

# “PROFITABILITY IMPACTED BY THE US ACQUISITION. OUTLOOK REVISED. COST SAVING PROGRAM INITIATED”



Business Review  
January-September 2018  
31 October 2018

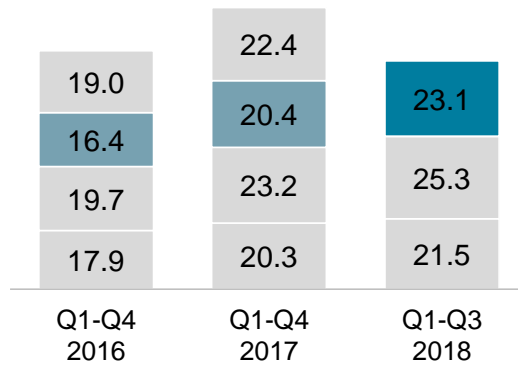
# Q3 2018 in brief

- Business environment
  - Construction & Infrastructure and energy industry showed strong growth
  - Continued decline in telecommunications business, Chinese market also impacted by geopolitical factors
- Operations
  - Group-wide cost reduction program to improve profitability
  - EUR 3 million annual savings targeted, expected to be fully effective in 2020
- Financial performance
  - Adjusted operating profit negatively impacted by volume decline in telecommunications and operating losses in DSC
  - Excluding the impact of DSC, Group profitability was EUR 1.6 million
  - Group order intake and revenue continued to grow

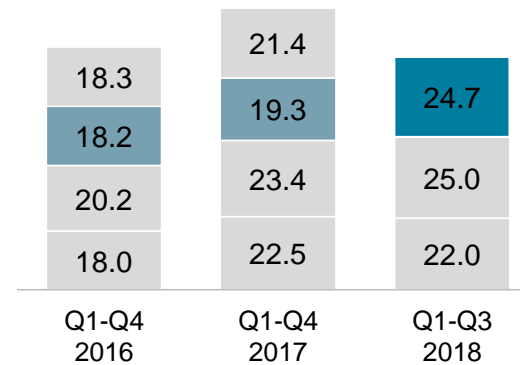


# Q3 2018 highlights

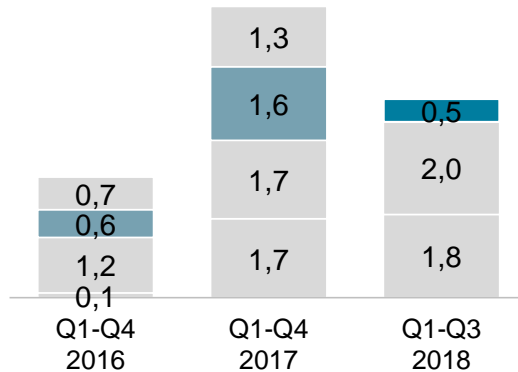
Revenue, EUR million



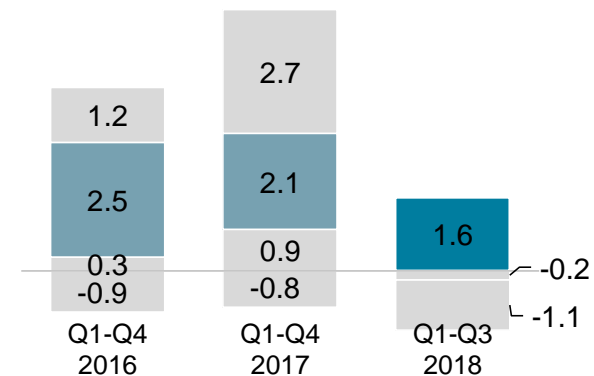
Order intake, EUR million



Adjusted operating profit, EUR million



Net cash flow, EUR million



# Key figures Q1-Q3 2018

EUR thousand	1.1.-30.9. 2018	1.1.-30.9. 2017	Change, %	1.1.-31.12. 2017
Order intake	71,649	65,098	10.1	86,531
Order backlog <sup>1</sup>	21,322	18,197	17.2	17,126
Revenue <sup>2</sup>	69,897	63,841	9.5	86,255
Operating profit	3,411	4,693	-27.3	6,081
% of revenue	4.9	7.4		7.1
Adjusted operating profit <sup>3</sup>	4,249	4,992	-14.9	6,319
% of revenue	6.1	7.8		7.3
Profit for the period	1,992	3,256	-38.8	4,212
Net cash flow from operating activities	334	2,148	-84.4	4,856
Return on capital employed, %	8.7	15.2		14.8
Net gearing, %	88.6	33.5		30.3
Earnings per share	0.17	0.27		0.36
Equity per share, EUR	2.31	2.34	-1.1	2.43

<sup>1</sup> As per the end of the period.

<sup>2</sup> Revenue by customer segments Q1-Q3 2018 (Q1-Q3 2017): Industrial applications EUR 31.3 million (36.4); Construction & infrastructure EUR 24.0 million (14.6); Other applications EUR 14.6 million (12.9).

<sup>3</sup> Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals. 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.

# Key figures Q3 2018

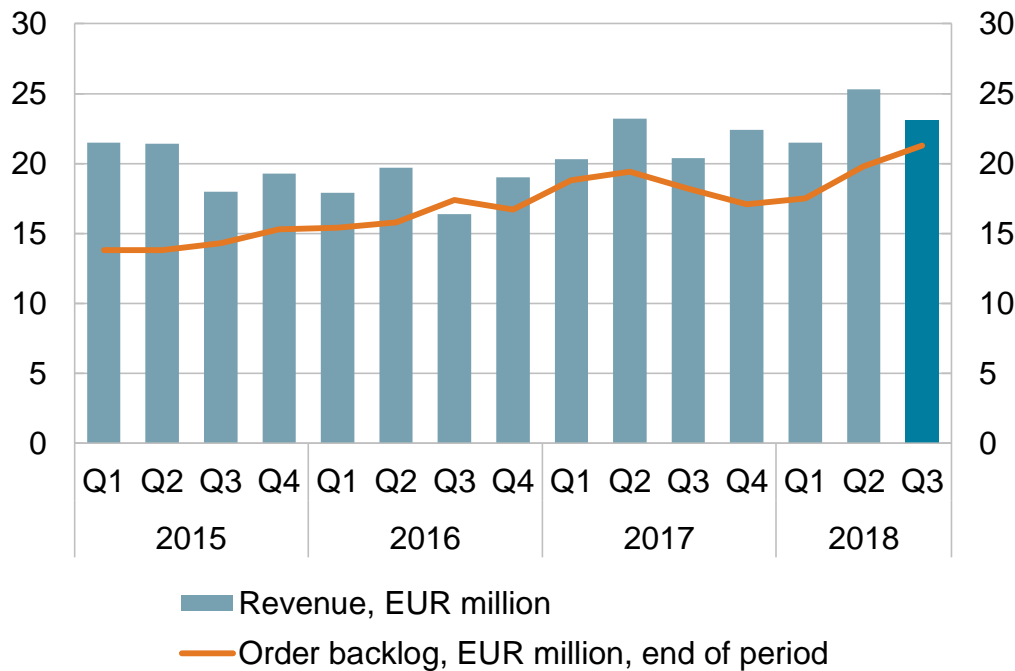
EUR thousand	1.7.-30.9. 2018	1.7.-30.9. 2017	Change, %	1.1.-31.12. 2017
Order intake	24,674	19,258	28.1	86,531
Order backlog <sup>1</sup>	21,322	18,197	17.2	17,126
Revenue <sup>2</sup>	23,101	20,394	13.3	86,255
Operating profit	459	1,549	-70.3	6,081
% of revenue	2.0	7.6		7.1
Adjusted operating profit <sup>3</sup>	491	1,605	-69.4	6,319
% of revenue	2.1	7.9		7.3
Profit for the period	12	1,089	-98.9	4,212
Net cash flow from operating activities	1,611	2,067	-22.0	4,856
Return on capital employed, %	3.1	14.0		14.8
Net gearing, %	88.6	33.5		30.3
Earnings per share	0.00	0.09		0.36
Equity per share, EUR	2.31	2.34	-1.4	2.43

<sup>1</sup> As per the end of the period.

<sup>2</sup> Revenue by customer segments Q3 2018 (Q1-Q3 2017): Industrial applications EUR 8.8 million (11.1); Construction & infrastructure EUR 9.8 million (5.6); Other applications EUR 4.5 million (3.7).

<sup>3</sup> Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals. 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.

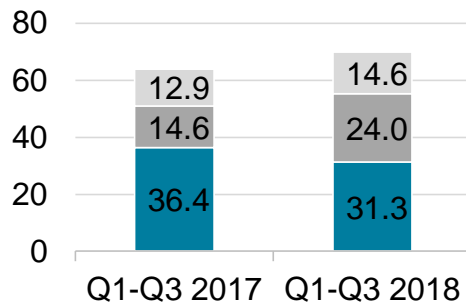
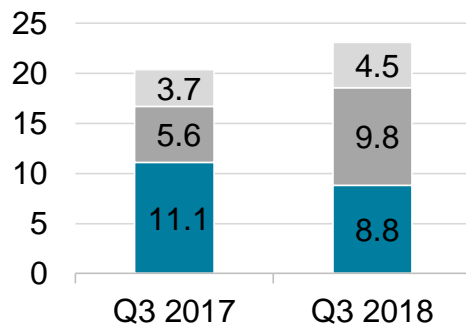
# Order intake and revenue continued to grow





# Construction & Infrastructure grew driven by the wind energy

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

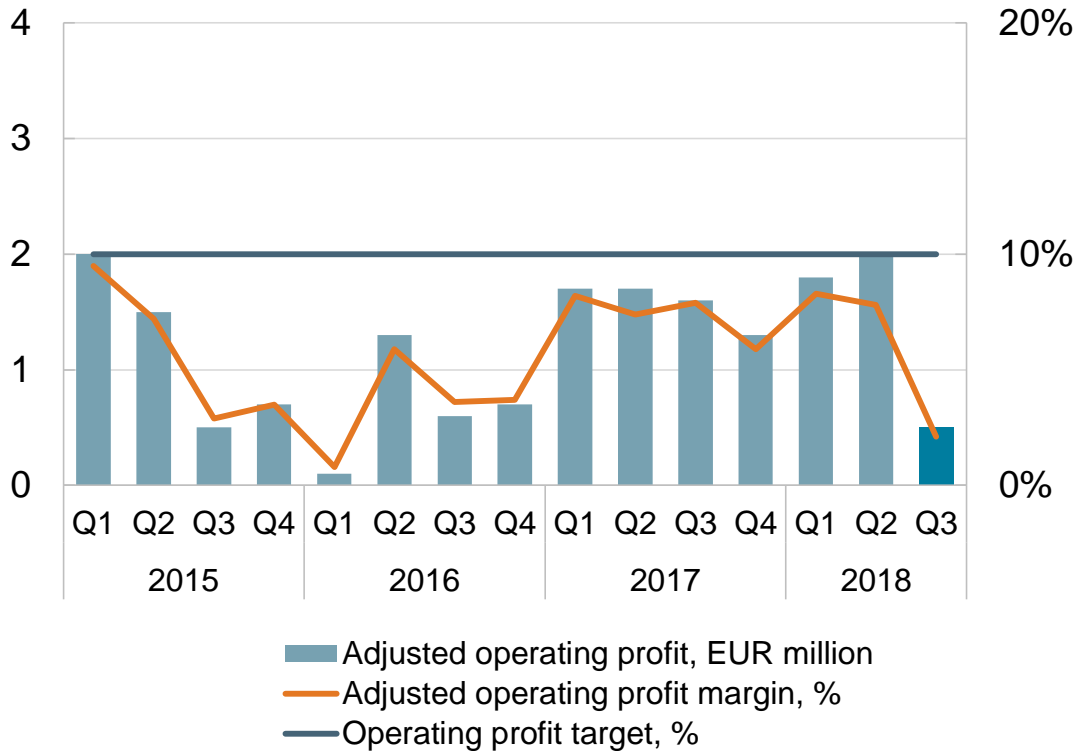


Other  
Industries

## Other Applications

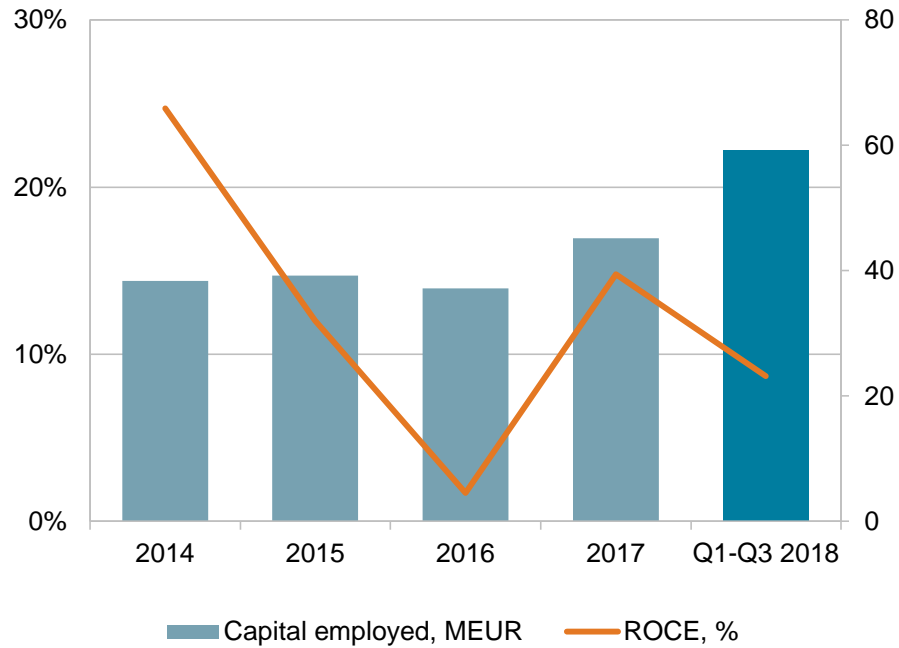
# Decline in telecom and operating losses in DSC impacted operating profit

Excluding the negative impact by DSC, Group profitability was EUR 1.6 million in Q3 2018 and EUR 5.3 million in Q1-Q3 2018.





# ROCE at 8.7% in Q1-Q3 2018



# We have increased focus on profitability

- Group-wide cost reduction program that consists, among other things, of:
  - Optimization of production footprint in Europe
  - Focus on DSC profitability and cost efficiency
  - Further synergy savings between the two units in China
- Continued focus on Group revenue growth according to our strategy



# Outlook for 2018

- Exel Composites expects **revenue to increase** and **adjusted operating profit to decrease** in 2018 compared to 2017.



# News highlights at [www.exelcomposites.com](http://www.exelcomposites.com)



29.10.2018 09:56 EET

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



27.9.2018 09:58 EET

## Exel Composites pioneers innovative rail solutions

EPTA highlights opportunities A new industry briefing from the European Pultrusion Technology Association



30.7.2018 07:41 EET

## Exel Composites partners with Ziebel on game-changing oil well sensor

Improving oil recovery factors Ziebel was founded in 2006 with the vision to become a significant contributor to



29.6.2018 10:00 EET

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Better, faster The wind energy industry is extremely dynamic. Every turbine producer has their own design

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