

Exel Composites Strategy 2024-2027

2 October 2023

Speakers today



Paul Sohlberg

President and CEO

Joined Exel in March 2023

Previous positions

- ◆ SVP Separation Business Line, Metso Outotec
- ◆ EVP and President Minerals Processing Business Area, Outotec
- ◆ President of Outotec in North and Central America
- ◆ Various positions at Elektrobit Plc



Mikko Rummukainen

CFO

Joined Exel in 2011

Previous positions

- ◆ SVP Business Development, Exel Composites
- ◆ Business Unit Manager, Exel Composites
- ◆ Project Manager, August Associates



Q&A will be offered at
the end of the call.

A transformative strategy based on sustainability, customer value and a high ambition in execution



Organic growth

Capturing growth from large and fast-growing energy transition and decarbonization applications driven by sustainability



Customer value

Focus on increasing value to customers through responsiveness and product platforms and composites design solutions in selected segments



Profitability

New operating model with two business units, larger factories with clear roles and efficiency improvements throughout to deliver solid profitability

Three sites will be placed under strategic review



High ambition

Skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue within five years

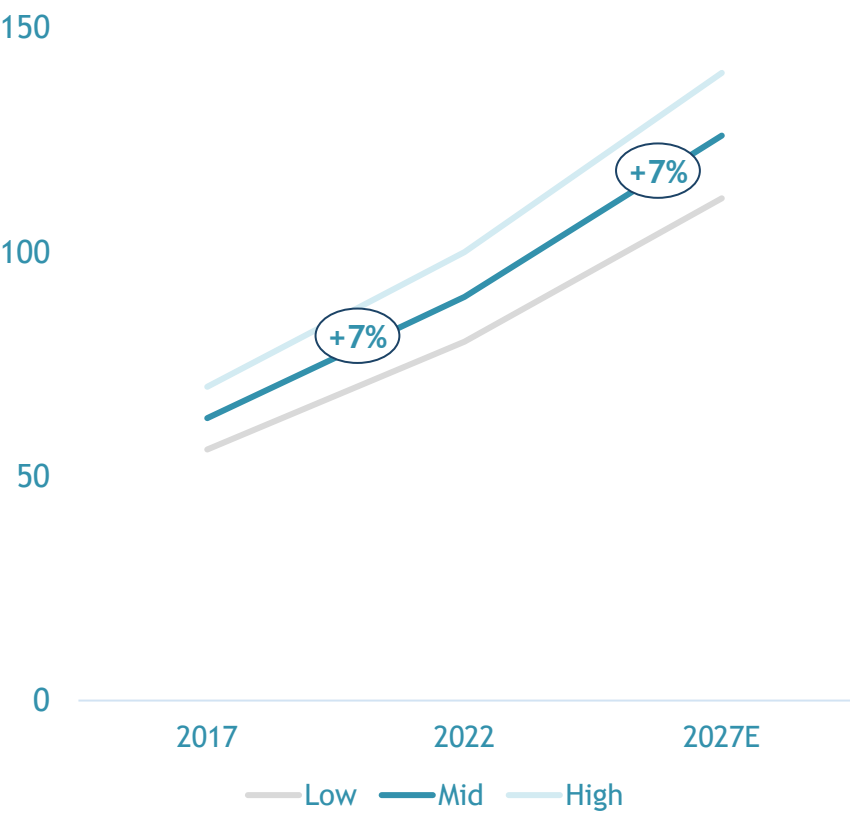
The global megatrends and our context

Global megatrends, such as climate change, sustainability, the energy transition, urbanization, need for more energy-efficient buildings provide opportunities for composite solutions

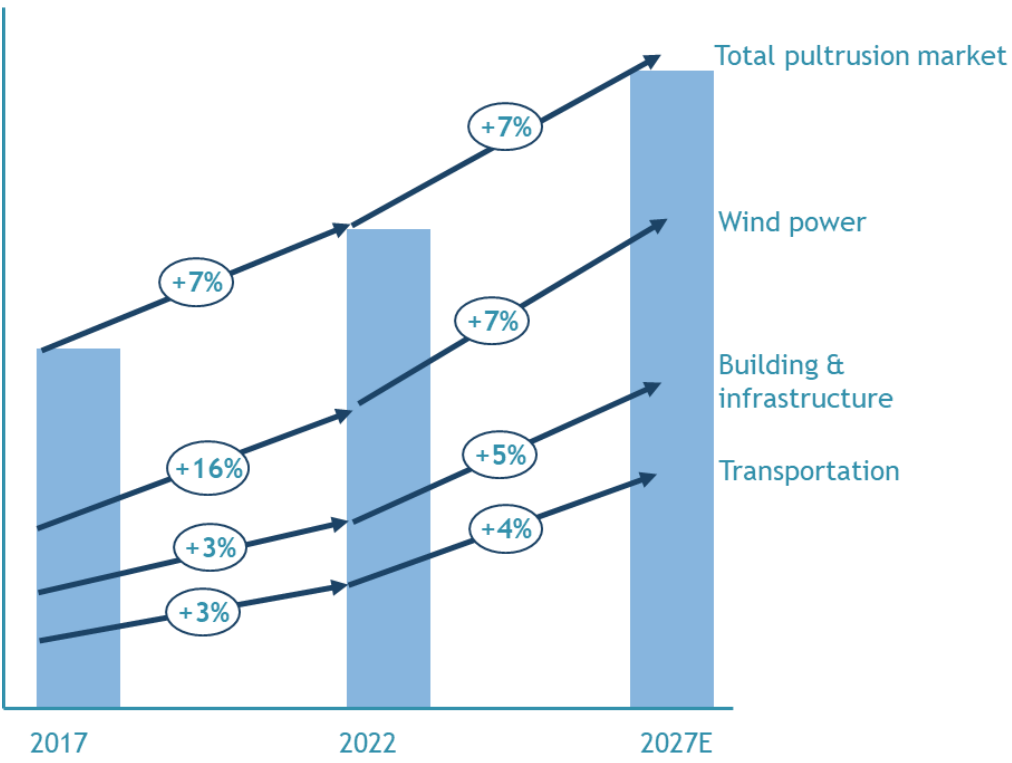
Demand for material properties offered by composites - **light weight, strength, thermal and electrical insulation, weather- and corrosion-resistance and longer lifetime** will increase in response to these megatrends

Composites and pultruded composites market growth rates

Global composites market growth forecasts, (US\$ bn)



Pultrusion total market growth with industries with strong growth potential, total market size ~US\$4 bn



Source: IHS; The World Bank; Statista; Global Data; Global Wind Energy Council; U.S. Department of Energy; Expert interviews; Grand view research, Precedence Research

How we will increase customer value

Increased support and responsiveness

Standardized offerings with options

Wider post processing options

Sustainable materials research

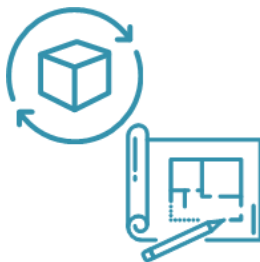
Pultruder-for-hire



Standardized offering



Defined product platforms



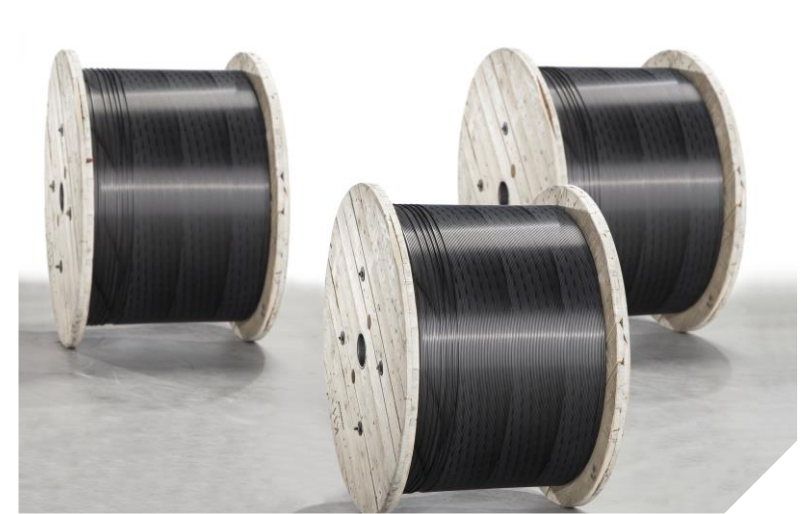
OEM & end products



Exel today

Exel strategy 2024-2027

Ways Exel will deliver profitability



More integrated offering

More standardized offering including product platforms

Composites solutions design capabilities so that customers can easily choose composites

Tailoring ability to provide right product properties to application requirements

New operating model

Organize into two distinct business units:
Volume and tailored applications

Factories organized to needs of specific business units with global supply capability

Sales operating model revamped to achieve increased responsiveness and time to market

Economies of scale

Review factory network and shift to a global network from larger and focused units

Optimized operating philosophy to achieve efficiency in high and low volume manufacturing

Three existing sites to be placed under strategic review

Sourcing and procurement savings from consolidation and focus

Operating model to shift to two business units from current seven



Custom application business

- Wide sales pipeline
- Regional sales network
- Customer development based on standardized composite solutions
- Tailored profiles



Volume application business

- Large known customers
- Key account sales model
- Dedicated factories
- Fewer product variants and higher-volume products

Wind project started in spring to capture attractive opportunities in wind power market

- ◆ Wind turbine components are the fastest growing pultrusion application currently
- ◆ Customers and products are well-known
- ◆ New dedicated production facility being built in India. Ready for production during 2024
- ◆ Local test runs and qualifications for wind power customers progressing as planned
- ◆ Exel has on-going negotiations with several OEMs and raw material providers in the wind power market, for both glass and carbon fiber products

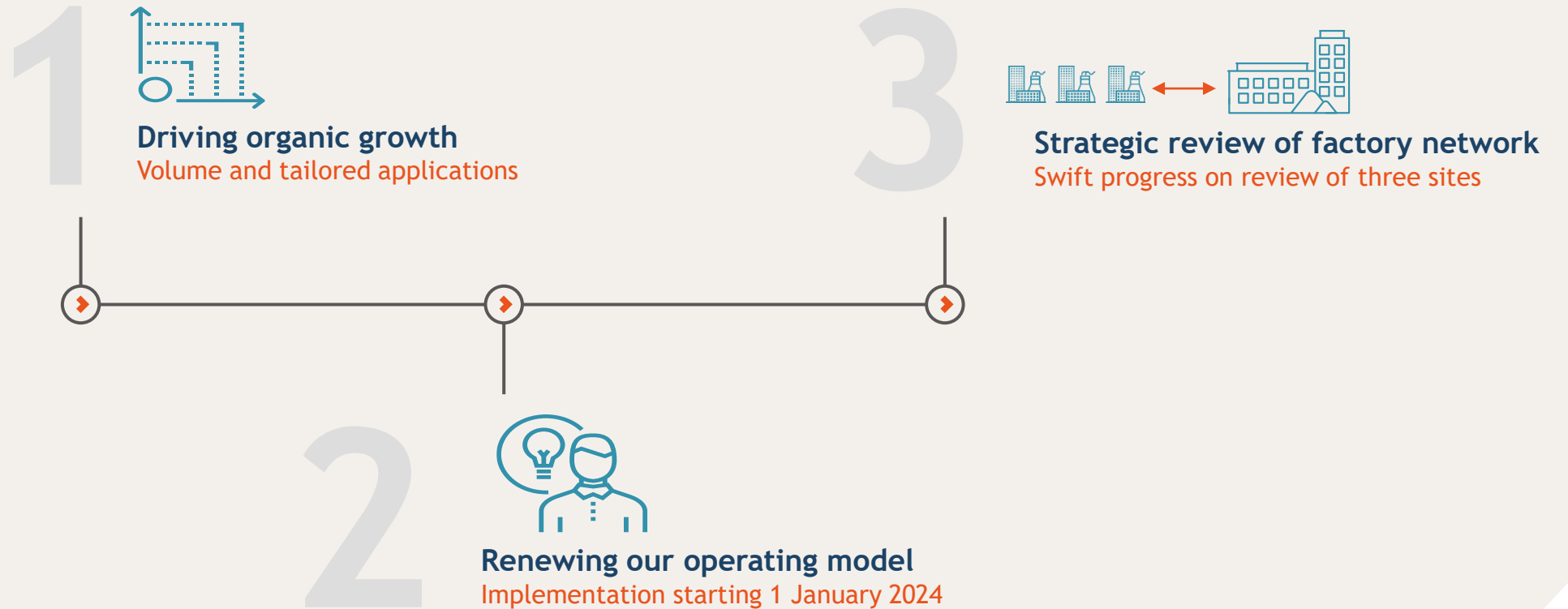


High ambition in execution

- ◆ Customers' first choice for sustainable pultruded composites solutions
- ◆ Skills and capabilities to enable reaching:
 - >€200 million in annual revenue
 - >10% adjusted operating profit marginwithin the next five years
- ◆ Rigorous execution and follow-up
- ◆ Research of the future of composites



Next steps - Exel takes action



Join us at our Capital Markets Day



What: Further insights into our new strategy

When: 13 November 2023, 13:00 - 16:00 EET

Where: Musiikkitalo, Terassilämpiö, Helsinki

How: Scan the QR code or register via email:
investor@exelcomposites.com by 30 October 2023.

Q3 2023 results on 3 November 2023

For questions,
please contact

investor@exelcomposites.com

