

PROPELLING THE FUTURE

of flight, energy generation, transportation & recreation

Investor Briefing

January 2024

Risks, Uncertainties and Other Factors with Respect to Forward-Looking Statements Disclaimer

Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements that are not of historical fact constitute “forward-looking statements” and accordingly, involve estimates, assumptions, judgments and uncertainties. There are a number of factors that could cause actual results or outcomes to differ materially from those addressed in the forward-looking statements. Such factors are detailed in the Forward Looking Statements and Risk Factors sections of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission. We do not undertake an obligation to update our forward-looking statements to reflect future events.

HEXCEL (NYSE: HXL) – AT A GLANCE

- Leader in markets undergoing secular growth
- Broadest aerospace composite solution portfolio
- #1 in aerospace composites – by sales & production capacity
- 21 manufacturing sites | ~5,600 employees at 31-Dec-2023
- High and numerous barriers to entry
- Culture of continuous improvement | Operational Excellence

Composite **Lightweighting** value proposition

- **Stronger and lighter** than metals
- **Superior life cycle costs** to metals
- **Reduces fuel use and emissions** for transportation applications
- Enables **leading-edge product design**

Markets

COMMERCIAL AEROSPACE

60%*

Wings, Fuselage
Secondary & Interior structures
Engines & Nacelles

SPACE & DEFENSE

30%*

Rotorcraft
Fixed Wing
Satellites & Launchers

INDUSTRIAL

10%*

Automotive, Consumer Electronics,
Marine, Recreation & Wind Energy

2023 SALES* | **\$1.8 billion**

OUR HEXCEL PURPOSE



CUSTOMER
EXCELLENCE



OPERATIONAL
EXCELLENCE



PEOPLE
EXCELLENCE

We propel the future of flight,
energy generation, transportation
and recreation through
**excellence in advanced
material solutions**
that create a better world for us all.



ADVANCED COMPOSITES LEADERSHIP

- **INNOVATIVE** SOLUTIONS
- PROVEN **EXECUTION**
- **EXPANDING MARGINS** ON MARKET RECOVERY
- **STRONG** CASH GENERATION

Leading, sole source positions in key markets with **high barriers to entry**

Sustainable **competitive advantage**

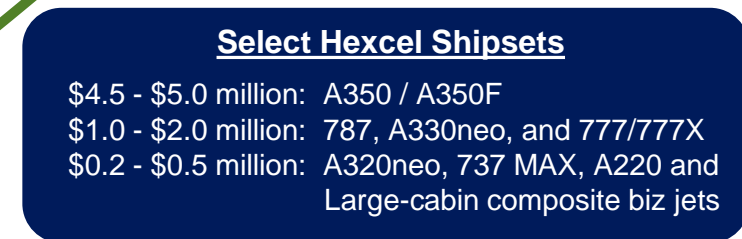
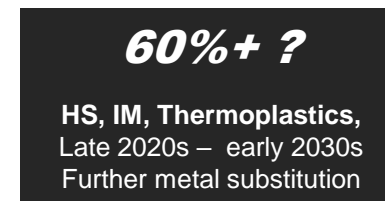
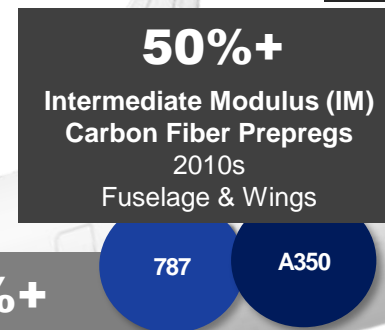
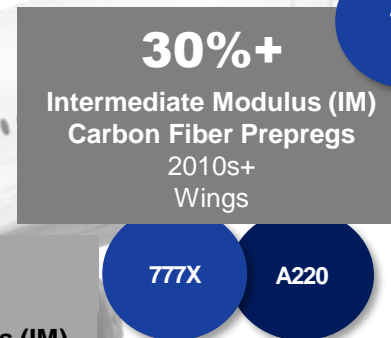
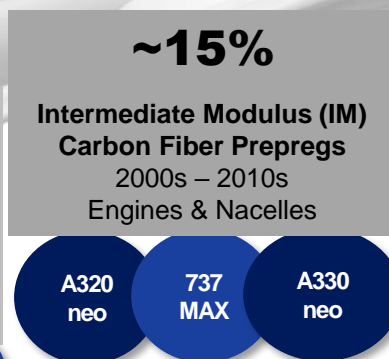
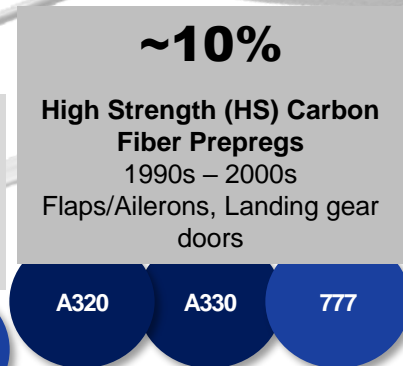
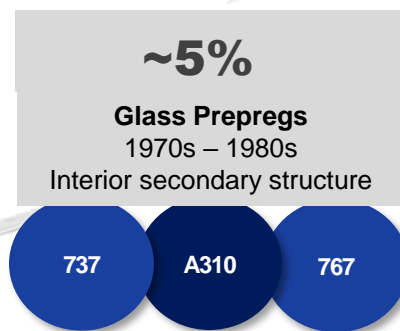
Excellent **customer relationships**

Increasing share of **long-term growth** markets

Long history of **creating shareholder value**

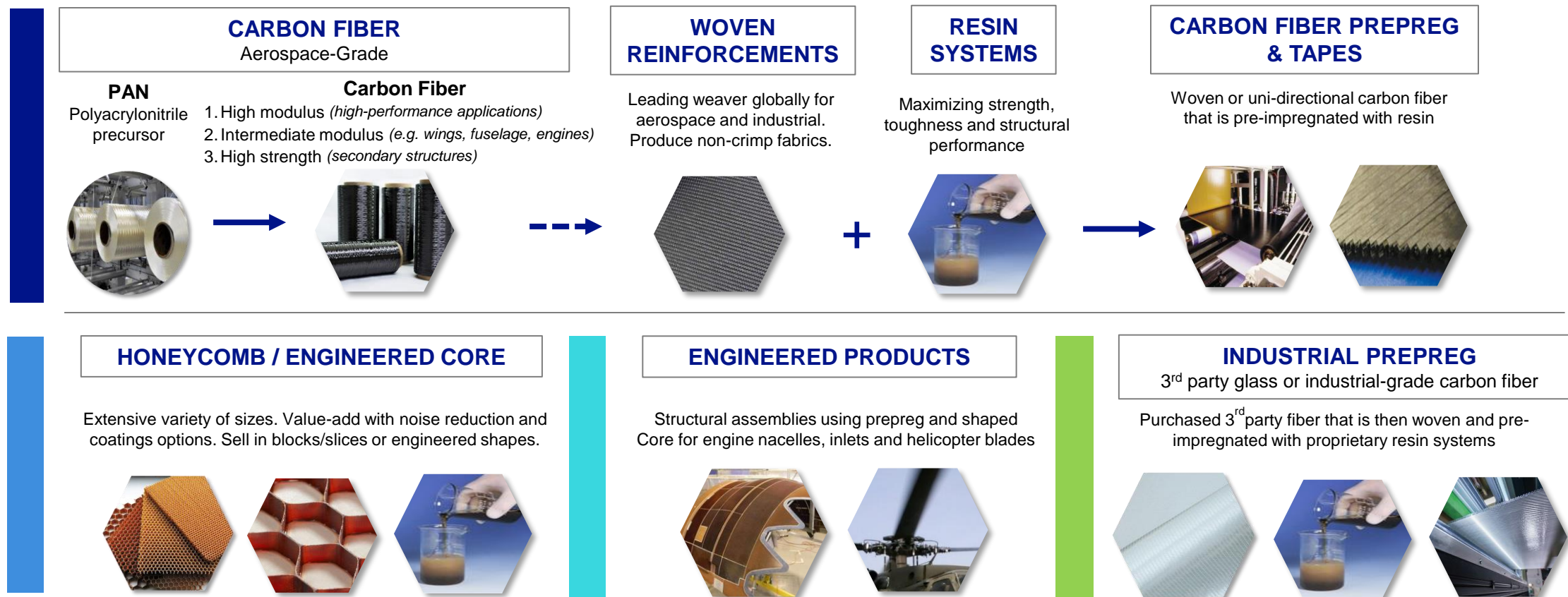
COMPOSITES PENETRATION & GROWTH

- Continued **secular penetration** with each succeeding new aircraft platform
- **Fleet Replacement** of legacy metal aircraft
Composite-rich aircraft (*i.e.* A350 & 787) are less than 7% of total global commercial fleet



UNRIVALED PRODUCT RANGE

Everything from carbon fibers, reinforcement fabrics, and resins to prepregs, honeycomb core, tooling materials and more . . . from raw materials to fly-away parts . . . **Vertical Integration is a strength and a differentiator**



Stronger | stiffer | lightweight | fatigue resistant | corrosion resistant vs. metal

WE DELIVER WHAT OUR **CUSTOMERS** WANT

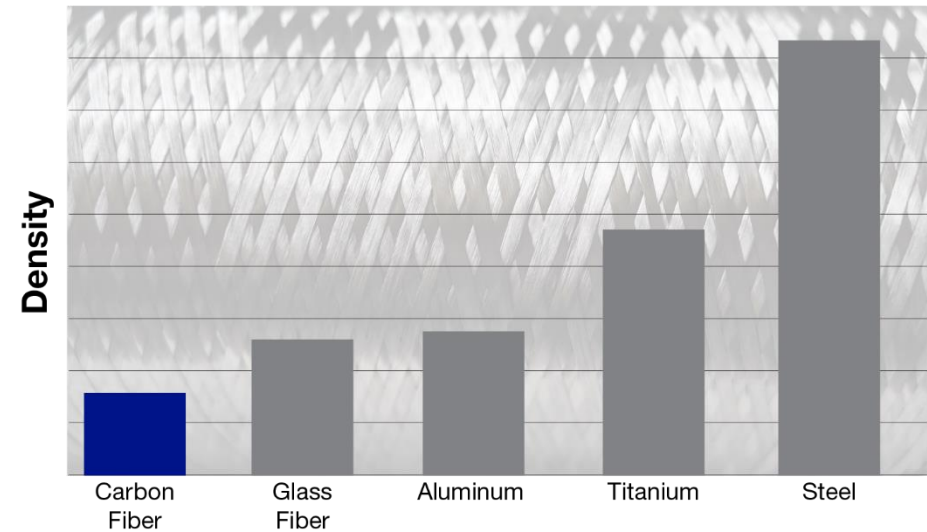
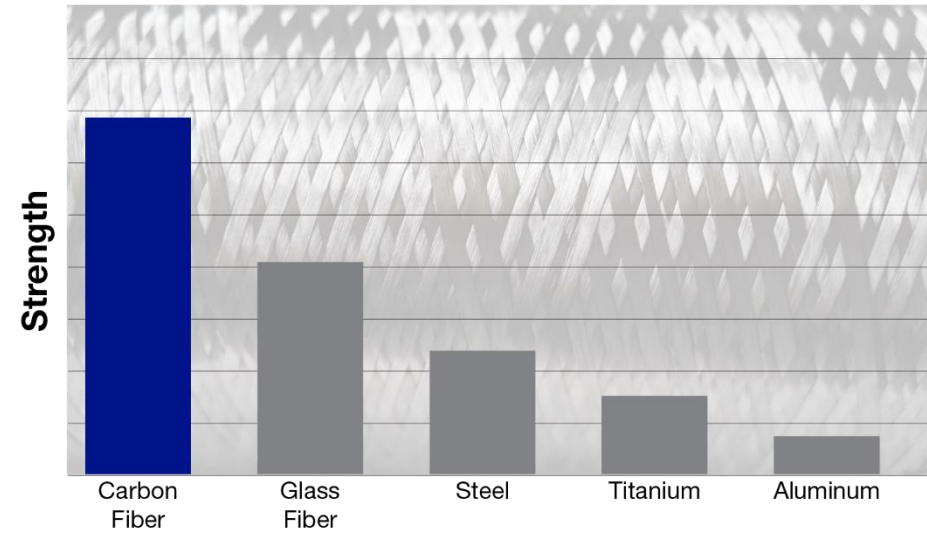
Advanced composite solutions that are stronger, lighter and tougher – optimizing total life cycle costs

Carbon fiber is **5x stronger** than aluminum

Carbon fiber is **30% lighter** than aluminum

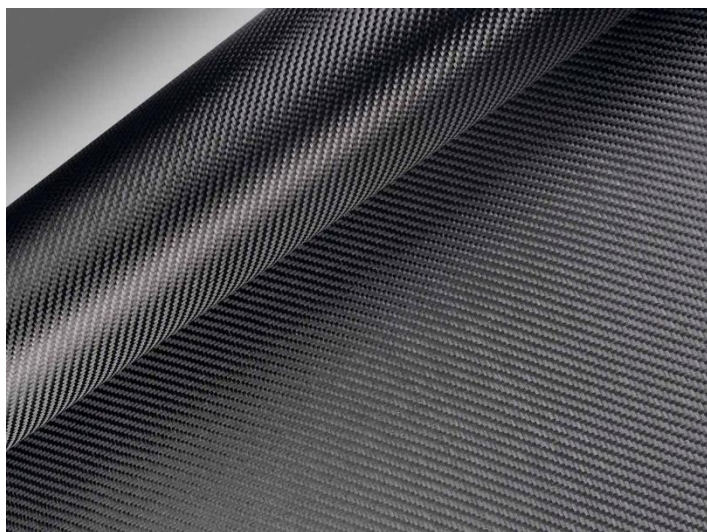
Our products are **tougher, stiffer** and **more durable**

Our products offer **lower lifecycle cost** (*operating & maintenance costs*)

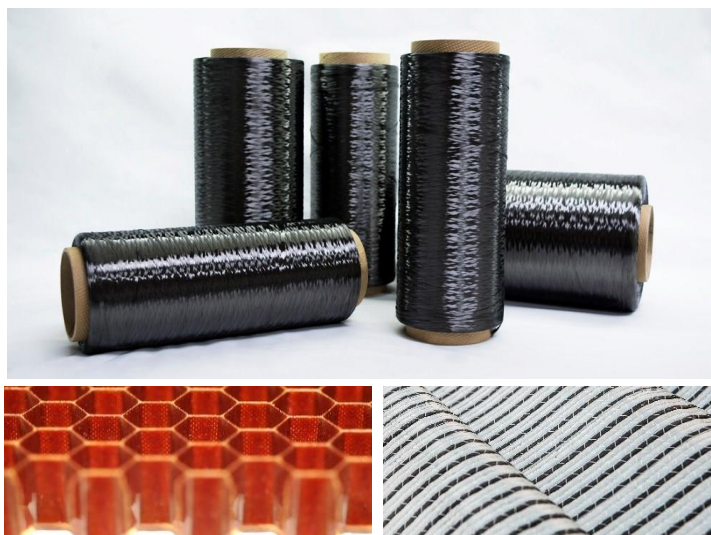




Lighter yet stronger than any comparable material in the world, Hexcel advanced composites are turning the dream of **cleaner, efficient, and more sustainable** flight and transportation into reality today.



No products made today will lead to **greater fuel efficiency** and **improved aerodynamics** with as much **strength and durability** as Hexcel carbon fiber, prepreg, honeycomb and engineered products.



Lightweight advanced composites are **stronger, tougher, stiffer and more durable** than comparable products, have a lower lifecycle cost, and are 30% lighter and 5 times stronger than aluminum.

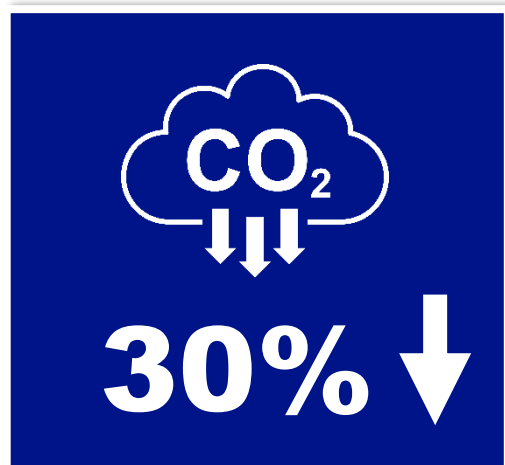


Hexcel advanced composite materials play an essential role in enabling our customers to achieve their goals to optimize fuel consumption, lower emissions, reduce noise, and help **sustain the planet** for generations to come.

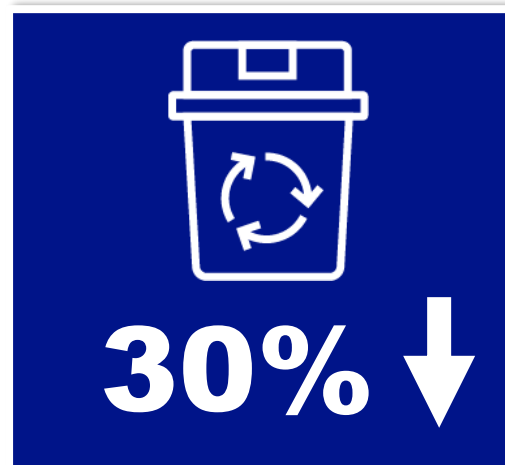
Hexcel is leading the transition to more lightweight, fuel-efficient transportation

2030 **SUSTAINABILITY** TARGETS

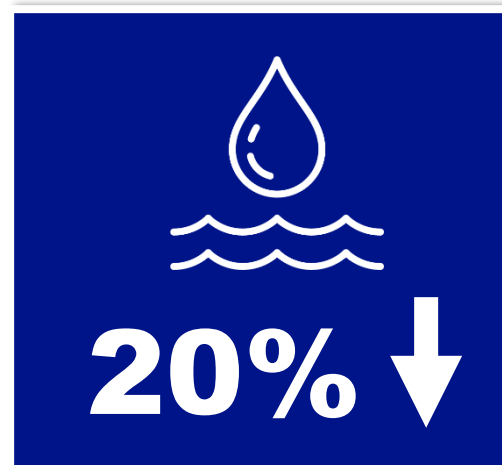
2019 baseline; All environmental measures are intensity-based; Safety measure based on 200,000 worker hours



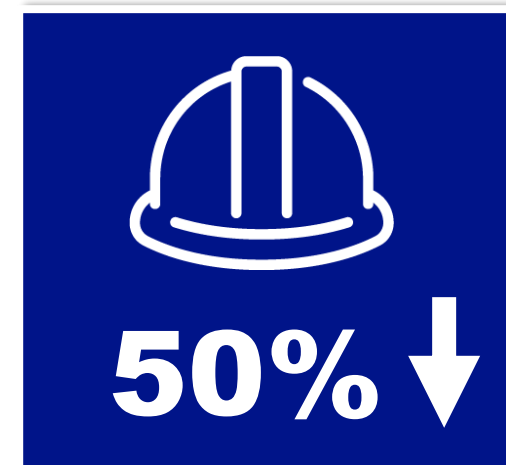
30% reduction
greenhouse gas
emissions



30% reduction
in waste to landfill

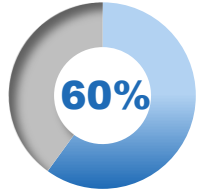


20% reduction
in freshwater use



50% reduction
in total recordable
incident rate (TRIR)

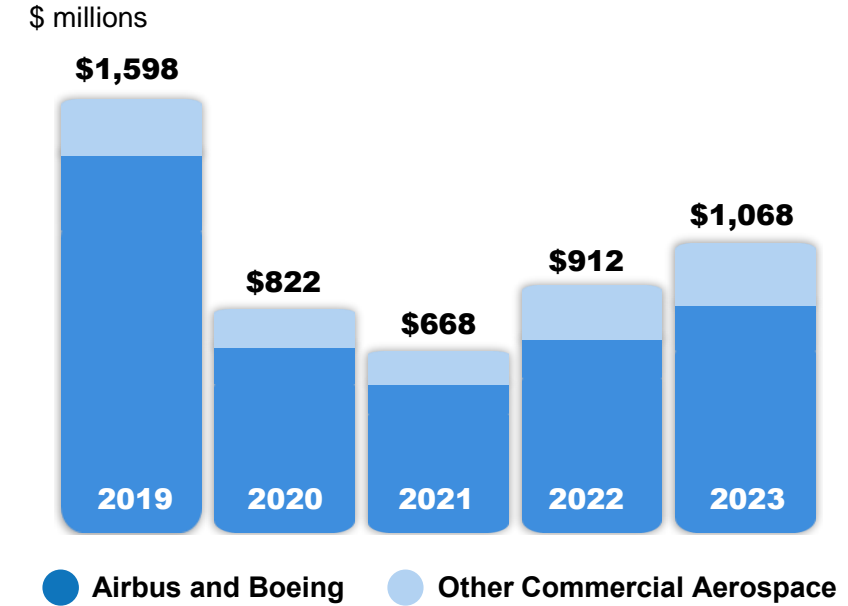
Further reducing environmental footprint and enhancing safety culture



COMMERCIAL AEROSPACE

Commercial Aircraft | Engines/Nacelles | Business Jets & Regional Aircraft

- ◆ Near-Term: Growing back into existing capacity
- ◆ Mid-Term: Expanding composites secular penetration
- ◆ Multi-year OE backlog supports growth
- ◆ Need for emissions reduction and fuel efficiency driving aircraft replacement cycle
- ◆ Strong market position with Engines and Nacelles
- ◆ Business Jet composite adoption increasing



COMMERCIAL AEROSPACE GROWTH DRIVERS

OEM backlogs represent >\$9 billion of future sales to Hexcel

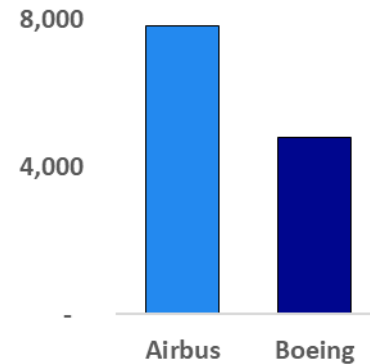
Expanding global middle class driving demand for new aircraft

High fuel costs and need to reduce CO₂ emissions driving fleet replenishment

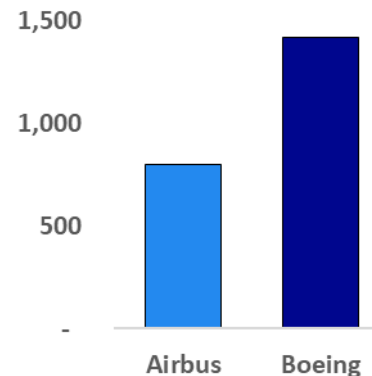
Composite-rich and emissions-compliant A350F and 777X freighters launched

Composite-rich large-cabin business jets being launched

OEM Narrowbody Aircraft Backlog



OEM Widebody Aircraft Backlog

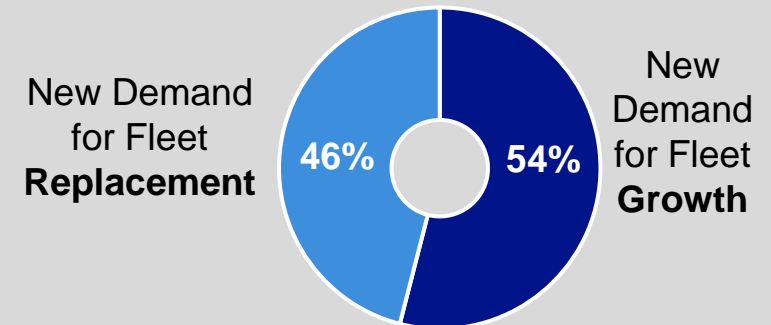


Airbus & Boeing backlog as of December 31, 2023
Narrowbody includes Airbus A220, A320neo and Boeing 737/737 MAX
Widebody includes Airbus A330/A330neo, A350, Boeing 767, 777/777X & 787

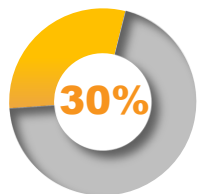
20-year Market Demand Forecast For New Aircraft

average Airbus & Boeing 20-yr. forecasts*

	New Aircraft
Single-aisle	33,430
Widebody	7,370
Freighters	923
Total Aircraft	41,723



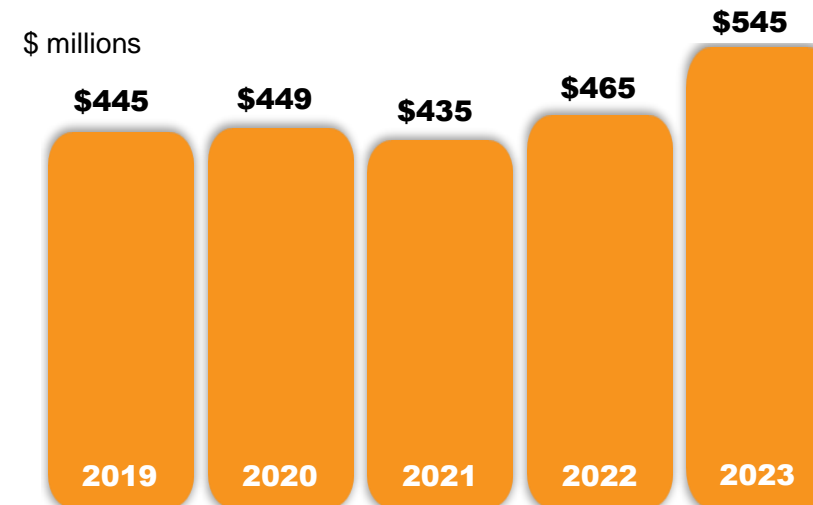
* Airbus Global Market Forecast, June 2023
Boeing Commercial Market Outlook, June 2023



SPACE & DEFENSE

Rotorcraft | Fixed-Wing | Launch Vehicles | Transport | Satellites

- Hexcel carbon fiber is the defense industry standard
- Active on >100 different programs globally
- Major programs: F-35, CH-53K, Rafale, A400M, Black Hawk, V-22, Rotorcraft blades (*both new build & replacements*)
- Rotorcraft are ~40% of S&D sales
- Capabilities with honeycomb & microwave absorbing composites are competitive differentiators
- Expanding opportunities with Space sector



Top Space & Defense Programs

Lockheed Martin F-35 | Sikorsky CH-53K & Black Hawk*

Airbus A400M | Dassault Rafale | Bell Boeing V-22*

* Including replacement blades



EVOLUTION S&D COMPOSITES ADOPTION

Composite content on modern military & space platforms is maximized to **enhance performance and extend range and payload**

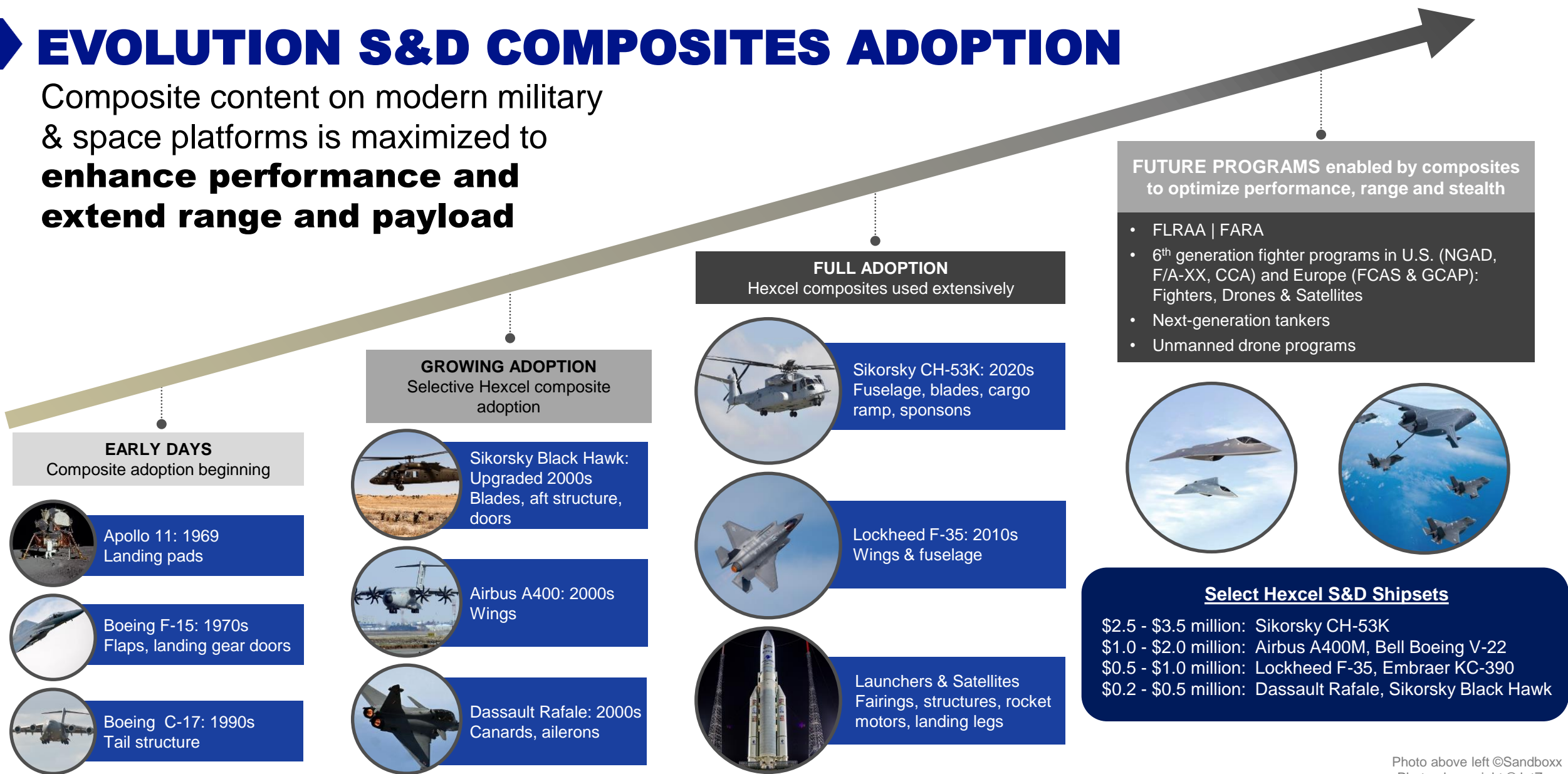


Photo above left ©Sandboxx
Photo above right ©JetZero

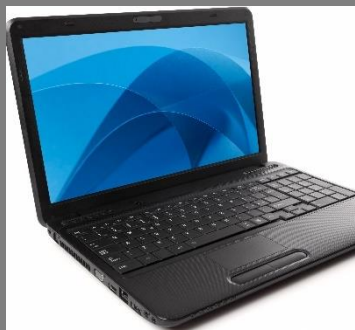
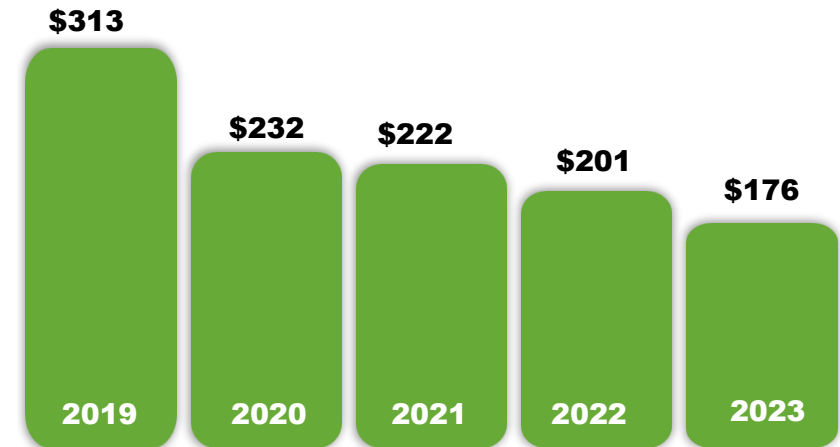


INDUSTRIAL

Automotive | Consumer Electronics | Infrastructure
Marine | Recreation | Wind Energy

- Broad range of performance applications leveraging Hexcel carbon fiber, Hexcel resin formulations & process expertise, and purchased glass fiber from third-parties
- Active in 30+ different Industrial sub-markets
- Growth opportunities: marine, energy storage/electric vehicles, pressure vessels, and industrial pipes

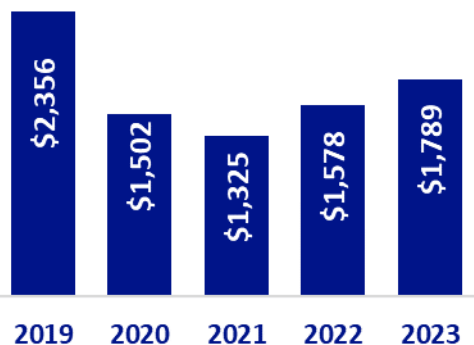
\$ millions



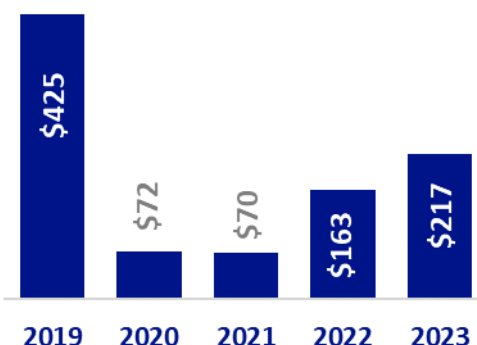
RETURNING TO GROWTH

\$ millions, except EPS

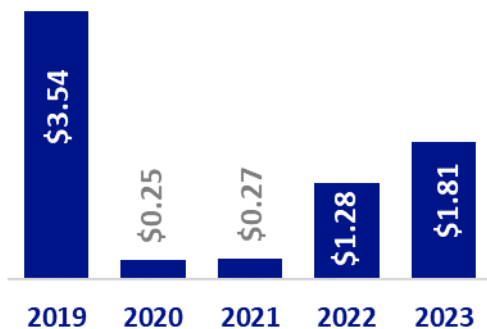
SALES



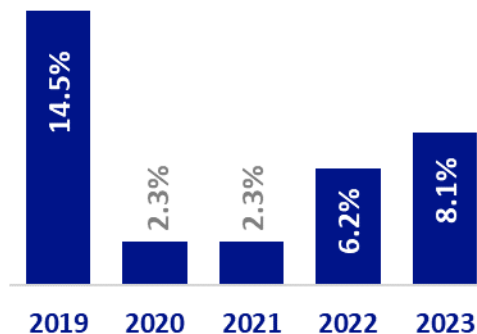
ADJUSTED OPERATING INCOME



ADJUSTED DILUTED EPS



RETURN ON INVESTED CAPITAL

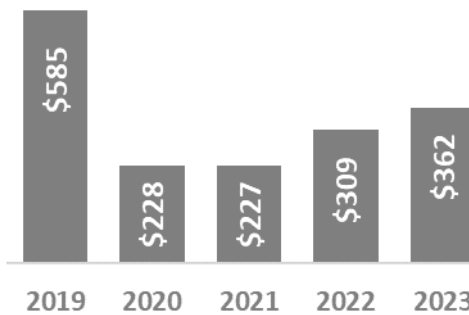


CASH GENERATION

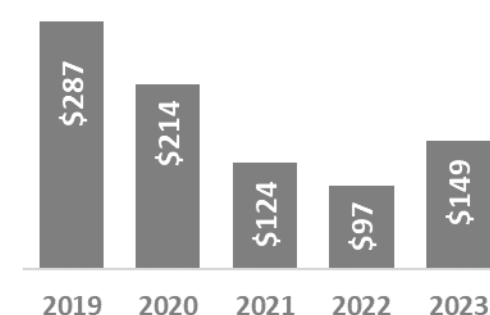
\$ millions

ADJUSTED EBITDA

(Earnings Before Interest, Taxes, Depreciation & Amortization)

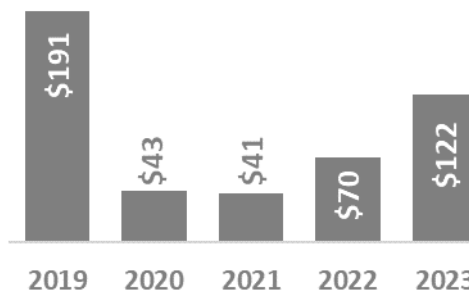


FREE CASH FLOW

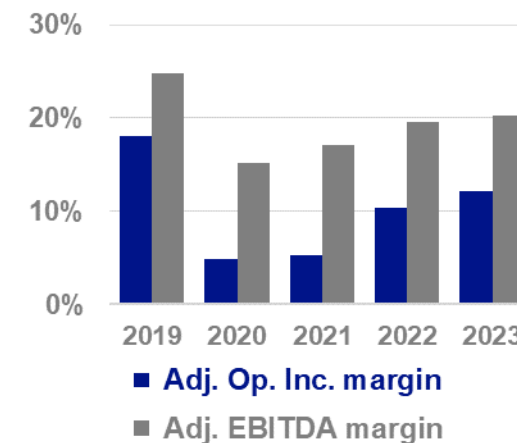


CAPITAL EXPENDITURES

(Accrued)



MARGINS



2024 FINANCIAL GUIDANCE

Sales growth

Double-digit sales growth forecasted as continuing to benefit from Commercial Aerospace recovery and production rate ramps

EPS growth

Double-digit EPS growth supported by rising sales and margin expansion

Free cash flow growth

Compelling free cash flow generation profile from expanding profitability and leveraging existing capacity

2024 GUIDANCE

Sales

\$1.925 billion - \$2.025 billion

Adjusted diluted EPS

\$2.10 – \$2.30 per share

Free Cash Flow

Greater than \$200 million

Sales by Market

Commercial Aerospace: Up mid-teens

Space & Defense: Up mid-single digits

Industrial: Up low to mid-single digits

Cash generation is accelerating

INVESTING IN INNOVATION

New ideas, processes, and solutions leading the development of world-class products

ORGANIC GROWTH Driven by Innovation



7 global Centers of R&T Excellence; newest and largest Center is co-located with manufacturing plants at Hexcel Salt Lake City



Intellectual property is a competitive advantage and significant barrier to entry



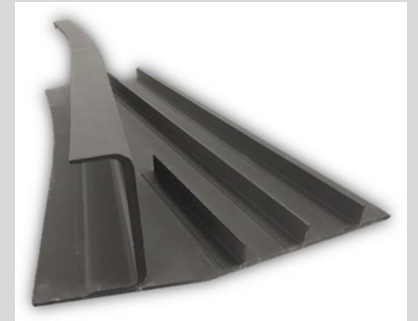
Multiple collaborations with universities and technical consortiums globally to develop industry-leading composite technologies and next-generation solutions



Center of Research & Technology Excellence | Hexcel Salt Lake City

LEADING-EDGE PRODUCT INNOVATIONS

- **HexFlow®** high-viscosity infusion resins, **HiTape®** dry unidirectional reinforcements, and **HiMax®** non-crimp fabrics support high-volume out-of-autoclave parts production
- Low temperature fast cure **HexBond® 679** adhesive film delivers outstanding bonding performance in sandwich structures and significant cycle time reductions with short-cure cycles at low temperatures.
- **HexPEKK® EM**, an electrically conductive, high-performance, PEKK-based thermoplastic carbon fiber composite additive manufacturing material formulated specifically to meet the static electricity management, electromagnetic shielding, and radiation absorption requirements of advanced aircraft applications.
- **HexPly® XF surface technology** significantly reduces wind blade shell manufacturing time within the blade surface finishing process and is also applicable for marine applications where gel-coating is currently used.



Carbon fiber reinforcements and high-viscosity infusion resins to support high-volume out-of-autoclave parts production via liquid composite molding, i.e. infusion & resin transfer molding (RTM)

REASONS TO **INVEST** IN HEXCEL

Investing in Innovation | Achieving Operational Excellence | Strong Investment Fundamentals

Leadership in Attractive Markets



Unrivalled product portfolio
Continuing secular growth
High barriers-to-entry

Lightweighting for Emissions Reduction



Lightweighting saves fuel and reduces transportation emissions

Culture of Innovation



Technology and innovation support sustained growth

Operational Excellence



Driving productivity through optimized performance

Strong Investment Fundamentals



Strong balance sheet
Growing Free Cash Flow
History of prudent capital management & allocation

Secular growth supported by Innovation | High barriers | Proven execution



APPENDIX

Reconciliation of Net Income to adjusted EBITDA (Earnings before Interest, Taxes, Depreciation & Amortization)

US Dollars in millions

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q4 2023	Q4 2022
Net Income	\$ 306.6	\$ 31.7	\$ 16.1	\$ 126.3	\$ 105.7	\$ (18.2)	\$ 37.0
Adjustments							
Interest Expense, Net	\$ 45.5	\$ 41.8	\$ 38.3	\$ 36.2	\$ 34.0	\$ 7.6	\$ 9.2
Income Tax Expense (Benefit)	76.8	(61.0)	5.9	31.6	12.1	(10.4)	7.4
Depreciation & Amortization expense	141.7	140.9	138.0	126.2	124.8	31.6	31.3
EBITDA	570.6	153.4	198.3	320.3	276.6	10.6	84.9
Adjustments							
Stock-based Compensation	\$ 18.3	\$ 15.4	\$ 19.0	\$ 20.0	\$ 20.9	\$ 2.6	\$ 4.8
Other Operating Expense (Income) ⁽¹⁾	-	57.9	18.2	(11.9)	1.4	1.5	5.1
Other Nonoperating Income ⁽²⁾	-	-	(8.5)	(10.8)	71.6	71.6	(8.1)
Equity (Earnings) Losses	(3.7)	1.6	-	(8.1)	(8.1)	(3.0)	(2.6)
Adjusted EBITDA	\$ 585.2	\$ 228.3	\$ 227.0	\$ 309.5	\$ 362.4	\$ 83.3	\$ 84.1

(1) Includes restructuring costs for all periods showing amounts. 2020 amounts also include costs related to the terminated merger with Woodward. 2023 amounts also include gain on the sale of a facility in Colorado and 2022 amounts also include gain on the sale of a facility in California.

(2) Amounts in 2021 and 2022 include receipts related to the Aviation Manufacturing Jobs Protection program. Amounts in 2023 includes (i) a non-cash pre-tax charge of \$70.5 million related to the buy-out of the UK pension plan; (ii) an after-tax gain of \$1.3 million for the reversion of excess assets related to the UK pension plan; and (iii) an accounting charge of \$3.0 million (including the write-off of approximately \$9 million in currency translation amounts) related to the sale of the investment in a Malaysian joint venture.

Note: Management believes that adjusted EBITDA, which is a non-GAAP measure, is meaningful to investors as it provides a view of Hexcel's underlying cash profit and cash generation ability.