

# “CUSTOMER DEMAND REMAINED WEAK, COST REDUCTIONS IMPLEMENTED”



January – June 2016  
Half-year Financial Report  
21 July 2016

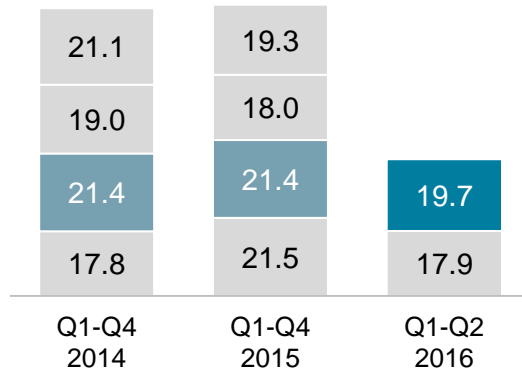
# H1 2016 in brief

- Business environment
  - Market environment remains challenging
  - Weak demand of some key customers; lower order volumes and less favorable sales mix
- Operations
  - Additional cost take out measures started to materialize in May-June
  - Focused customer segment initiatives and actions to optimize production under prevailing conditions
- Financial performance
  - Cost saving measures considerably reduced the impact of decreased volumes on operating profit

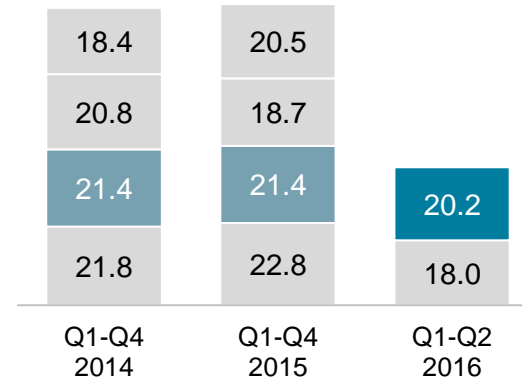


# H1 2016 highlights

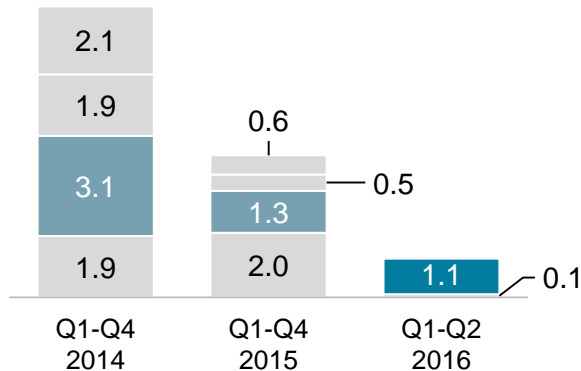
Revenue, EUR million



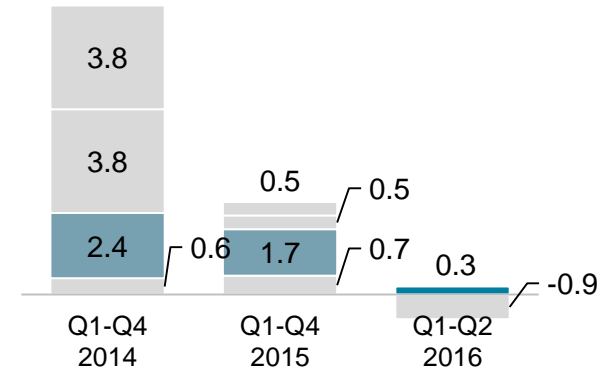
Order intake, EUR million



Operating profit, EUR million



Net cash flow, EUR million



# Key figures H1 2016

EUR thousand	1.1.-30.6. 2016	1.1.-30.6. 2015	Change %	FY 2015
Order intake	38,263	44,185	-13.4	83,374
Order backlog <sup>1)</sup>	15,799	13,783	14.6	15,348
Revenue	37,639	42,847	-12.2	80,196
Operating profit	1,293	3,340	-61.3	4,414
% of revenue	3.4	7.8		5.5
Adjusted operating profit <sup>2)</sup>	1,316	3,581	-63.3	4,770
% of revenue	3.5	8.4		5.9
Profit for the period	880	2,358	-62.7	2,844
Net cash flow	-520	2,359	-122.0	3,385
Return on capital employed, %	6.5	17.9		12.0
Net gearing, %	18.4	-2.4		2.0
Earnings per share, EUR	0.07	0.20		0.24
Equity per share, EUR	2.35	2.59	-9.3	2.58
Employees on average	490	500	-2.0	498

<sup>1)</sup> As per 30 June 2016

<sup>2)</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 January – June 2016.

# Key figures Q2 2016

EUR thousand	1.4.-30.6. 2016	1.4.-30.6. 2015	Change %	FY 2015
Order intake	20,231	21,423	-5.6	83,374
Order backlog <sup>1)</sup>	15,799	13,783	14.6	15,348
Revenue	19,720	21,352	-7.6	80,196
Operating profit	1,147	1,348	-14.9	4,414
% of revenue	5.8	6.3		5.5
Adjusted operating profit <sup>2)</sup>	1,167	1,540	-24.2	4,770
% of revenue	5.9	7.2		5.9
Profit for the period	882	800	10.3	2,844
Net cash flow	342	1,671	-79.5	3,385
Return on capital employed, %	11.4	14.0		12.0
Net gearing, %	18.4	-2.4		2.0
Earnings per share, EUR	0.07	0.07		0.24
Equity per share, EUR	2.35	2.59	-9.3	2.58
Employees on average	487	513	-5.1	498

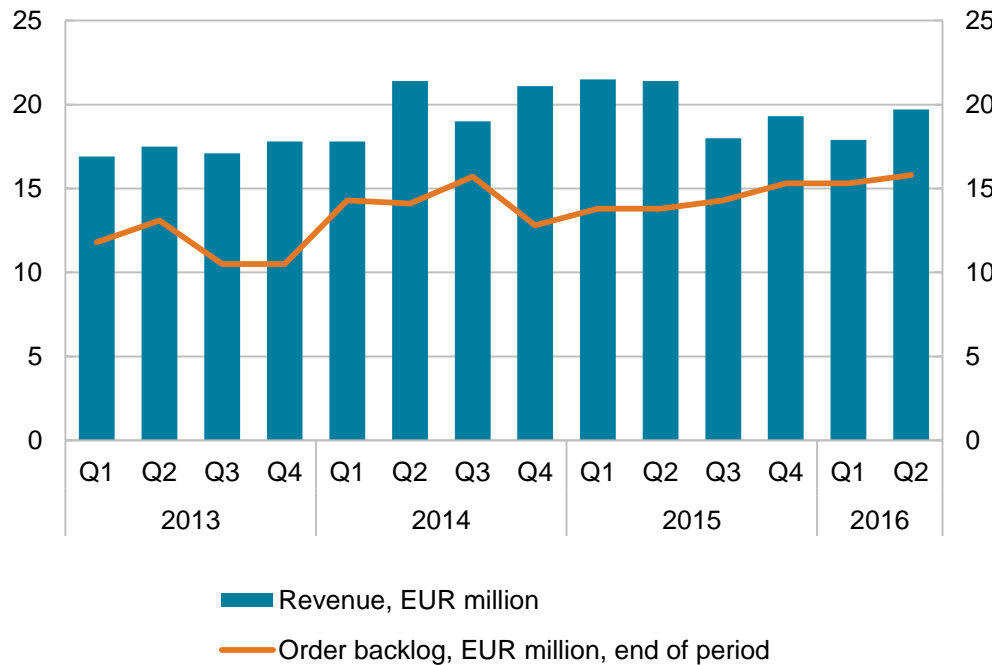
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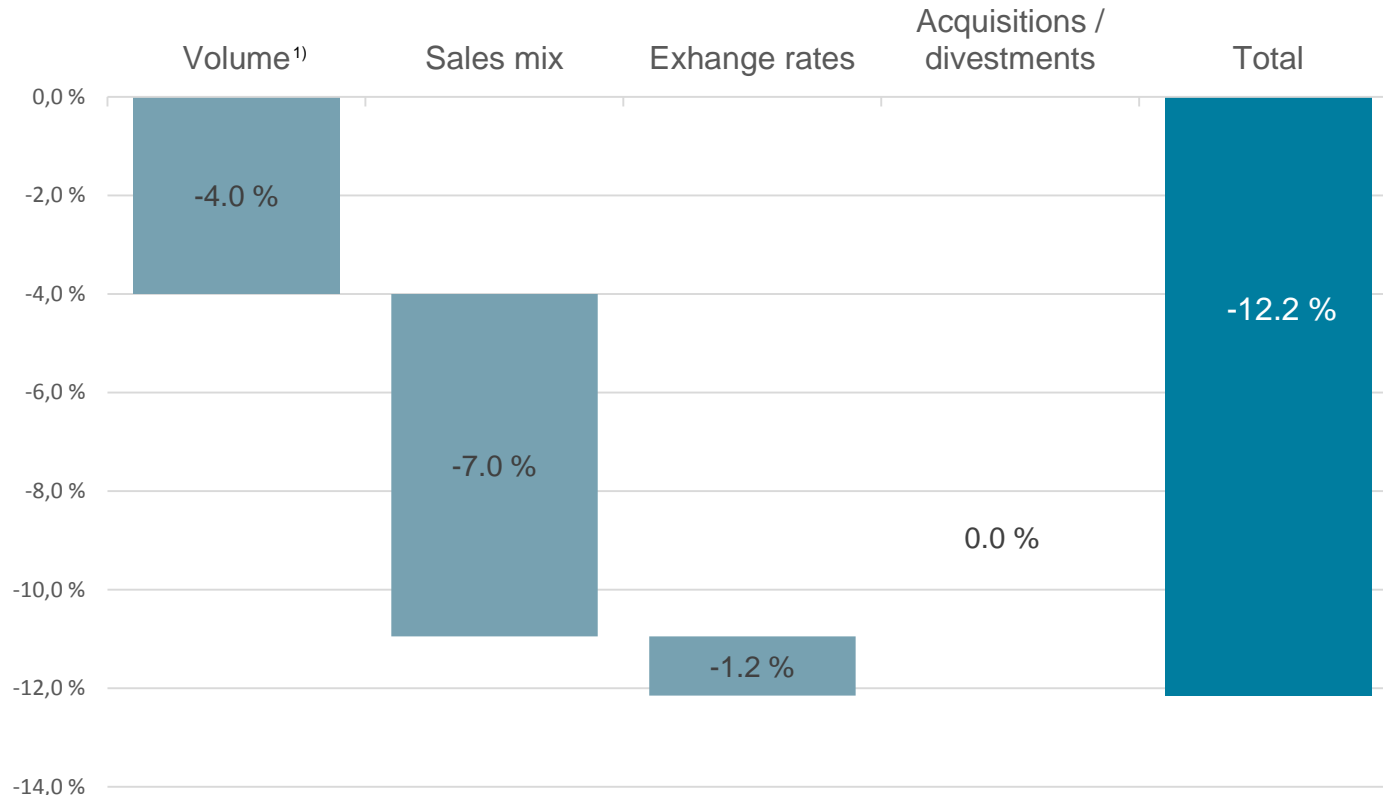
# Lower order volumes due to weak customer demand of some key clients

Revenue and order backlog



# Lower delivery volumes and less favorable sales mix reduced revenue

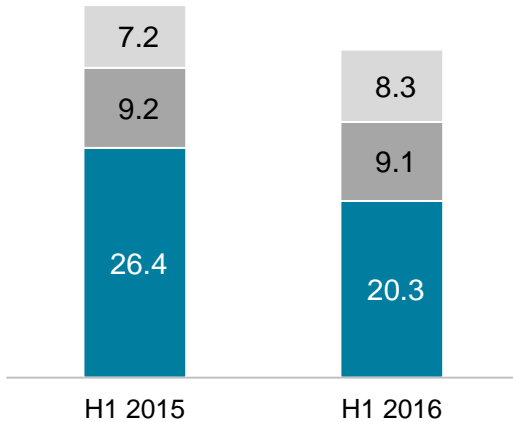
Revenue bridge H1 2016 vs H1 2015



<sup>1)</sup> Volume impact calculated as difference in kilograms of delivered products times prior year average sales price/kg.

# The majority of revenue in H1 2016 came from Industrial Applications

Revenue by Customer Industry, EUR million



- Other Applications
- Construction & Infrastructure
- Industrial Applications

## Industrial Applications



Tele-communication



Paper Industry



Electrical Industry



Machine Industry



Transportation Industry

## Construction & Infrastructure



Building, Construction & Infrastructure



Energy Industry



Cleaning & Maintenance



Sports & Leisure

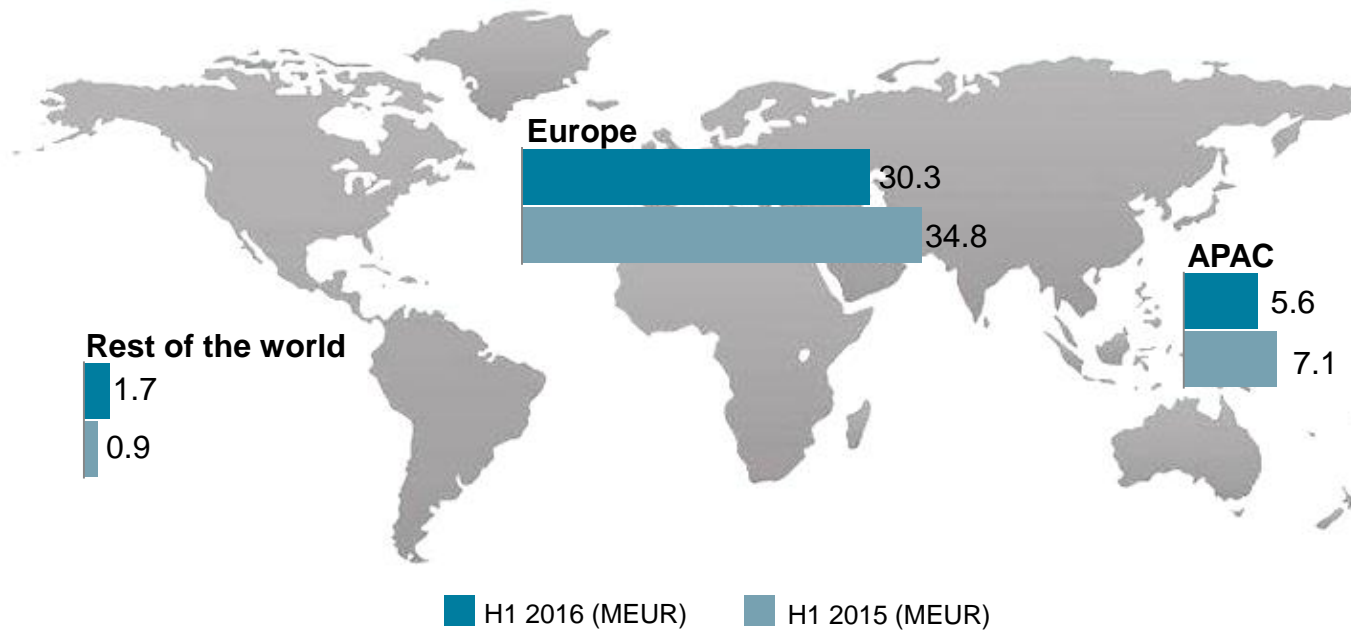


Other Industries

## Other Applications

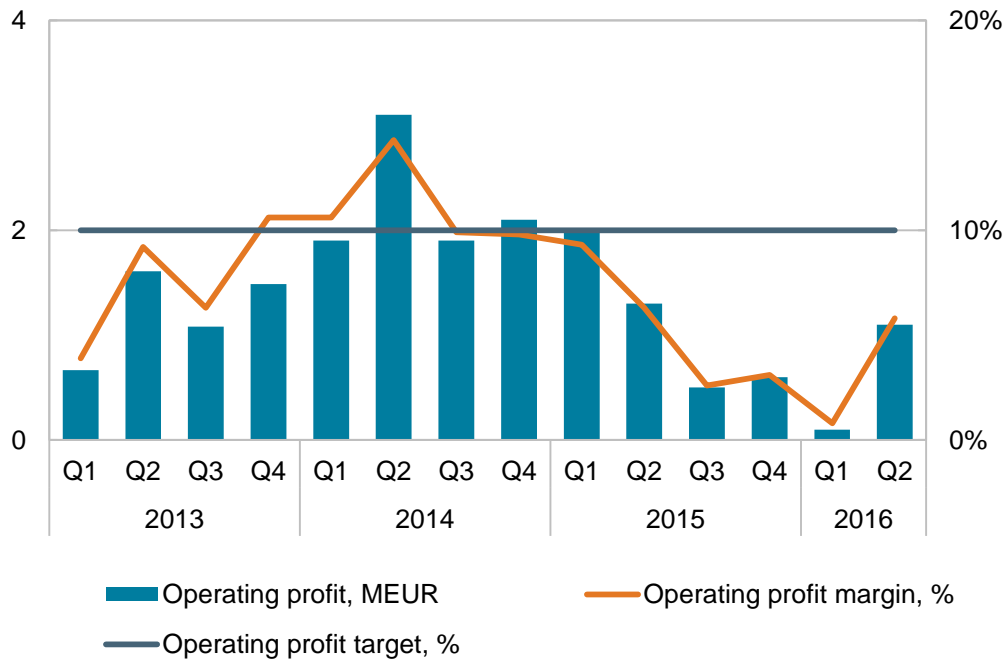


# Lower customer demand in main market Europe and in Asia

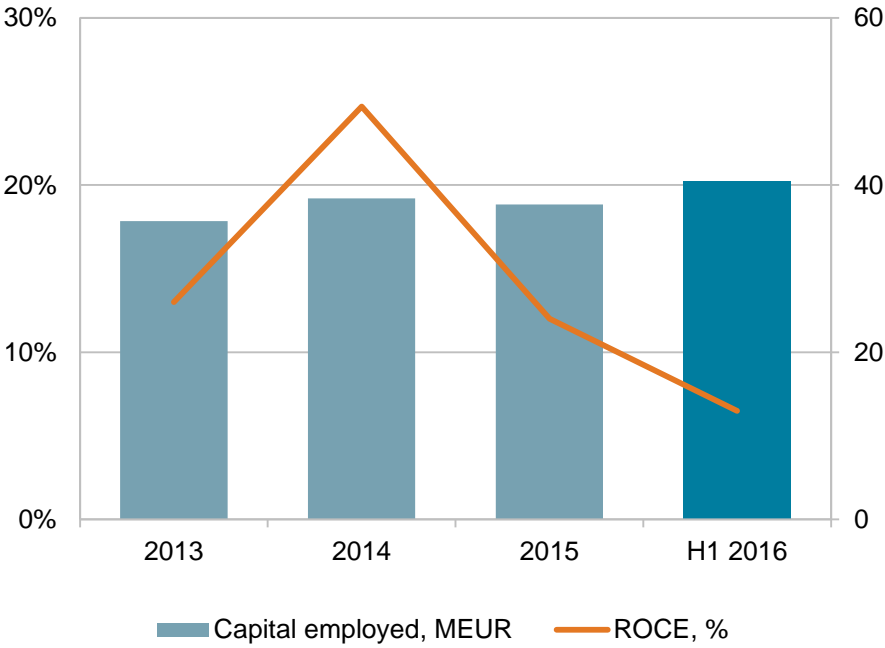


# Cost savings measures reduced impact on operating profit

Operating profit and operating profit margin



# ROCE



# Exel Composites continues well positioned for profitable growth

- Measures to further control costs continue throughout 2016
- Focused customer segment initiatives and new customer acquisition
- Optimization of production and operational efficiency improvements
- Implementation of long-term growth strategy continues
- Attractive long-term market fundamentals prevail



# Outlook for full year 2016 (terminology change in brackets)

- The Company continues to implement its new strategy with focus on operational efficiency and optimizing the global manufacturing footprint. The Company estimates that adjusted operating profit (previously: operating profit excluding any non-recurring items) will decrease in 2016 compared to 2015.



# Your IR contacts

Riku Kytömäki  
President and CEO  
+358 50 511 8288  
riku.kytomaki@exelcomposites.com

Mikko Kettunen  
CFO  
+358 50 3477 462  
mikko.kettunen@exelcomposites.com

Noora Koikkalainen  
IR Manager  
+358 50 562 6552  
noora.koikkalainen@exelcomposites.com





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