

“PROFITABILITY IMPACTED BY LOW VOLUMES IN Q1 2016; UPDATED OUTLOOK FOR FULL YEAR 2016”



**January – March 2016
Business Review**

11 May 2016

**Riku Kytömäki
President and CEO**

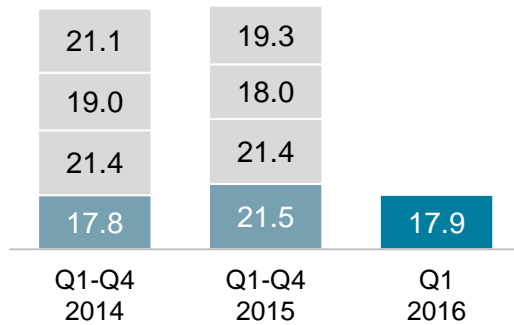
Q1 2016 in brief

- Business environment
 - Market environment challenging
 - Key customers have lost market shares; lower order volumes
 - Long-term market fundamentals prevail
- Operations
 - Cost take out measures, especially in Australia and Finland
 - Focus on improving operational efficiency and capacity utilization
- Financial performance
 - Cost structure not in line with lower than expected business volume; operating profit low

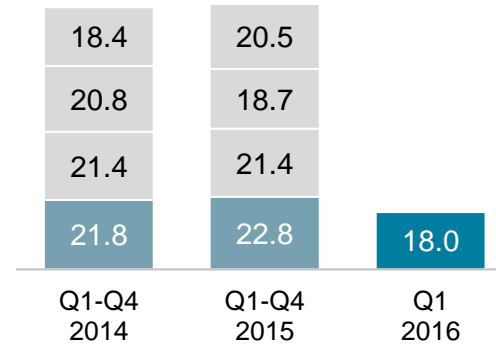


Q1 2016 highlights

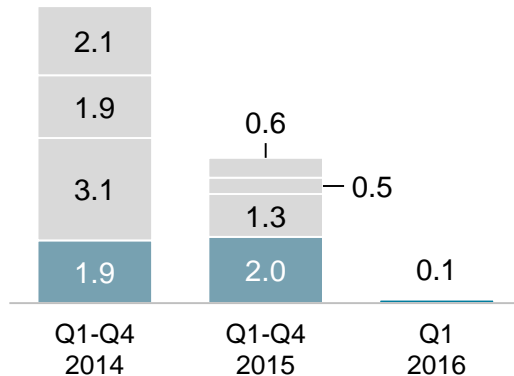
Revenue, MEUR



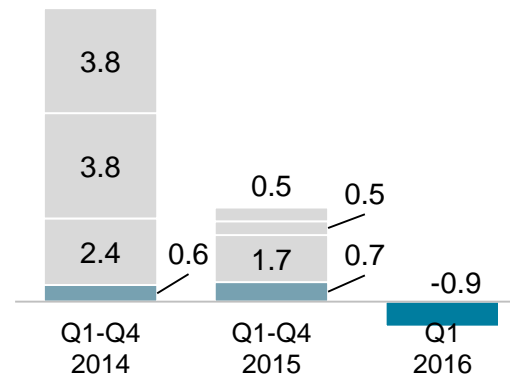
Order intake, MEUR



Operating profit, MEUR



Net cash flow, MEUR



Key figures Q1 2016

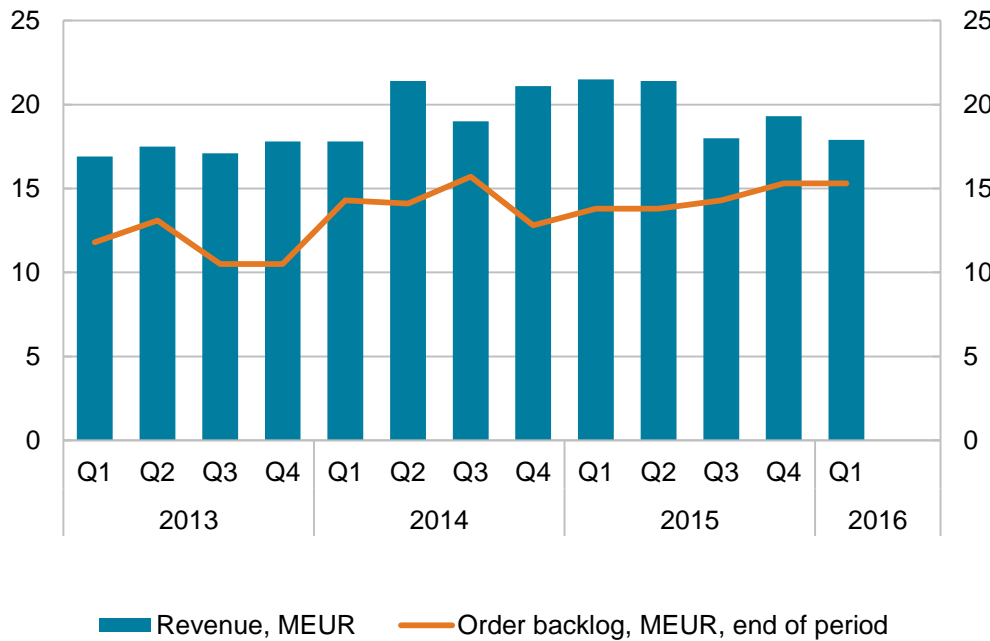
Thousands of EUR	Q1 2016	Q1 2015	Change %	FY 2015
Order intake	18,032	22,762	-20.8	83,374
Order backlog ¹⁾	15,382	13,816	11.3	15,348
Revenue ²⁾	17,919	21,495	-16.6	80,196
Operating profit	146	1,991	-92.7	4,414
% of revenue	0.8	9.3		5.5
Profit for the period	-2	1,557	-100.1	2,844
Net cash flow from operating activities	-862	688	-255.3	3,385
Return on capital employed, %	1.5	21.8		12.0
Net gearing, %	15.8	-8.3		2.0
Earnings per share, EUR	0.00	0.13		0.24
Equity per share, EUR	2.32	2.54	-8.7	2.58

¹⁾ As per 31 March 2016.

²⁾ Revenue by customer industries: Industrial applications 9.6 (13.8) MEUR, Construction & infrastructure 4.1 (4.6) MEUR, Other applications 4.2 (3.1) MEUR.

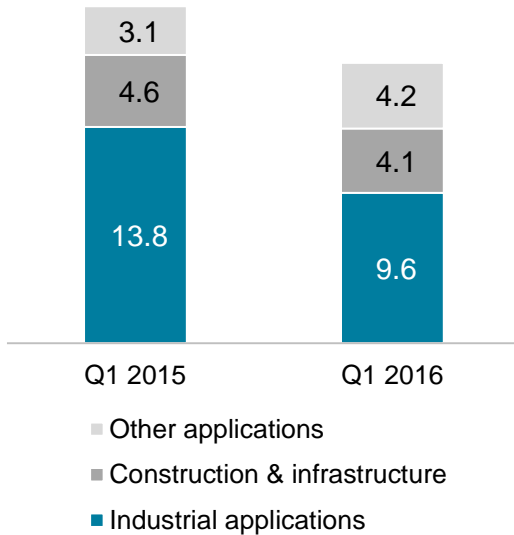
Challenging market environment for key customers impacted business volumes

Revenue and order backlog



The majority of revenue in Q1 2016 came from Industrial applications

Revenue by Customer Industry, MEUR



Industrial applications



Tele-communication



Paper Industry



Electrical Industry



Machine Industry



Transportation Industry

Construction & infrastructure



Building, Construction & Infrastructure



Energy Industry



Cleaning & Maintenance



Sports & Leisure

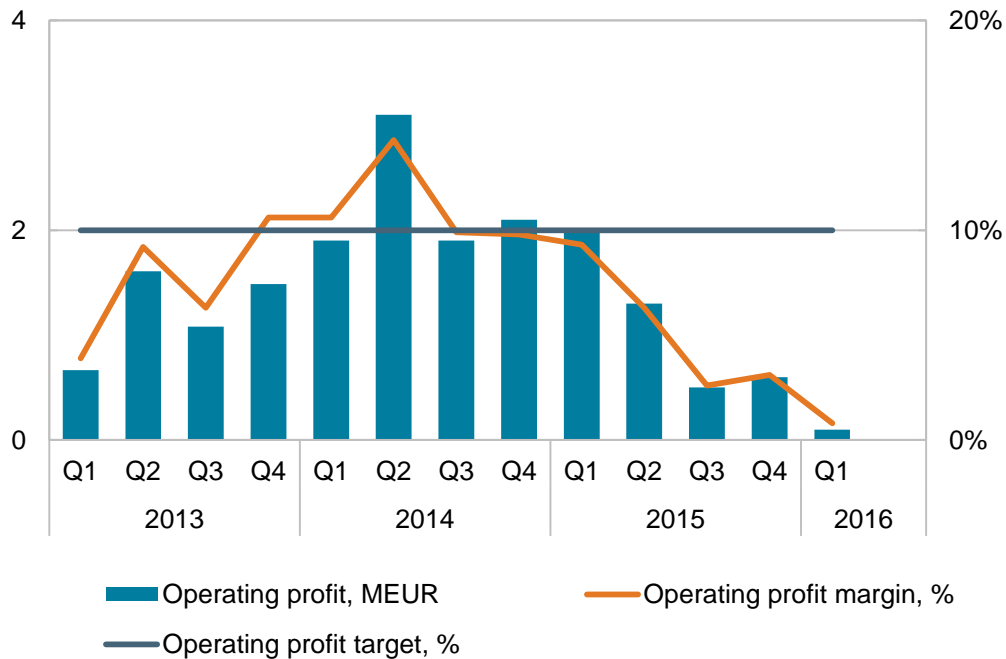


Other Industries

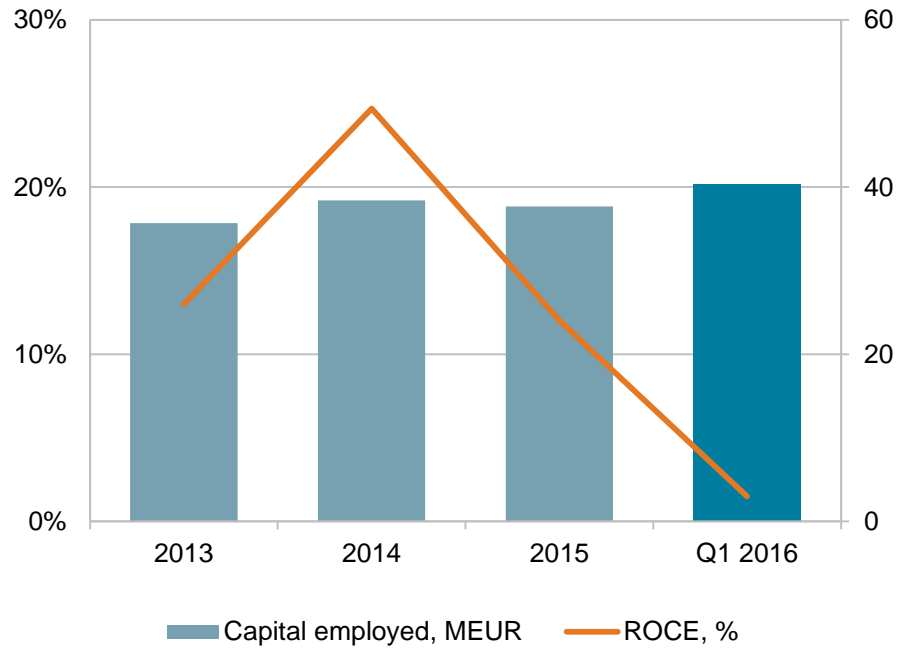
Other applications

Operating profit impacted by declined revenue

Operating profit and operating profit margin



ROCE decreased due to lower operating profit



Well positioned for profitable growth

- Measures to further control costs, particularly in Australia and Finland
- Increasing focus on improving operational efficiency and optimizing global manufacturing footprint
- Implementation of long-term growth strategy continues
- Attractive long-term market fundamentals prevail



Outlook for full year 2016 (changes 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 operating profit excluding any non-recurring items will decrease (previously: increase) in 2016 compared to 2015.



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