

Capital Markets Day 2023

Unlocking Exel's full potential

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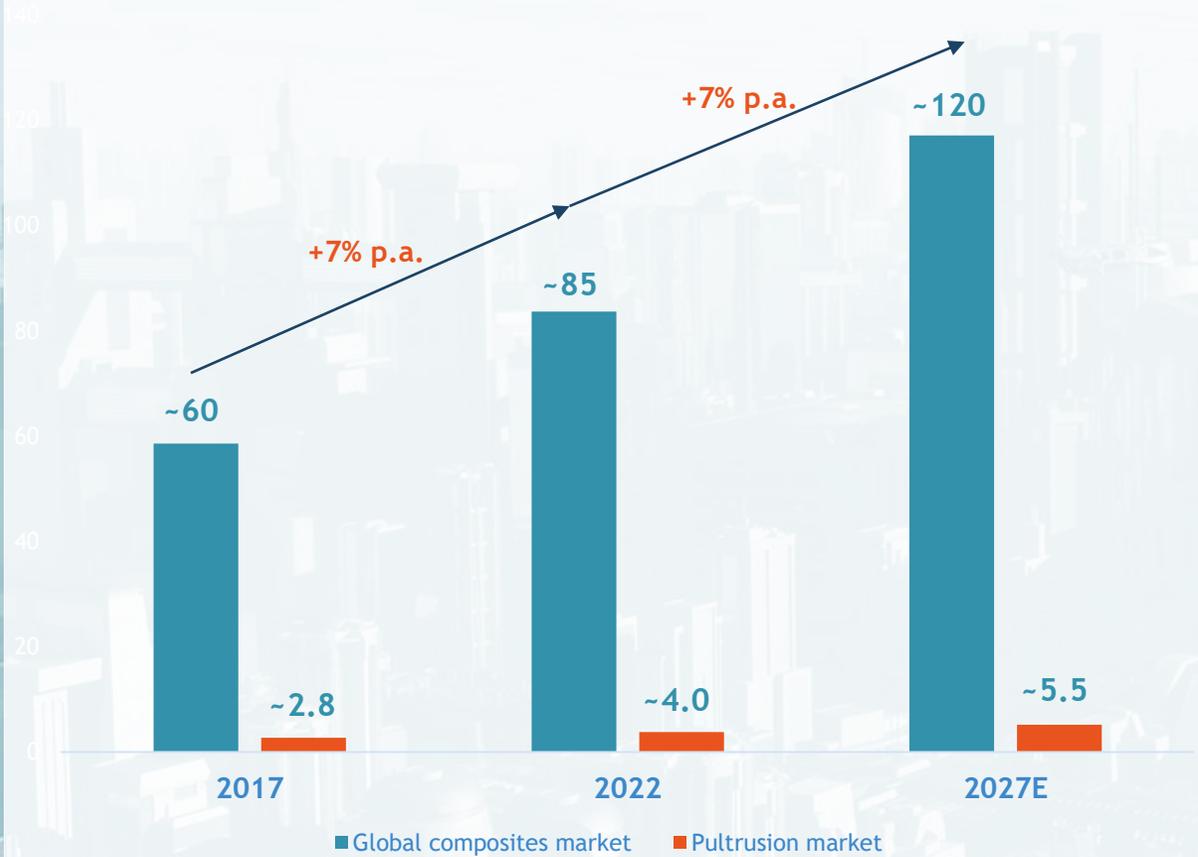
Global megatrends set new demands for material properties

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

Exel's market has good growth prospects

Global composites market past performance and future growth outlook (BEUR)

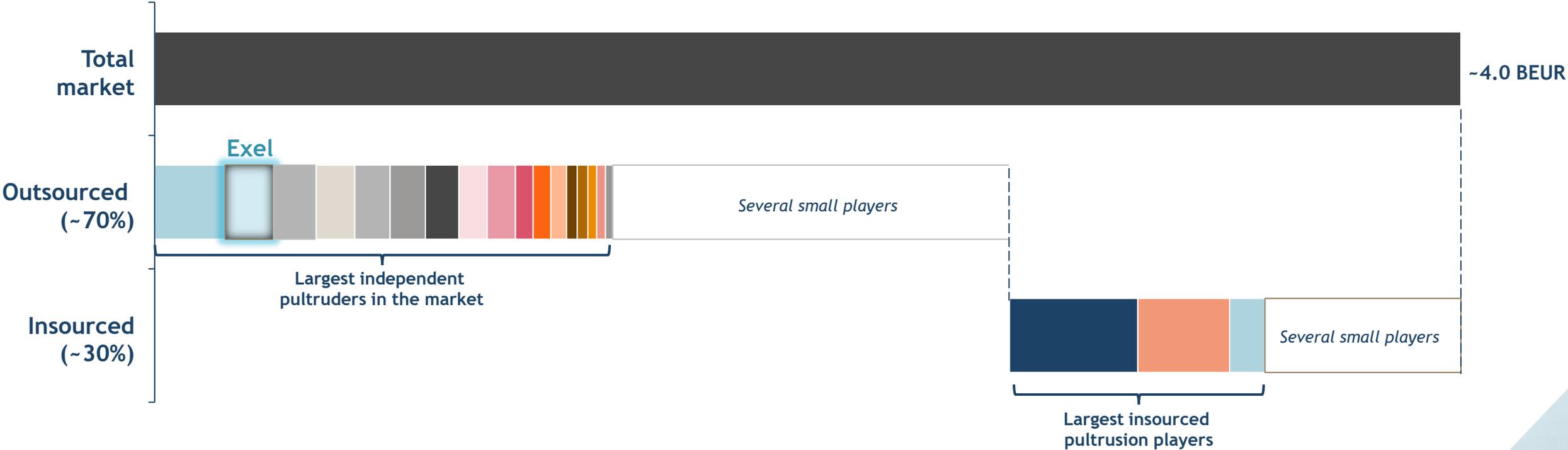


- Increasing need for materials that offer strength, light weight and longevity
- Market growth rate expected to exceed general economic growth rate
- Pultrusion as a continuous manufacturing method has good prospects for growth

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



The addressable market is fragmented



Source: Exel materials; Company financial reporting; 3rd party market study

Exel solves industry pain points

**Lacking awareness of
composites' benefits
and how to design
with them**

**Application and
product development**

**Cost reduction in
composites parts
needed**

**Sustainability
and circularity**

Why customers choose Exel and stay with us

Exel Brand is very well known in pultrusion

Significant technology and R&D capabilities to solve challenges - high performance products

Quality, reliability and surety of delivery

Global reach in sales, sourcing and manufacturing network

New 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

Favorable growth opportunities driven by sustainability

	Wind power	Buildings	Transportation	Selected specialty applications
Product examples	<p>Wind turbine rotor blade parts</p> <ul style="list-style-type: none"> Spar cap flats  Root joints  Shear web profiles  	<ul style="list-style-type: none"> Windows & doors  Facades  Roofs  	<ul style="list-style-type: none"> Bus & coach profiles  Train & tram profiles  EV related solutions  	<ul style="list-style-type: none"> Tubes  Conductor core  Insulating products 
Market growth drivers	<ul style="list-style-type: none"> - Increasing installations of wind turbines - Longer blades 	<ul style="list-style-type: none"> - More energy efficient buildings - Urbanization driving construction & refurbishment 	<p>Demand for lighter, stronger and larger parts in trucks and buses as well as EVs</p>	<p>Demand for corrosion resistant, electrical insulating/conductive, lighter and stronger materials</p>
Customer types	<p>Large wind turbines OEMs</p>	<p>Window and door system manufacturers</p>	<p>Bus, EV and train OEMs as well as their suppliers</p>	<p>Diverse machinery & equipment OEMs</p>
Market outlook				



Value capture model to drive premium margins

Specialized in challenging high-margin pultruded composites solutions

Expanding customer value-add through earlier design-in and product post-processing

Increasing repeatability by driving standardization and Exel own specifications

Harmonization of operating procedures, procurement and supply base

Ability to transfer tailored applications to volume production before price erosion

Focus on improving asset intensity significantly

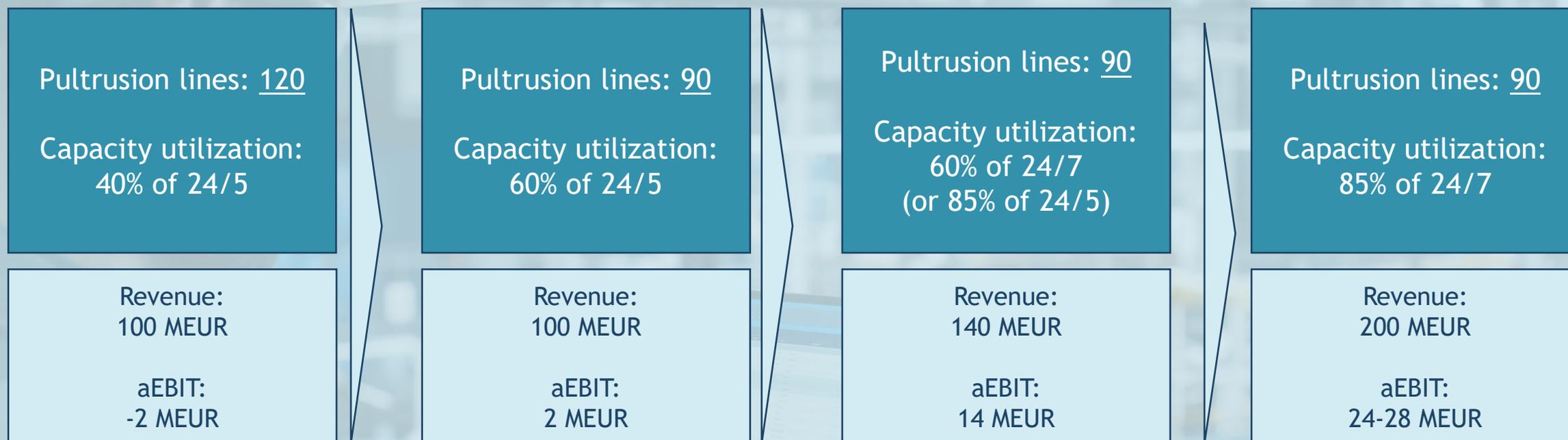
Compressed global production network with clear factory roles to achieve economies of scale

Dedicated factories with standard operating procedures for volume and tailored business areas

R&D team deployed into sales and customer application engineering as well as product development

Sales operating model redefined to focus on speed, responsiveness and creating solutions for customers

Profitability in pultrusion responds strongly to line utilization – an example



Note: this is an example describing the opportunity for a diversified global pultruder. The model contains various assumptions and execution is subject to operational, market, customer and other risks.

Good value chain lock-in as a basis for strategic control

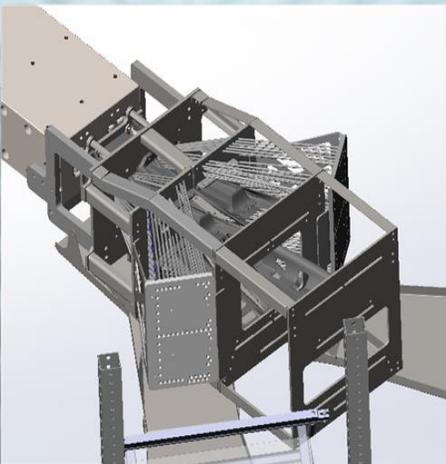
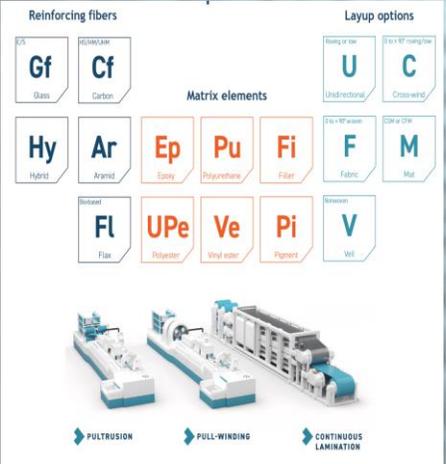
Decades of cumulative knowledge of how to apply pultruded composites to a broad range of challenging applications

From customer point of view, every design is unique

Owns and protects the infeeds, toolings, moulds and the materials and resin chemistry

To standardize chemistry and offering to reduce customer visibility to cost drivers

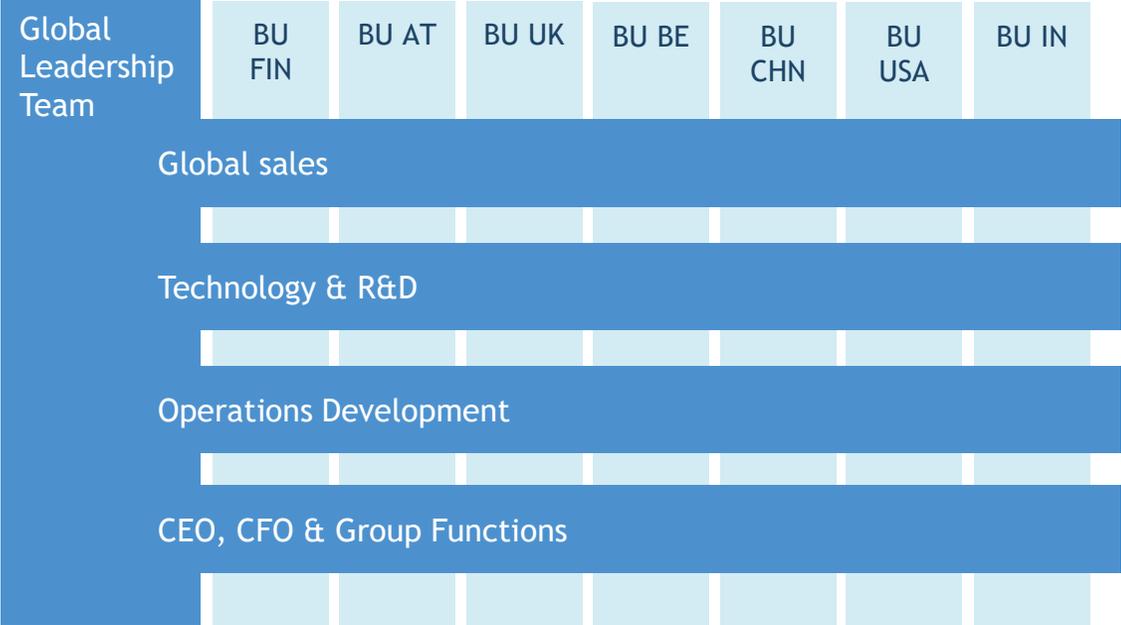
Focusing research on material science and production methods to drive sustainability



Driving business value through simplification, accountability and clarity

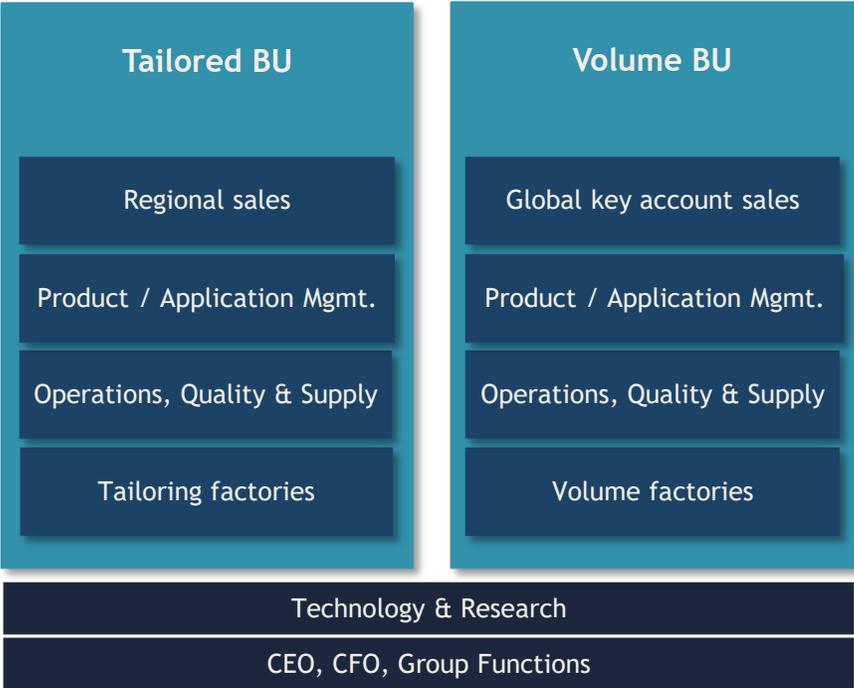
Until now:

Factories as independent BUs with few shared operating procedures and with only partial control over P&L



2024 onwards:

Planned simplified structure with clear factory roles and end-to-end P&L accountability



Firm sustainability commitments for the benefit of people and the environment

ZERO HARM

- Everyone goes home safe and healthy everyday (zero LTI)

ENVIRONMENTAL RESPONSIBILITY

- Zero landfill by 2028
- 100% of research having positive sustainability impact
- Greenhouse gas reduction* according to UN established targets

EMPLOYEE ENGAGEMENT

- Improve employee NPS annually from 2024 baseline

* Scope 1 and scope 2

Towards 200 MEUR revenue and strong profits

STABILITY & PROFITABILITY

~2024-2025

- Two distinct business units
- Factory network review gives economies of scale
- More responsive sales
- Develop more standardized offering
- Sourcing and procurement savings
- Investments in composite research



GROWTH

~2025-2027

- Leverage & develop new product platforms
- Enhance operational capabilities & increase production capacity
- Fully utilize benefits from the updated sales model
- More sustainable & technically developed offering



200 MEUR revenue

>10% EBIT

Concrete actions to implement strategy

Action	Status
UK Downsizing	Complete
Decision to build new manufacturing facility in India for wind power industry customers	Complete
Strategic factory review 1 (US factory)	Complete
Strategic factory review 2	To-do
Strategic factory review 3	To-do
New manufacturing facility in India into production	To-do

Unlocking Exel's full potential

- Attractive growth path identified
- Potential to significantly increase intensity in operational assets and sales
- Transformation ongoing and concrete actions well underway
- Growth and profit to follow

exel | FOR
FORWARD
THINKERS