



## Business Review January - March 2021



## STRONG ORDER INTAKE AND REVENUE IN Q1 2021

### Q1 2021 in brief

- Order intake increased by 21.7% to EUR 42.0 million (Q1 2020: 34.5).
- Revenue increased by 11.3% to EUR 31.0 million (27.8).
- Operating profit increased to EUR 2.4 million (1.9), which is 7.8% of revenue (6.7).
- Adjusted operating profit increased to EUR 2.5 million (2.1), which is 7.9% of revenue (7.5).
- Earnings per share amounted to EUR 0.17 (0.06).

### Guidance for the full year 2021

Exel Composites expects revenue and adjusted operating profit in 2021 to increase compared to 2020.

### President and CEO, Riku Kytömäki

The year 2021 has started well. Both order intake and revenue reached record high levels and adjusted operating profit increased compared to the same period in the previous year.

Four of our seven customer industries showed strong revenue increase in the first quarter of 2021. Volume growth was especially supported by good demand in Wind Power applications, conductor core applications for power transmission in the Buildings and infrastructure customer industry and telescopic camouflage net support poles for Defense. These applications are all good examples of how persistent efforts in R&D have yielded results. After several years of decline, revenue in the Telecommunications customer industry doubled in the first quarter compared to the historically low levels in the same period last year. Revenue in the Transportation customer industry continued to suffer

# 21.7%

Order intake increased to  
EUR 42.0 million in Q1 2021

mainly from the negative impact of the Covid-19 pandemic and less travelling. We expect the Covid-19 pandemic to have a negative impact on some of our clients and customer industries also in the near future.

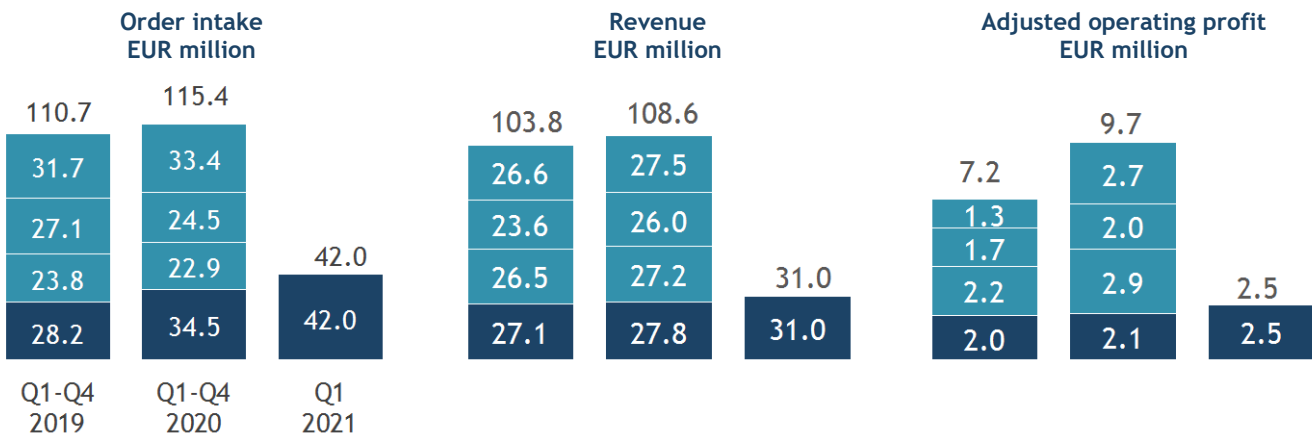
From a regional perspective, most of the revenue growth took place in the region Asia-Pacific driven by increased Wind and Defense deliveries.

Adjusted operating profit increased compared to the previous year in line with the volume increase. Challenges with global logistics and availability in some raw material categories have not had a significant impact on our profitability so far. There is, however, an elevated risk that the increase in raw material prices and the raw material shortages will have a short-term negative impact on our profit margin.

As the global business environment and demand slowly recovers from the negative impacts of the Covid-19 pandemic, the health and safety of our employees, business partners and customers continue to be a priority for us. Currently several of our factories are operating with high production loading, and it is therefore of uttermost importance to ensure that the pandemic will not spread within our factories nor endanger customer deliveries. All in all, despite the current challenges regarding the pandemic and the material market, we expect demand to increase and remain optimistic about the market outlook in the mid and long term.



Health and safety continue to be a priority.



## Consolidated key figures

EUR thousand	Q1 2021	Q1 2020	Change %	Q1-Q4 2020
Revenue	30,954	27,805	11.3	108,595
Operating profit	2,423	1,870	29.6	9,417
% of revenue	7.8	6.7		8.7
Adjusted operating profit 1)	2,460	2,072	18.7	9,708
% of revenue	7.9	7.5		8.9
Profit before tax 2)	2,933	1,316	122.9	7,124
% of revenue	9.5	4.7		6.6
Profit for the period	1,961	670	193.0	5,368
% of revenue	6.3	2.4		4.9
Shareholders' equity	29,646	24,463	21.2	28,880
Interest-bearing liabilities	42,819	39,762	7.7	43,140
Cash and cash equivalents	8,673	8,548	1.5	11,974
Net interest-bearing liabilities	34,146	31,213	9.4	31,167
Capital employed	72,465	64,224	12.8	72,021
Return on equity, %	26.8	10.6	154.1	19.5
Return on capital employed, %	13.5	11.7	14.7	14.1
Equity ratio, %	29.4	27.6	6.3	30.2
Net gearing, %	115.2	127.6	-9.7	107.9
Net cash flow from operating activities	1,412	2,962	-52.3	14,006
Net cash flow from investing activities	-2,208	-1,576	40.1	-12,849
Capital expenditure	2,215	1,576	40.6	13,220
% of revenue	7.2	5.7		12.2
Research and development costs	930	750	24.0	2,884
% of revenue	3.0	2.7		2.7
Order intake	42,027	34,520	21.7	115,373
Order backlog	47,382	37,094	27.7	36,544
Earnings per share, diluted and undiluted, EUR	0.17	0.06	192.7	0.45
Equity per share, EUR	2.51	2.07	21.10	2.44
Average share price, EUR	8.38	5.40	55.2	5.55
Average number of shares, diluted and undiluted, 1,000 shares	11,830	11,821	0.1	11,828
Employees, average	691	662	4.4	665
Employees, end of period	704	672	4.8	674

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.

2) The majority of the difference to previous year relates to unrealized foreign exchange gains and losses, largely driven by intra-Group borrowings.

# Revenue

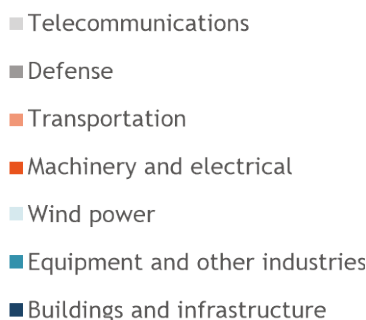
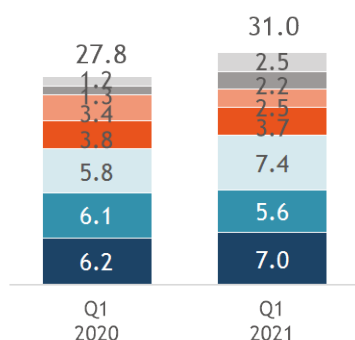
## Revenue by customer industry

EUR thousand	Q1 2021	Q1 2020	Change %	Q1-Q4 2020
Buildings and infrastructure	6,995	6,216	12.5	23,451
Equipment and other industries	5,646	6,111	-7.6	19,493
Wind power	7,380	5,826	26.7	28,079
Machinery and electrical	3,671	3,780	-2.9	15,522
Transportation	2,483	3,376	-26.5	10,226
Defense	2,244	1,251	79.3	5,338
Telecommunications	2,536	1,245	103.7	6,485
<b>Total</b>	<b>30,954</b>	<b>27,805</b>	<b>11.3</b>	<b>108,595</b>

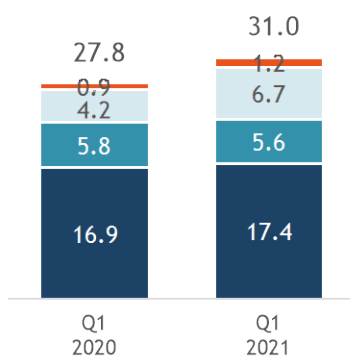
## Revenue by region\*

EUR thousand	Q1 2021	Q1 2020	Change %	Q1-Q4 2020
Europe	17,444	16,870	3.4	62,757
North America	5,611	5,820	-3.6	18,022
Asia-Pacific	6,654	4,182	59.1	24,022
Rest of the world	1,245	933	33.4	3,795
<b>Total</b>	<b>30,954</b>	<b>27,805</b>	<b>11.3</b>	<b>108,595</b>

Revenue by customer industry  
EUR million



Revenue by region\*  
EUR million



\* Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.

# Impacts of the Covid-19 pandemic

## Operations

In the first quarter of 2021, all our factories operated close to normal and diligently following the safety measures to prevent the spread of the Covid-19 pandemic.

Raw material supply and logistics operated almost normally despite challenges with global logistics and availability in some raw material categories.

## Financial standing

Some Covid-19 related uncertainty and cautiousness among some of our customers remained in the first quarter of 2021. Regardless, order intake increased in the first quarter and reached record high levels.

The Group's liquidity and cash situation are good, and the Covid-19 pandemic has had limited impact, if any, on Group liquidity.

During the first quarter of 2021, Exel Composites received Covid-19 related financial assistance under local governmental schemes in Great Britain. These grants were 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. All units have continued with tightened Group and business unit level safety and hygiene instructions in accordance with the instructions of local health authorities. Travelling is limited and remote work as well as online meetings continue to be preferred when possible. Outsider visits to sites are reduced to minimum. Internal communication at Group level as well as locally on Covid-19 related concerns has continued in various 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.

## Events after the reporting period

### Payment of the remaining purchase price related to the acquisition of Nanjing Jianhui

Exel Composites acquired 70% of Nanjing Jianhui Composite Materials in October 2016 and the acquisition was completed in April 2017. The acquisition agreement included a call and put option under which Exel Composites was expected to acquire the remaining 30% earliest three years after the closing. In December 2020, Exel Composites was notified that the seller will exercise their put option effective 1 January 2021. The final payment totaling EUR 3.8 million was paid on 1 April 2021. The total acquisition price of the company thus amounts to EUR 8.8 million.

## Financial results briefing

Exel Composites will hold a financial results briefing regarding the Q1 2021 Business Review on 30 April 2021 at 12:30 EET. Participation requires registration in advance.

Vantaa, 30 April 2021

**Exel Composites Plc**  
Board of Directors

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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.

Headquartered in Finland, Exel Composites employs approximately 650 forward-thinking professionals around the world and is listed on Nasdaq Helsinki. To find out more about our offering and company please visit [www.exelcomposites.com](http://www.exelcomposites.com).