



Annual General Meeting 26 March 2015

Exel Composites Plc

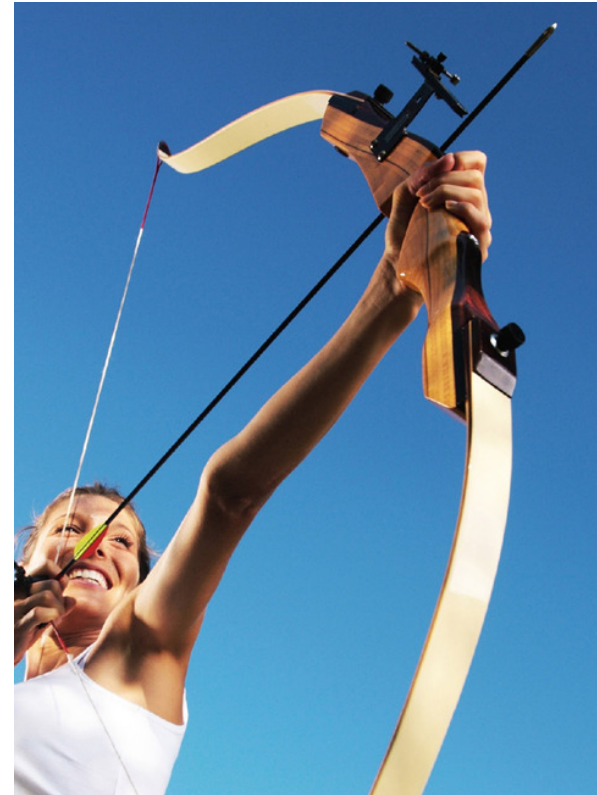
CEO's Review



CEO's review

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2014 was very successful for Exel Composites

- ◆ The Company got back on growth track
- ◆ Group net sales developed positively
- ◆ Order intake and order backlog increased significantly
- ◆ Net operative cash flow was strongly positive at year end
- ◆ Exel Composites' financial performance was greatly improved leading to double digit profitability
- ◆ Organization was strengthened especially in sales, R&D and operations development
- ◆ New growth strategy was developed and released
 - Expansion of Nanjing unit in China and expansion of operations in Austria initiated according to strategy
- ◆ Lots of focus put to health & safety and operational excellence
- ◆ Exel Composites is well on its way to becoming a truly global composite company with world-class operations and superior customer service



In 2014, Exel Composites reinforced the organization and continued to strengthen the global functions

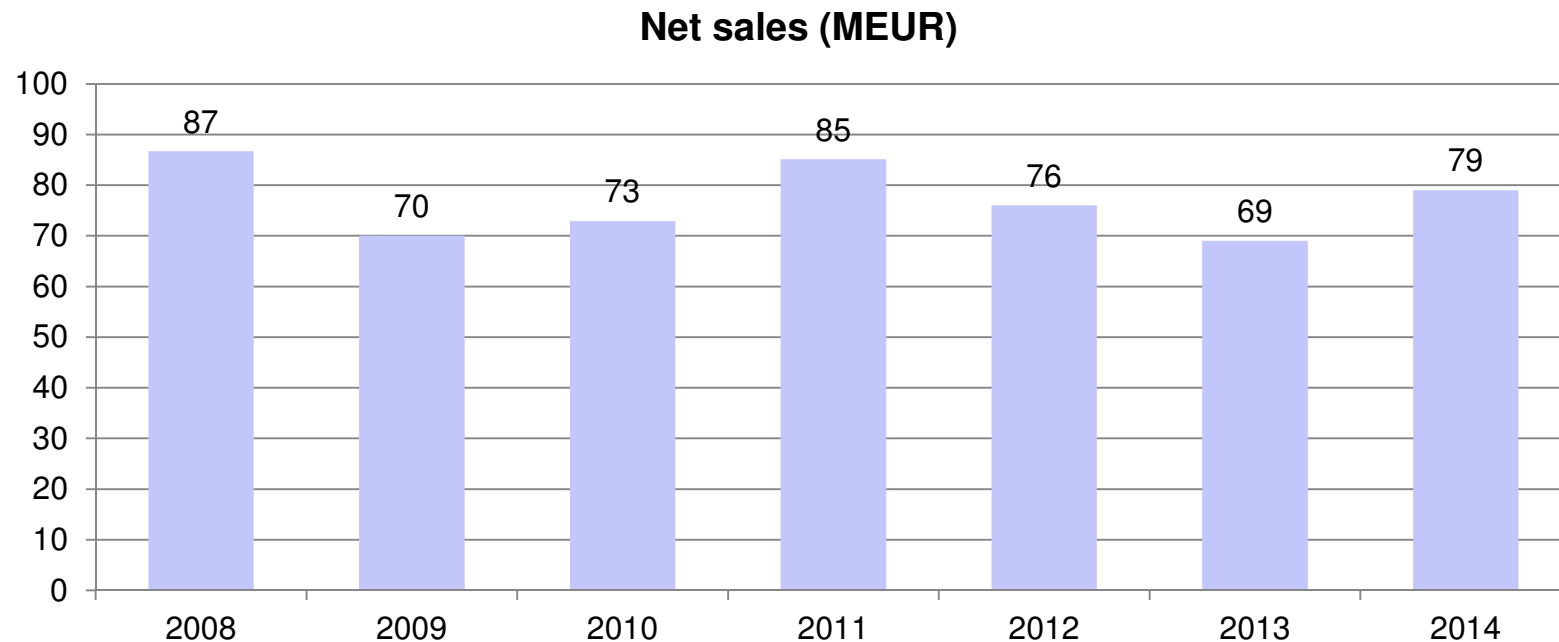
- ◆ The Company invested strongly in growth by reinforcing the organization, especially in sales, research and development and operations development.
- ◆ Organization is more efficient and works on global basis
- ◆ A new global sales organization structure was introduced where sales are region-based instead of being factory-based
- ◆ Group management was strengthened
 - New CEO started in January 2014
 - SVP HR started in August 2014
 - New CFO nominated and to start in April 2015, current CFO to dedicate full-time to strategic projects

Key figures January – December 2014

Financial performance was greatly improved

MEUR	2014	2013	Change-%
Net sales	79.3	69.3	14.4
Operating profit excluding non-recurring items	9.4	5.5	70.9
Operating profit	8.9	4.8	83.5
Operating profit, %	11.2	7.0	
Net cash flow from operating activities	10.7	7.8	37.1
Order backlog	12.8	10.5	22.7
Order intake	82.3	69.8	18.0
Return on capital employed, %	25.2	13.0	
Net gearing, %	-8.7	15.0	
EPS, EUR	0.48	0.26	

In 2014 net sales increased by 14.4% to 79.3 MEUR (69.3)

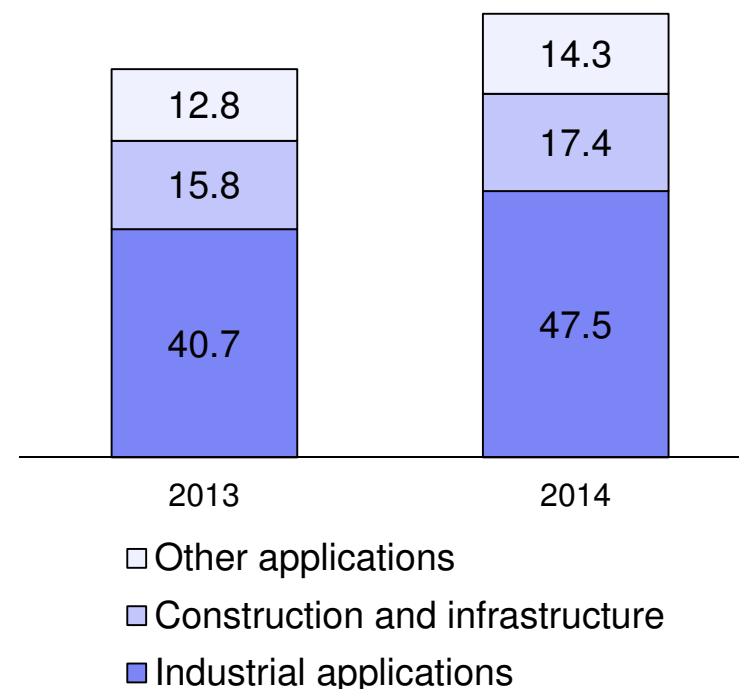


- ◆ Sales grew most in Europe by 15.2%
- ◆ All customer industries grew over 10%
- ◆ Order backlog was 12.8 MEUR at year end (10.5)

In 2014 all customer industries grew over 10 per cent

- ◆ Net sales of **Industrial applications** increased by 16.7% to MEUR 47.5 (MEUR 40.7 in 2013)
- ◆ Net sales of **Construction and Infrastructure applications** increased by 10.0% to MEUR 17.4 (15.8)
- ◆ Net sales of **Other applications** increased by 12.3% to MEUR 14.3 (12.8)

Net sales by customer industry, MEUR



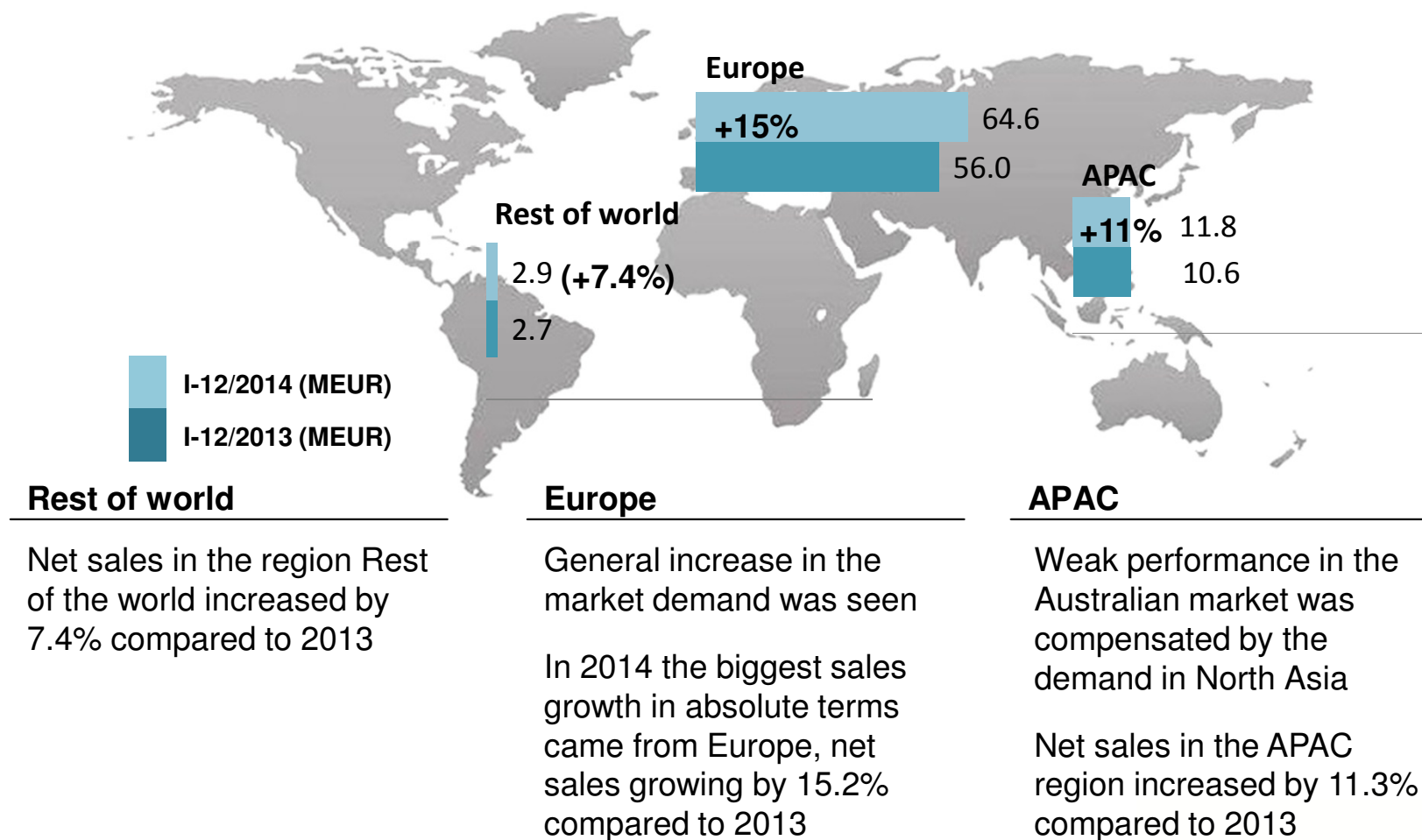
Note: Customer industries include the following markets:

Construction and infrastr. = Building, Construction & Infrastructure, Energy industry

Industrial applications = Telecommunication, Paper, Electrical, Machine, and Transportation industries

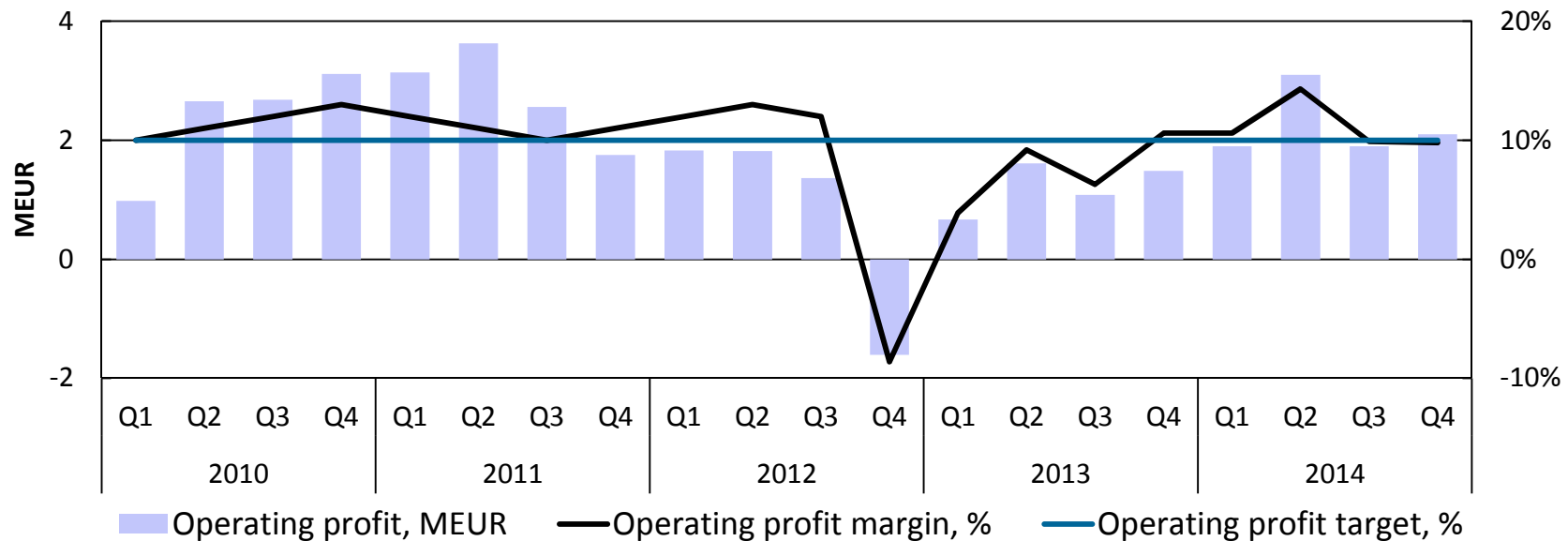
Other applications = Cleaning & Maintenance, Sports & Leisure Industry, General Industries

In 2014 biggest sales growth came from Europe

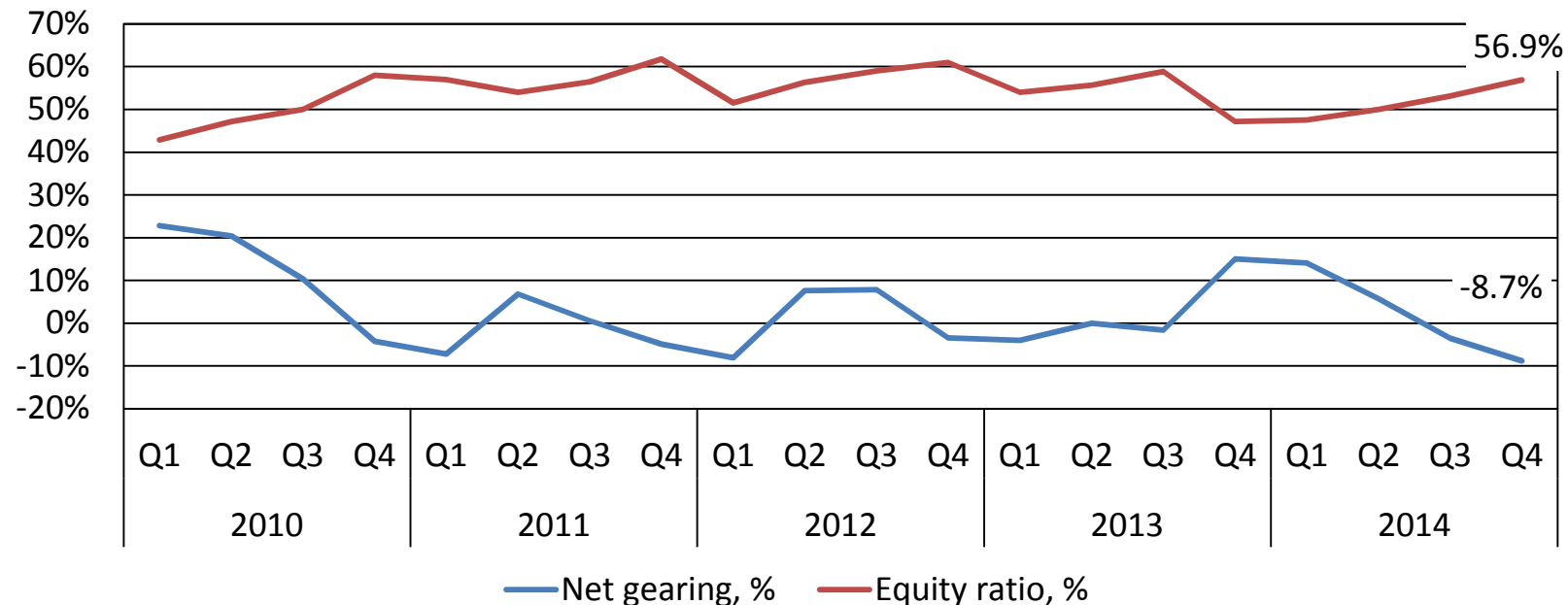


In 2014 operating profit improved by 83.5% to MEUR 8.9 (4.8) and was 11.2 (7.0) % of net sales

- ◆ Improvement was mainly due to increased sales, improved productivity, continued efficiency improvement, and better cost control
- ◆ Long-term operating profit target of 10% was achieved in 2014
- ◆ Operating profit after non-recurring items was MEUR 8.9 (4.8) or 11.2 (7.0) % of net sales. Operating profit before non-recurring items was MEUR 9.4 (5.5).

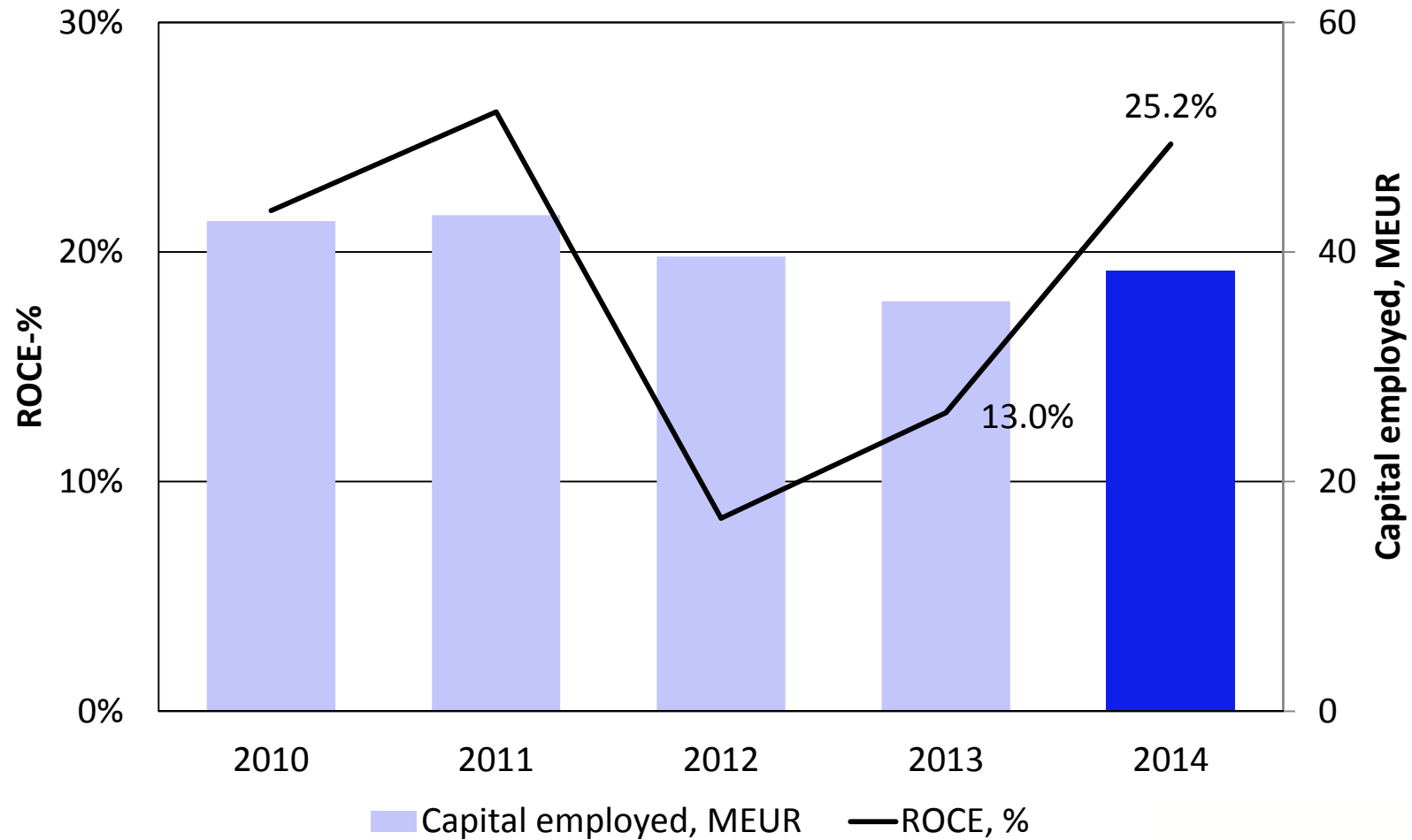


Strong balance sheet allows potential investments and acquisitions. Net gearing reduced down to -8.7%



- ◆ Exel Composites' financial goals include distributing dividends equal to some 40% of the profit for the financial year as permitted by the financial structure and growth opportunities
- ◆ The financial position of the Group is strong. The Board proposes to the AGM that a dividend of EUR 0.20 (EUR 0.00) per share, a payout ratio of 41.7%, be paid for the 2014 financial year

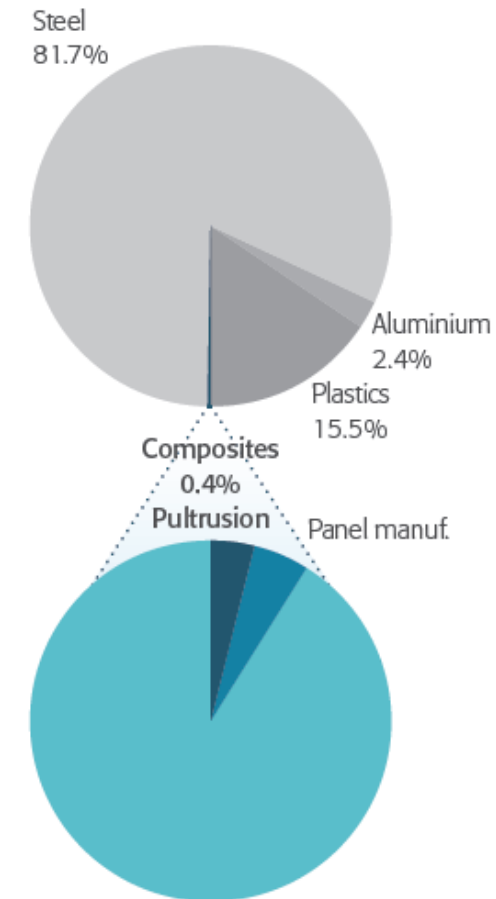
ROCE improved to 25.2% due to increased operating profit



Composites market demand expected to grow both in volume and value

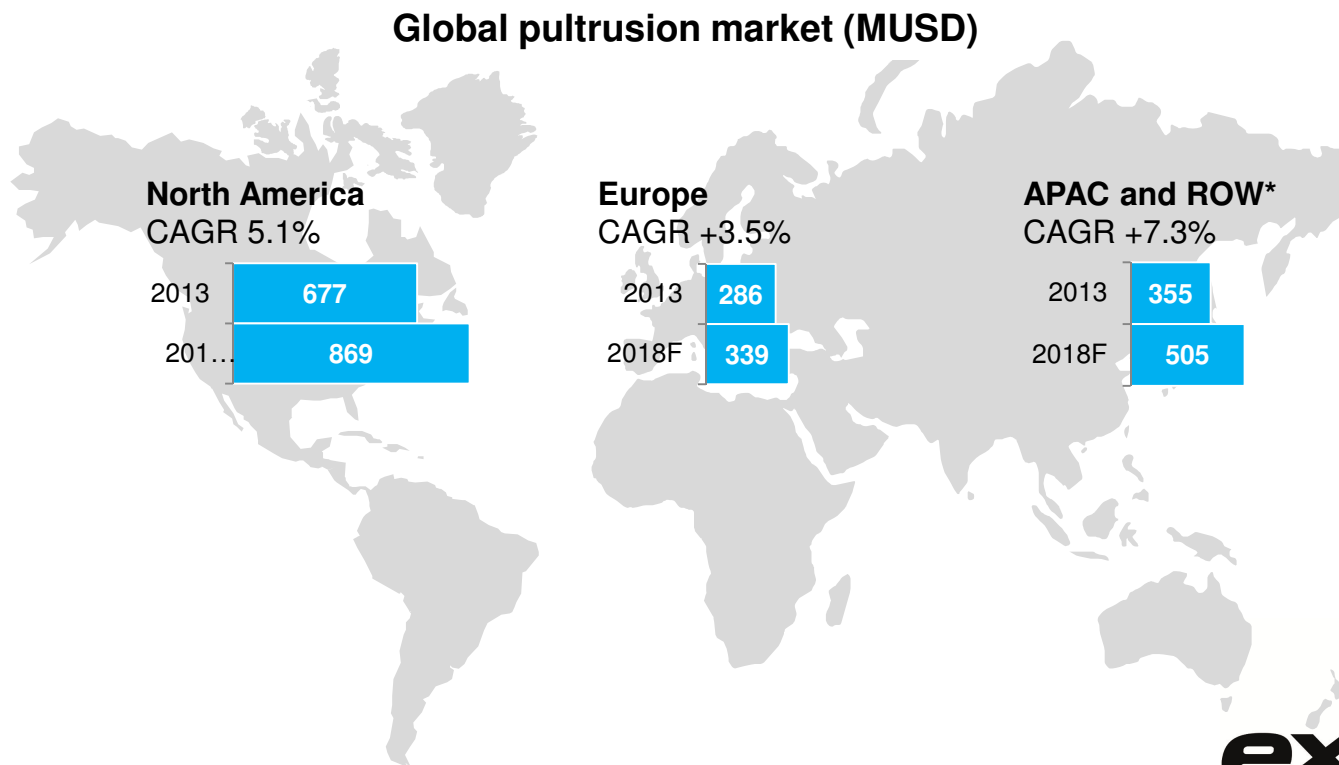
- ◆ Material market is dominated by steel and plastics
- ◆ Composite market represents 0.4% of total materials market
- ◆ Composite demand is expected to grow +5% per annum in volume and +7% per annum in value during 2013-2019
 - Composites are replacing aluminum and steel
 - Lower life cycle cost of composites is the key driver to increasing demand
- ◆ Pultrusion demand is expected to grow to 1.7 BUSD in 2018

Global materials market



Largest markets are North America, North Asia and Europe

- ◆ Largest and fastest growing markets are in Asia and North America
- ◆ Currently major share of Exel Composites business is in Europe
 - Globally third largest market
 - Growing market but at a slower speed



Source: Lucintel

* Exel Composites considers Lucintel's APAC market estimate too low

Market and mega trends drive new applications and volume growth

Megatrends	Urbanization and healthy living	<ul style="list-style-type: none"> • Demand for clean water, clear air and urban infrastructure • Investments in Exel's large markets: building, construction, infrastructure and transportation
	Thinking total life cycle cost	<ul style="list-style-type: none"> • Energy efficiency, low maintenance and durability required • Competitiveness of composites improves
Market trends	Composite penetration growth	<ul style="list-style-type: none"> • Continuous flow of new opportunities • Fast growth of volume applications • Developing markets leading growth
	Composites are becoming a commodity	<ul style="list-style-type: none"> • Customer side awareness and acceptance increasing • Market growth brings new material suppliers; Trade barriers and anti-dumping actions
	Sustainability and recyclability of composites	<ul style="list-style-type: none"> • Importance of low life-cycle embodied energy • Increasing availability of recycling options • Composites being used as recycled raw material

Exel Composites' competitive situation is strong

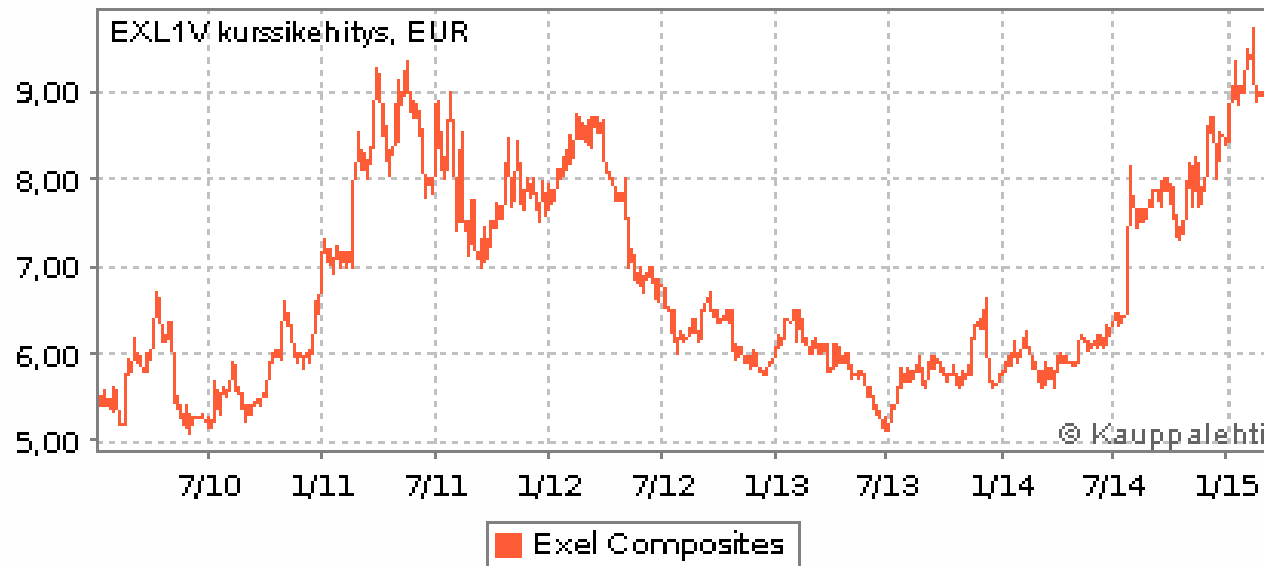
- ◆ Pultrusion market is fragmented with several hundred competitors globally
- ◆ Exel Composites' competitive situation is strong because
 - It is one of the few large pultrusion companies
 - It has a solid balance sheet and a positive cash flow
- ◆ Global footprint
 - Production in 7 countries
 - Exel Composites is the only genuinely international pultrusion company



Share price development: in 2014 the highest share quotation was EUR 8.80 (6.70) and the lowest EUR 5.56 (5.10)

**Share price development
and major shareholders**

**Exel Composites share price development
January 2010 – March 2015**



49.1 (17.0) % of shares
outstanding were traded
in Jan-Dec 2014

Market capitalization on
31 December 2014 was
EUR 99.8 (68.4) million

Price/earnings

31.12.2014:	17.5
31.12.2013:	22.2
31.12.2012:	34.6
31.12.2011:	11.5
31.12.2010:	12.4

- ◆ Fully diluted earnings per share was EUR 0.48 (0.26)
- ◆ Total shareholder return was 46 (11) % in 2014

Source: Kauppalehti

Major Shareholders on 28 February 2015

	Number of shares	Percentage of share capital
Skandinaviska Enskilda Banken AB (nominee reg.)	2,532,192	21.21
Nordea Bank Finland Plc (nominee reg.)	1,182,331	9.93
Nordea Fennia Fund	610,000	5.13
Danske Invest Finnish Small Cap Fund	481,567	4.05
Fondita Nordic Micro Cap	450,000	3.78
OP-Finland Small Firms Fund	429,551	3.61
Försäkringsaktiebolaget Pensions-Alandia	418,000	3.51
Svenska Handelsbanken AB (publ), Branch Operation in Finland (nominee reg.)	395,049	3.32
Evli Finnish Small Cap Fund	378,500	3.18
OP-Delta Fund	300,000	2.52

Exel Composites had a total of 2,686 (2,752) shareholders on
31 December 2014 and 2,994 (2,747) shareholders on 28 February 2015.

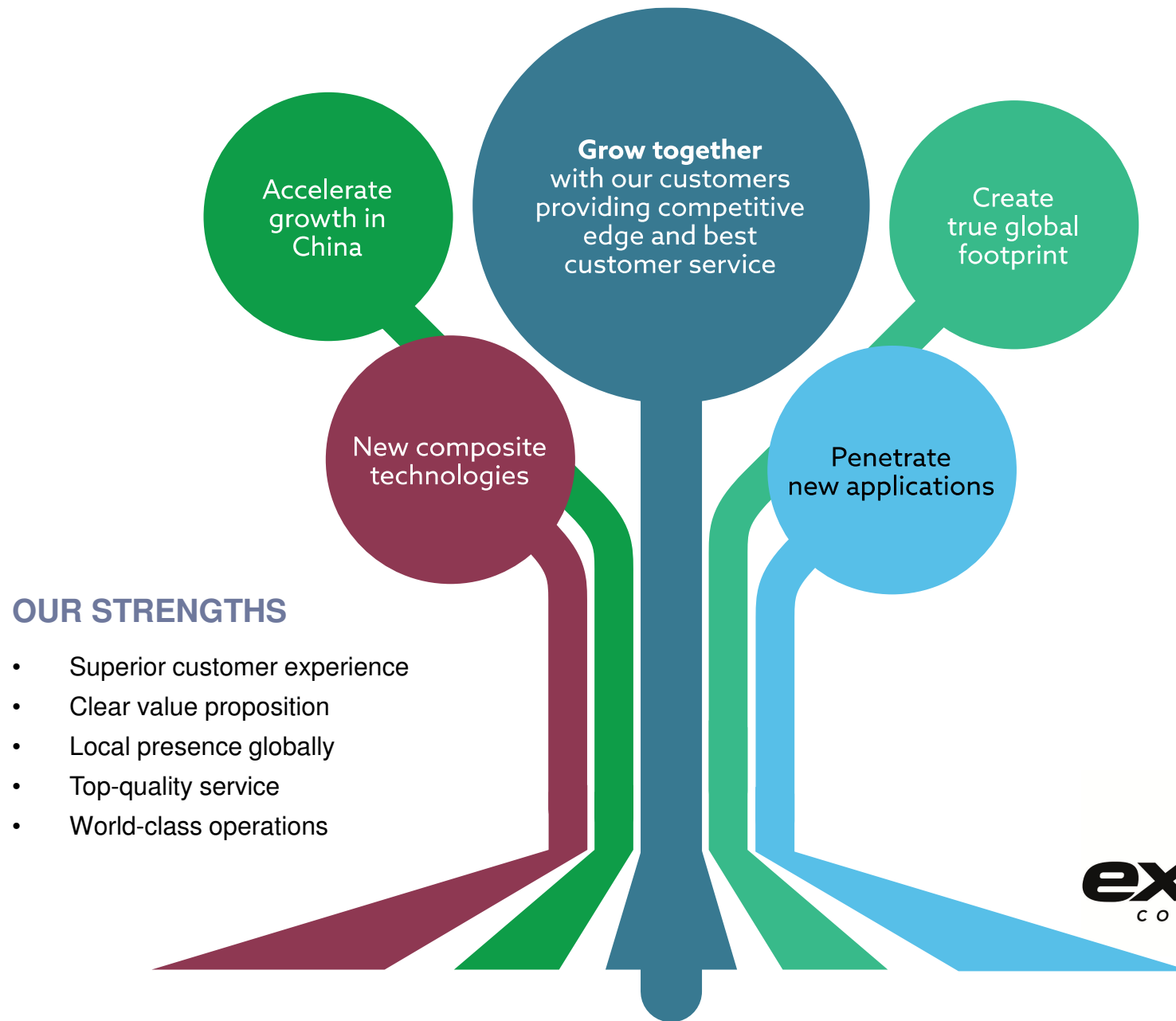
Outlook for full year 2015 – the Company implements its new strategy by reinforcing the organization and by increasing its capacity

Outlook for full
year 2015

- ◆ The market has stabilized and we can see positive signs in the Company's key market segments
- ◆ However, uncertainties relating to general growth prospects in the economy continue
- ◆ The Company implements its new strategy by reinforcing the organization, especially in sales resources, product development and operations development and by increasing its capacity
- ◆ These efforts are expected to reduce the 2015 operating profit margin compared to 2014, but will position the Company better for long-term profitable growth

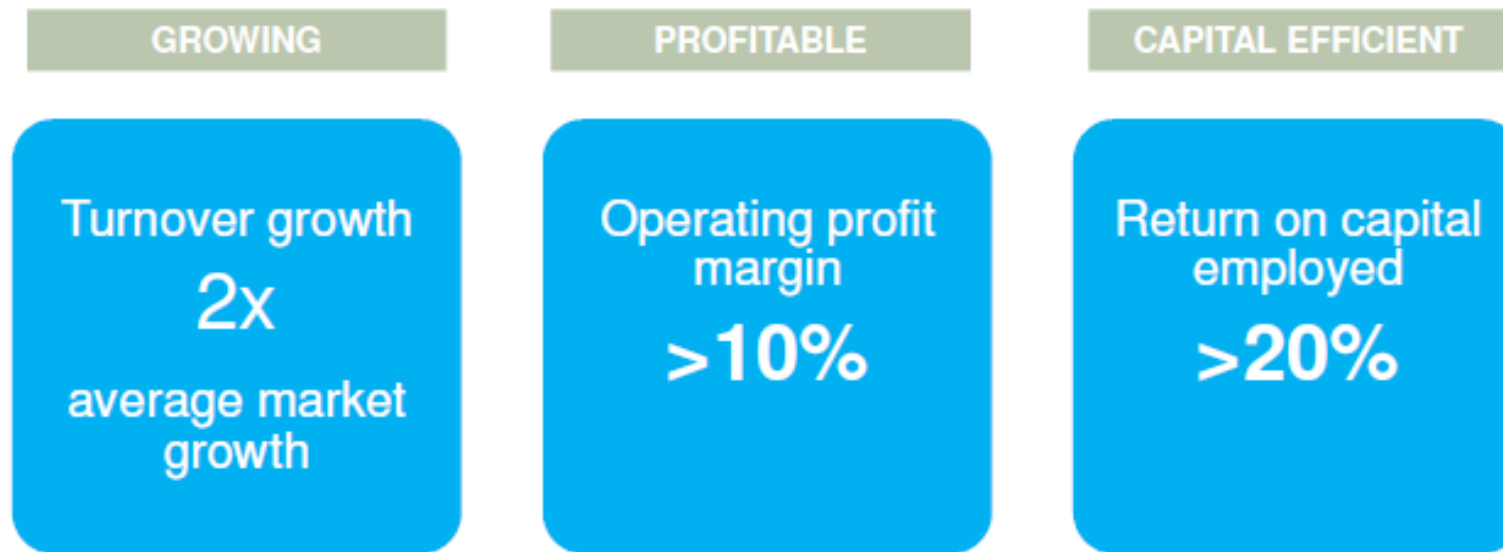


Strategy built on growth



Exel Composites' new vision and long-term financial targets

- ◆ Vision: Exel Composites is an agile, innovative global composite company with world-class operations providing superior customer experience



Financial targets are considered over a business cycle

Acquisitions targeted to boost growth and to cover market and technology white spots. Acquisitions will influence overall growth and profitability targets

Exel Composites aims to distribute some 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities

In 2015 focus on continued implementation of our new strategy

- ◆ In 2015 our focus will be on
 - Accelerating growth in China
 - Penetrating new applications and new market segments
 - Creating a true global footprint
 - Growing through new technologies
- ◆ Exel Composites will continue to develop world-class operations and superior customer experience to differentiate from competitors
- ◆ Acquisitions are targeted to boost growth and to cover market and technology white spots



More information is available on Exel Composites website

- ◆ Exel Composites website: www.exelcomposites.com
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