

EXEL COMPOSITES 2017 FINANCIAL STATEMENTS REVIEW



January – December
2017

Financial Statements
Review

16 February 2018

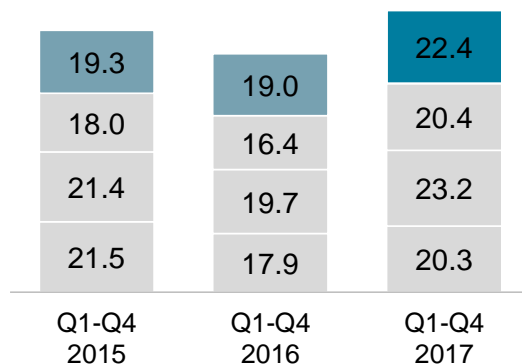
2017 in brief: order intake, revenue and operating profit increased significantly

- Business environment
 - All markets and customer segments performed well
 - Industrial Applications and APAC region and China main contributors
 - Signs towards general market recovery
- Operations
 - Increased revenue in combination with further operational efficiency improvements
 - Continued tight cost control
 - Focused efforts on new customer acquisition and new business, especially in China
 - Acquisition of Nanjing Jianhui
 - Downsizing of Australian unit completed, manufacturing operations stopped
- Financial performance
 - Significant improvements in order intake, revenue and adjusted operating profit

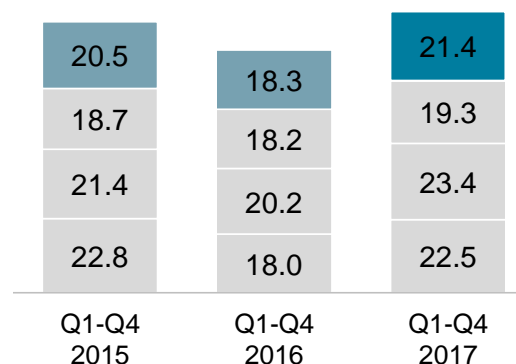


Q4 was the sixth consecutive quarter when profit improved y-o-y

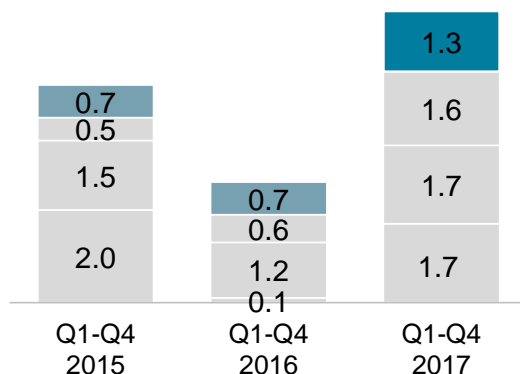
Revenue, EUR million



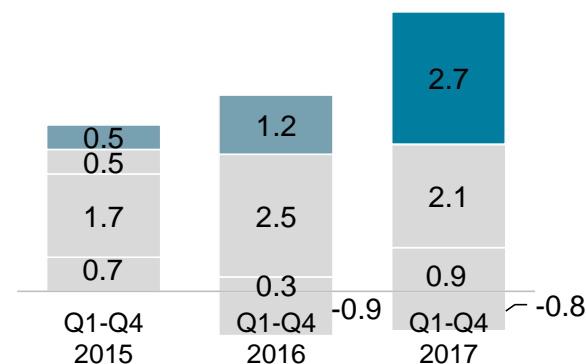
Order intake, EUR million



Adjusted operating profit, EUR million



Net cash flow, EUR million



Key figures Q1-Q4 2017

EUR thousand	1.1.-31.12. 2017	1.1.-31.12. 2016	Change, %
Order intake	86,531	74,778	15.7
Order backlog ¹	17,126	16,702	2.5
Revenue	86,255	73,079	18.0
Operating profit	6,081	649	837.5
% of revenue	7.1	0.9	
Adjusted operating profit ²	6,319	2,621	141.1
% of revenue	7.3	3.6	
Profit for the period	4,212	198	2025.4
Net cash flow from operating activities	4,856	3,129	55.2
Return on capital employed, %	14.8	1.7	
Net gearing, %	30.3	12.2	
Earnings per share	0.36	0.02	
Equity per share, EUR	2.43	2.27	7.0

¹ As per the end of the period.

² 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 published on 21 July 2016.

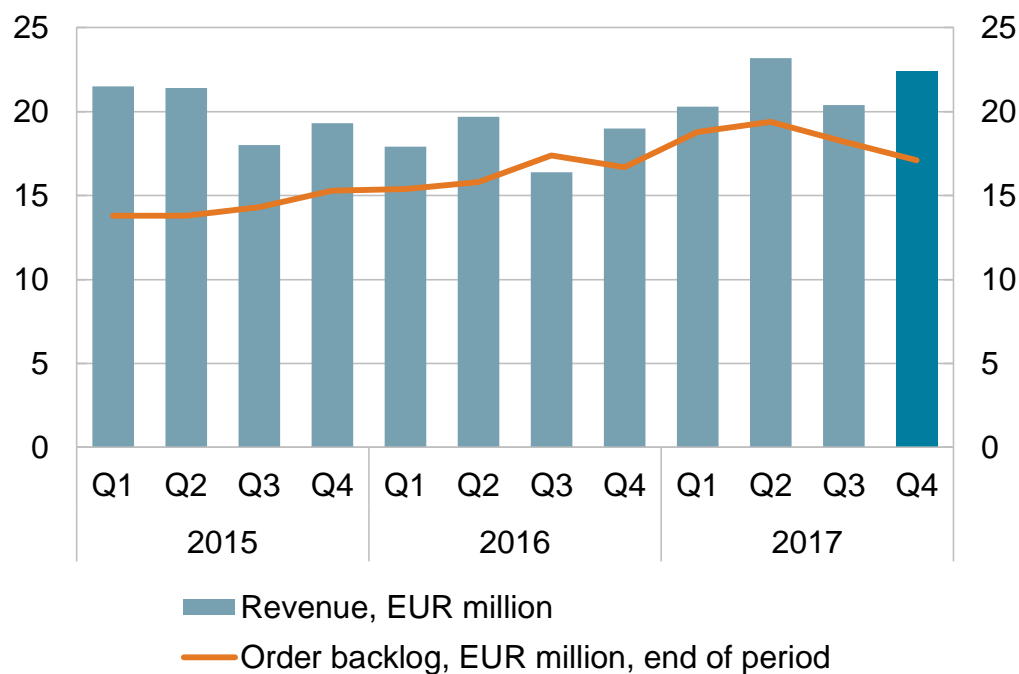
Key figures Q4 2017

EUR thousand	1.10.-31.12. 2017	1.1.-31.12. 2016	Change, %
Order intake	21,433	18,334	16.9
Order backlog ¹	17,126	16,702	2.5
Revenue	22,414	19,009	17.9
Operating profit	1,389	-1,209	214.8
% of revenue	6.2	-6.4	
Adjusted operating profit ²	1,327	708	87.5
% of revenue	5.9	3.7	
Profit for the period	956	-1,065	189.8
Net cash flow from operating activities	2,708	1,157	134.1
Return on capital employed, %	12.3	-12.5	
Net gearing, %	30.3	12.2	
Earnings per share	0.08	-0.09	
Equity per share, EUR	2.44	2.27	7.4

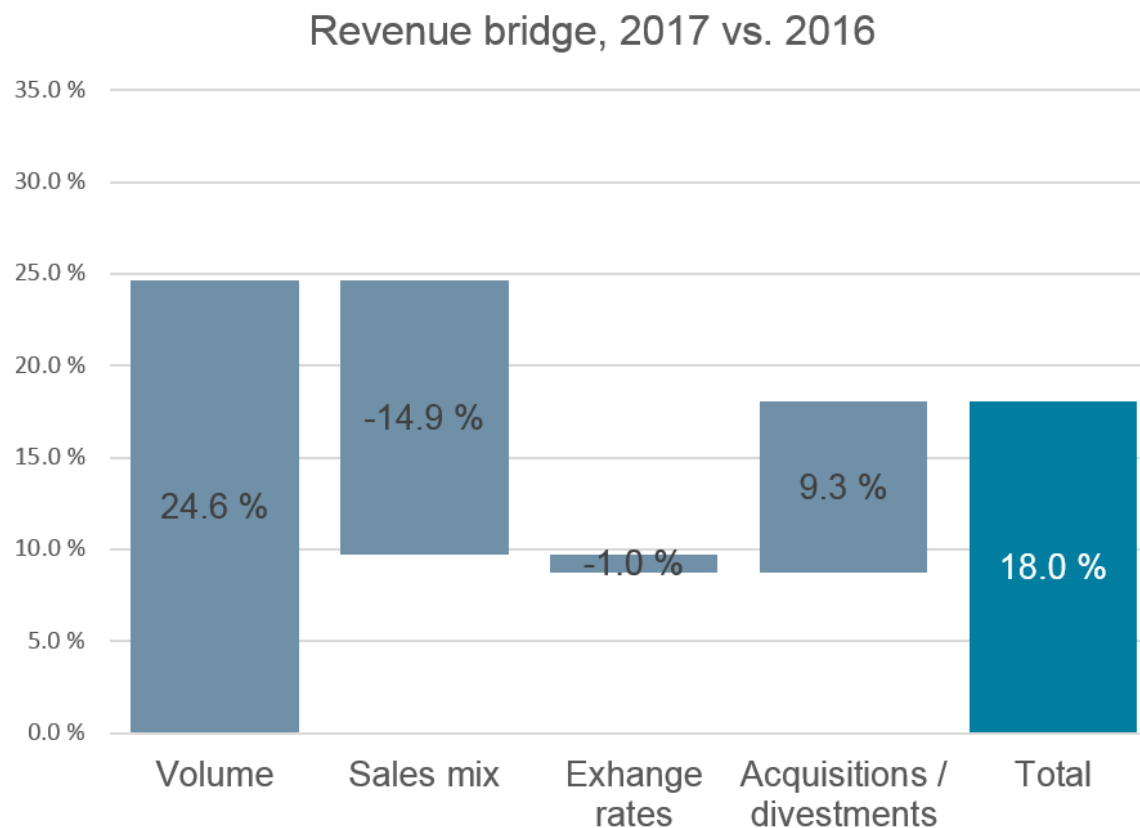
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Significant revenue improvement in Q4 and full year 2017



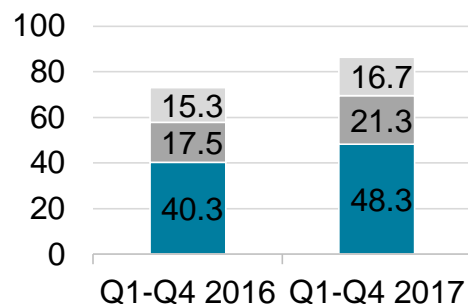
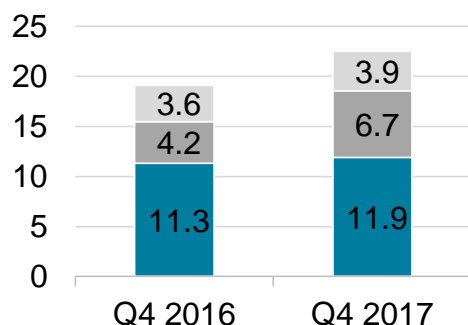
Main volume increase from key customers in Europe



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

Industrial Applications continued to drive the revenue increase

Revenue by customer segment,
EUR million



- Other Applications
- Construction & Infrastructure
- Industrial Applications

Industrial Applications



Telecommuni-
cation



Paper
Industry



Electrical
Industry



Machine
Industry



Transportation
Industry

Construction & Infrastructure



Building,
Construction &
Infrastructure



Energy
Industry



Cleaning &
Maintenance



Sports &
Leisure

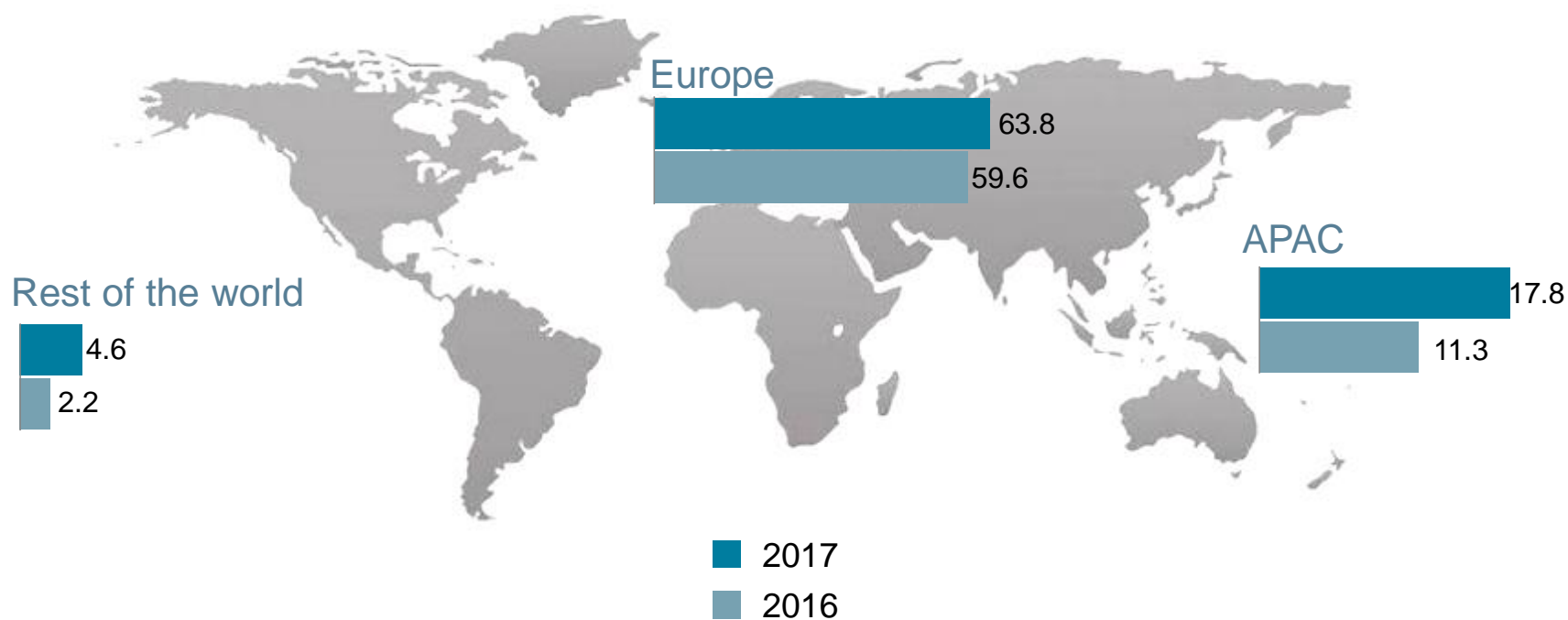


Other
Industries

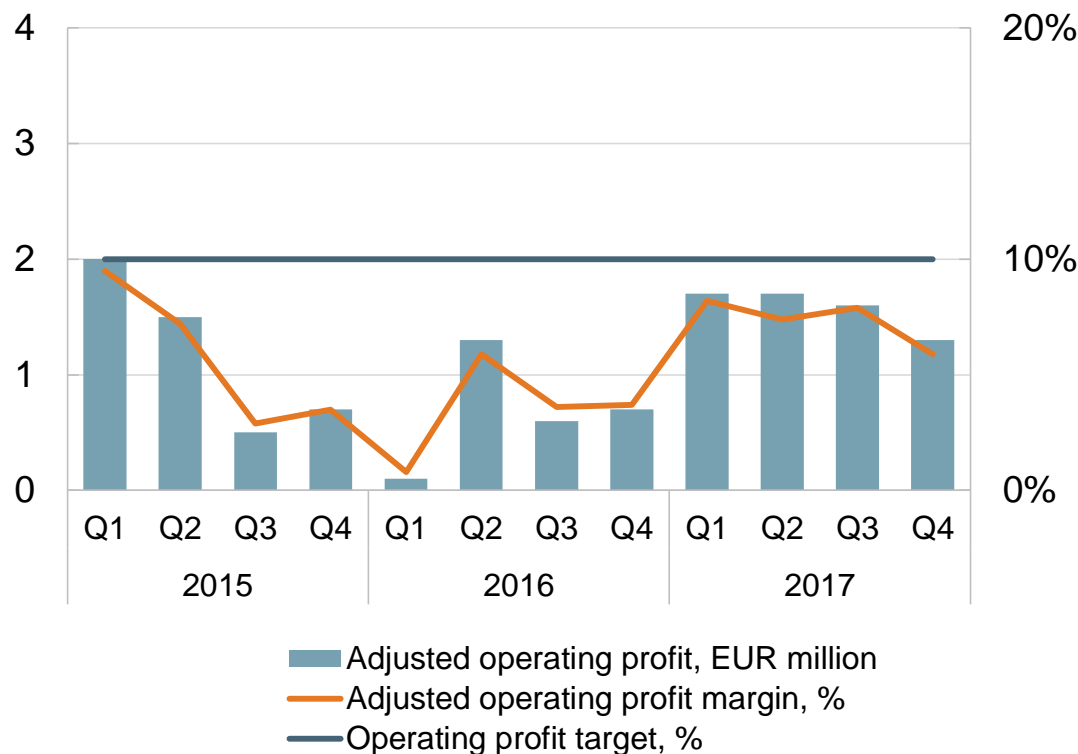
Other Applications

Asia and China major contributors geographically

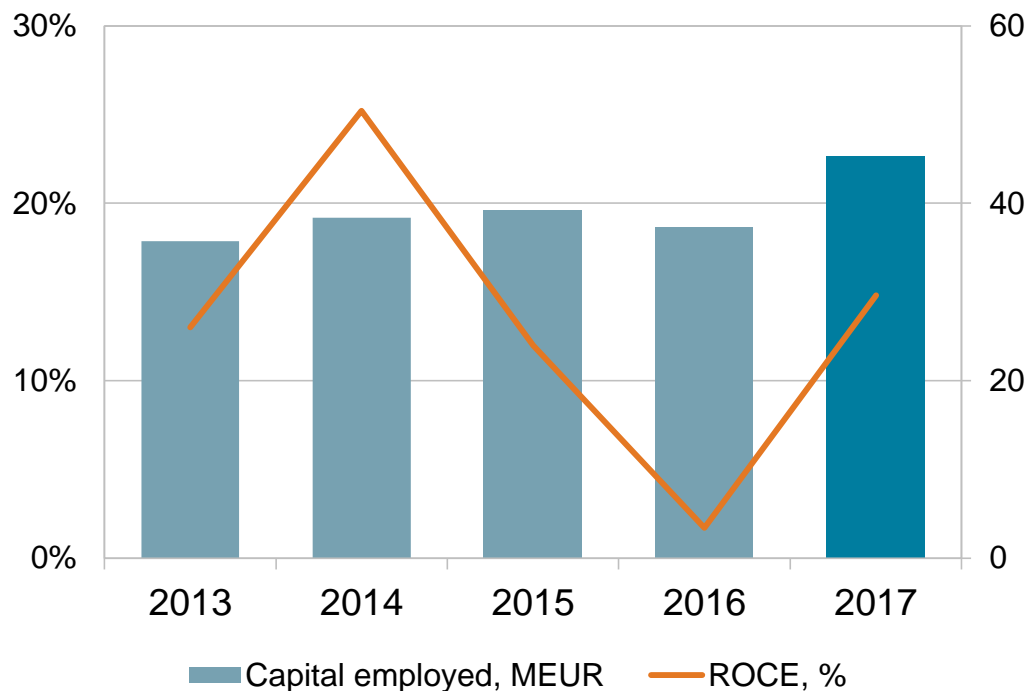
Revenue by market area,
EUR million



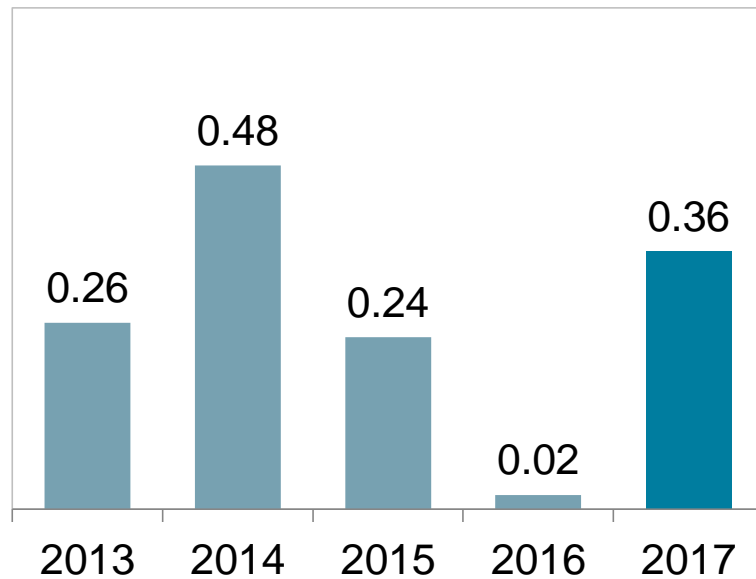
Operating profit improved significantly due to increased revenue in combination with further operational efficiency improvements



ROCE continued to improve to 14.8% at the end of 2017



Earnings per share increased up to 36 cents



Share price development 2017



Share quotations 2017

Highest: EUR 7.85

Lowest: EUR 4.84

Average: EUR 6.00

On 31.12. 2017: EUR 6.57

Market capitalization on 31.12.2017:

EUR 77.7 (59.7) million

Price/earnings 2013-2017:

31.12.2017:	18.40
31.12.2016:	301.35
31.12.2015:	27.32
31.12.2014:	17.50
31.12.2013:	22.21

Major shareholders on 31 December 2017

	Number of shares	Percentage of share capital
Nordea Bank Ab (Publ), Suomen Sivuliike (Nominee Registered)	2,410,095	20.3
Skandinaviska Enskilda Banken AB (Nominee Registered)	1,896,982	15.9
Sijoitusrahasto Taaleritehdas Mikro Markka	600,000	5.0
OP-Finland Value Fund	552,435	4.6
OP-Finland Small Firms Fund	498,259	4.2
Ilmarinen Mutual Pension Insurance Company	342,733	2.9
Danske Invest Finnish Small Cap Fund	324,219	2.7
Nordea Pro Finland Fund	273,395	2.3
Danske Invest Finnish Institutional Equity Fund	265,000	2.2
Matti Suutarinen	231,821	1.9

Exel Composites had a total of 3,164 (3,034) shareholders on 31 December 2017.

Exel Composites confirmed overall strategic direction for 2017-2020



Next level growth

Protect and grow strong-holds

- Grow in existing business
- Take out cost and improve customer value

Build leadership in China

- Grow sales to local customers
- Create value offering for mid-segment
- R&D and manufacturing capacity

Penetrate growing / new applications

- Penetrate mid-segment
- Solutions for larger growth applications
- Package key applications to 'systems'

Create true global footprint

- Expand operational footprint
- Grow supply and service to new market areas, including Americas

Growth in new technologies

- Further processing and vertical integration
- New composite technologies, other than pultrusion

Strategy implementation in 2017

STRATEGY BASED ON FIVE PILLARS

In 2017:

- Acquisition of Nanjing Jianhui Composite Material (JHFRP)
- Strengthened position in China and APAC; expanded manufacturing capacity, local sales and product development
- Increased export capacity to other markets

In 2017:

- Advanced continuous lamination capabilities using double band press
- Further processing capacity, including extrusion and CNC machining



In 2017:

- Acquisition in China and reorganization of the APAC business
- Expansion of sales coverage in Asia
- Global M&A screening activities continued

In 2017:

- Growth in mid-segment applications
- New customer acquisition e.g. in energy, transportation and construction
- Development of long-length carbon fiber products

Outlook for 2018

- Exel Composites expects **revenue** as well as **adjusted operating profit** to **increase** in 2018 compared to 2017.



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FOR THE WIN

