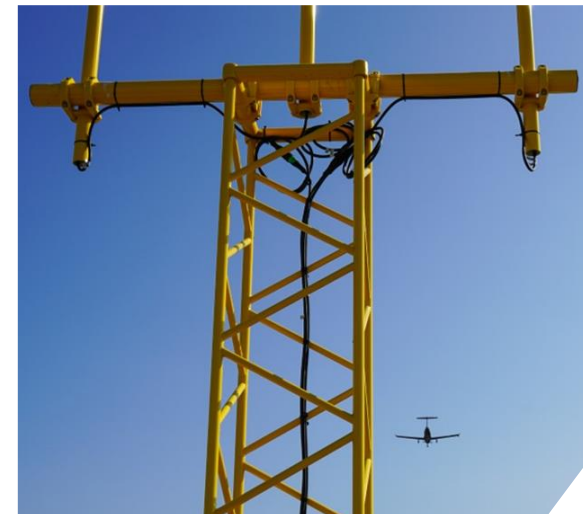
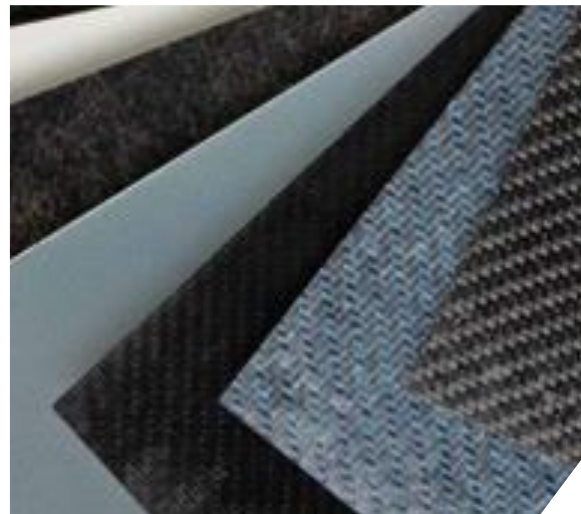
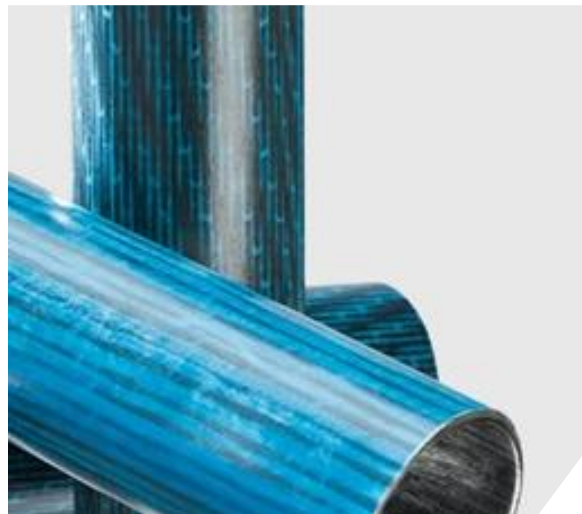
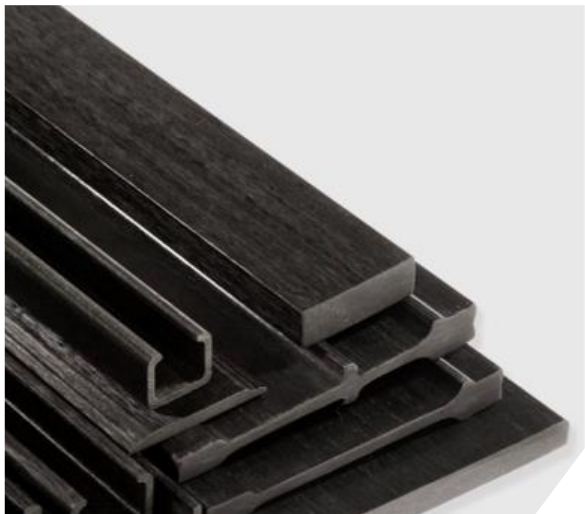
President and CEO



Mikko Rummukainen

CFO

Highlights



2022 YoY

Revenue stable and profitability higher

Q4 2022 YoY

Profitability stable despite lower revenue

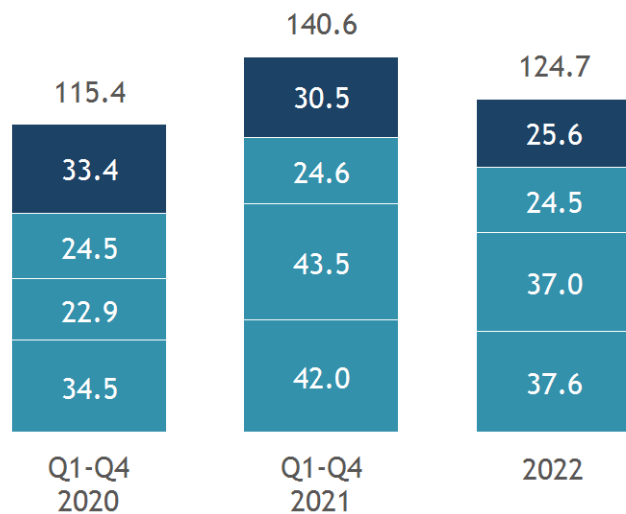
Guidance for 2023

Revenue expected to be at last year's level and adjusted operating profit increase compared to 2022

Dividend proposal

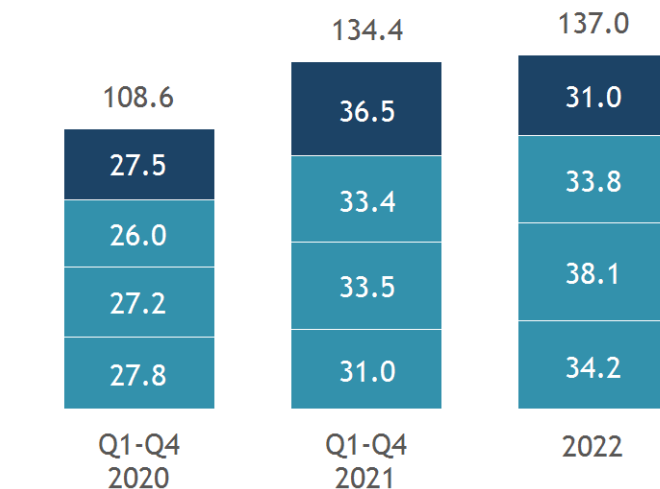
Dividend proposal EUR 0.20 (0.20) per share

Q1-Q4 2022 highlights



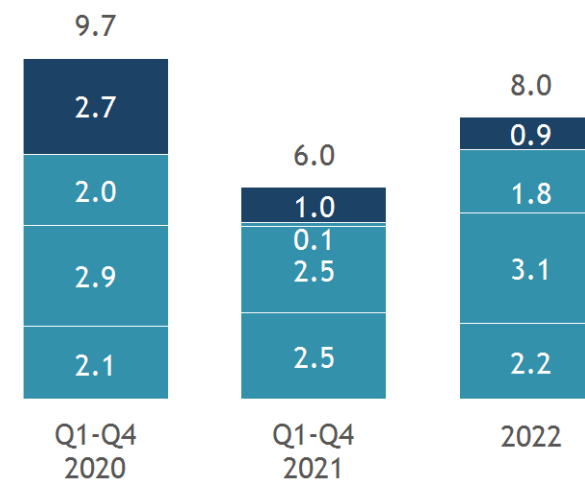
Order intake

- Order book decreased due to temporarily weaker demand in wind power market



Revenue

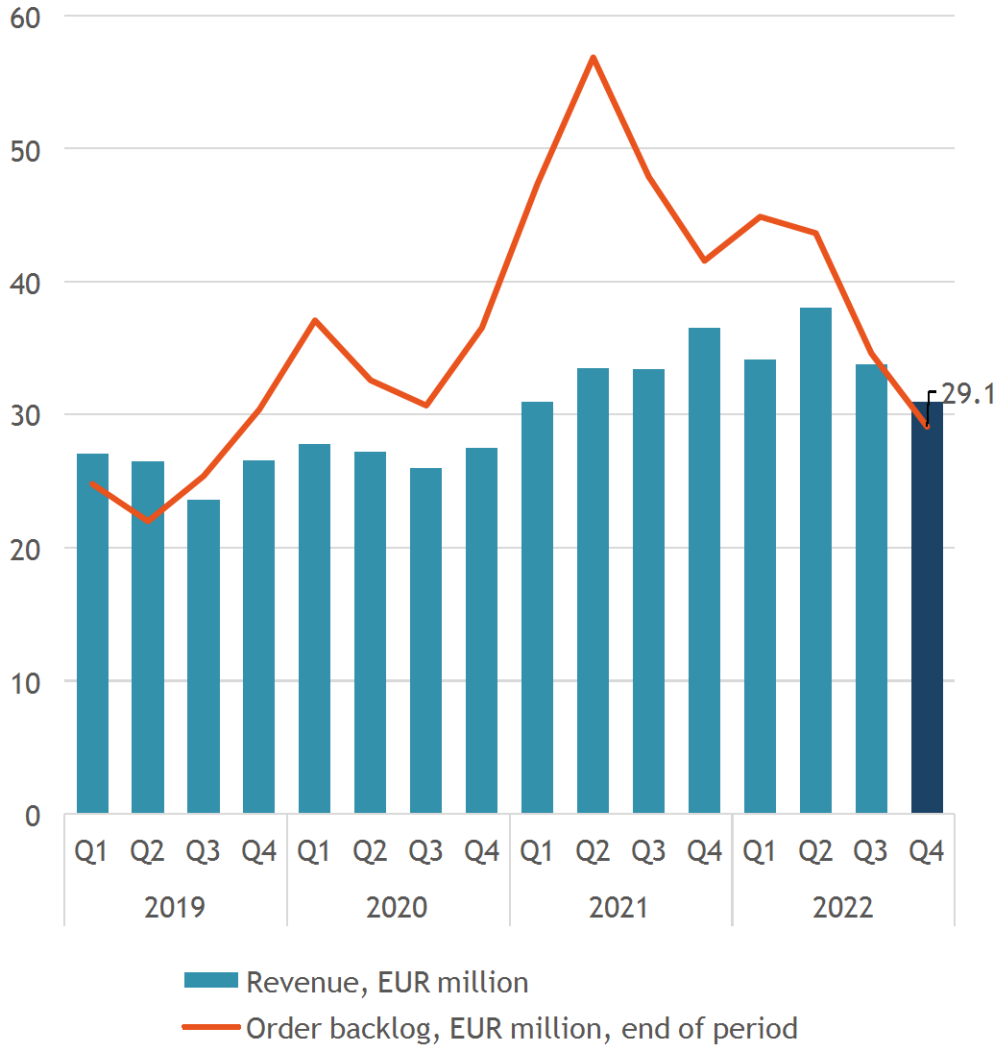
- Decreased in Q4 2022 vs. Q4 2021
 - Transportation, Telecommunications and Machinery & Electrical customer industries increased
 - Other customer industries decreased
- Full year 2022 on the same level with 2021
 - Favourable development, especially in Transport



Adjusted operating profit

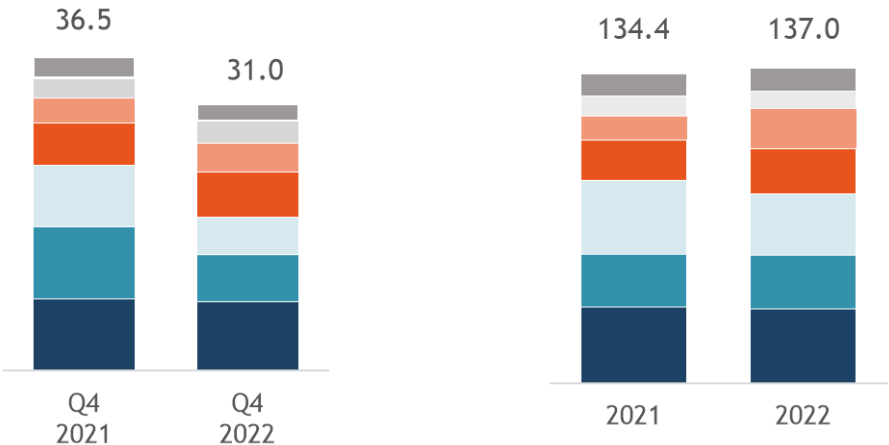
- Q4 2022 on the same level with 2021
 - Good cost management compensated for lower revenue
- Full year 2022 higher than 2021
 - Positive US business unit after challenges in 2021
 - Improved material efficiency

Order backlog at EUR 29.1 million at the end Q1-Q4 2022

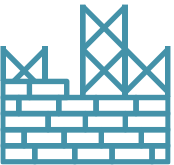
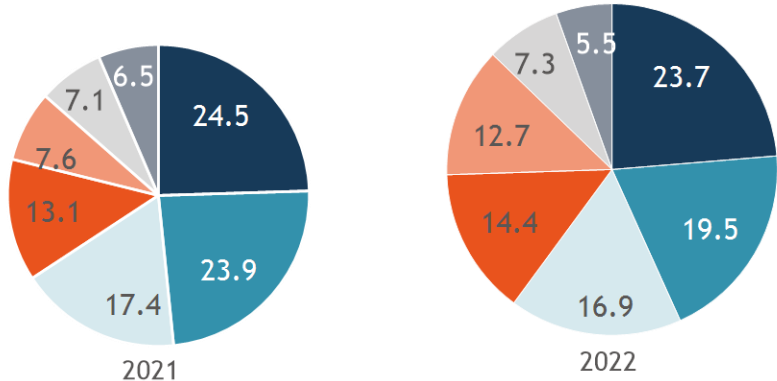


Growth was particularly driven by the Transportation customer industry in 2022

Revenue by customer industry, EUR million



Revenue share by customer industry, %



Buildings and infrastructure



Wind power



Equipment and other industries



Machinery and electrical



Transportation



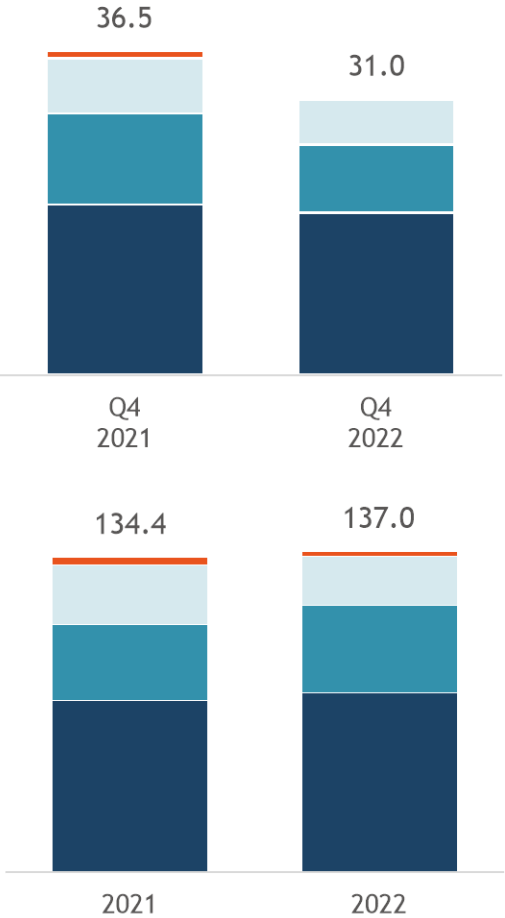
Telecommunication



Defense

2022 revenue growth in the North America region and in Europe

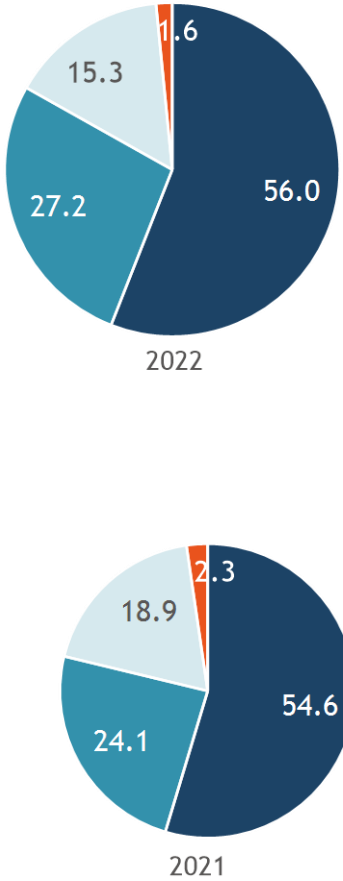
Revenue by region¹⁾,
EUR million



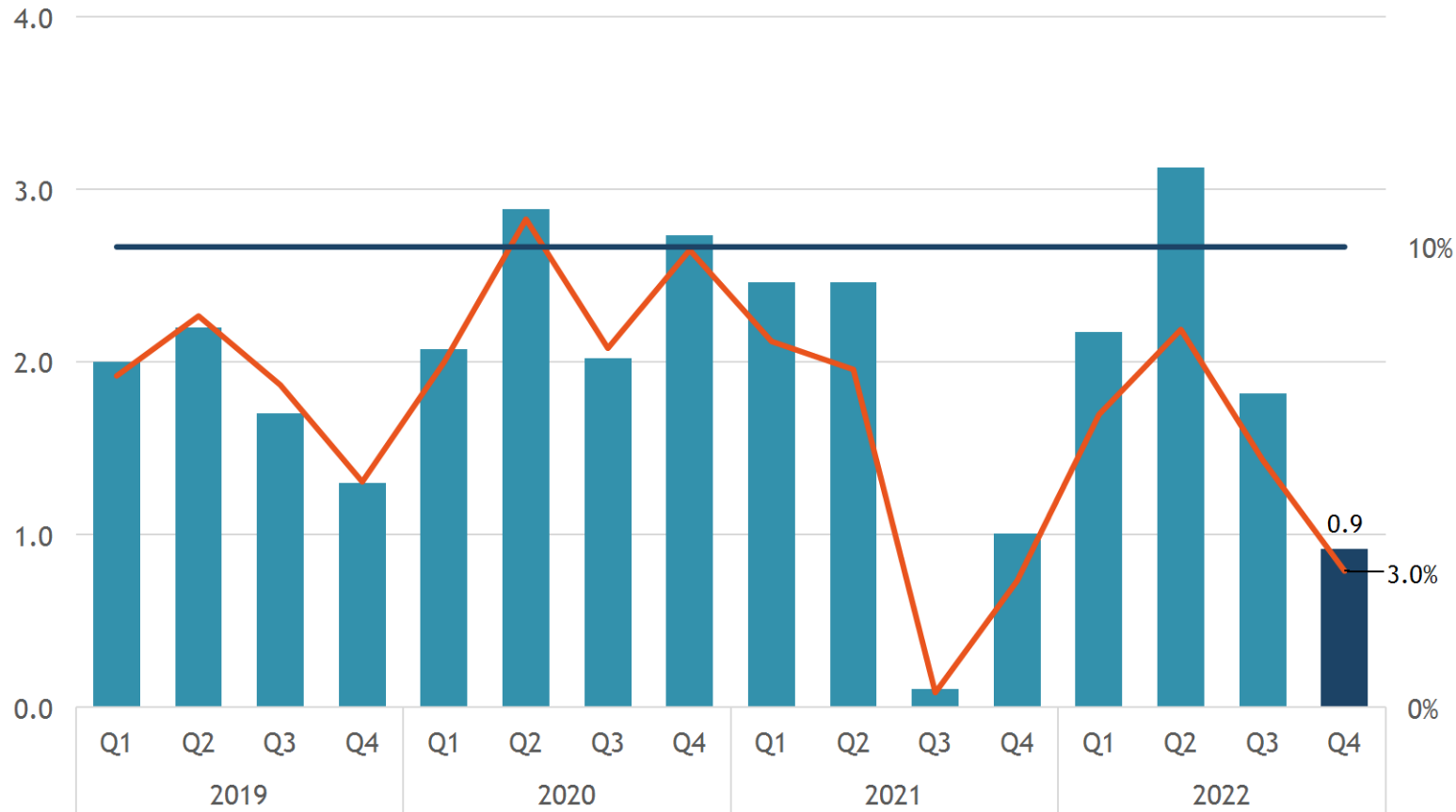
■ Europe
 ■ North America
 ■ Asia-Pacific
 ■ Rest of the world

¹⁾ Revenue by customer location

Revenue share by region¹⁾,
%



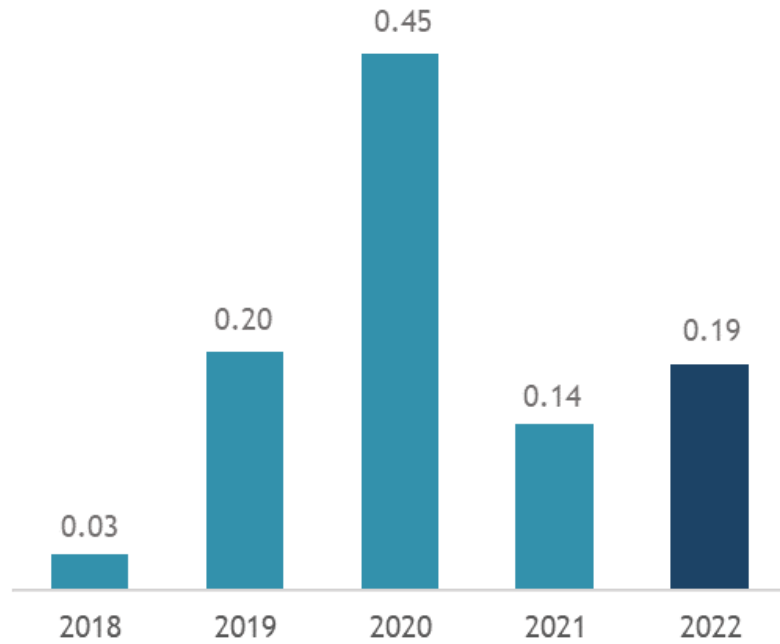
Group's adjusted operating profit increased from the previous year



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

- Business unit in the United States improved
- Material cost level increased, but we were able to transfer cost increases to our sales prices quite well
- Material efficiency improved
- Visibility into material and logistics cost development in the coming quarters is still limited

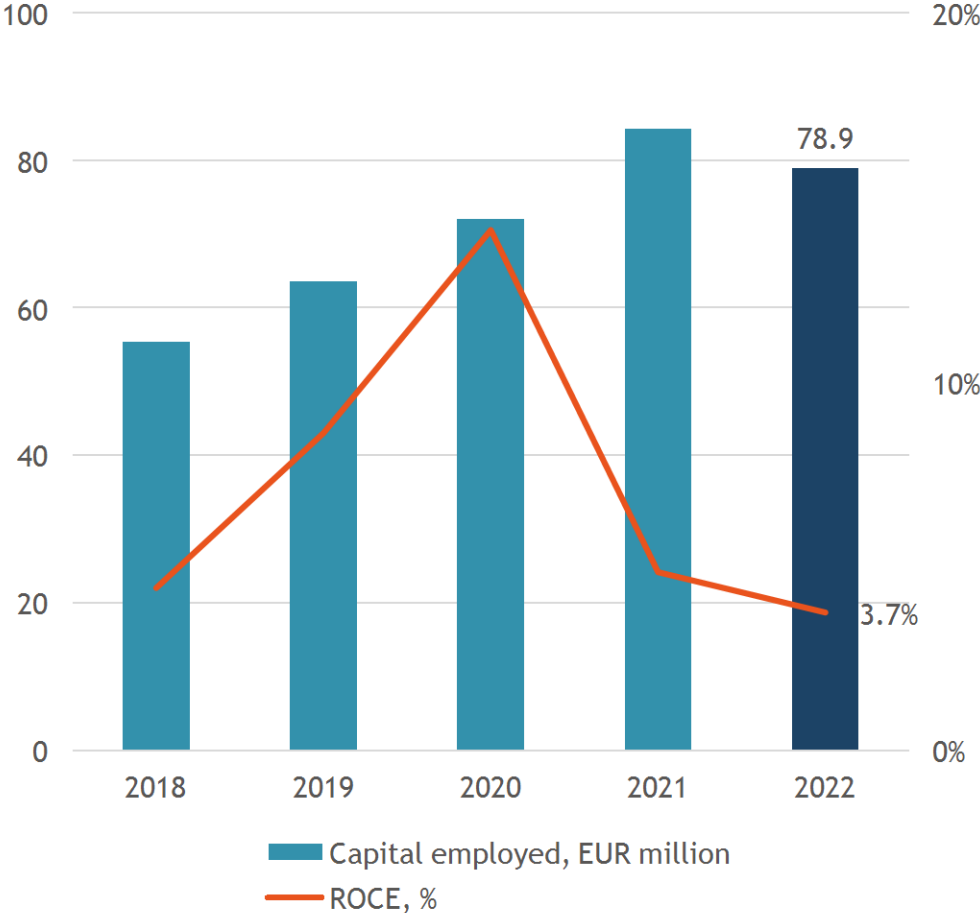
Earnings per share at EUR 0.19 in 2022



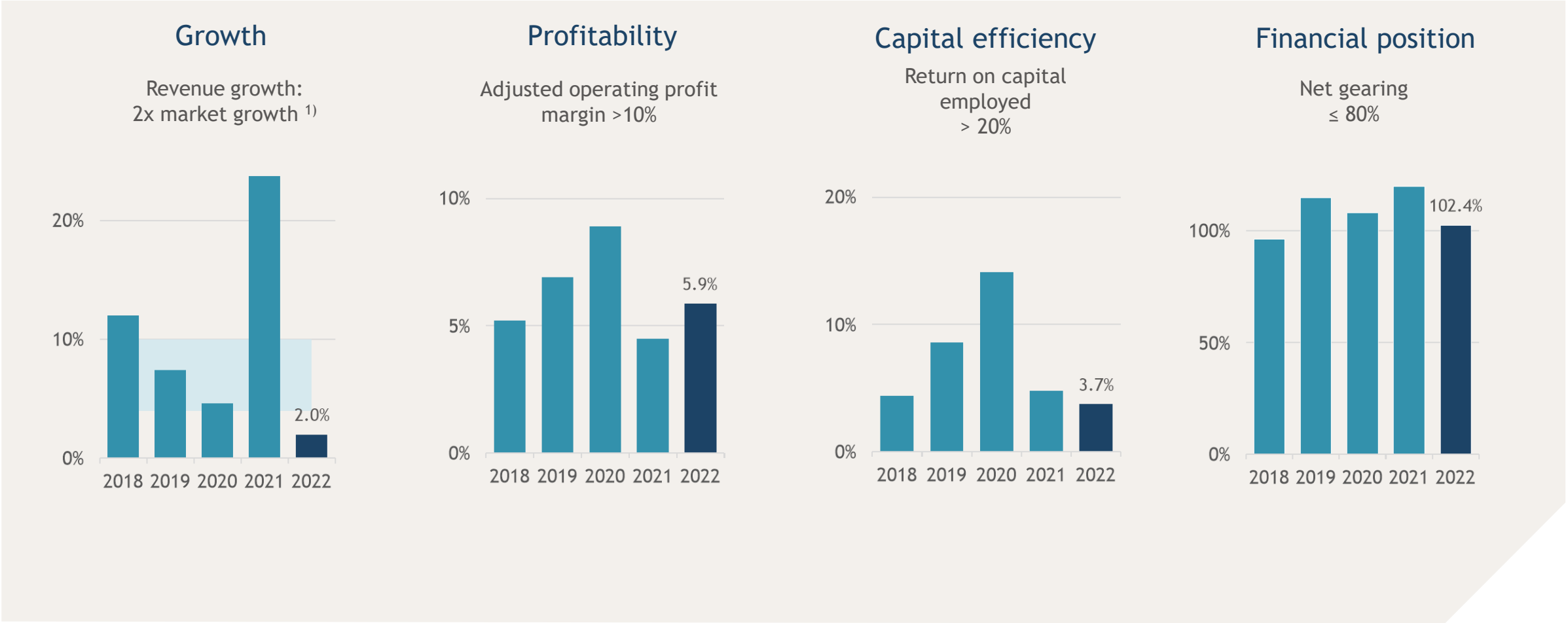
➤ Dividend proposal EUR 0.20 per share



Return on capital employed at 3.7% in Q1-Q4 2022



Exel's long-term financial targets



¹⁾ 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

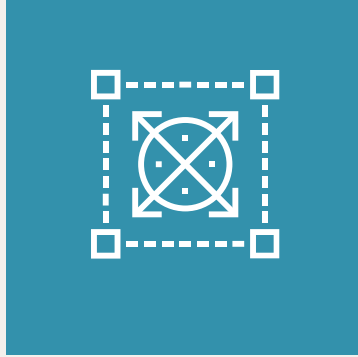
Strategic actions

- Reorganization and consolidation of operations in China to one manufacturing site
 - Sales process to sell the closed factory site almost completed
- Multi-year agreement with a wind power customer signed
- Plans to evaluate the downsizing of the operations in the United Kingdom announced

The green transition is a significant opportunity for us



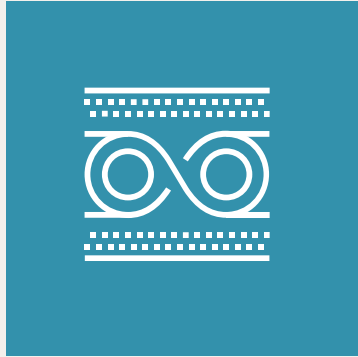
Lightness



Durability



Longer life cycles



Improved performance

- The world needs more renewable energy, more energy-efficient buildings, and lighter vehicles
- Sustainable composite solutions help our customers save resources and mitigate climate change
- Composites improve performance of the end-products such as wind turbine blades
- Result: Lowered negative impacts of the end-product on the environment

Guidance and outlook

Guidance for 2023

- Exel Composites expects that revenue in 2023 will be at last year's level and adjusted operating profit will increase compared to 2022

Outlook

- Some uncertainty in the short-term demand development due to the general macroeconomic environment
 - In the first half of the 2023, we expect the demand to be slightly soft
 - Wind power market
 - Largest and fastest growing market in pultrusion industry in the next several years
 - Important growth area for us
 - Market demand temporarily flat but growth expected to recover in 2024
- Our long-term demand outlook is positive



Thank you! Kiitos!

Questions? Kysymyksiä?

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