Financial Statements Review Q1-Q4 2020

STRONG ORDER INTAKE IN Q4 2020, 2021 STARTS WITH HIGH ORDER BACKLOG
Exel Composites in brief

In 2020, we celebrated Exel’s 60th anniversary

At Exel Composites, we use over 60 years’ experience to solve challenges and help customers save resources.

Our forward-thinking composite solutions made with continuous manufacturing technologies serve customers in a wide range of industries around the world.

You can find our products used in applications from wind power and transportation to building and infrastructure.

Our collaborative approach and global footprint set us apart from our competition.

We use our expertise to help customers reduce weight, improve performance and energy efficiency and decrease total lifetime costs.

We want to be the first choice for sustainable composite solutions globally.

Company values

- Customer focused
- Integrity
- One Exel
- Caring
- Innovation

EUR 108.6 million (103.8)
REVENUE
Full year 2020 (2019)

EUR 9.7 million (7.2)
ADJUSTED OPERATING PROFIT
Full year 2020 (2019)

665 (660)
EMPLOYEES
Average 2020 (2019)

Manufacturing in 6 countries
Customers in over 50 countries
2020 highlights

Order intake
Order intake improved as underlying demand improved towards the end of the year.

Revenue
Revenue increased driven by Wind Power and Defense customer industries, and regions Asia-Pacific and Europe.
Several years of extensive R&D yielded results.

Adjusted operating profit
Adjusted operating profit increased by almost 40% compared to the previous year.
Main factors:
- Profit impact of the 2019 cost savings program
- Overall favorable sales mix
- Operational efficiency improvements across the Group.

Overall, Exel has mitigated the impacts of the pandemic well, supported by a strategy based on diversified customer industries and regions.
Order backlog increased to EUR 36.5 million at the end of 2020
Revenue growth in 2020 driven mainly by volume increase

1) Volume impact calculated as difference in kilograms of delivered products times prior year average sales price/kg.
In 2020, revenue increased driven by Defense and Wind Power customer industries.

Revenue by customer industry, EUR million:

- Buildings and infrastructure: Q4 2019 - 1.3, Q4 2020 - 1.3
- Equipment and other industries: Q4 2019 - 3.9, Q4 2020 - 3.9
- Wind power: Q4 2019 - 13.1, Q4 2020 - 14.4
- Telecommunications: Q4 2019 - 5.1, Q4 2020 - 5.1
- Machinery and electrical: Q4 2019 - 23.5, Q4 2020 - 23.5
- Transportation: Q1-Q4 2019 - 6.5, Q1-Q4 2020 - 7.0
- Defense: Q1-Q4 2019 - 10.2, Q1-Q4 2020 - 15.5
- Telecommunications: Q1-Q4 2019 - 18.0, Q1-Q4 2020 - 18.0

Revenue share by customer industry, %:

- Buildings and infrastructure: Q1-Q4 2019 - 13.9, Q1-Q4 2020 - 22.8
- Equipment and other industries: Q1-Q4 2019 - 27.9, Q1-Q4 2020 - 22.6
- Wind power: Q1-Q4 2019 - 18.0, Q1-Q4 2020 - 18.0
- Telecommunications: Q1-Q4 2019 - 14.3, Q1-Q4 2020 - 9.4
- Machinery and electrical: Q1-Q4 2019 - 12.6, Q1-Q4 2020 - 4.5
- Transportation: Q1-Q4 2019 - 4.6, Q1-Q4 2020 - 6.0
- Defense: Q1-Q4 2019 - 21.6, Q1-Q4 2020 - 25.9

Building and infrastructure, Equipment and other industries, Wind power, Machinery and electrical, Transportation, Defense, Telecommunications.
Region Asia-Pacific showed strong growth in 2020

Revenue by region*, EUR million

<table>
<thead>
<tr>
<th>Region</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>26.6</td>
<td>27.5</td>
</tr>
<tr>
<td>Europe</td>
<td>5.2</td>
<td>6.4</td>
</tr>
<tr>
<td>North America</td>
<td>6.1</td>
<td>3.3</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>14.7</td>
<td>17.0</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>103.8</td>
<td>108.6</td>
</tr>
<tr>
<td>Europe</td>
<td>17.6</td>
<td>24.0</td>
</tr>
<tr>
<td>North America</td>
<td>22.4</td>
<td>18.0</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>62.1</td>
<td>62.8</td>
</tr>
</tbody>
</table>

Revenue share by region*, %

- Q1-Q4 2020:
  - Europe: 57.8%
  - North America: 16.6%
  - Asia-Pacific: 22.1%
  - Rest of the World: 3%

- Q1-Q4 2019:
  - Europe: 59.8%
  - North America: 17.0%
  - Asia-Pacific: 1.3%
  - Rest of the World: 21.6%

* Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.
Adjusted operating profit increased by 36% in 2020 and was EUR 9.7 million.

The profit impact of the cost savings program completed in 2019, an overall favorable sales mix and operational efficiency improvements across the Group were main factors behind the improvement.
Impacts of the Covid-19 pandemic in 2020

For the most part, our factories operated close to normal within the limits of the implemented safety measures.

Focus on ensuring the safety of our employees and keeping operations running (reduced external visits, keeping safety distances, use of facial masks, emphasized cleaning, re-organization of shifts, etc.)

Due to preventive and mitigating actions, no significant shortfalls in staffing or materials due to the pandemic.

Order intake suffered from Covid-19 related uncertainty and cautiousness, but underlying demand improved.

Liquidity and cash situation is good.

Impairment testing, conducted in Q4 2020, did not result in change of valuation in goodwill and intangible assets.

Close and continuous interaction with customers, suppliers and business partners.

Continue to monitor the situation very closely.
Strategy implementation in 2020

CREATE TRUE GLOBAL FOOTPRINT
- New manufacturing facility completed in Austria
- Stabilizing profitability of the business unit in the United States
- Technological and know-how transfer between manufacturing units
- Global M&A screening

PENETRATE GROWING / NEW APPLICATIONS
- Wind power growing as largest customer industry
- Conductor core applications for improved power transmission

BUILD LEADERSHIP IN CHINA
- Consolidation of organization in China
- Improvements in manufacturing capacity, efficiency and quality

GROWTH IN NEW TECHNOLOGIES
- Expansion of vertical processing capabilities
- Continued initiatives to extend capabilities in product design and composite production, e.g. the conductor core application
- Evaluation of synergistic new technologies

PROTECT AND GROW STRONGHOLDS
- Multiplying and cross-selling of successful applications globally, e.g. camouflage net support poles

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Return on capital employed at 14.1% in 2020

Return on equity, %

19.5

Return on investment, %

14.1

Capital employed, EUR million
ROCE, %
Earnings per share more than doubled to 0.45 in 2020

The Board of Directors proposes that a dividend of EUR 0.20 (0.18) per share be paid for the financial year 2020
Exel’s long-term financial targets

Growth

Revenue growth: 2x market growth 1)

Profitability

Adjusted operating profit margin >10%

Capital efficiency

Return on capital employed > 20%

Financial position

Net gearing ≤ 80%

1) The average annual growth rate estimated for the global composites market is, according to customer industry, region and source, between 2%-5% in volume in the coming years.
Guidance for 2021

Exel Composites expects revenue and adjusted operating profit in 2021 to increase compared to 2020.
More information at www.exelcomposites.com

Financial calendar 2021

- Financial Statements Release 2020 18 February 2021
- Business Review Q1 2021 30 April 2021
- Half Year Financial Report Q1-Q2 2021 20 July 2021
- Business Review Q1-Q3 2021 4 November 2021
- Annual General Meeting 23 March 2021

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