



Business Review Q1 2023

Q1 2023 REVENUE EUR 28.8 MILLION AND
ADJUSTED OPERATING PROFIT EUR 0.0 MILLION

FOR FORWARD THINKERS



Business Review Q1 2023

Financial briefing, 2 May 2023



Paul Sohlberg

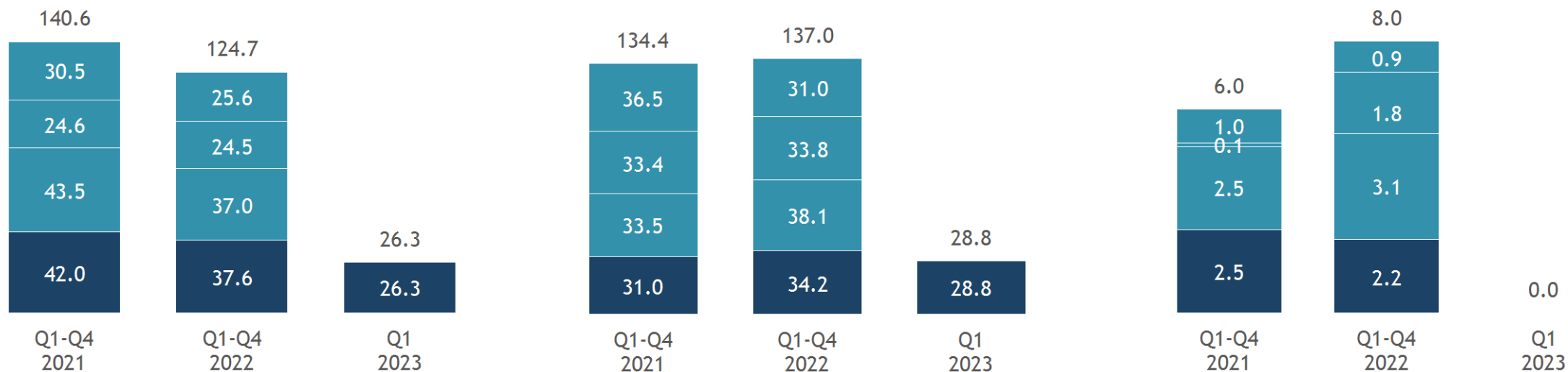
President and CEO



Mikko Rummukainen

CFO

Q1 2023 executive summary



Order intake

- Order book decreased due to lower demand
 - Customers reduced their stocks
 - Softer than expected demand for equipment in the wind power industry

Revenue decreased YoY

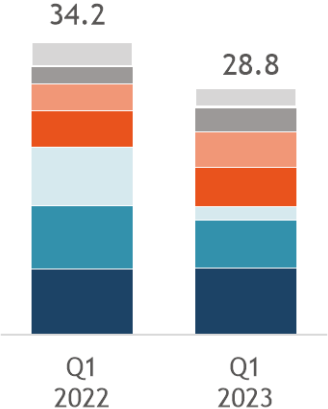
- Lower demand
- Positive trend continued in Transportation
- Building & Infrastructure, Defense and Machinery & Electrical customer industries increased

Adjusted operating profit decreased YoY

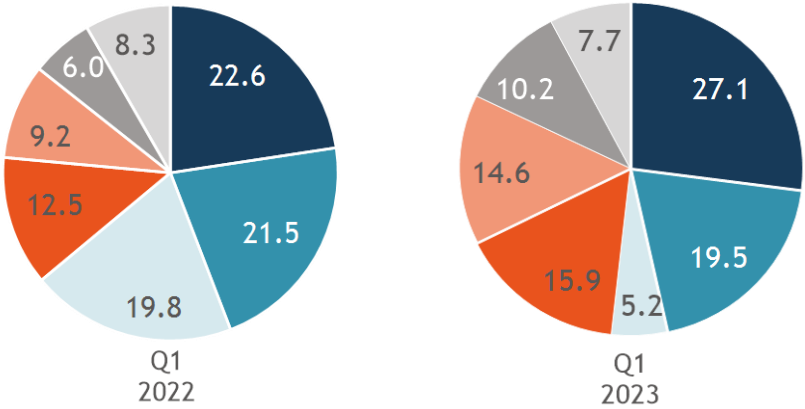
- Break-even level due to lower revenue following a lower order intake at the end of 2022
- Improvement actions initiated

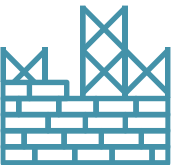






Revenue decreased due to lower demand Positive development in many customer industries

Revenue by customer industry,
EUR million



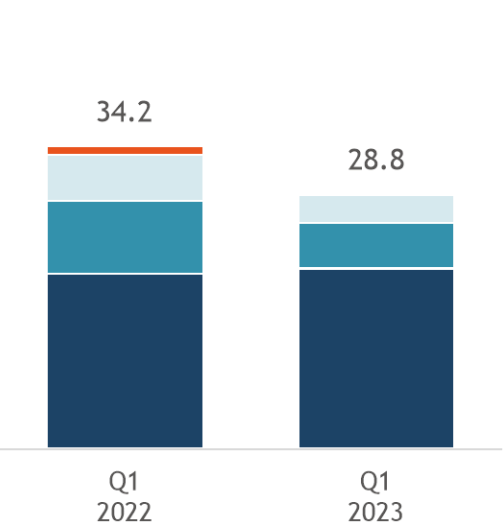
Revenue share by customer industry,
%



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

Revenue slightly up in Europe in Q1 2023

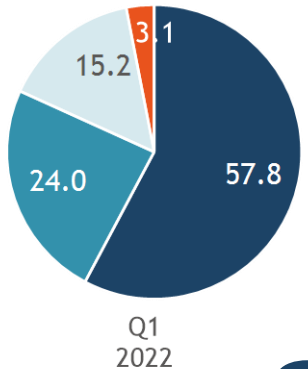
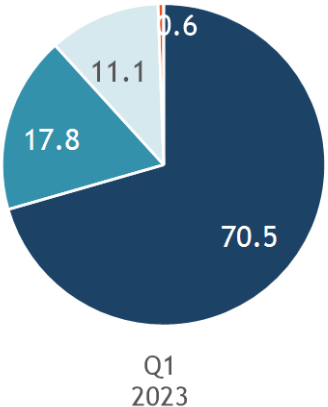
Revenue by region¹⁾,
EUR million



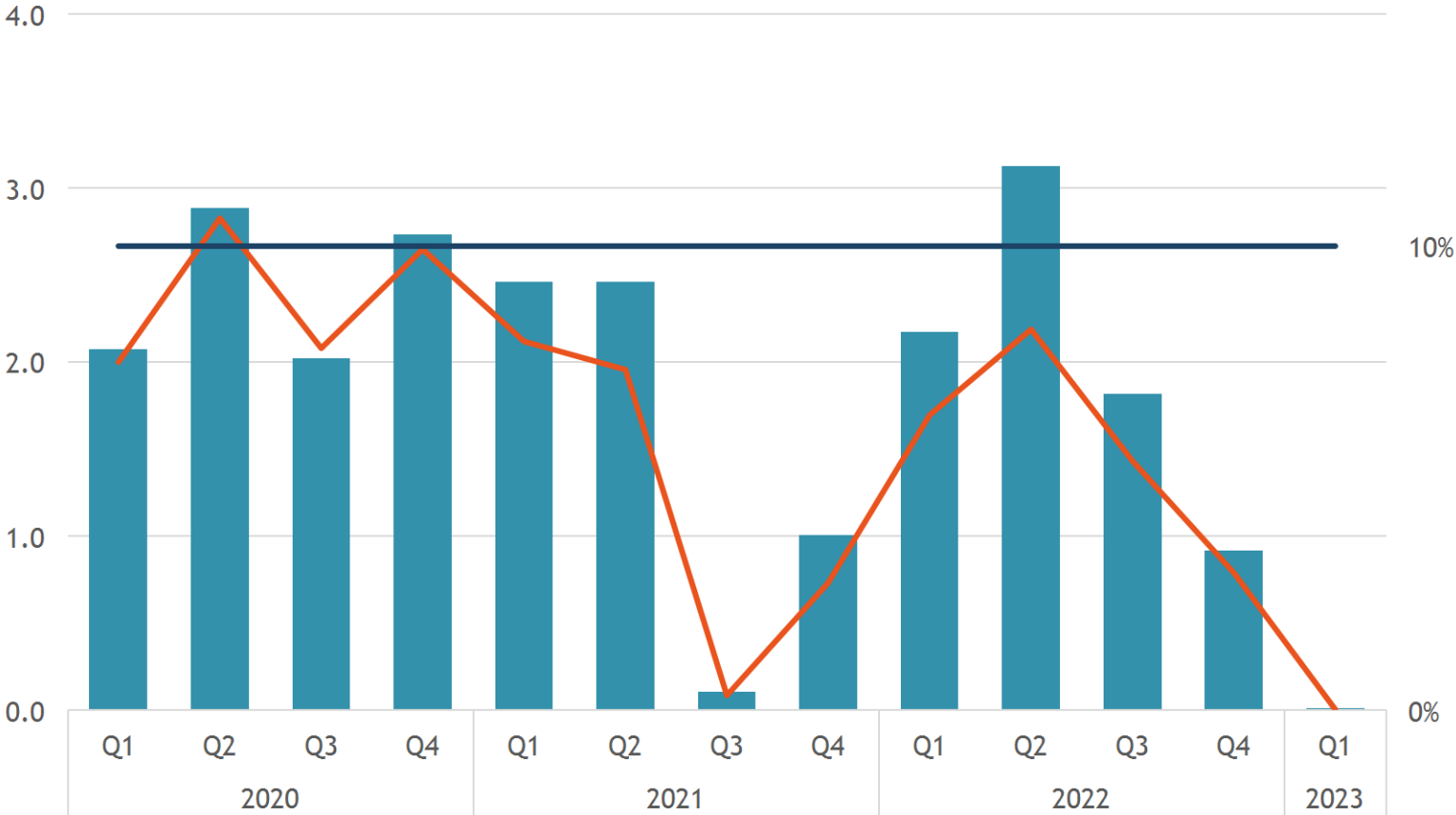
■ Europe
 ■ North America
 ■ Asia-Pacific
 ■ Rest of the world

¹⁾ Revenue by customer location

Revenue share by region¹⁾,
%



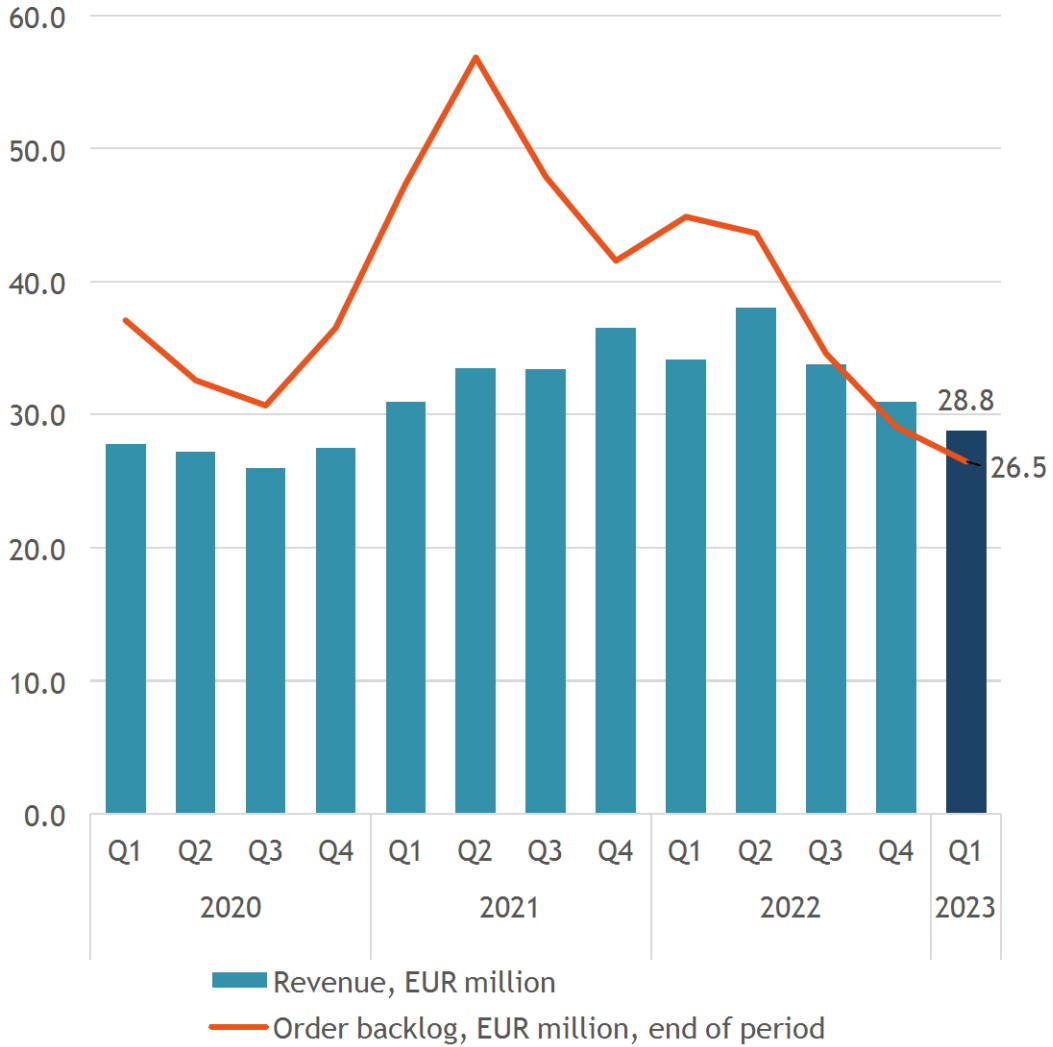
Group's adjusted operating profit at the break-even level



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

- Lower revenue following also the lower starting order backlog for 2023
- Our own costs remained generally in line with our expectations through Q1 2023
- Raw material costs continued to stabilize

Order backlog at EUR 26.5 million at the end Q1 2023



Adjusted guidance for 2023 and outlook

Guidance for 2023

Considering the current market environment, the guidance for 2023 has been adjusted. Exel Composites expects that revenue will decrease and adjusted operating profit will decrease significantly in 2023 compared to 2022. Previously Exel Composites expected that revenue in 2023 will be at last's year level and adjusted operating profit will increase compared to 2022

Outlook

- We reiterate our view that 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

Strategic actions and focusing operations

- Major development program started to capture attractive opportunities in wind power market
- Completed sale process of the closed factory site in China
- Initiated actions to adjust our capacity to temporarily softer demand
- Decision made about downsizing of our operations in Runcorn, United Kingdom
 - Local service center and sales team
 - Gradually transferring pultrusion production to other factories. Expected to be finalized during 2023

Key takeaways

Temporarily lower demand in early 2023. Revenue and adjusted operating profit declined

Measures initiated to improve performance

Long-term growth picture remains positive

Existing and new long-term opportunities to be captured in Exel's refreshed strategy

exel | FOR
FORWARD
THINKERS