



## Business Review Q1 2024

Q1 2024 ORDER INTAKE 28.6 MILLION, REVENUE EUR 23.4 MILLION AND  
ADJUSTED OPERATING PROFIT EUR -0.6 MILLION

FOR FORWARD THINKERS

# Business Review Q1 2024 & financial briefing, 25 April 2024

## Introducing the planned rights offering



**Paul Sohlberg**

President and CEO



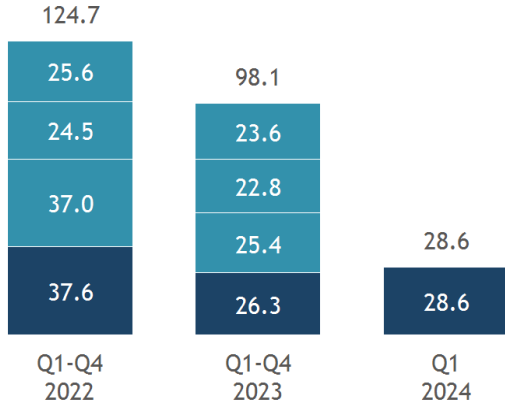
**Mikko Rummukainen**

CFO

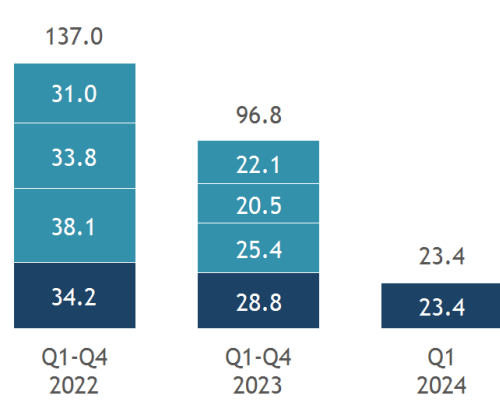
# Encouraging improvements in order intake and profitability during the quarter

- Order intake increased 21% quarter-on-quarter and 9% year-on-year
- Order backlog increased 32% year-on-year to 34.9meur
- Year-on-year revenue decreased due to timing of new orders
- Adjusted operating loss more than halved quarter-on-quarter
- Efforts to manage costs and working capital continued, and will continue through this year
- We continue to remain cautiously optimistic of an improving market environment this year, in line with our guidance.

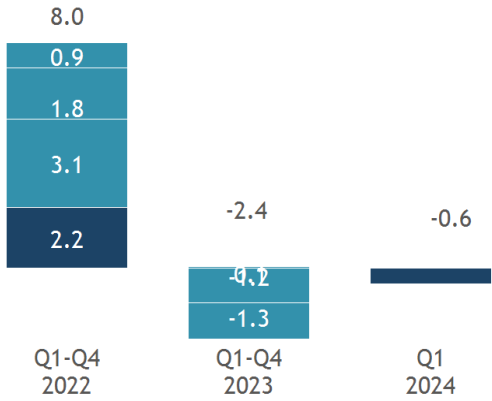
## Order intake



## Revenue

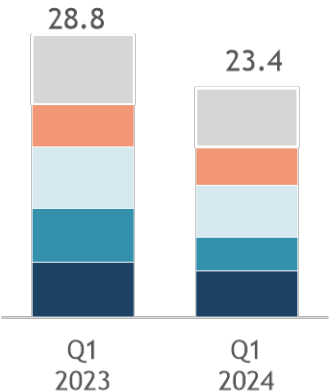


## Adjusted operating profit

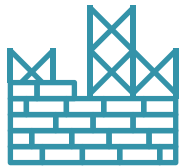
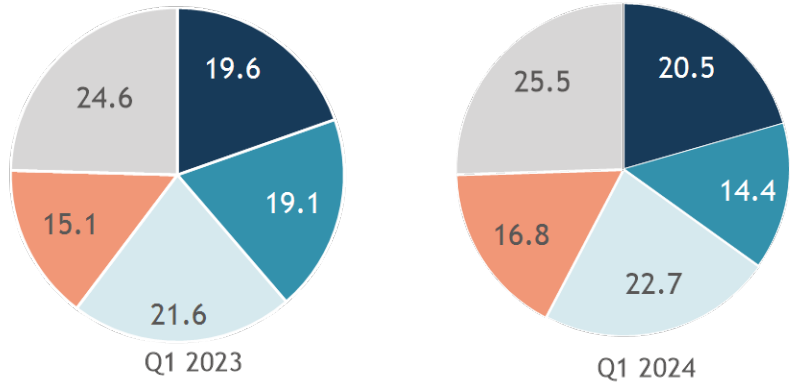


# Revenue increased in North America owing to strategic factory review QoQ and YoY

Revenue by customer industry, EUR million



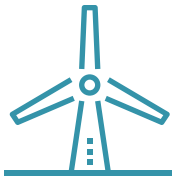
Revenue share by customer industry, %



Buildings and infrastructure



Industrial



Energy

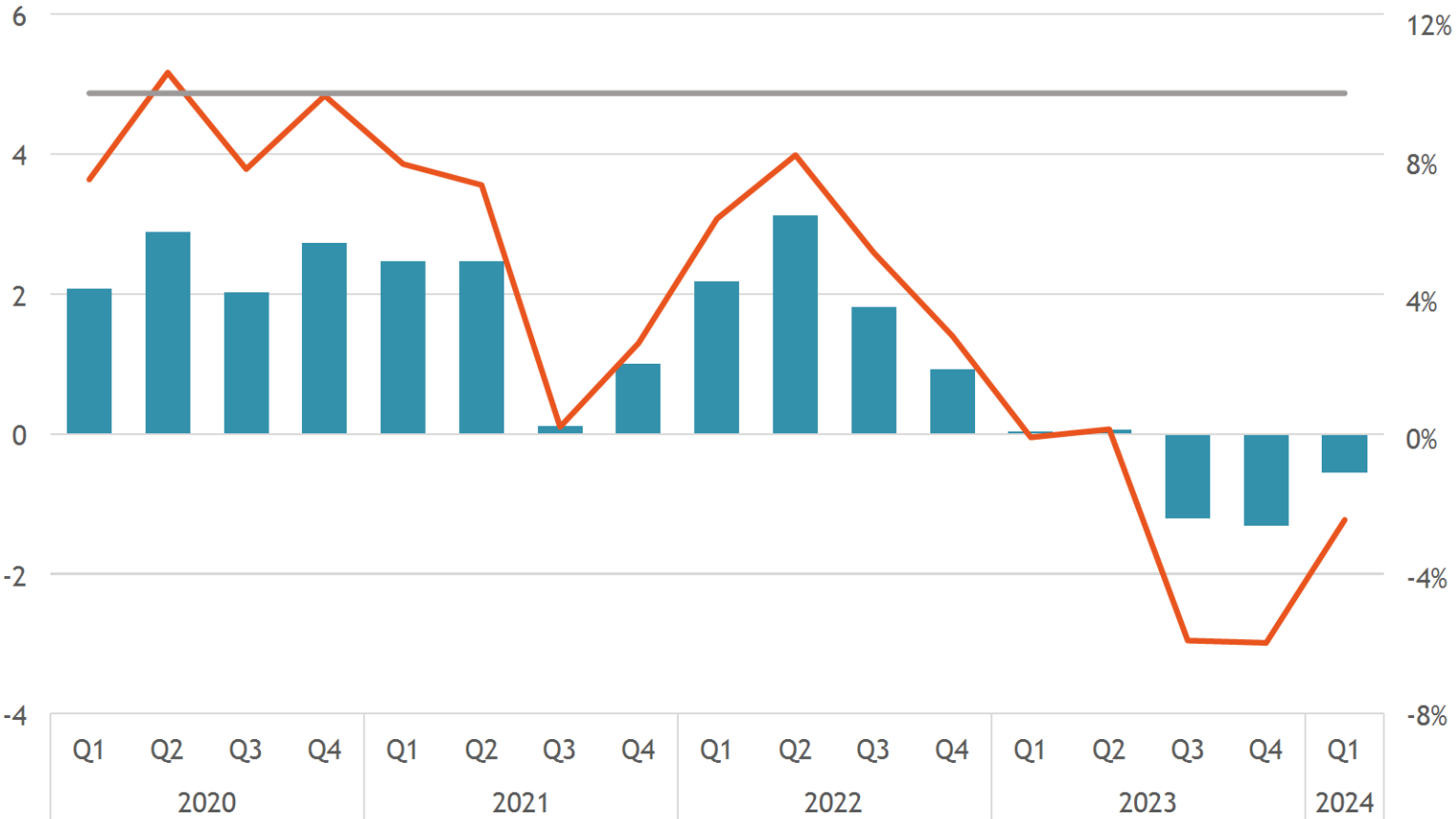


Transportation



Other

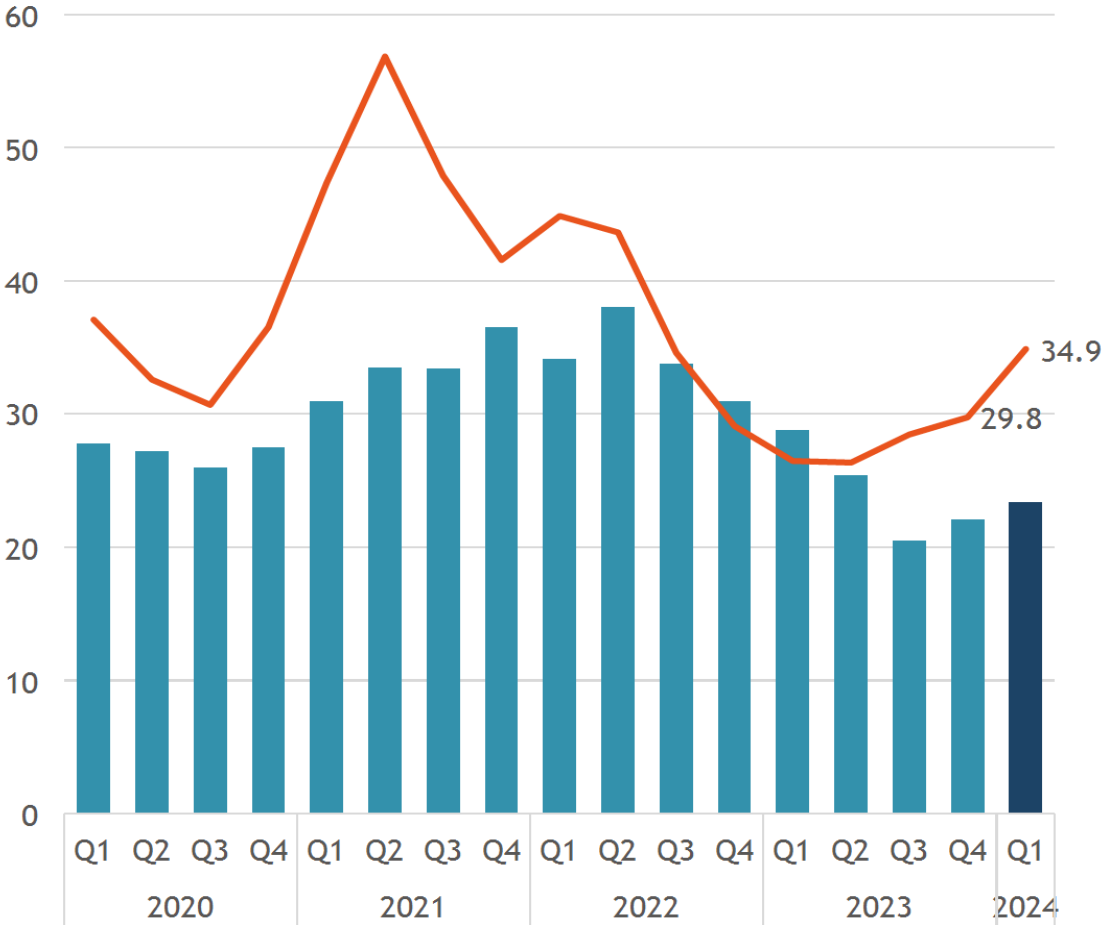
# Group's adjusted operating loss more than halved quarter-on-quarter



- Nearing the break-even
- Focus on efficiency
- Cost management continued and will continue through 2024

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

# The order backlog continued to improve, reaching EUR 34.9 million by the end of Q1 2024



■ Revenue, EUR million  
— Order backlog, EUR million, end of period



## Guidance and outlook

### Guidance for 2024 (unchanged)

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

### Outlook

- Visibility to continued favorable market development still limited
- Considering overall economic sentiment, we continue to expect demand to be somewhat soft in H1 2024 while Exel will continue to have free production capacity

## Unlocking Exel's full potential: New transformative strategy launched in 2023 and proposed rights issue announced today

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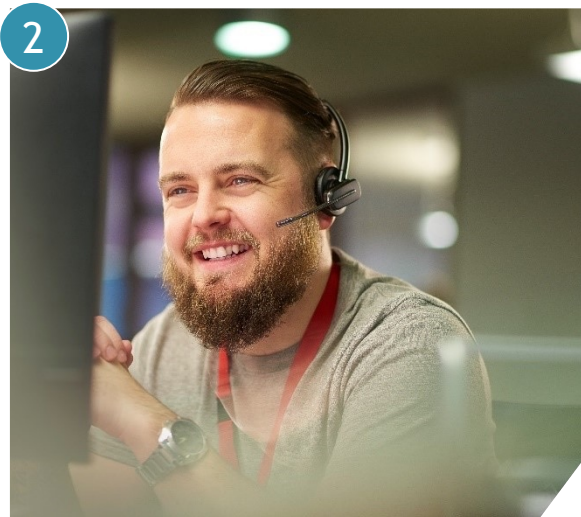
# The proposed rights issue follows and accelerates Exel's transformative strategy announced in October 2023

Our strategy is based on four focus areas



## 1 Organic growth

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



## 2 Customer value

Focusing on increasing value to customers and helping customers choose composites



## 3 Profitability

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



## 4 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

# Target over 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

Revenue  
>200 MEUR

Adjusted EBIT  
>10% EBIT

Net debt to EBITDA  
< 3x

# 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	Completed
Strategic factory review 2 (Belgium)	Ongoing
New manufacturing facility in India into production	Ongoing
Strategic factory review 3	To-do
Rights offering	To-do

## Exel is planning a rights offering with gross proceeds of up to approx. EUR 23 million

- Exel Composites announced today that it is planning a rights offering to raise **gross proceeds of up to approx. EUR 23m to expedite the implementation of its transformation strategy and strengthen its capital structure**
- With the proceeds Exel Composites seeks to accelerate necessary growth investments, optimise its factory network, finance working capital needs, and to strengthen the Company's capital structure
- Exel has also agreed on a **new financing agreement of EUR 52.4 million to refinance its existing bank loans**
  - The new financing agreement is conditional on the completion of the rights offering as planned

### Key dates

- The offering is subject to an authorisation by the EGM to be held on **17 May 2024**
- Preliminarily and subject to market conditions, the subscription period for the rights issue is estimated to commence **during Q2 2024**

# The planned rights issue enables Exel to accelerate implementation of the transformation strategy and to strengthen its capital structure

## Planned use of proceeds from the rights issue

- ✓ Accelerating necessary growth investments
- ✓ Optimisation of factory network to gain efficiencies
- ✓ Financing of working capital needs for expected business growth
- ✓ Strengthening of capital structure through planned debt repayments of EUR 6.5 million

## Key takeaways

Encouraging improvements in order intake and profitability during the quarter

The order backlog continued to improve reaching EUR 34.9 million

New strategy getting traction with customers and within Exel

The implementation of the strategy is proceeding, with a proposed rights offering for the shareholders



**Thank you!**

Q&A

17 May 2024  
15 August 2024

EGM  
Q1-Q2 2024 results

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