



HALF YEAR FINANCIAL REPORT
JANUARY - JUNE
2020

FOR FORWARD THINKERS

OPERATING PROFIT AND REVENUE INCREASED

Q2 2020 in brief

- Order intake decreased by 3.8% to EUR 22.9 million (Q2 2019: 23.8).
- Revenue increased by 2.9% to EUR 27.2 million (26.5).
- Adjusted operating profit increased to EUR 2.9 million (2.2), which is 10.6% of revenue (8.5).
- Operating profit increased to EUR 2.8 million (2.1), which is 10.3% of revenue (8.1).
- Earnings per share amounted to EUR 0.21 (0.14).

Q1-Q2 2020 in brief

- Order intake increased by 10.5% to EUR 57.4 million (Q1-Q2 2019: 52.0).
- Revenue increased by 2.7% to EUR 55.0 million (53.6).
- Adjusted operating profit increased to EUR 5.0 million (4.2), which is 9.0% of revenue (7.8).
- Operating profit increased to EUR 4.7 million (2.5), which is 8.5% of revenue (4.8).
- Earnings per share amounted to 0.27 (0.10).

Guidance for the full year 2020

Exel Composites withdrew its guidance on 6 May 2020 as a consequence of increased uncertainty and poor short-term predictability due to the Covid-19 pandemic. The impact of the pandemic on the company depends on the duration and severity of the crisis. The company will specify its guidance for 2020 later during the year when a more reliable estimate can be made.

President and CEO, Riku Kytömäki

In the second quarter of 2020, revenue and operating profit increased compared to last year. This outcome was supported by a record high order intake in the first quarter. I am very satisfied with this result considering the current global business environment.

In the second quarter of 2020, the Covid-19 pandemic impacted Exel Composites' operations in Europe and the United States, while in China our factories operated normally. Our quarterly order intake, however, declined only slightly compared to the previous year. On one hand, our order intake suffered from Covid-19 related uncertainty and cautiousness among our customers. On the other hand, we recorded a sizable order (representing roughly 15% of the quarterly order intake) in the Buildings and infrastructure customer industry, to be delivered mainly in 2021. Our order backlog at the beginning of the third quarter is good.

The impact caused by the pandemic on customer demand has varied greatly depending on location and industry. Several of our customers' factories that were closed earlier have now reopened and activity level increased towards the end of the quarter as countries have gradually lifted restrictions. Based on this it seems that the business environment is developing favorably. However, there is still a risk that the pandemic continues or expands.

Revenue in the second quarter increased slightly compared to the previous year. The increase of deliveries, especially in Wind power to the Asia-Pacific region, was offset by a volume decline in other customer industries globally, mainly attributable to the Covid-19 pandemic.

Despite the effects of the pandemic, operating profit increased in the second quarter of 2020 compared to the previous year. The improved profitability of the business unit in the USA was the main factor behind the positive development of Group operating profit.

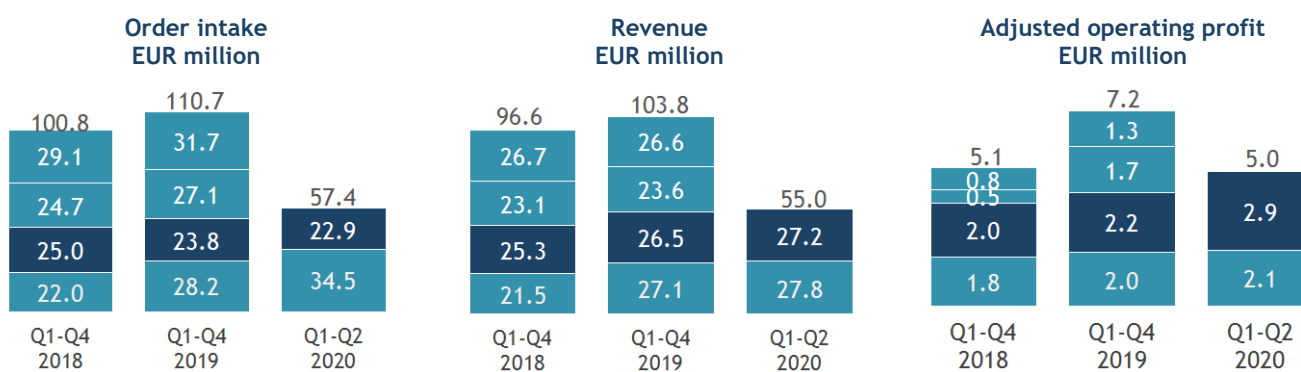
EUR 2.8 million

Operating profit increased in
Q2 2020



In June 2020, the Board of Directors reconfirmed Exel's strategy until the end of 2022. Our main strategic focus areas as well as our long-term financial targets remain the same. Our strategic priorities for the remaining of 2020 include stabilizing the profitability of the business unit in the USA, consolidation of the organization in China, operational efficiency improvements in the European manufacturing units as well as focusing on growth initiatives. Sustainability is integrated even more closely into all Exel's business and operations.

Considering the current global business environment, I am very satisfied with our Q2 2020 result.



Consolidated key figures

EUR thousand	Q2 2020	Q2 2019	Change %	Q1-Q2 2020	Q1-Q2 2019	Change %	Q1-Q4 2019
Revenue	27,239	26,482	2.9	55,044	53,572	2.7	103,784
Operating profit	2,792	2,144	30.2	4,662	2,549	82.9	5,087
% of revenue	10.3	8.1		8.5	4.8		4.9
Adjusted operating profit 1)	2,882	2,239	28.8	4,955	4,196	18.1	7,160
% of revenue	10.6	8.5		9.0	7.8		6.9
Profit before tax	2,953	1,938	52.4	4,268	2,120	101.3	3,885
% of revenue	10.8	7.3		7.8	4.0		3.7
Profit for the period	2,529	1,649	53.4	3,198	1,186	169.7	2,397
% of revenue	9.3	6.2		5.8	2.2		2.3
Shareholders' equity	26,770	25,006	7.1	26,770	25,006	7.1	26,302
Interest-bearing liabilities	42,196	36,655	15.1	42,196	36,655	15.1	37,163
Cash and cash equivalents	12,758	5,876	117.1	12,758	5,876	117.1	6,930
Net interest-bearing liabilities	29,438	30,779	-4.4	29,438	30,779	-4.4	30,234
Capital employed	68,966	61,661	11.8	68,966	61,661	11.8	63,466
Return on equity, %	39.5	26.9	46.8	24.1	9.3	158.1	9.2
Return on capital employed, %	17.1	14.1	20.9	14.2	8.7	63.4	8.6
Equity ratio, %	28.3	30.2	-6.1	28.3	30.2	-6.1	30.9
Net gearing, %	110.0	123.1	-10.7	110.0	123.1	-10.7	114.9
Net cash flow from operating activities	5,227	2,860	82.7	8,188	3,802	115.4	9,030
Net cash flow from investing activities	-3,251	-1,252	159.7	-4,827	-2,318	108.3	-6,087
Capital expenditure	3,346	1,333	150.9	4,922	2,431	102.5	6,262
% of revenue	12.3	5.0		8.9	4.5		6.0
Research and development costs	698	736	-5.1	1,448	1,508	-4.0	2,851
% of revenue	2.6	2.8		2.6	2.8		2.7
Order intake	22,908	23,821	-3.8	57,428	51,977	10.5	110,693
Order backlog	32,595	21,977	48.3	32,595	21,977	48.3	30,391
Earnings per share, diluted and undiluted, EUR	0.21	0.14	53.3	0.27	0.10	169.4	0.20
Equity per share, EUR	2.26	2.12	7.00	2.26	2.12	6.96	2.23
Average share price, EUR	5.17	4.16	24.3	5.17	4.16	24.3	4.54
Average number of shares, diluted and undiluted, 1,000 shares	11,830	11,820	0.1	11,826	11,820	0.0	11,820
Employees, average	662	652	1.5	662	671	-1.3	660
Employees, end of period	661	654	1.1	661	654	1.1	648

1) Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals.

Order intake and order backlog

Order intake for the second quarter of 2020 amounted to EUR 22.9 million (23.8) and decreased by 3.8% in comparison to the previous year.

Order intake for the first half of 2020 was EUR 57.4 million (52.0), which is an increase of 10.5% compared to the previous year. The Group's order backlog on 30 June 2020 increased to EUR 32.6 million (22.0).

Group revenue for the first half of 2020 amounted to EUR 55.0 million (53.6) and increased by 2.7% compared to the previous year. Revenue was impacted by effects of delivery volumes by -0.1%, sales mix by 2.4% and exchange rates by 0.5%.

The increase of deliveries, especially in Wind power to the Asia-Pacific region, was offset by a volume decline in other customer industries globally, mainly attributable to the Covid-19 pandemic.

Revenue

Group revenue in the second quarter of 2020 amounted to EUR 27.2 million (26.5), which is an increase of 2.9% in comparison to the previous year.

Revenue by customer industry

	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Q1-Q4
EUR thousand	2020	2019	%	2020	2019	%	2019
Buildings and infrastructure	5,282	5,887	-10.3	11,497	11,880	-3.2	23,502
Equipment and other industries	4,031	5,230	-22.9	10,142	10,683	-5.1	18,644
Wind power	7,867	5,184	51.8	13,693	10,951	25.0	23,620
Machinery and electrical	4,790	4,070	17.7	8,569	7,676	11.6	14,384
Transportation	2,796	3,170	-11.8	6,172	6,858	-10.0	13,127
Defense	768	394	94.8	2,019	769	162.6	2,292
Telecommunications	1,706	2,546	-33.0	2,951	4,755	-37.9	8,215
Total	27,239	26,482	2.9	55,044	53,572	2.7	103,784

Revenue by region

	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Q1-Q4
EUR thousand	2020	2019	%	2020	2019	%	2019
Europe	15,534	16,413	-5.4	32,404	32,858	-1.4	62,076
North America	4,391	5,253	-16.4	10,210	12,016	-15.0	22,407
Asia-Pacific	6,636	4,478	48.2	10,818	8,171	32.4	17,600
Rest of the world	678	338	100.9	1,612	526	206.4	1,701
Total	27,239	26,482	2.9	55,044	53,572	2.7	103,784

Exel Composites presents revenue distribution according to seven customer industries since Q1 2020



Buildings and infrastructure

Window and door profiles, facades, structural composites, cable management, utility power transmission, rail solutions, bridges



Equipment and other industries

Cleaning and maintenance tools, tool handles, tripods, sporting goods, oil and gas, agriculture



Wind power

Strengthening and stiffeners for wind turbine blades, access and support structures, insulators



Machinery and electrical

Conduit rods, robotics, electrically insulating solutions, textile machine solutions, paper machine solutions, hand power tools



Transportation

Profiles and applications for buses, trucks and trailers, trains and trams, automotive, aerospace and marine



Defense

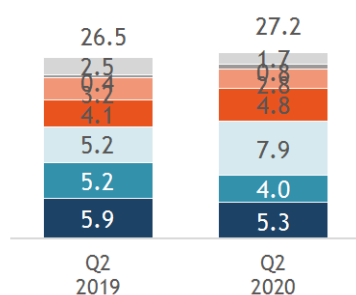
Camouflage support poles, nonmagnetic tool handles, casings



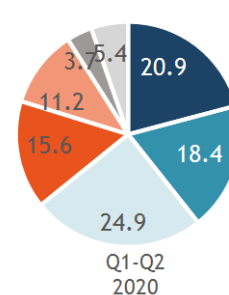
Telecommunications

Antenna radomes, masts

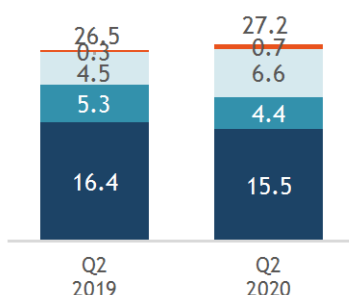
Revenue by customer industry
EUR million



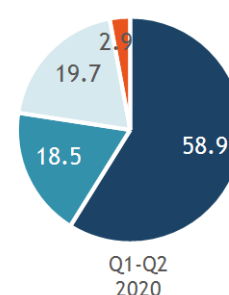
Share of revenue by customer industry
%



Revenue by region
EUR million



Share of revenue by region
%



Operating profit

The Group's operating profit amounted to EUR 2.8 million (2.1) in the second quarter of 2020 and was 10.3% (8.1) of revenue. Adjusted operating profit* was EUR 2.9 million (2.2) and 10.6% (8.5) of revenue.

Operating profit in the first half of 2020 increased to EUR 4.7 million (2.5), 8.5% (4.8) of revenue. Adjusted operating profit* was EUR 5.0 million (4.2), 9.0% (7.8) of revenue. The improved profitability of the business unit in

the USA was the main factor behind the positive development of Group operating profit.

Items affecting comparability amounted to a total of EUR 0.3 (1.6) million.

The Group's net financial expenses in the first half of 2020 were EUR -0.4 million (-0.4). Profit before taxes was EUR 4.3 million (2.1) and profit after taxes EUR 3.2 million (1.2).

Adjusted operating profit*

	Q2 2020	Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q4 2019
EUR thousand					
Operating profit	2,792	2,144	4,662	2,549	5,087
Restructuring costs		-82		1,258	1,259
Impairment losses and reversals					
Costs related to planned or realized business acquisition and disposal	90	177	293	390	814
Sale of intangible and tangible assets					
Expenses related to changes in legislation or legal proceedings					
Adjusted operating profit	2,882	2,239	4,955	4,196	7,160

* Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals.

Financial position

Net cash flow from operating activities for the first half of 2020 was EUR 8.2 million (3.8). The capital expenditure on fixed assets amounted to EUR 4.9 million (2.4). Net cash flow from investing activities amounted to EUR -4.8 million (-2.3) and net cash flow before financing activities amounted to EUR 3.4 million (1.5). EUR 2.7 million of the investments were related to the construction of the new manufacturing facility in Austria. At the end of the review period, the Group's liquid assets stood at EUR 12.8 million (5.9). Total depreciation, amortization and impairment of non-current assets during the review period amounted to EUR 3.0 million (2.7).

The Group's consolidated total assets at the end of the first half of 2020 were EUR 95.6 million (83.1). Interest-bearing liabilities, including lease liabilities, amounted to EUR 42.2 million (36.7). Net interest-bearing liabilities were EUR 29.4 million (30.8). Current interest-bearing liabilities totaled EUR 34.9 million.

Equity at the end of first half of 2020 was EUR 26.8 million (25.0) and equity ratio 28.3% (30.2). Net gearing ratio was 110.0% (123.1). Fully diluted total earnings per share were EUR 0.27 (0.10). Return on capital employed was 14.2% (8.7). Return on equity was 24.1% (9.3).

The dividend for the financial year 2019, totaling EUR 2.1 (2.1) million, calculated for the outstanding number of shares, was paid on 31 March 2020. Dividend per share for the financial year 2019 was EUR 0.18 (0.18).

Business development and strategy implementation

In June 2020, the Board of Directors conducted its annual strategy review and reconfirmed Exel's strategy until the end of 2022. Our main strategic focus areas as well as our long-term financial targets remain the same.

The strategic priorities for 2020 include stabilizing the profitability of the business unit in the United States, consolidation of the organization in China, operational efficiency improvements in the European manufacturing units and focusing on growth initiatives. Sustainability is integrated even more closely into all Exel's business and operations.

Exel Composites' initiatives focusing on high growth customer industries, such as Wind power, Transportation, and Buildings and Infrastructure, continued in the first half of the year.

The construction of the new manufacturing facility in Austria continues. Construction was interrupted shortly in April-May due to the Covid-19 pandemic. The new facility is expected to be completed as planned by the end of 2020. The total cost of the project is estimated to be approximately EUR 7 million.

Impacts of the Covid-19 pandemic

Operations

In the second quarter of 2020, the Covid-19 pandemic impacted Exel Composites' operations in Europe and the United States, while in China our factories operated normally. The business unit in Great Britain ran with reduced capacity in April and May. However, the financial impact of this was not significant. The business unit in the United States produced in April and May products only for businesses categorized as essential by authorities, for example components for wind power. However, most of the order backlog in the United States was categorized as products for essential business and was therefore produced normally.

Raw material supply and logistics continued to operate close to normal despite the pandemic during the second quarter. Minor challenges in specific raw material categories or personal protection equipment supplies have been solved through consolidated Group purchases and finding alternative suppliers or technical solutions.

Financial standing

During the second quarter, the impacts of the pandemic on customer demand has varied greatly depending on location and industry. Order intake in the second quarter suffered from Covid-19 related uncertainty and cautiousness among our customers. However, the order intake declined only slightly compared to the previous year, supported by a sizable order in the Buildings and infrastructure customer industry to be delivered mainly in 2021. We received a few customer requests to postpone deliveries of current orders, typically by two to four weeks from the originally planned delivery time, which impacts timings of revenues and profits. However, similarly to quarter one, we did not experience any significant cancellations of orders in the second quarter of 2020. Several of our customers' factories that were closed earlier have now reopened and activity level increased towards the end of the quarter as countries have gradually lifted restrictions.

The Group's liquidity and cash situation are currently good and the Covid-19 pandemic has had limited impact, if any, on Group liquidity. In April 2020, the Group agreed to continue the EUR 10 million committed overdraft facility, expiring in June 2020, by two years. The new overdraft facility expires in June 2022. The Group also agreed upon on a new EUR 7 million long-term loan in April 2020 to secure financing of the construction of a new manufacturing facility in Austria. With other existing committed credit limits, these new agreements secure financing of all foreseen investments in 2020 and provide for a comfortable liquidity buffer for any unforeseen negative events.

Based on the company's assessment, the Covid-19 pandemic does not change the results of the impairment testing and sensitivity analysis conducted for the financial statements of 2019. The main risk identified was related to the expected profitability turnaround of the business unit in the United States. In the first half of 2020, both order intake and profitability of the business unit in the USA have developed above estimates despite the Covid-19 pandemic.

During the second quarter of 2020, Exel Composites received some Covid-19 related financial assistance under local governmental schemes in Great Britain, China and Australia. The amount of these was however not material from a Group perspective.

Our response in relation to the Covid-19 pandemic

The health and safety of our employees, customers and business partners is a priority for Exel Composites. In order to ensure safety and business continuity during the Covid-19 pandemic, the Group Management Team and local management continue to hold regular online meetings to review the latest developments, actions and best practices in all functions and countries of operation. All units have implemented Group level safety and hygiene instructions in accordance with the instructions of local health authorities. Our manufacturing units continue to report zero confirmed Covid-19 cases. Most of our European manufacturing units are in more remote locations where the occurrence of the Covid-19 has been reduced compared to larger urban areas. International travelling is limited and online meetings continue to be preferred when possible. Outsider visits to sites are reduced to minimum. Continuous internal communication at Group level as well as locally on Covid-19 related concerns has been emphasized and implemented through a variety of channels.

Close and continuous interaction is maintained with customers, suppliers and business partners in order to ensure timely reaction to new developments. Given the continued uncertainty related to the Covid-19 pandemic, close monitoring of the situation is a priority for us.

Research and development

Research and development costs for the first half of 2020 totaled EUR 1.4 million (1.5), representing 2.6% (2.8) of revenue.

Sustainability and corporate responsibility

Exel is committed to responsible and sustainable operations through its corporate values: customer focused, integrity, One Exel, caring and innovative. Sustainability is an important part of Exel Composites' business, products and solutions.

Exel Composites' material sustainability topics are the following:

- **Environmental responsibility:** Responsible products, responsible operations
- **Social responsibility:** Responsible employer, health and safety, diversity and nondiscrimination, human rights in own operations and supply chain
- **Corporate Governance:** Corporate responsibility governance and compliance, anti-corruption and bribery

Exel Composites continued working on these subjects during the review period. The Covid-19 pandemic impacted the activities and operations considerably especially from the health and safety perspective.

In the second quarter of 2020, we started a circular economy initiative in the Group. The target is to significantly reduce landfilled waste through recycling and reuse within the next few years.

Information on sustainability and corporate responsibility is available on the corporate website at www.exelcomposites.com.

Organization and personnel

On 30 June 2020, Exel Composites employed 661 (654) people, of whom 225 (226) in Finland and 436 (428) in other countries. The average number of employees during the review period was 662 (671).

Role change in the Group Management Team

In June 2020, Kari Loukola, previously SVP, Exel Composites Americas and President DSC, was appointed SVP, Business Unit Belgium Manager as of August 2020. He continues to be a member of the Group Management Team. His responsibility will be improving the profitability of the Belgian business unit to a sustainable level according to Exel's strategy.

Incentive programs

In February 2020, Exel Composites announced the continuation of a share-based long-term incentive program for the top management of the company. The 2020 performance-based plan is part of the share-based long-term incentive program published on 4 May 2017. Similarly to the previous programs within this plan, the performance targets applied to the plan that commenced at the beginning of 2020 are adjusted operating profit (EBIT) and the total shareholder return of the company's share (TSR).

More information on remuneration and Exel Composites' Remuneration Policy is available at www.exelcomposites.com.

Share and shareholders

Exel Composites' share is listed on Nasdaq Helsinki Ltd in the Industrials sector.

On 30 June 2020, Exel Composites' share capital was EUR 2.1 million and the number of shares was 11,896,843.

There were no changes in the share capital during the review period.

During the review period, Exel Composites held a total of 67,150 of its own shares which are part of the share-based long-term incentive program for the top management.

On 30 June 2020, the share price closed at EUR 4.77. During the review period, the average share price was EUR 5.17, the highest share price EUR 6.76 and the lowest share price EUR 3.40.

A total of 2,757,007 shares were traded at Nasdaq Helsinki Ltd., which represents 23.3% of the average number of shares. On 30 June 2020 Exel Composites' market capitalization was EUR 56.4 million (50.0).

Exel Composites had a total of 5,951 (4,253) shareholders on 30 June 2020.

During the review period Exel Composites received no flagging notifications in accordance with the Finnish Securities Market Act regarding changes in shareholdings.

Information on the company's shareholders is available on the corporate website at www.exelcomposites.com.

Major near-term risks and uncertainties

Exel Composites' most significant near-term business risk relates to the fact that a significant portion of revenue is generated from certain key clients and market segments, the negative development of which would deteriorate the company's profitability. Specifically, the revenue generated from sales to the Group's largest client, operating in the wind power industry, has increased rapidly. This has significantly increased the dependency on this business and the related downside risk. Furthermore, a rapid increase of raw material prices could in the short term negatively impact the company's profitability, even if in the longer term it would improve the competitiveness of composite materials.

The impact of the Covid-19 pandemic on the company depends on the duration and severity of the crisis, and currently reliable estimates cannot be made. In the second quarter of 2020, we saw increased cautiousness among customers, which was reflected in an overall lower order intake. The situation remains dependent, among

other things, on the risk of a possible second wave of the pandemic materializing.

The company has made significant investments in the recent years, the most notable ones being the acquisitions of Nanjing Jianhui in China and Diversified Structural Composites, DSC, in the USA. The future estimates made at the time of these investments and acquisitions may not materialize as planned, which may trigger a need to adjust the values of the purchased assets in the company's balance sheet.

The risk management and risks related to the operation of Exel Composites are described in more detail at the company's website www.exelcomposites.com.

Other events during the reporting period

Decisions of the AGM 2020

The Annual General Meeting, AGM, of Exel Composites Plc was held on 20 March 2020 in Helsinki, Finland. Due to the restriction of public gatherings related to the Covid-19-pandemic, the majority of the shareholders participated in the meeting through a representative and a proxy. The resolutions of the AGM were published as a stock exchange release on 20 March 2020 and are available on the corporate website at www.exelcomposites.com.

Vantaa, 21 July 2020

Exel Composites Plc
Board of Directors

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NOTES TO THE HALF-YEAR FINANCIAL REPORT

1 January - 30 June 2020

Accounting principles

This Half-year Financial Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting policies have been applied as in the previous financial statements.

Preparation of financial statements in accordance with the IFRS standards requires Exel Composites' management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the financial period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views at the date of the financial statements, they include risks and uncertainties. The actual results may differ from the estimates and assumptions.

The amounts presented in the income statement and balance sheet are Group figures. The amounts presented in the release are rounded, so the sum of individual figures may differ from the sum reported.

This half-year financial report is unaudited.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS

EUR thousand	Q2 2020	Q2 2019	Change %	Q1-Q2 2020	Q1-Q2 2019	Change %	Q1-Q4 2019
Revenue	27,239	26,482	2.9	55,044	53,572	2.7	103,784
Materials and services	-10,890	-9,752	11.7	-21,825	-20,739	5.2	-41,398
Employee benefit expenses	-7,590	-8,059	-5.8	-15,692	-16,739	-6.3	-31,110
Depreciation and impairment	-1,133	-1,069	6.0	-2,268	-2,146	5.7	-4,302
Depreciation of right-of-use assets	-379	-304	24.4	-739	-581	27.2	-1,314
Other operating expenses	-4,805	-5,616	-14.4	-10,595	-11,649	-9.0	-22,265
Adjustment to lease expenses on capitalized contracts	355	310	14.5	710	597	18.9	1,306
Other operating income	-5	152	-103.0	27	234	-88.7	387
Operating profit	2,792	2,144	30.2	4,662	2,549	82.9	5,087
Net financial items	185	-179	-203.2	-343	-377	-8.9	-1,092
Financial expenses on capitalized lease contracts	-25	-27	-7.3	-51	-52	-2.6	-110
Profit before tax	2,953	1,938	52.4	4,268	2,120	101.3	3,885
Income taxes	-424	-289	46.7	-1,070	-934	14.5	-1,488
Profit/loss for the period	2,529	1,649	53.4	3,198	1,186	169.7	2,397
Other comprehensive income to be reclassified to profit or loss in subsequent periods:							
Exchange differences on translating foreign operations	-190	-760	75.0	-627	32	-2073.3	529
Income tax relating to components of other comprehensive income							
Items that will not be classified to profit or loss:							
Defined benefit plan actuarial gains(+)/ loss (-), net tax	0	0	0.0	0	0	0.0	-40
Other comprehensive income, net of tax	-190	-760	75.0	-627	32	-2073.3	489
Total comprehensive income	2,339	889	163.1	2,572	1,218	1.1	2,886
Profit/loss attributable to:							
Equity holders of the parent company	2,529	1,649	53.4	3,198	1,186	169.7	2,397
Comprehensive income attributable to:							
Equity holders of the parent company	2,339	889	163.1	2,572	1,218	111.2	2,886
Earnings per share, diluted and undiluted, EUR	0.21	0.14		0.27	0.10		0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30 June 2020	30 June 2019	Change	31 December 2019
ASSETS				
Non-current assets				
Goodwill	12,863	12,789	74	12,972
Other intangible assets	3,903	3,792	111	4,313
Tangible assets	20,964	17,062	3,901	18,107
Right-of-use assets 1)	4,225	4,654	-429	4,693
Deferred tax assets	1,311	1,093	219	1,379
Other non-current assets	48	96	-48	104
Non-current assets total	43,315	39,487	3,828	41,567
Current assets				
Inventories	17,202	15,982	1,220	16,878
Trade and other receivables	22,372	21,741	631	19,978
Cash at bank and in hand	12,758	5,876	6,883	6,930
Total current assets	52,332	43,598	8,734	43,785
Total assets	95,646	83,085	12,561	85,352
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	2,141	2,141	0	2,141
Other reserves	129	140	-11	129
Invested unrestricted equity fund	2,539	2,539	0	2,539
Translation differences	1,889	2,256	-367	2,516
Retained earnings	16,872	16,744	129	16,580
Profit for the period	3,198	1,186	2,012	2,397
Equity attributable to holders of the parent company	26,770	25,006	1,763	26,302
Total equity	26,770	25,006	1,763	26,302
Non-current liabilities				
Interest-bearing liabilities	4,205	10,099	-5,894	11,255
Non-current lease liabilities	3,102	3,456	-354	3,549
Interest-free liabilities	550	497	53	553
Deferred tax liabilities	325	168	157	287
Total non-current liabilities	8,182	14,220	-6,039	15,643
Current liabilities				
Interest-bearing liabilities	33,571	21,867	11,704	21,098
Current lease liabilities	1,318	1,233	85	1,262
Trade and other non-current liabilities	25,806	20,759	5,046	21,046
Total current liabilities	60,695	43,859	16,836	43,407
Total equity and liabilities	95,646	83,085	12,561	85,352

1) Buildings EUR 4,020 thousand, Machinery and equipment (incl.vehicles) EUR 205 thousand.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q1-Q2 2020	Q1-Q2 2019	Change	Q1-Q4 2019
Cash flow from operating activities				
Profit for the period	3,198	1,186	2,012	2,397
Adjustments 1)	4,527	4,311	216	8,411
Change in working capital	1,279	88	1,192	1,902
Cash flow generated by operations	9,005	5,584	3,420	12,711
Interest paid	-339	-506	167	-737
Interest received	37	2	34	4
Other financial items	-30	32	-62	-586
Income taxes paid	-484	-1,310	827	-2,362
Net cash flow from operating activities	8,188	3,802	4,386	9,030
Cash flow from investing activities				
Acquisition of subsidiaries	0	0	0	0
Purchases of non-current assets	-4,922	-2,454	-2,467	-6,147
Proceeds from sale of non-current assets	95	137	-42	60
Net cash flow from investing activities	-4,827	-2,318	-2,509	-6,087
Cash flow before financing activities	3,361	1,484	1,877	2,943
Cash flow from financing activities				
Share issue	0	0	0	0
Proceeds from long-term borrowings	0	4,671	-4,671	1,000
Instalments of long-term borrowings	0	0	0	0
Change in short-term loans	5,389	-2,400	7,789	1,511
Instalments of lease liabilities	-660	-545	-114	-1,196
Treasury shares	0	0	0	0
Dividends paid	-2,129	-2,128	-2	-2,216
Net cash flow from financing activities	2,600	-402	3,002	-901
Change in liquid funds	5,961	1,082	4,879	2,042
Liquid funds in the beginning of period	6,930	4,801	2,129	4,801
Exchange rate fluctuations on liquid funds	-132	-7	-125	87
Liquid funds through business acquisitions	0	0	0	0
Liquid funds at the end of period	12,758	5,876	6,883	6,930

1) Depreciations and amortization EUR 3,007 thousand, Tax on income from operations EUR 1,070 thousand, Other financial income and expenses EUR 399 thousand, Other adjustments EUR 51 thousand.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousands	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Total
2019					
Balance at the beginning of the period	2,141	2,668	1,987	18,986	25,782
Comprehensive result			35	1,186	1,221
Defined benefit plan actuarial gains (+) / loss (-), net of tax				0	0
Other items		11		-15	-3
Dividend				-2,128	-2,128
Treasury shares					0
Share-based payments reserve				89	89
Correction to previously issued financial statements 1)				45	45
Balance at the end of the period	2,141	2,679	2,022	18,164	25,006
2020					
Balance at the beginning of the period	2,141	2,668	2,516	18,977	26,302
Comprehensive result			-627	3,198	2,572
Defined benefit plan actuarial gains (+) / loss (-), net of tax				0	0
Other items				-12	-12
Dividend				-2,129	-2,129
Treasury shares				67	67
Share-based payments reserve				-31	-31
Correction to previously issued financial statements				0	0
Balance at the end of the period	2,141	2,668	1,889	20,071	26,770

1) Corrections related to inventory valuations of previous years.

QUARTERLY KEY FIGURES

EUR thousand	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Revenue	27,239	27,805	26,585	23,627	26,482	27,090
Materials and services	-10,890	-10,934	-10,645	-10,013	-9,752	-10,988
Employee benefit expenses	-7,590	-8,103	-7,462	-6,909	-8,059	-8,680
Depreciation and impairment	-1,512	-1,495	-1,483	-1,407	-1,373	-1,354
Operating expenses	-4,451	-5,434	-6,016	-3,892	-5,306	-5,746
Other operating income	-5	31	105	47	152	82
Operating profit	2,792	1,870	1,085	1,454	2,144	405
Net financial items	160	-554	-808	34	-206	-223
Profit before taxes	2,953	1,316	277	1,488	1,938	182
Income taxes	-424	-646	87	-640	-289	-645
Profit/loss for the period	2,529	670	364	847	1,649	-463
Earnings per share, diluted and undiluted, EUR	0.21	0.06	0.03	0.07	0.14	-0.04
Average number of shares, diluted and undiluted 1,000 shares	11,826	11,821	11,820	11,820	11,820	11,820
Average number of personnel	662	662	656	641	652	689

Revenue by customer industry by quarter

EUR thousand	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Buildings and infrastructure	5,282	6,216	5,779	5,831	5,887	5,993
Equipment and other industries	4,031	6,111	4,146	3,813	5,230	5,453
Wind power	7,867	5,826	6,998	5,676	5,184	5,767
Machinery and electrical	4,790	3,780	3,921	2,786	4,070	3,606
Transportation	2,796	3,376	3,259	3,012	3,170	3,688
Defense	768	1,251	993	529	394	375
Telecommunications	1,706	1,245	1,489	1,979	2,546	2,209
Total	27,239	27,805	26,585	23,627	26,482	27,090

Revenue by region by quarter

EUR thousand	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Europe	15,534	16,870	14,727	14,491	16,413	16,445
North America	4,391	5,820	6,071	4,242	5,253	6,763
Asia-Pacific	6,636	4,182	5,178	4,252	4,478	3,693
Rest of the world	678	933	609	642	338	188
Total	27,239	27,805	26,585	23,627	26,482	27,090

COMMITMENTS AND CONTINGENCIES

EUR thousand	30 June 2020	30 June 2019	31 December 2019
Commitments on own behalf			
Mortgages	0	2,783	0
Floating charges	0	12,500	0
Operating leases			
Not later than one year	5	102	32
1 - 5 years	0	5	0
Other liabilities	253	6	6

During 2019, the Group entered into a frame agreement with its primary banks. Based on the frame agreement the banks gave up all outstanding mortgages and floating charges.

DERIVATIVE FINANCIAL INSTRUMENTS NOMINAL VALUE

EUR thousands	30 June 2020	30 June 2019	31 December 2019
Interest rate swaps	6,251	6,455	6,231



Exel Composites in brief

Exel Composites, a global technology company headquartered in Finland, is the world's largest manufacturer of pultruded and pull-wound composite products. Our global manufacturing, R&D, and sales footprint serves customers across a broad range of industries and applications. With 60 years of composites experience and engineering expertise, we work closely with our customers to design and manufacture high quality composite products using carbon fiber, fiberglass, and other high-performance materials. Our composites help reduce weight, improve performance, and decrease total life cycle costs, all while helping increase energy efficiencies and supporting environmental sustainability.

Exel Composites employs approximately 650 innovative and customer-focused employees around the world and is listed on the Nasdaq Helsinki exchange. To find out more about our offering and company please visit www.exelcomposites.com.