

STRONG GROWTH IN THE FIRST QUARTER



January-March 2019 Business Review

Riku Kytömäki, President and CEO

3 May 2019

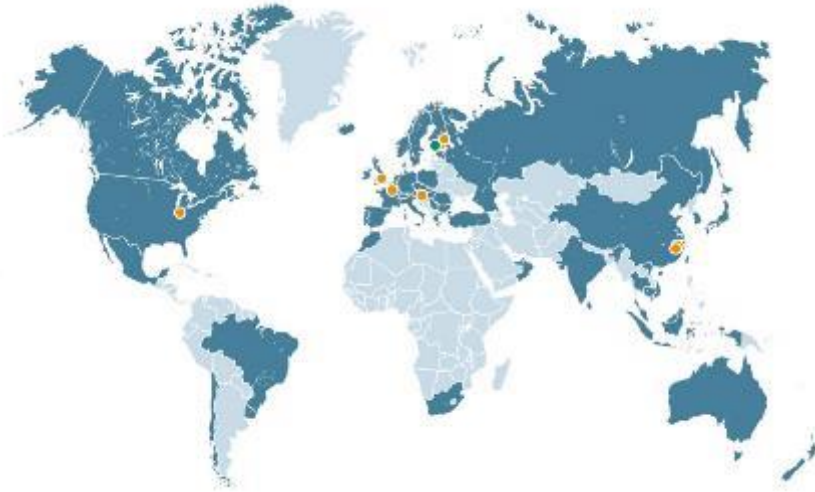


Exel Composites overview

A globally leading composite technology company

that **designs, manufactures and markets** fiber reinforced plastics products and solutions for demanding applications in various segments and markets

Industrial, construction & infrastructure and other applications



Customers in over
50
countries

Manufacturing in
6
countries

96.6

(86.3)

Revenue

EUR million, 2018 (2017)

5.0

(6.3)

Adjusted operating profit

EUR million, 2018 (2017)

675

(568)

Employees

End of 2018 (2017)

Our values



Customer focused



Integrity



One Exel



Caring



Innovative



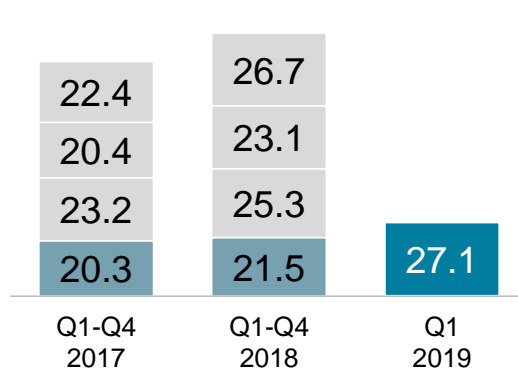
Q1 2019 in brief

- **Business environment**
 - Strong revenue growth in Construction & Infrastructure, driven by wind energy industry.
 - Organic growth was 8.3%, DSC increased Group revenue by 17.6%.
 - Telecommunications market conditions continue challenging, impacting Industrial Applications.
 - Geographically, revenue increased in Rest of the World and APAC, Europe at last year's level.
- **Operations**
 - Group-wide cost savings program progressed as planned: production in Germany closed in April, cost savings at DSC progressed as planned.
- **Financial performance**
 - Order intake and revenue increased significantly, adjusted operating profit improved compared to last year.

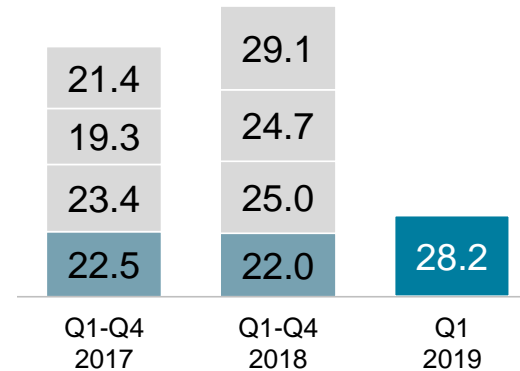


Quarterly highlights

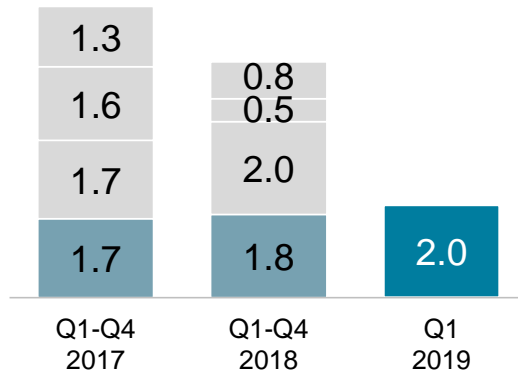
Revenue, EUR million



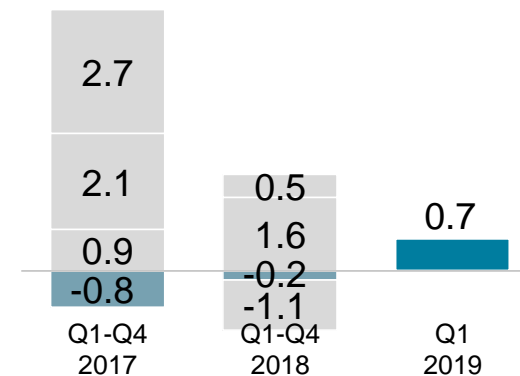
Order intake, EUR million



Adjusted operating profit, EUR million



Net cash flow, EUR million



Key figures Q1 2019

EUR thousand	1.1.-31.3. 2019	1.1.-31.3. 2018	Change, %	1.1.-31.12. 2018
Order intake	28,156	21,972	28.1	100,757
Order backlog 1)	24,750	17,503	41.4	23,685
Revenue 2)	27,090	21,519	25.9	96,608
Operating profit	405	1,630	-75.2	2,217
% of revenue	1.5	7.6		2.3
Adjusted operating profit 3)	1,958	1,785	9.7	5,018
% of revenue	7.2	8.3		5.2
Profit for the period	-463	919	-150.3	386
Net cash flow from operating activities	681	-163	517.9	868
Return on capital employed, %	2.8	14.6		4.4
Net gearing, %	132.3	37.7		96.3
Earnings per share	-0.04	0.08		0.03
Equity per share, EUR	2.03	2.25	-9.6	2.18
Employees on average	689	575	19.8	647

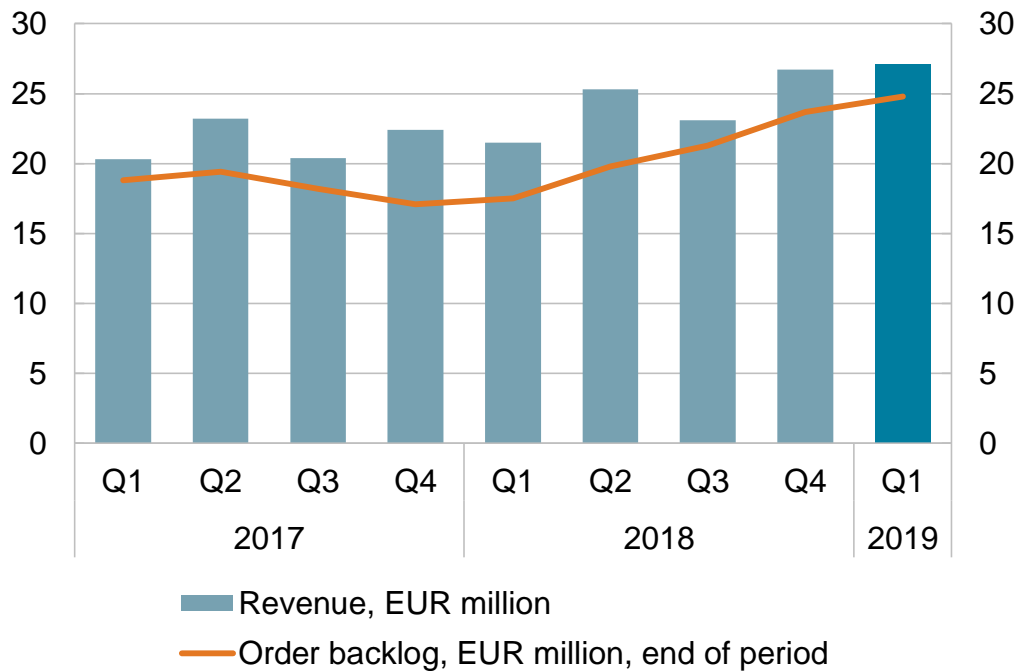
¹ As per the end of the period.

² Revenue by customer segment in Q1 2019 (Q1 2018): Industrial Applications EUR 9.3 million (11.3), Construction & infrastructure EUR 11.3 million (5.6), Other applications EUR 6.5 million (4.7).

³ Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals (EUR 1.6 million in Q1 2019 and EUR 0.1 million in Q1 2018). For more information, please refer to the paragraph "Change in Exel Composites' financial reporting terminology" of the Half-year Financial Report published on 21 July 2016.

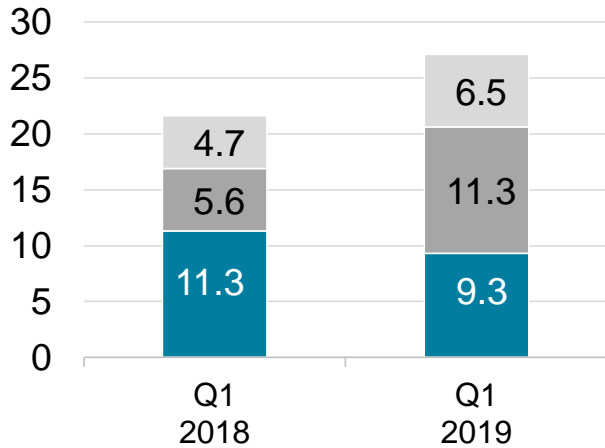
IFRS 16 standard has been applied as of 1 January 2019. Historical figures have not been adjusted to IFRS 16 standard. Net gearing increased during the quarter to 132.3% mainly due to the adoption of IFRS 16, reflecting the recognition of long terms leases as interest bearing liabilities in the balance sheet. The comparable net gearing excluding the impact of IFRS 16 was 113.2%. The impact on operating profit, profit for the period and other income statement related consolidated key figures was minimal.

Order backlog and revenue increased significantly in Q1



Construction & Infrastructure main growth driver in Q1

Revenue by customer segment,
EUR million



- Other Applications
- Construction & Infrastructure
- Industrial Applications

Industrial Applications



Telecommuni-
cation



Paper
Industry



Electrical
Industry



Machine
Industry



Transportation
Industry

Construction & Infrastructure



Building,
Construction &
Infrastructure



Energy
Industry



Cleaning &
Maintenance



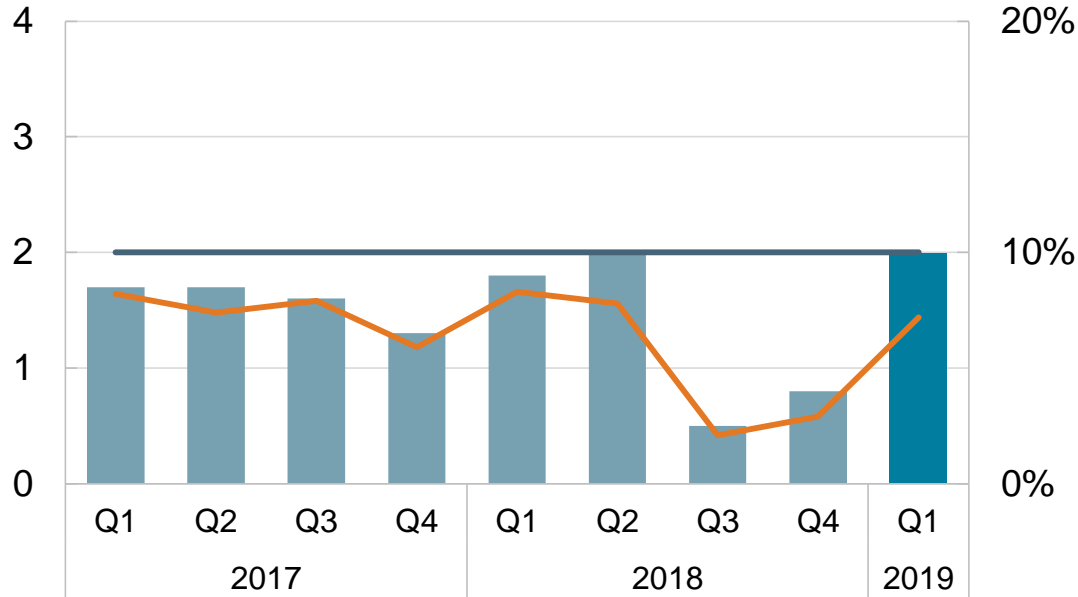
Sports &
Leisure



Other
Industries

Other Applications

Adjusted operating profit improved in Q1



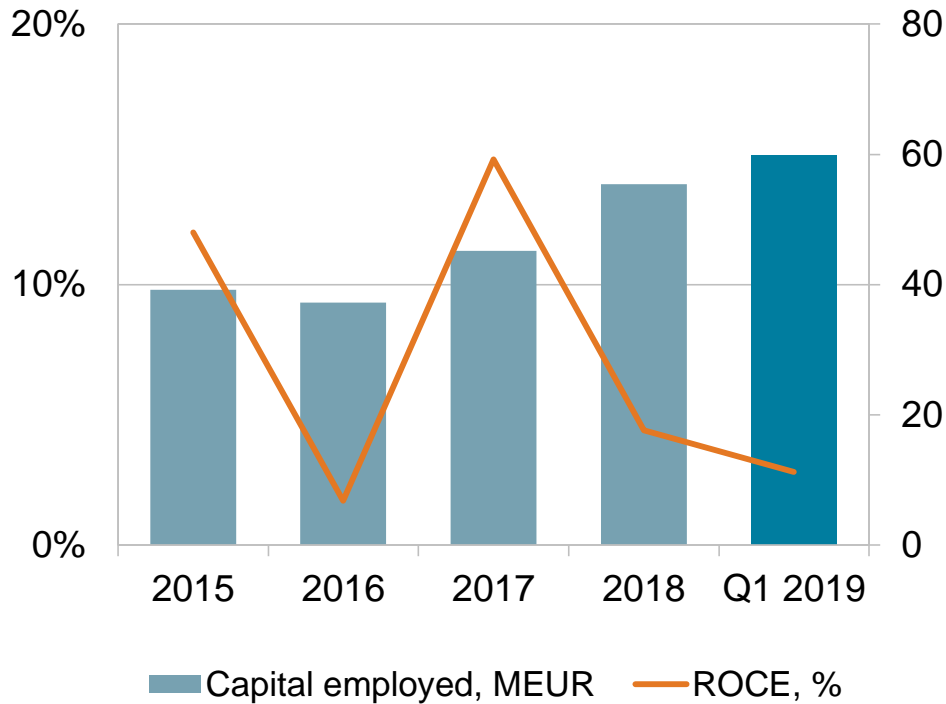
- Adjusted operating profit, EUR million
- Adjusted operating profit margin, %
- Operating profit target, %



Implementation of cost reduction program continued in Q1

- Initiated in 2018 to improve Group profitability.
- Consists, among other things, of:
 - Optimization of manufacturing footprint in Europe
 - Process to close production in Germany was completed at the end of April 2019
 - Improve the profitability and cost efficiency in the DSC business
 - Cost savings progressed as planned
 - Target is for DSC to reach breakeven profitability during the year.
 - Drive further synergy savings between the company's two manufacturing units in China
- The annual savings target of the Group-wide cost savings program is EUR 3 million, expected to be fully effective in 2020.

ROCE at 2.8% in Q1



A one-time cost of EUR 1.2 million related to the closing of production in Germany impacted ROCE in the first quarter of 2019.

Outlook for 2019

Exel Composites expects **revenue** as well as **adjusted operating profit** to **increase** in 2019 compared to 2018.

More information at www.exelcomposites.com

Financial calendar 2019

- Business Review January - March 3 May 2019
- Half Year Financial Report January - June 23 July 2019
- Business Review January - September 30 October 2019

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News highlights at www.exelcomposites.com



28.3.2019 12:00 EET

Growing with and for you

To ensure we are well positioned to help you sustain and support your growth, we've also been growing



28.2.2019 10:30 EET

Spoiled composites offer advantages for lean manufacturing

In today's competitive manufacturing environment, greater flexibility, a deeper level of manufacturing



12.12.2018 11:45 EET

Safety challenge accepted!

In the mid 1940's the US Navy experimented with 5,000-watt natural gas lights mounted on 75-foot towers at



29.10.2018 09:56 EET

Next time you fly, think about the lights

If you have flown recently, you may have had the opportunity to watch your take-off and landing from an

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THANK YOU!

