



Business Review Q1-Q3 2024

TURNAROUND PROGRESSING - REVENUE AND
PROFITABILITY INCREASED SIGNIFICANTLY IN THE
THIRD QUARTER

FOR FORWARD THINKERS



Business Review Q1-Q3 2024 & financial briefing, 31 October 2024



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President and CEO



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CFO



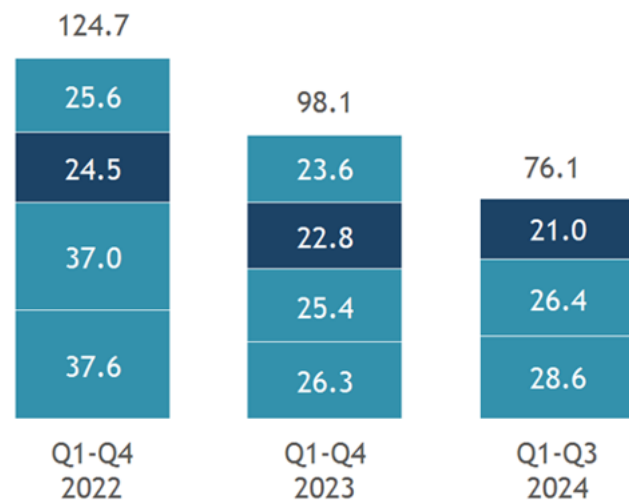
Q3 2024 highlights

- ◆ Turnaround progressing
- ◆ Revenue and operating profit increased significantly year-on-year
- ◆ Order backlog strengthened
- ◆ Significant new customer engagements announced with Vestas earlier in Q3 and with another major Western wind turbine manufacturer today
- ◆ Strategic factory review in Belgium completed, consultation process regarding the intention to discontinue production in Oudenaarde launched
- ◆ Guidance for 2024 intact

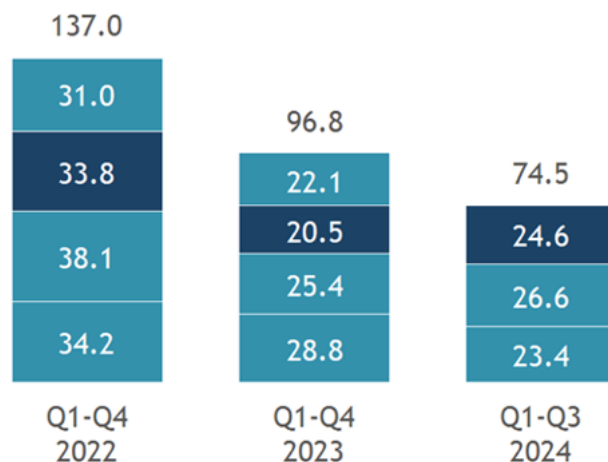
Q3 2024 financial highlights



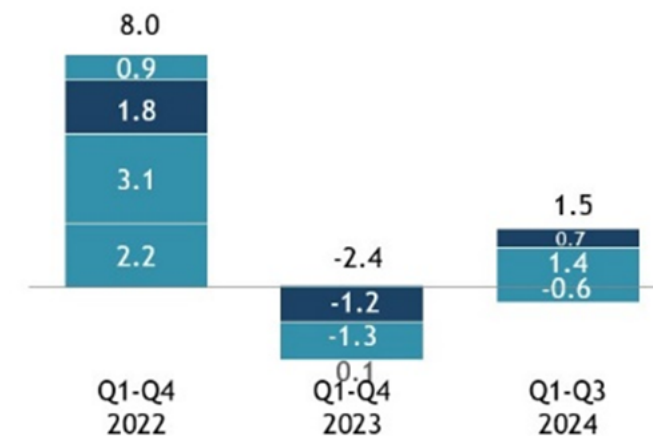
Order intake, EUR million



Revenue, EUR million

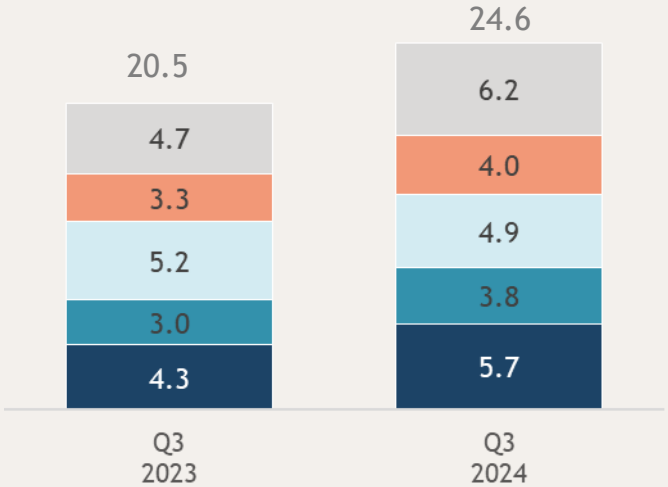


Adj. operating profit, EUR million

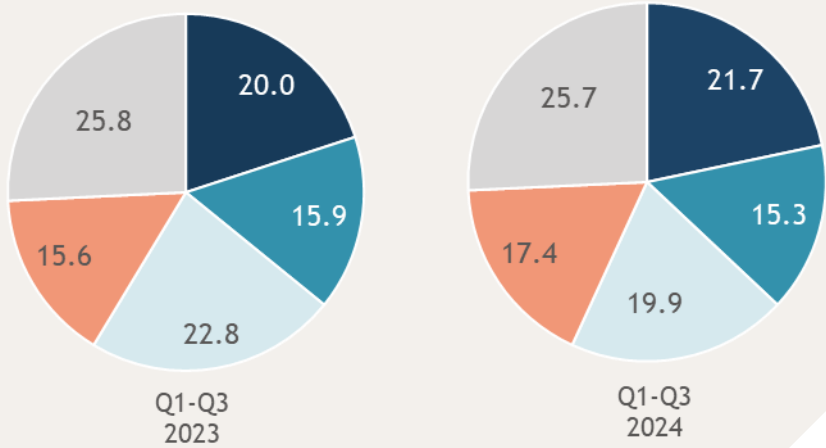


Q3 revenue grew in all customer industries except for Energy; strongest growth in Buildings and infrastructure

Revenue by customer industry, EUR million



Revenue by customer industry, %



Buildings and infrastructure



Industrial



Energy

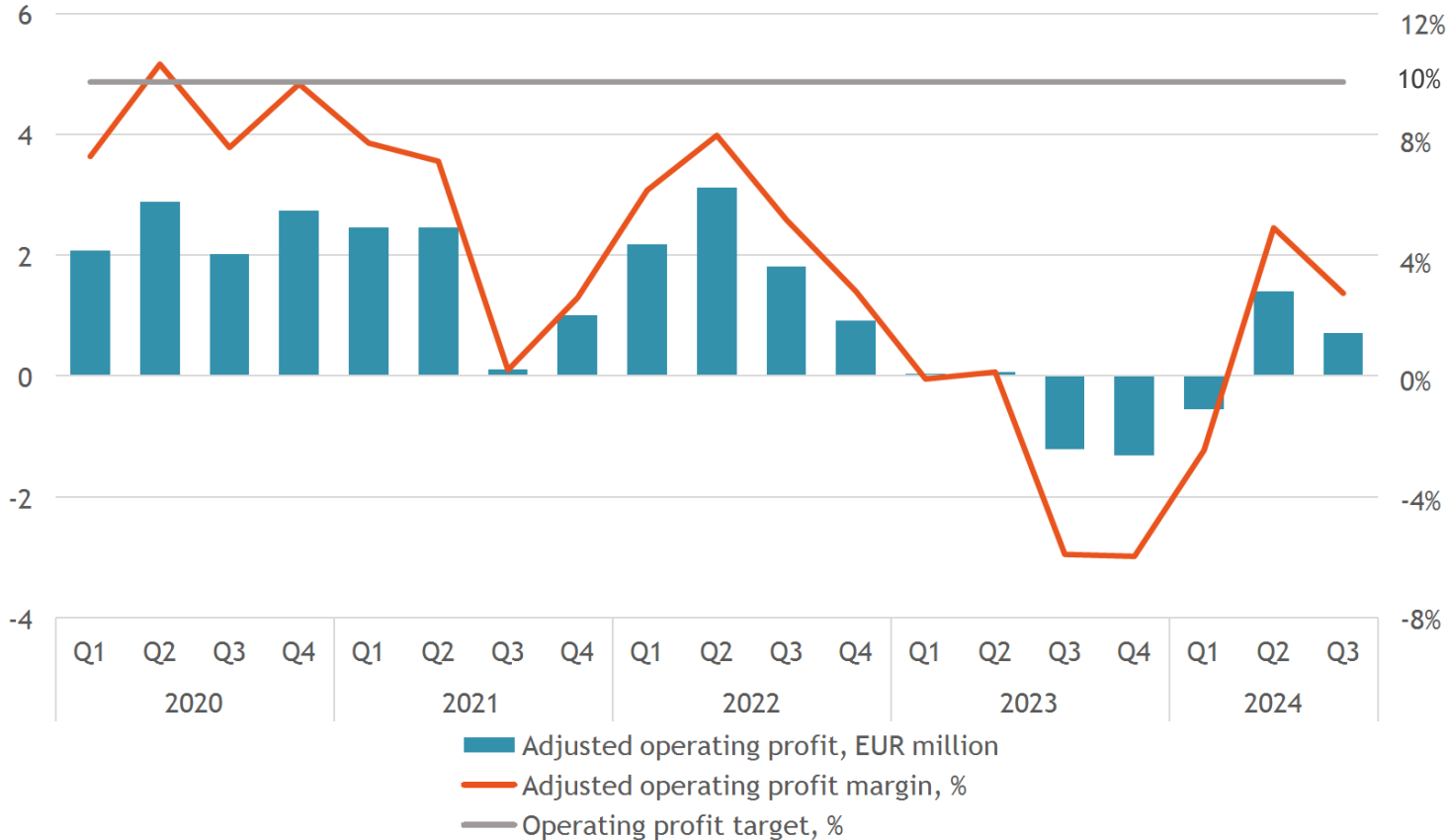


Transportation



Other

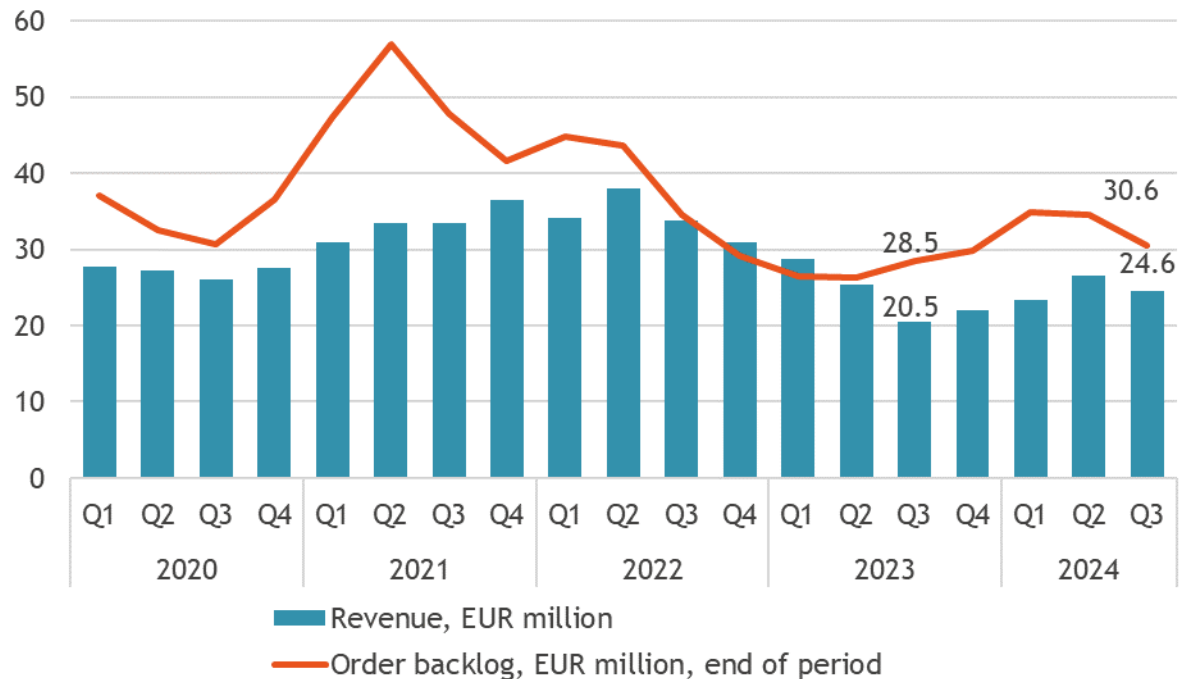
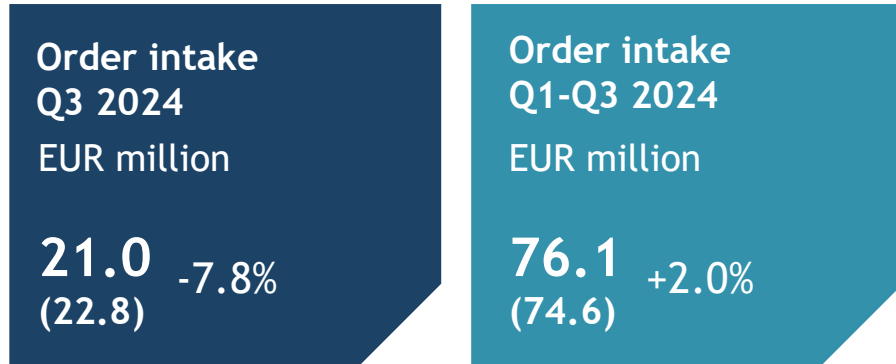
Profitability increased significantly year-on-year



- ◆ Profitability in Q3 improved year-on-year due to determined measures taken during the year:
 - Actions to optimize capacity
 - Cost control
 - Operational measures

- ◆ We expect profitability to further improve over time with higher utilization rates, which we aim to achieve by ramping up new customer products and further optimizing and consolidating production

Revenue grew by 19.7% in Q3; Order backlog was 7.3% higher than a year ago



- ◆ Revenue for January-September 2024 was at the previous year’s level
- ◆ Order intake increased in Q1-Q3 2024, but Q3 fell short of the comparison period and the first and second quarters
- ◆ Third quarter is often seasonally the weakest quarter of the year
- ◆ Exel performed well despite the uncertain operating environment and signed significant customer engagements

Guidance for the full year 2024 (unchanged)

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

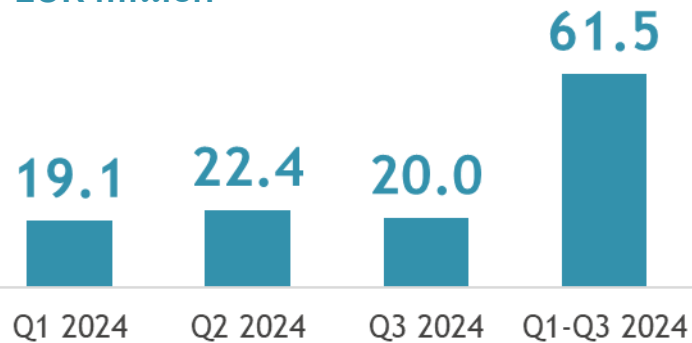


Engineered Solutions Business Unit (ESBU): Optimization of factory network and securing new customers progressing

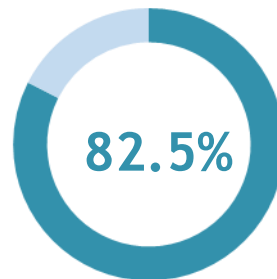


- ◆ Revenue in the third quarter decreased compared to the previous quarter but was higher than in the first quarter of the year
- ◆ Q3 is usually a seasonally lower quarter for ESBU
- ◆ Market demand was slightly softer than in H1. The market has not yet started to fully recover, and there is still uncertainty as to when the recovery in demand will further accelerate
- ◆ The strategic focus in ESBU is currently on securing new customers and optimizing the factory network
- ◆ The work to refocus operations in the USA has progressed and Exel has secured new customers
- ◆ Strategic factory review in Belgium was completed and consultation process regarding intention to close the factory was launched

Revenue development,
EUR million



Share of Group revenue
Q1-Q3 2024

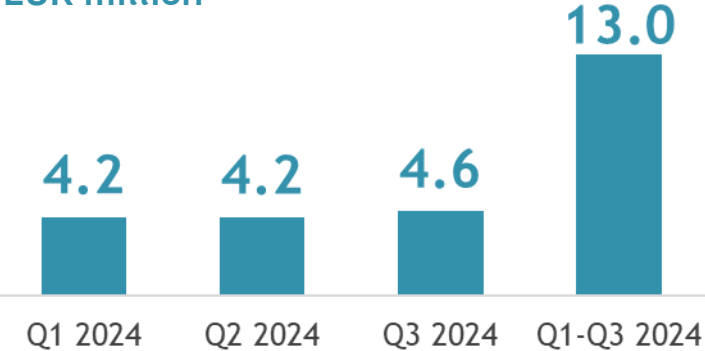


Industrial Solutions Business Unit (ISBU): Revenue growth and two significant wind power engagements

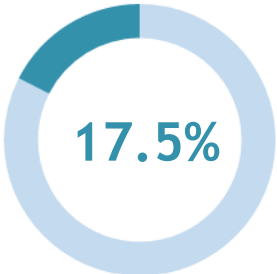


- ◆ Revenue increased compared to Q1 and Q2 2024
- ◆ Demand in the overall market continues cautiously positive, but a clear improvement may take some time
- ◆ The market position of ISBU has developed favorably in the wind power industry, transportation, and buildings and infrastructure
- ◆ Additional volumes won in transport industry by offering value adding post-processing services, in line with the strategy

Revenue development, EUR million



Share of Group revenue Q1-Q3 2024



NEW CUSTOMER ENGAGEMENTS

Vestas

Carbon planks for wind turbine spar caps

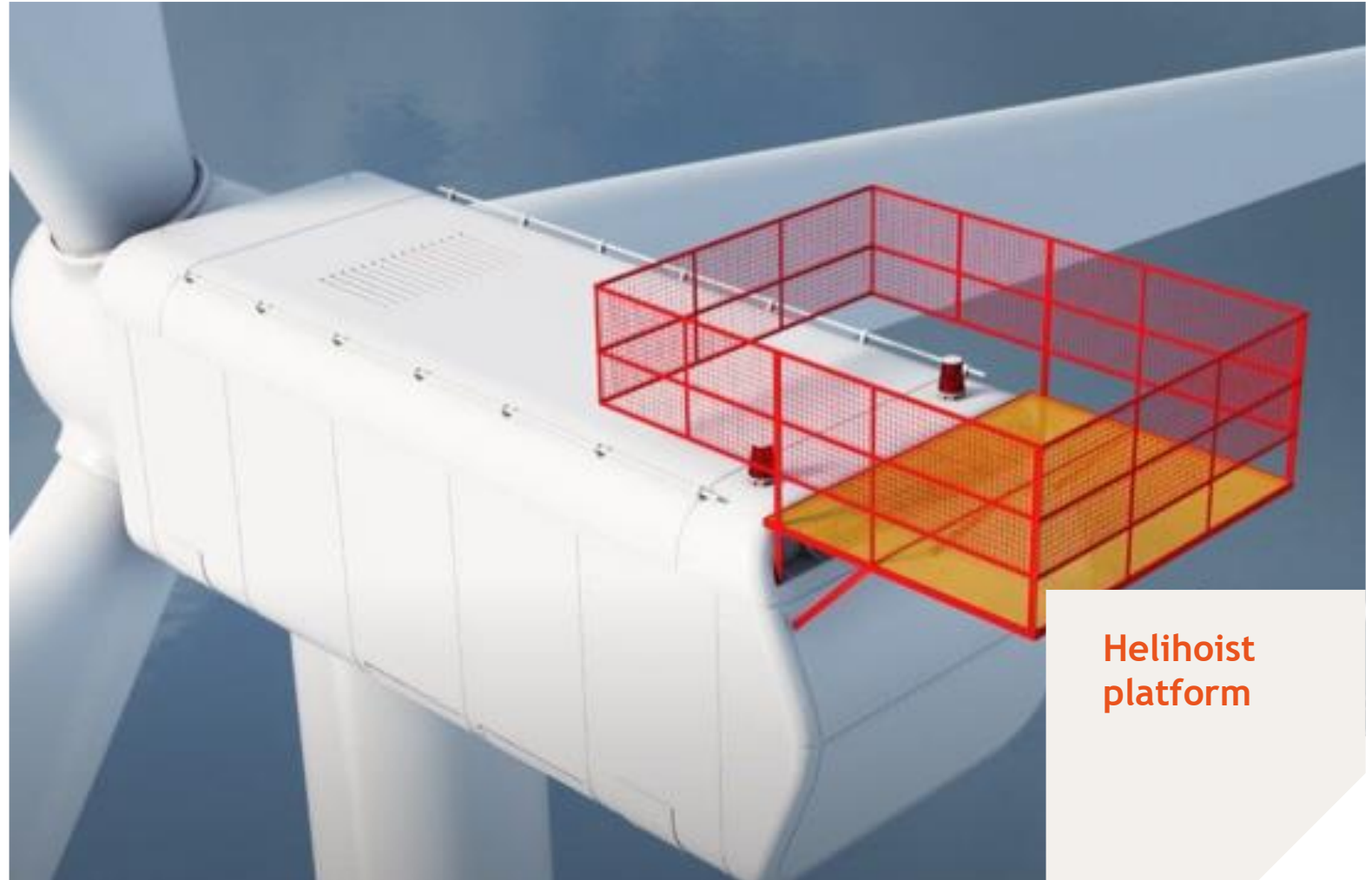
- ▶ Exel and joint venture Kinenco-Exel India (KECI) won the bidding process in India for supplying carbon planks for wind turbine spar caps for Vestas
- ▶ The products will be manufactured with pultrusion in KECI's new factory in India
- ▶ After the qualification process, KECI will be a qualified supplier of carbon flats for Vestas globally
- ▶ Deliveries are estimated to begin in Q4 2025
- ▶ The step deepens the collaboration, which started over a decade ago
- ▶ Vestas is already the second spar cap customer announced in 2024 to be served by the new Indian factory



NEW CUSTOMER ENGAGEMENTS

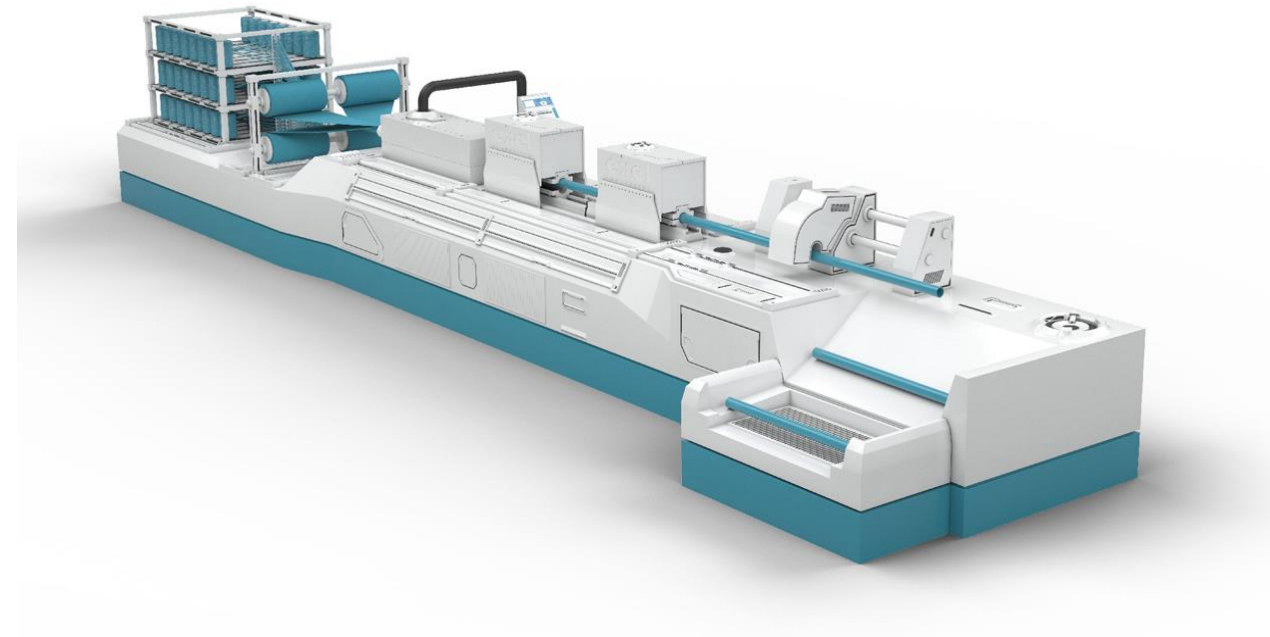
Helihoist systems for a major Western wind turbine manufacturer

- ▶ After the review period, we signed a multi-year supply agreement for helihoist systems for offshore wind turbines with a major Western wind turbine manufacturer
- ▶ Helihoist systems provide safe access for technicians to offshore wind turbines
- ▶ The composite components will be manufactured with pultrusion at Exel's factory in China, followed by necessary post-processing and assembly work
- ▶ Deliveries are expected to begin in 2025



The new production facility in India will be ready for production in Q4 2024

- ◆ Installations at the new India factory progressing according to plan and the factory will be ready for commercial production in Q4 2024
- ◆ Once completed, the factory will allow us to better serve wind power customers in India and globally
- ◆ Deliveries from the Indian factory expected to pick up in 2025
- ◆ Joint venture between Exel Composites and Kineco



Status of strategy implementation

Action	Status	Comment
Decision to build a new manufacturing facility in India for wind power industry customers	●	
Strategic factory review 1 (USA)	●	
New operating model established	●	
Aligning resources within new business units	●	
Rights offering and new financing agreement	●	
Strategic factory review 2 (Belgium)	●	Consultation process on the intention to close the factory started in 9/2024
New manufacturing facility in India into production	●	Ready for production in Q4 2024
Sale of UK Runcorn factory property	●	Aim to complete sale in H2 2024
Strategic factory review 3	○	

- Completed
- Progressing
- Not yet started



Sustainability: Exel launches commercial-scale use of bio-based resins

- ◆ Exel recently announced a new partnership with INEOS Composites to purchase more than 100 metric tons of Envirez bio-based resin system
- ◆ Circular feedstock-based system helps us to reduce carbon emissions in the associated manufacturing by 21% compared to traditional resins, without compromising material performance
- ◆ The partnership creates more sustainable options for our customers as they will have the choice of switching to this resin
- ◆ The chemical composition features 23% bio-based glycol, compared to traditional crude oil-sourced hydrocarbon resins





Q3 2024 key takeaways

- ◆ We continued to perform well despite the uncertain operating environment
- ◆ Our revenue and profitability increased significantly year-on-year
- ◆ Our order backlog was strengthened, and we achieved significant customer engagements important for our future growth
- ◆ Implementation of our transformative strategy advanced well
- ◆ We focused on larger customers, high-growth customer industries and volume business, all of which position us well for the future

Financial reporting and AGM in 2025

- ◆ Financial Statements Release 2024: 14 February 2025
- ◆ Business Review Q1 2025: 8 May 2025
- ◆ Half Year Financial Report Q1-Q2 2025: 14 August 2025
- ◆ Business Review Q1-Q3 2024: 6 November 2025

Annual Report will be published on 5 March 2025, at the latest

The Annual General Meeting is planned to be held on 26 March 2025

➤ See full investor calendar:
investors.exelcomposites.com/investors/investor-calendar/





Thank you!

Q&A

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