



## Financial Statements Review Q1-Q4 2023

2023 REVENUE 96.8 MEUR AND ADJUSTED OPERATING PROFIT -2.4 MEUR

FOR FORWARD THINKERS



# Financial Statements Review Q1-Q4 2023

## Financial briefing, 16 February 2024



**Paul Sohlberg**

President and CEO



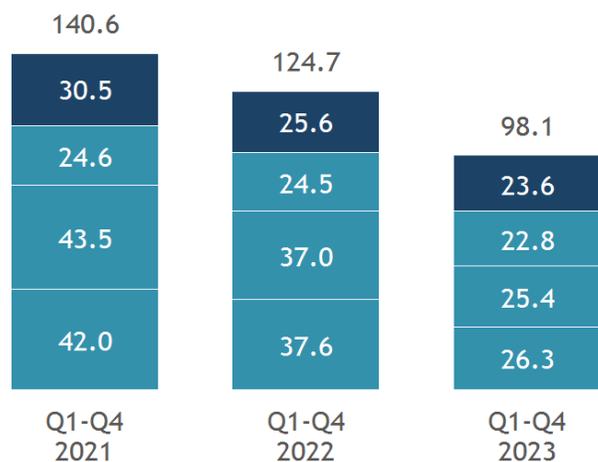
**Mikko Rummukainen**

CFO

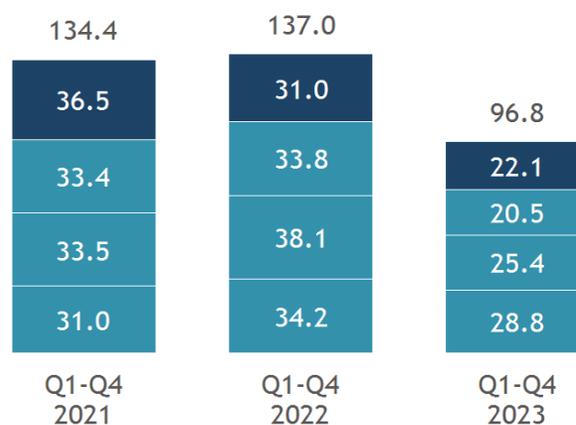
## Order intake and revenue increased from Q3 2023 despite continued challenging market environment

- Order intake and revenue increased from Q3 2023, decreased YoY
- Adjusted operating profit was impacted by lower revenue
- Decisive actions to manage working capital and costs resulted to 0.8 MEUR quarterly cash flow from operating activities
- Strategy implementation proceeding as planned
- Board proposes that no dividend be distributed for 2023

### Order intake



### Revenue

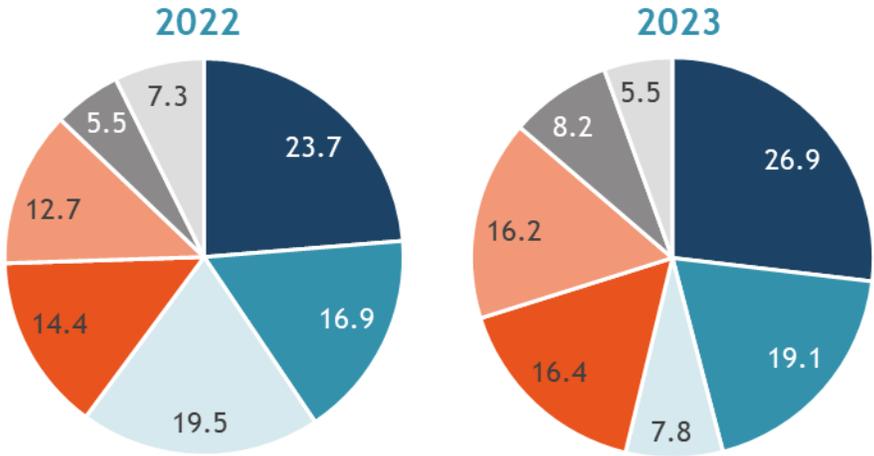


### Adjusted operating profit



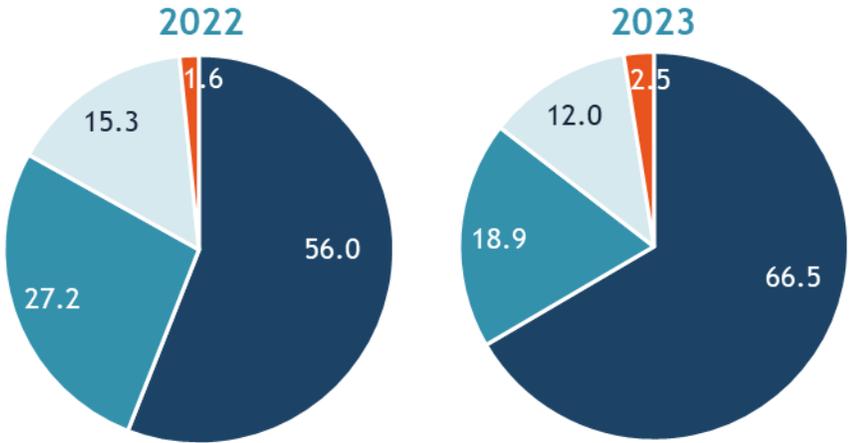
# Revenue increased in Transportation in Q4, Asia-Pacific and North America pressed in 2023 due to lower orders in Wind power

Revenue share by customer industry, %



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

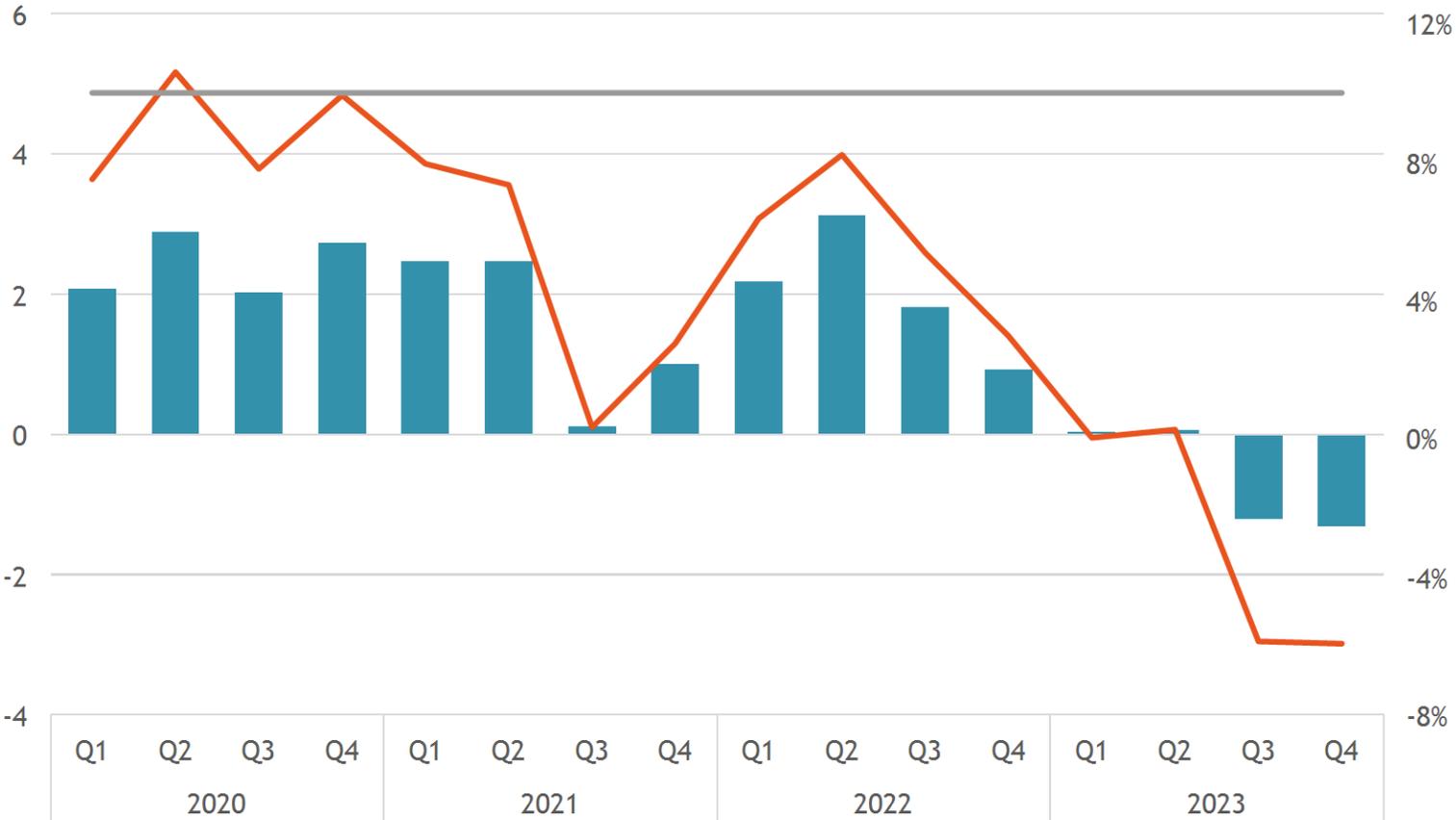
Revenue share by region<sup>1)</sup>, %



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

<sup>1)</sup> Revenue by customer location

# Challenging market environment continued to weigh on our profitability despite counteractions

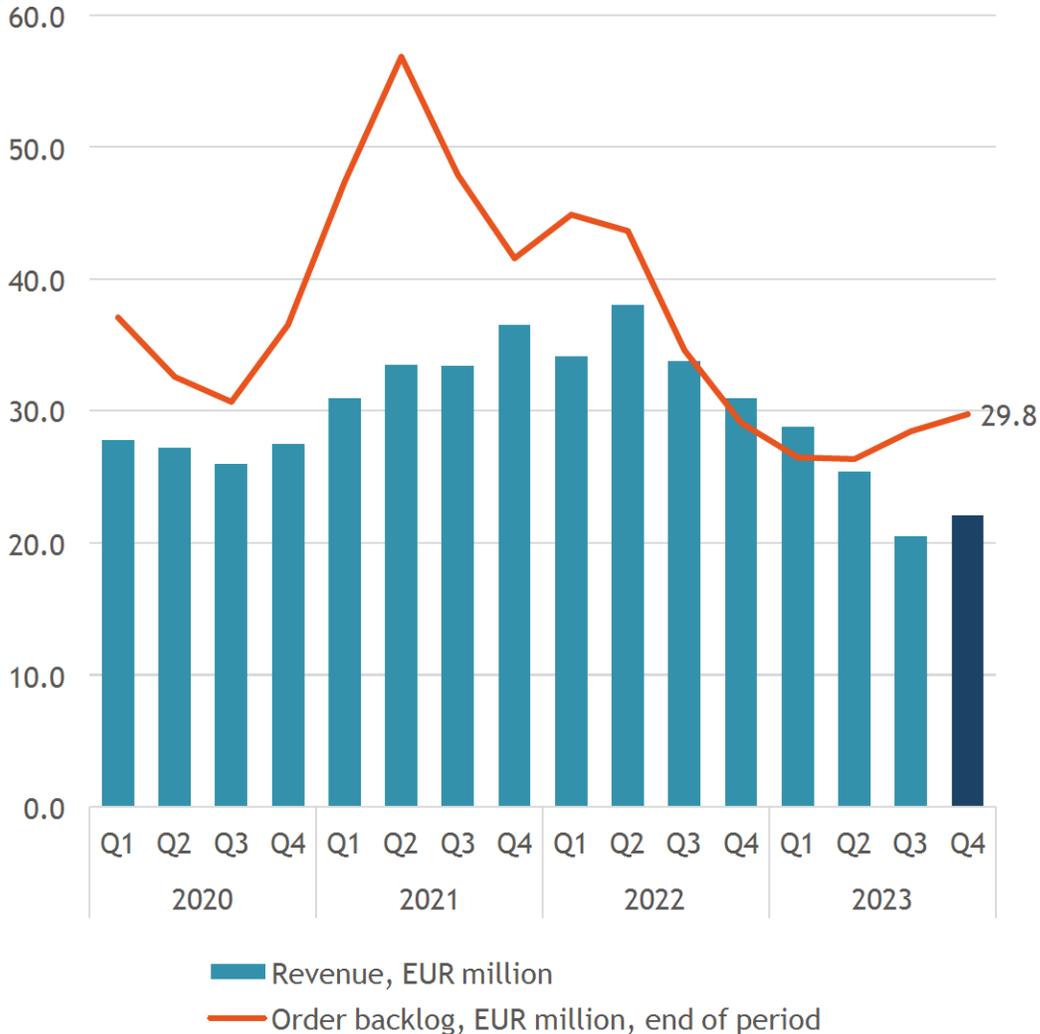


- Q4 2023 results lower YoY due to lower revenue
- 2023 results impacted by lower revenue in challenging market environment
- Savings in personnel costs and operational fixed costs in 2023 resulted in lower costs YoY

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

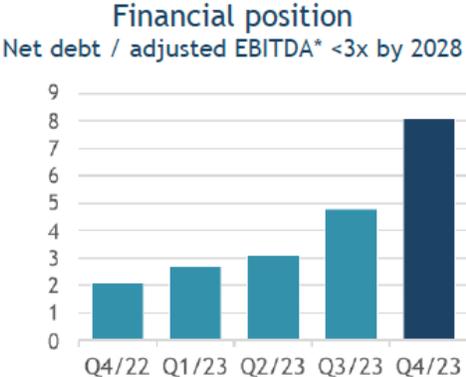


# Order backlog has increased for two consecutive quarters



# Exel's long-term targets

## Financial targets



## Sustainability targets



### Environmental responsibility

- GHG (scope 1 & 2) reduction according to UN established targets
- Zero landfill by 2028
- 100% of research having positive sustainability impact

### Employee engagement

Employee NPS score year-on-year improvements based on baseline 2024

\*Last 12 months' adjusted EBITDA, \*\* Number of injuries per million hours worked

Financial targets are considered over a business cycle. According to the company's dividend policy, Exel Composites' ambition is to distribute a minimum of 40% of net income in dividends, when permitted by the financial structure and growth opportunities.



## Guidance and outlook

### Guidance for 2024

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2024 compared to 2023

### Outlook

- Visibility to market development still limited
- Considering overall economic sentiment, we expect demand to be somewhat soft in H1 2024 while Exel will continue to have free production capacity
- We have a clear execution plan. We look forward to 2024 with confidence

# 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

## High ambition

Skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue and double digit adjusted operating profit margin within five years

## Strategy implementation continues

Action	Status
UK downsizing	Completed
Decision to build new manufacturing facility in India for wind power industry customers	Completed
Strategic factory review 1 (USA)	Completed
New operating model established	Completed
Aligning resources within new business units	Ongoing
Strategic factory review 2 (Belgium)	Ongoing
New manufacturing facility in India into production	Ongoing
Strategic factory review 3	To-do

# New operating model with simplified structure established

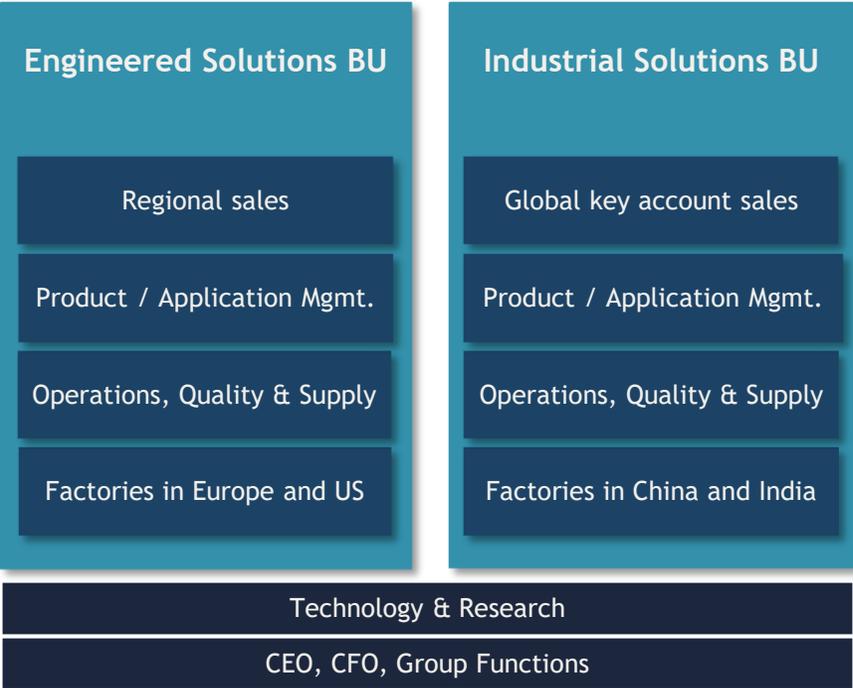
- Two dedicated customer-centric business units with full ownership of results and resources
- Business unit-based sales model with dedicated technical sales support team to provide stronger technical knowledge to customers

## Engineered Solutions BU



Tailored solutions in multiple industries

Lead by Juha Honkanen, EVP, Engineered Solutions BU



## Industrial Solutions BU



Selected applications with significant growth potential

Lead by Kathy Wang, EVP, Industrial Solutions BU

## New multi-year agreement with Foton Bus and Coach company

A new multi-year co-operation contract was signed with Foton Bus and Coach company in February 2024

- Pultruded parts to Foton's buses

### Foton is part of Chinese BAIC Company

- BAIC is also Mercedes-Benz AG's largest individual shareholder

### Great potential commercial value

- Business starting in 2024



*"It has been a great pleasure to work with Exel team so far, which is a professional, efficient and creative team. I am looking forward to the future cooperation, and I believe we will make the success for both companies!"*

Head of group R&D Mr. He, Foton Bus and Coach company

## Key takeaways

Despite counteractions  
challenging market  
environment  
continued to weigh on  
our profitability

Opening order backlog  
for 2024 higher than a  
year ago

Strategy  
implementation  
proceeding as planned

We look forward to  
2024 with confidence



**Thank you!**

Q&A

26 March 2024  
25 April 2024

AGM  
Q1 2024 results

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