



Review by the President and CEO

Paul Sohlberg

FOR FORWARD THINKERS



Paul Sohlberg, President and CEO

Started at Exel Composites on 20 March 2023

Born 1977, LL.M.

Previous main positions

Senior Vice President, Separation Business Line at Metso Outotec

Executive Vice President and President of the Minerals Processing Business Area at Outotec

President of Outotec in North and Central America

Various positions at Elektrobit Plc





Exel Composites business and market environment

Exel Composites in brief

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 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 a circular economy

Longer lifecycles:

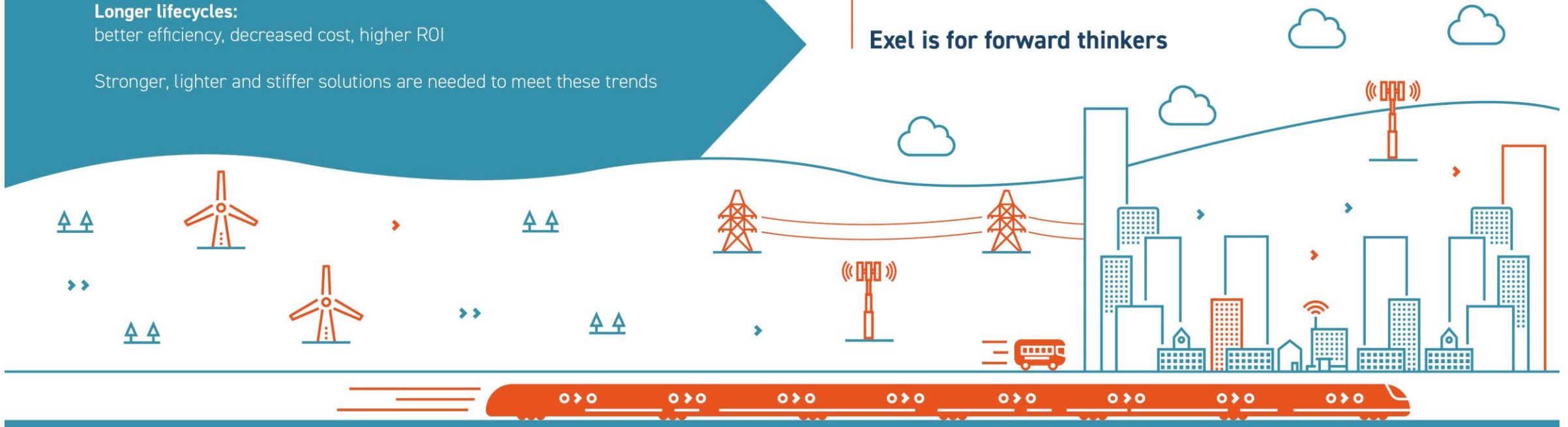
better efficiency, decreased cost, higher ROI

Stronger, lighter and 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 composite solutions globally

Exel is for forward thinkers



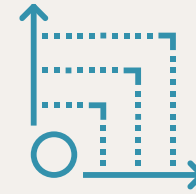
Market environment



Value of
addressable
composites market
~EUR 4 billion



Many small
players



Annual growth in
composites market
~2-5%

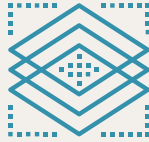


Growth potential in
pultrusion composites
market

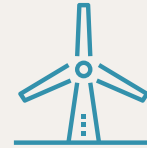
Our wide industry portfolio offers diversification opportunities



Buildings and
infrastructure



Equipment and other
industries



Wind power



Machinery and
electrical



Transportation



Defense



Telecommunication

New long-term opportunities to be captured in Exel's refreshed strategy

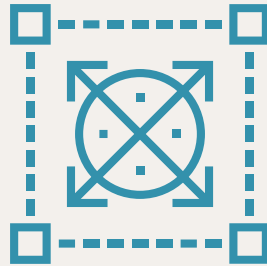
- ◆ We have initiated the process to review and refresh Exel's strategy and operating model
- ◆ Major development program started to capture attractive opportunities in wind power market



The green transition is a significant opportunity for us



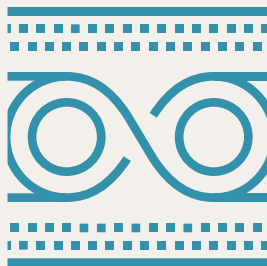
Lightness



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

2022 highlights

Exel in 2022

Revenue increased
2% YoY
to EUR 137 million

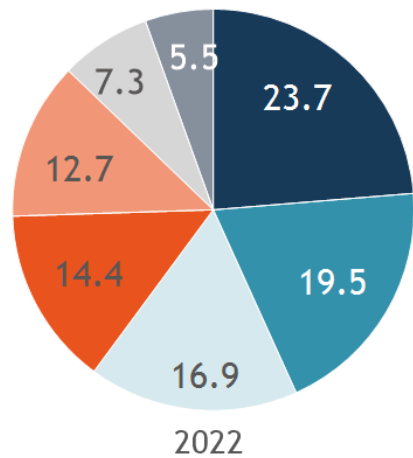
Adjusted operating
profit increased
33% YoY
to EUR 8.0 million

Continued to focus
and develop our
operations

Taxonomy-eligible
revenue increased
to 37.8% of total
revenue

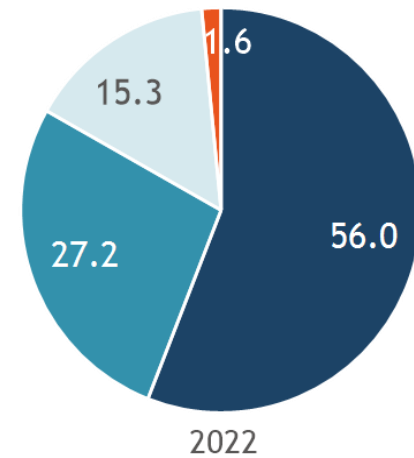
Revenue by customer industry and region in 2022

Revenue share by customer industry
%



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

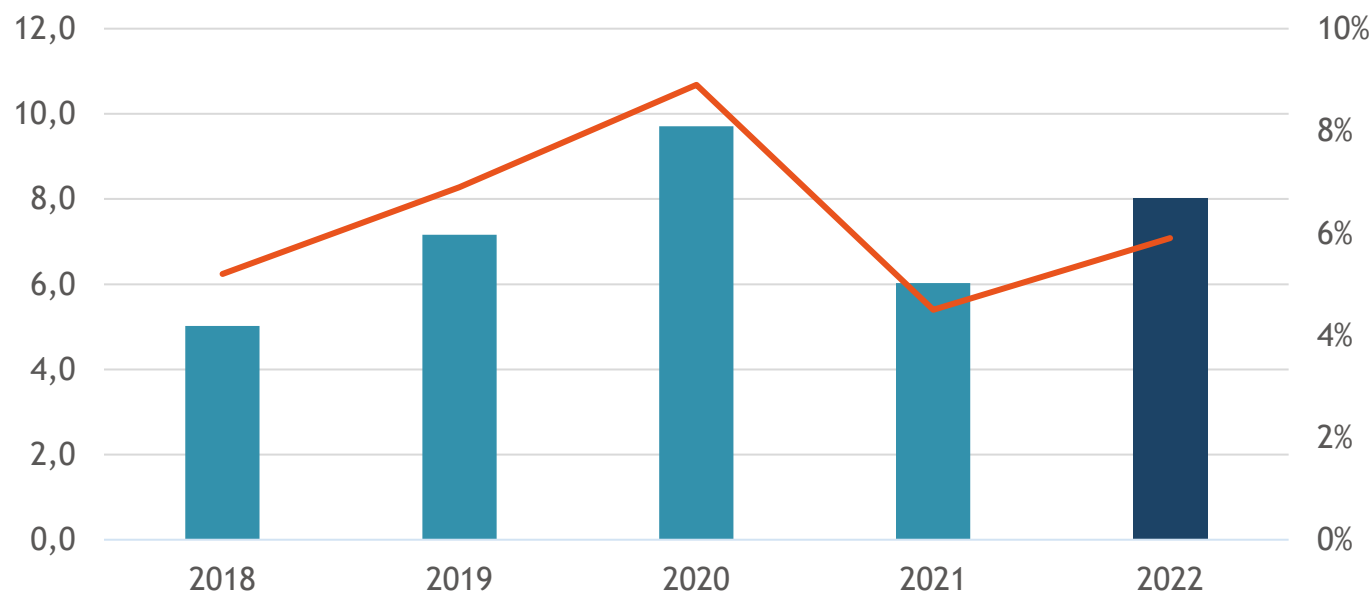
Revenue share by region¹⁾
%



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

¹⁾ Revenue by customer location

Adjusted operating profit increased from the previous year

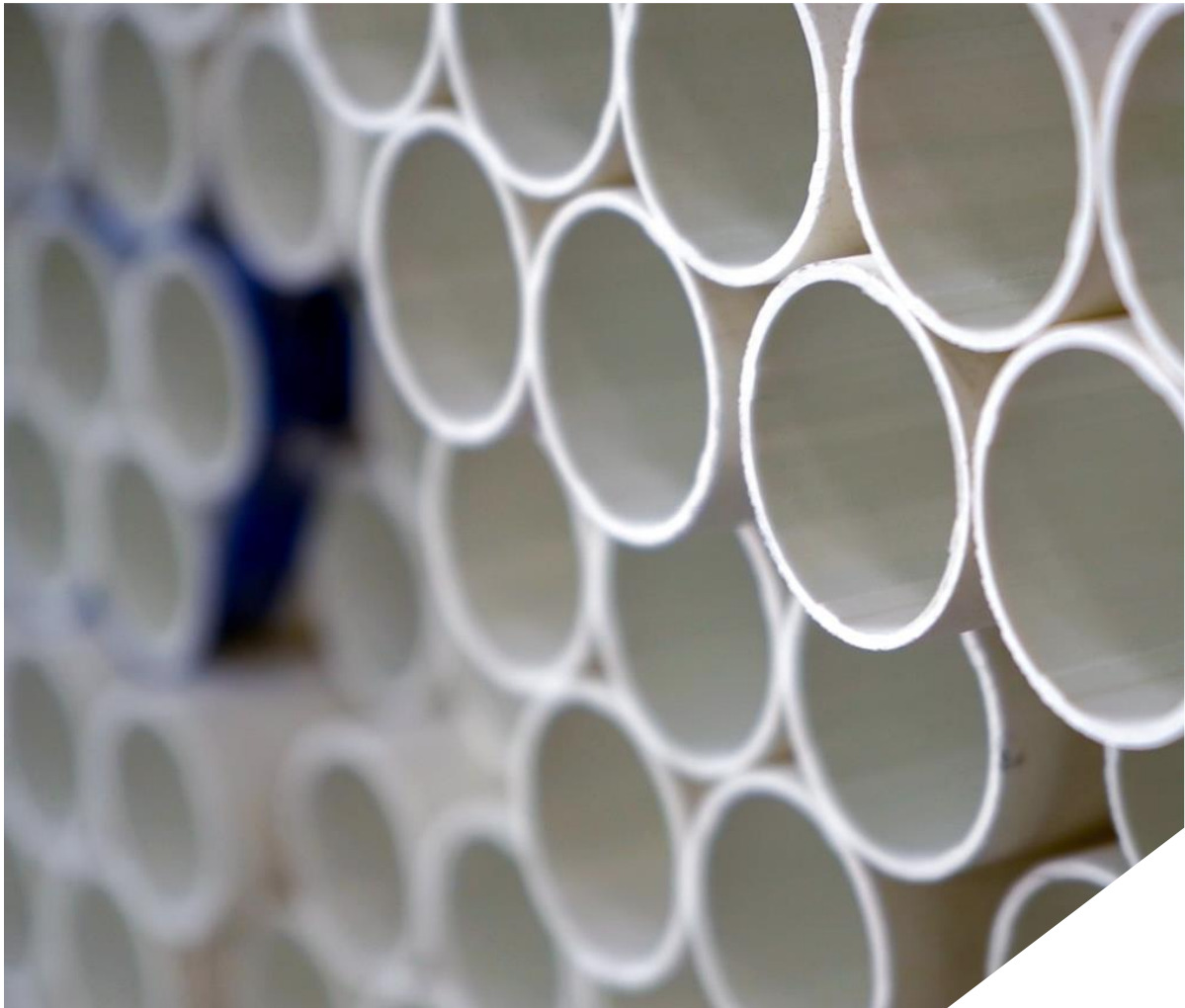
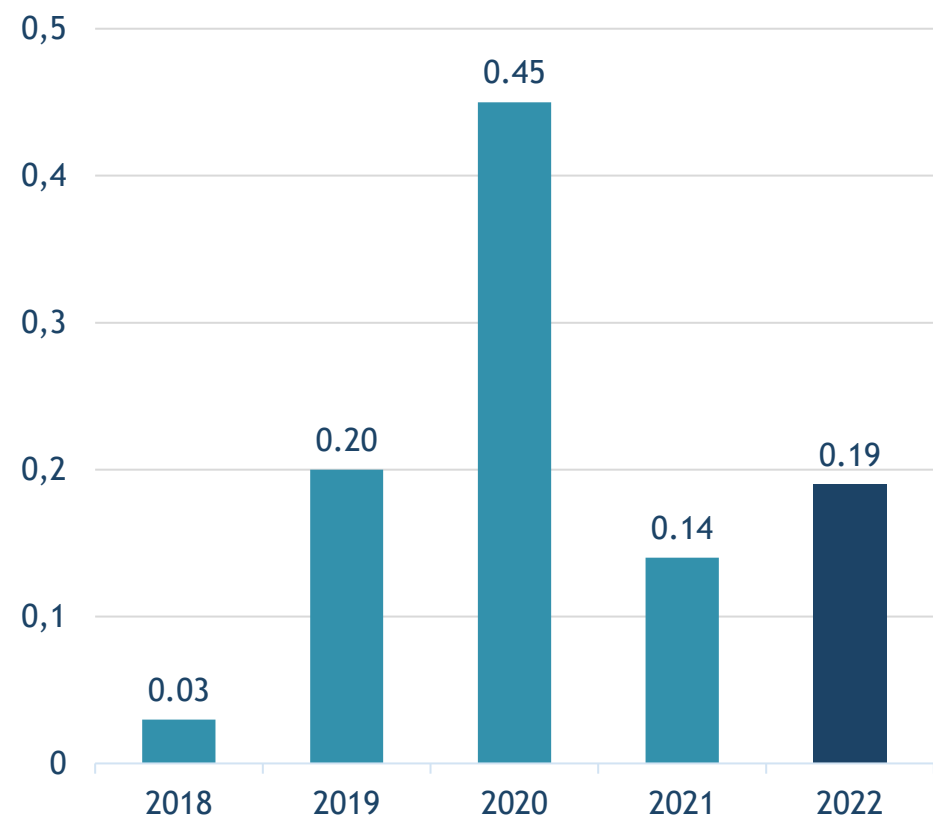


■ Adjusted operating profit, EUR million

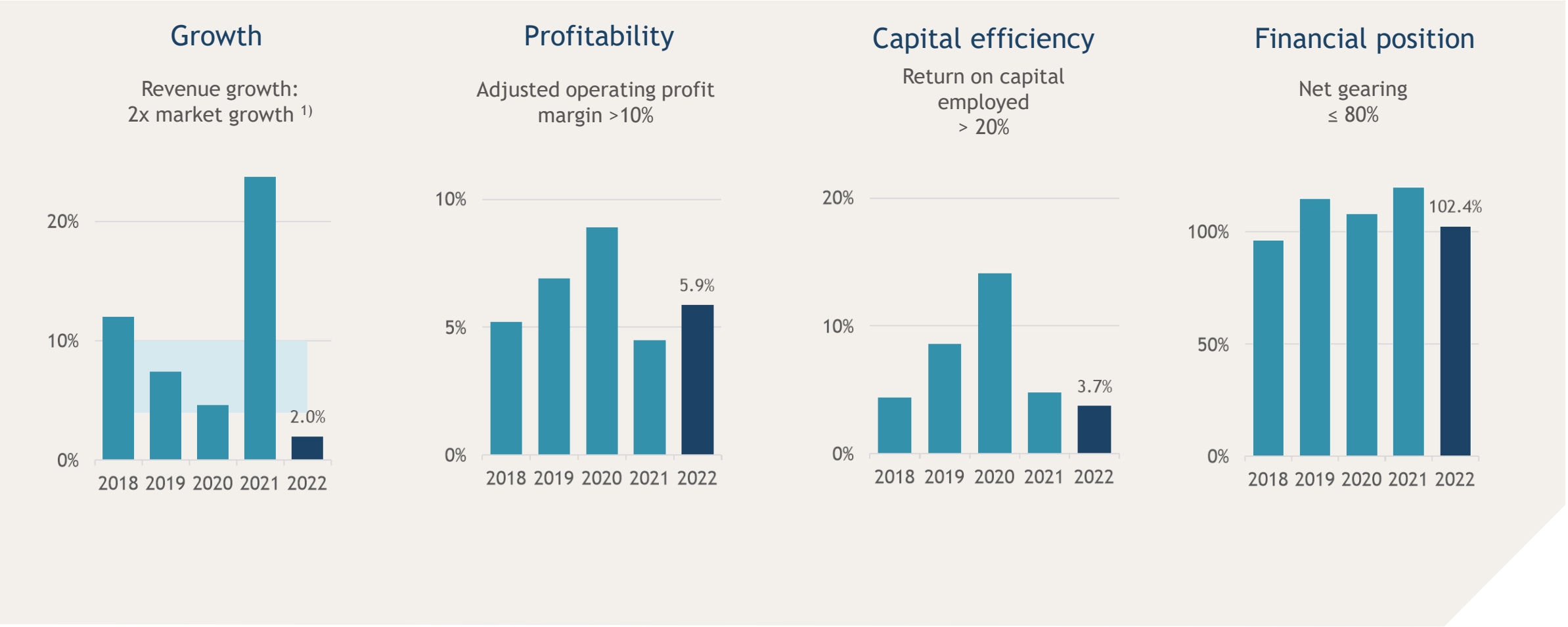
— Adjusted operating profit margin, %

- Business unit in the United States improved
- Material cost level increased, and we were able to transfer cost increases to our sales prices in a good way
- Material efficiency improved

Earnings per share increased to EUR 0.19 in 2022

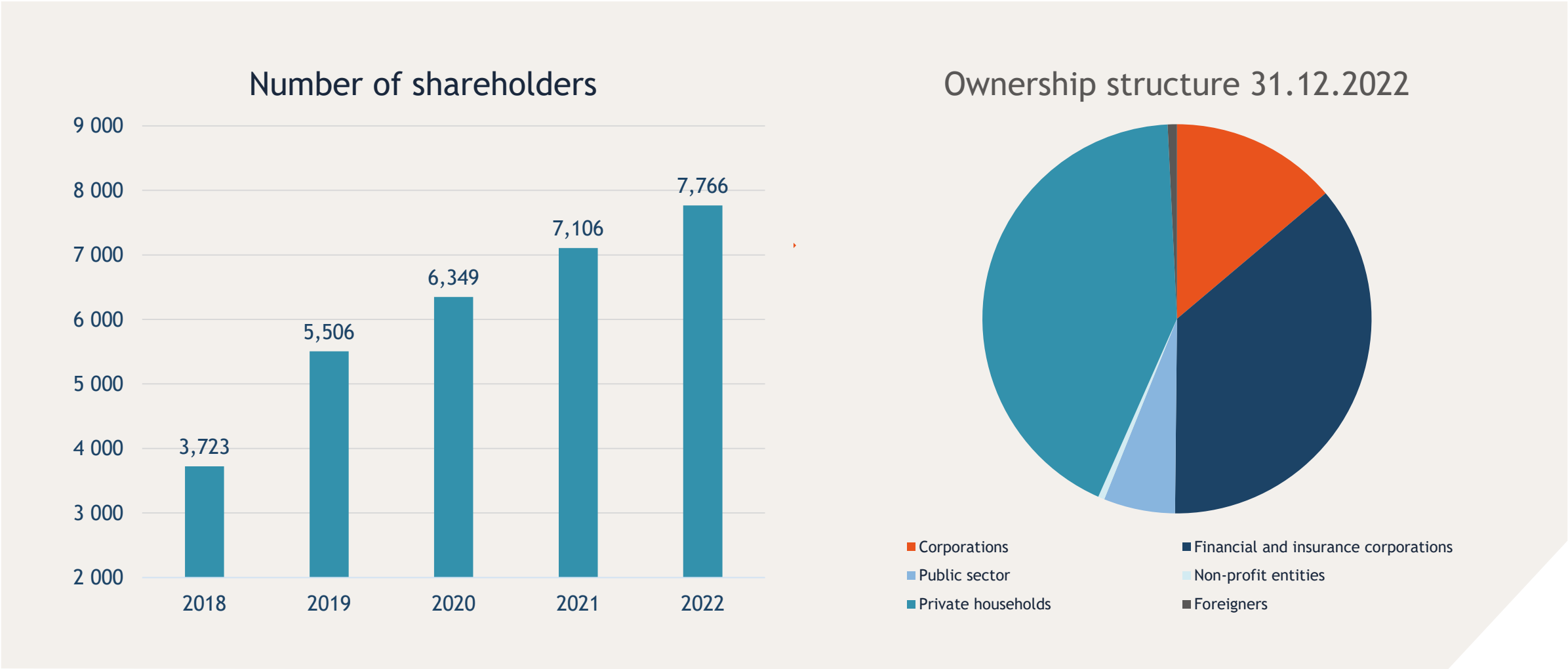


Exel's long-term financial targets



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

Number of shareholders continued to grow in 2022



Guidance for 2023 and outlook

Guidance for 2023

Exel Composites expects that revenue will decrease and adjusted operating profit will decrease significantly in 2023 compared to 2022

Outlook

- Demand is expected to improve in H2 2023 and later driven by opportunities for equipment in the wind power market
- Short-term visibility is currently limited, and uncertainty in short-term demand is expected to continue
- Attractive long-term growth potential to address in multiple customer industries driven by the need for more sustainable solutions

