

# Capital Markets Day 2023

## Financials – Delivering shareholder value by achieving group targets

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# Delivering shareholder value by achieving group targets

- ◆ Organic growth reached in a growing market
- ◆ Profitability restored and improved via growth and efficiency improvement
- ◆ Balance sheet and financing managed to enable strategy implementation
- ◆ Sustainability brings competitive advantage



# Operating profit has consistently been positive, with exception of current downturn

Exel has grown and generated positive EBIT consistently. In 2016-2022

- ◆ Revenue growth averaged 11% per annum on
- ◆ EBIT averaged 6.1% adjusted for one-off items

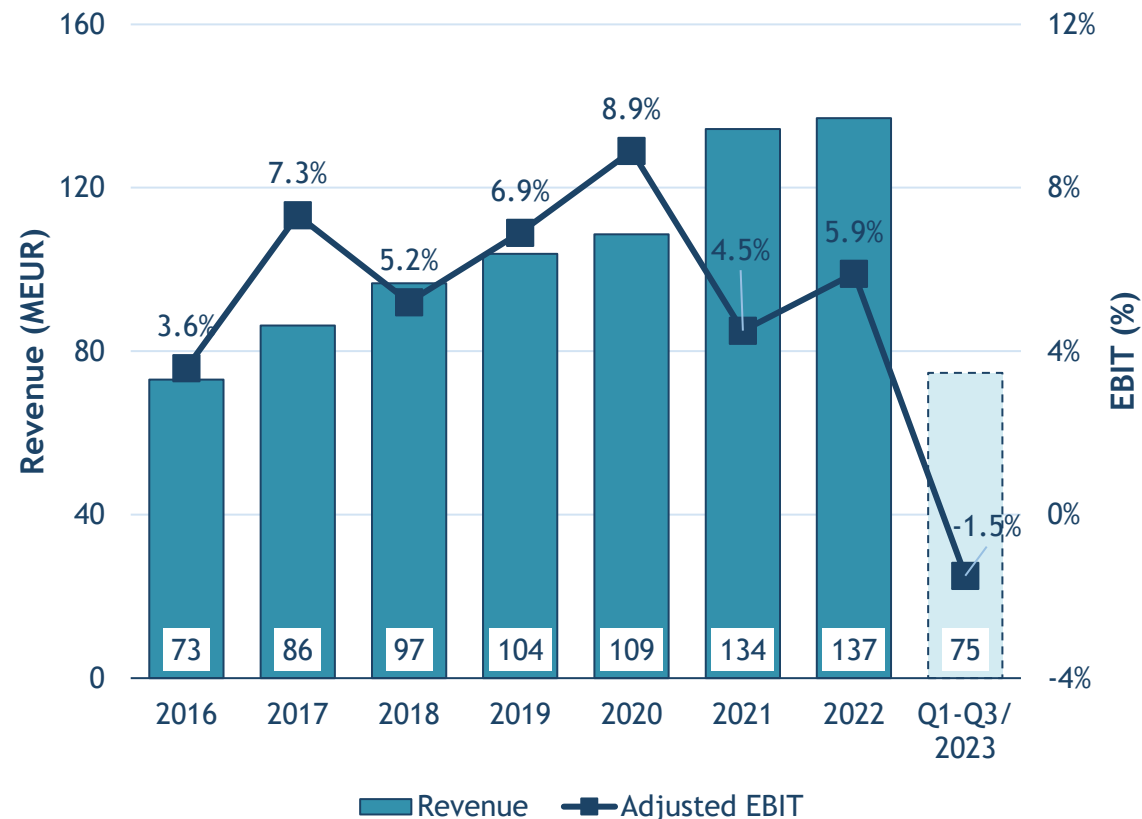
In 2023, Exel has been affected by market downturn affecting revenue and profitability

Market fundamentals are positive. New and growing applications are developed continuously

Exel has unlocked potential to improve profitability

- ◆ Business growth
- ◆ Optimized footprint
- ◆ New operating model

Revenue and operating profit in 2018-2023



# Financial targets for growth, profitability and balance sheet

## Organic growth

>200 MEUR annual revenue



## Profitability

>10% operating profit\*



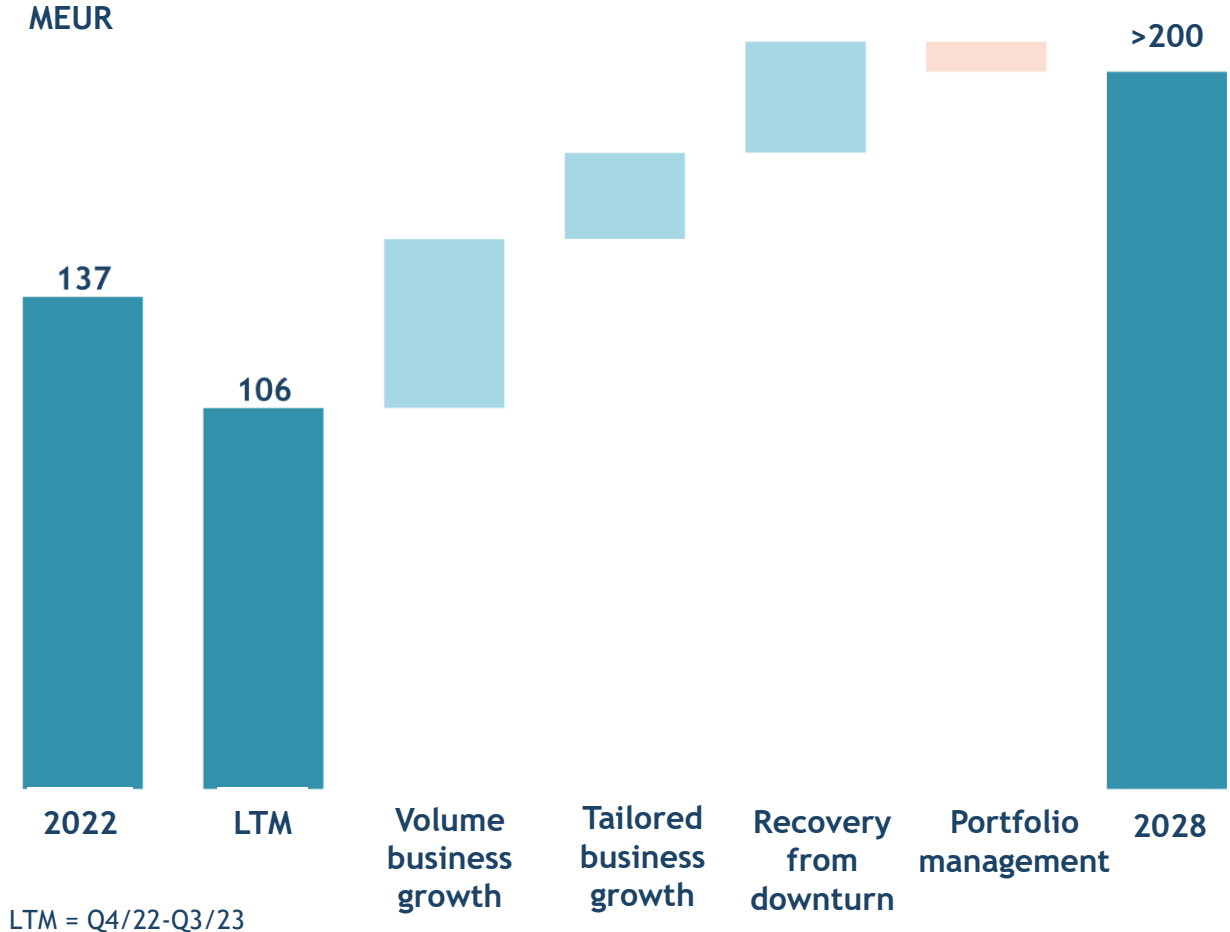
## Financial position

<3x Net debt / EBITDA\*



\* Adjusted operating profit and adjusted EBITDA

# Strategy execution targets over 200 million in annual revenue



**Volume business growth**

- Growth in strategic industries Wind Power, Transportation, Buildings and Infrastructure
- Capture new opportunities in growth applications

**Tailored business growth**

- More focused business
- Existing and new applications

**Recovery from downturn**

- Recovery of existing customers' business volume
- Resumption of wind volume orders

**Portfolio management**

- Low profitability business

# Actions to deliver double-digit adjusted operating profit margin

>10% adjusted operating profit

Growth in tailored and volume business



Higher value from engineering and productization



Factory network optimization



Recovery from current downturn



Operational efficiency

+70 MEUR revenue growth  
Increase capacity utilization  
Scale up tailored application businesses

Increased customer value and customer lifetime  
Faster and more effective customer acquisition  
Improved cost efficiency from standardization

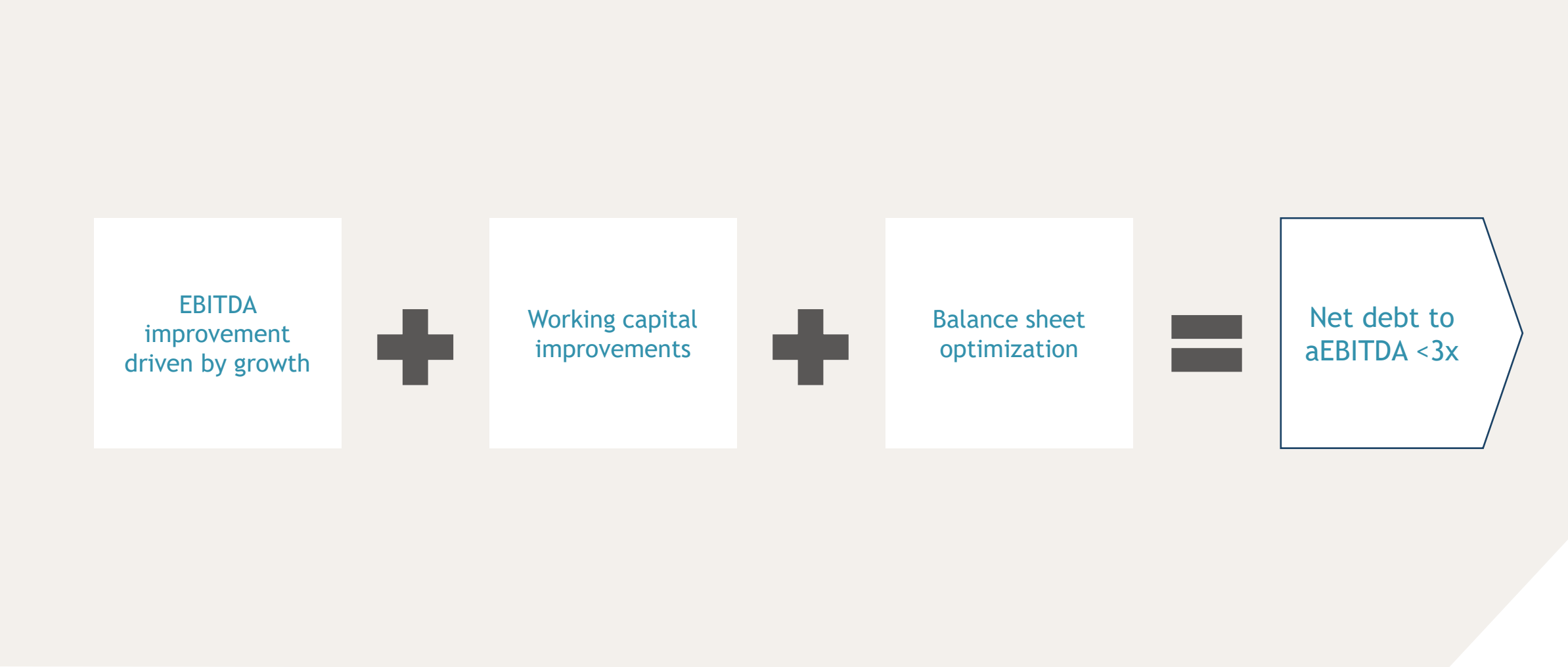
UK downsizing ✓  
Planned three strategic reviews  

- US, 3 MEUR saving ✓
- Factory 2 To-do
- Factory 3 To-do

+30 MEUR revenue growth  
Recovery of existing customers' volume  
Scale and efficiency improvement

Headcount reduction until now 85 (50 in US)  
Temporary layoffs  
Fixed costs optimization

# Financial position will be strengthened to target level





# Financial position has been within target

## Financial position historically within target

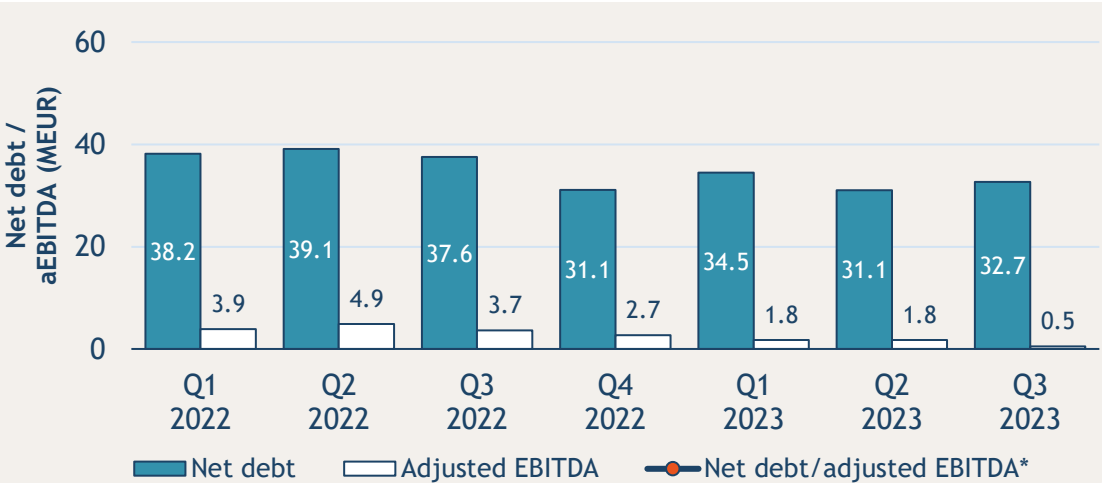
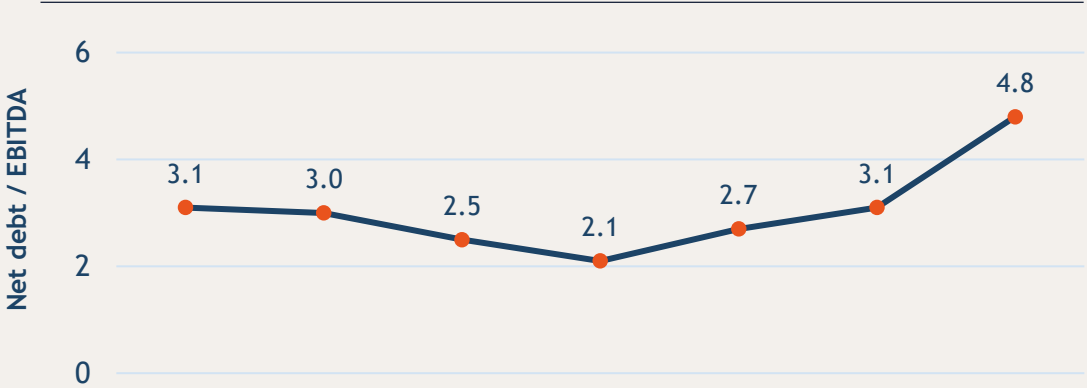
- ◆ Net debt / aEBITDA reached 2.1x in 2022
- ◆ Net debt has been reduced by 15% since 2022

## Financial position in current downturn above target

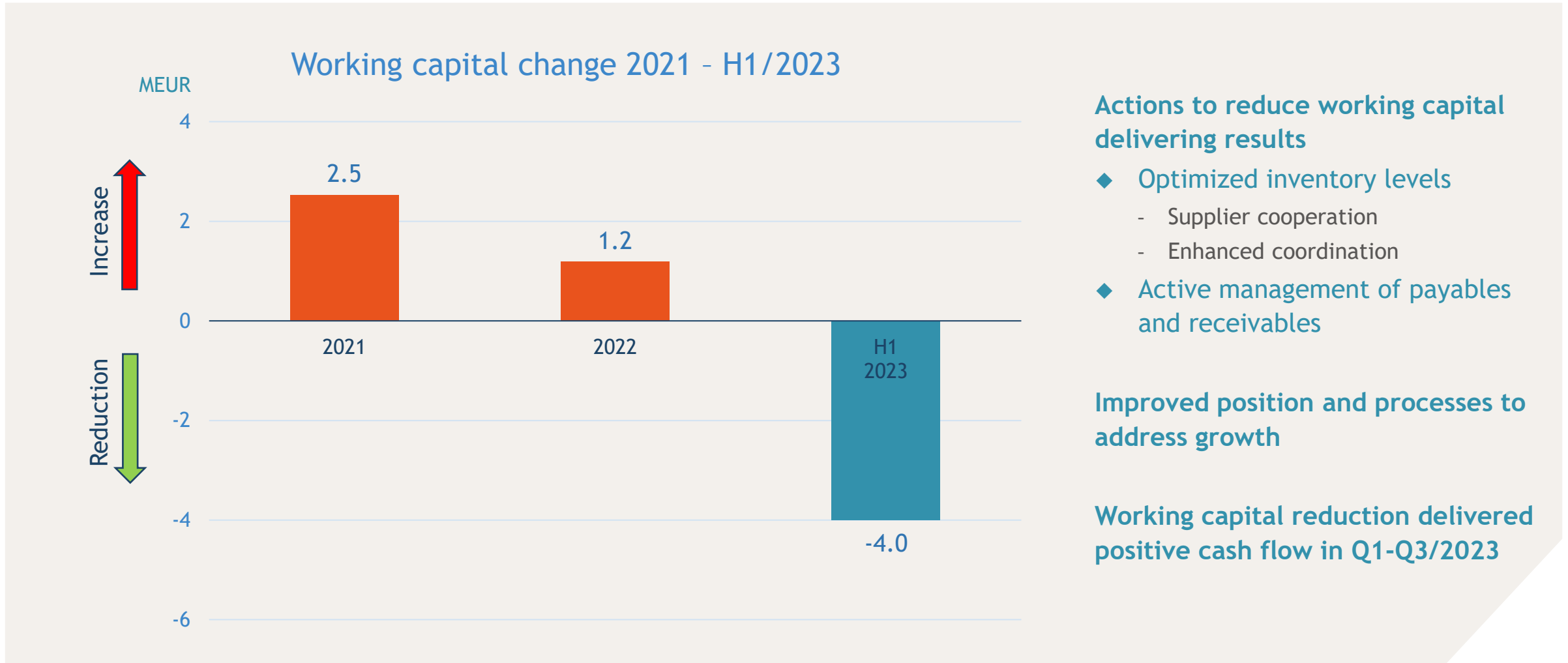
## Financial position optimized to execute transformative strategy

- ◆ EBITDA improvement driven by growth
- ◆ Working capital improvements
- ◆ Balance sheet optimization

Financial position development in 2022-2023



# Working capital improvements



# Actions proceeding to make Exel a vehicle for growth

- ◆ Strategic shift from M&A driven strategy to organic growth
- ◆ Transformative strategy will unlock profit potential
- ◆ Financing need 20-25 MEUR estimated for growth and to strengthen financial position
  - Business growth and working capital
  - Factory footprint optimization
  - Investments in flagship sites
- ◆ Alternative paths to strengthen the balance sheet considered



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**exel** | FOR  
FORWARD  
THINKERS