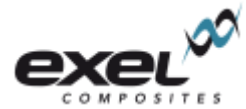


PROFITABILITY IMPROVED SIGNIFICANTLY



Financial Statements Release 2019

Riku Kytömäki, President and CEO

18 February 2020

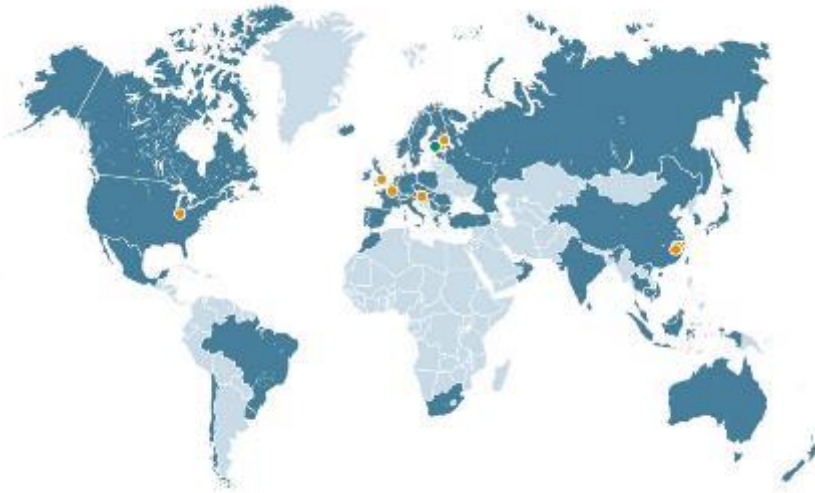


Exel Composites overview

A globally leading composite technology company

that **designs, manufactures and markets** fiber reinforced plastics products and solutions for demanding applications in various segments and markets

Industrial, construction & infrastructure and other applications



Customers in over
50
countries

Manufacturing in
6
countries

103.4

(96.6)

Revenue

EUR million, Full year 2019 (2018)

7.2

(5.0)

Adjusted operating profit

EUR million, Full year 2019 (2018)

648

(675)

Employees

End of 2019 (2018)

Our values



Customer focused



Integrity



One Exel



Caring



Innovative



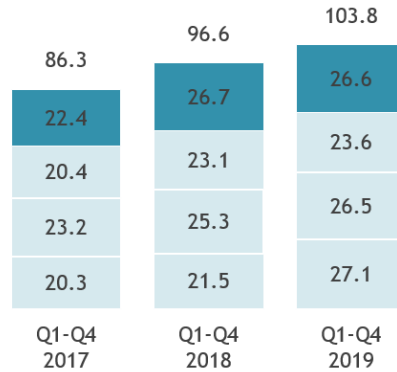
2019 in brief: Profitability improved significantly

- **Business environment**
 - Strong revenue growth in Construction & Infrastructure supported by wind power
 - Revenue growth in Other Applications driven by growth in defense applications
 - Industrial Applications customer declined mainly due to lower business volumes in telecommunications
 - Geographically revenue increased significantly in Rest of the World; Europe and APAC at last year's level
- **Operations**
 - Cost savings program completed according to plan
 - Estimated EUR 2 million positive impact on Group profit in 2019
 - The full profit impact will be approximately EUR 3 million in 2020, compared to the 2018 cost structure.
- **Financial performance**
 - Increased order intake and revenue compared to previous year.
 - Adjusted operating profit improved significantly
 - Very strong cash flow and strong order backlog at the end of the year

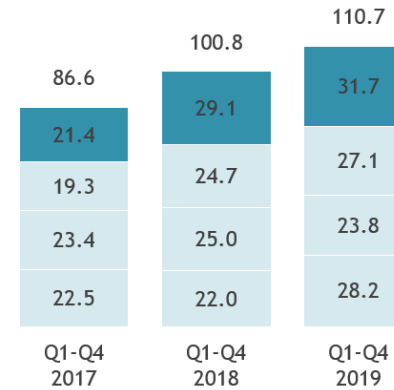


Key highlights 2019

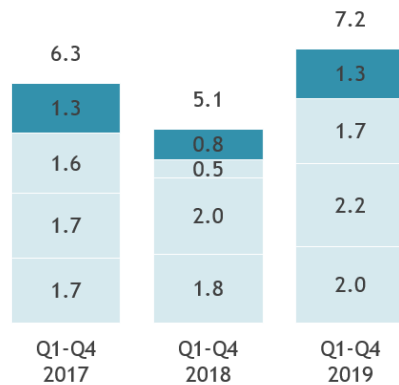
Revenue,
EUR million



Order intake,
EUR million



Adjusted operating profit,
EUR million



Net cash flow,
EUR million



Key figures Q1-Q4 2019

EUR thousand	1.1.-31.12. 2019	1.1.-31.12. 2018	Change, %
Order intake	110,693	100,757	9.9
Order backlog ¹⁾	30,391	23,685	28.3
Revenue	103,784	96,608	7.4
Operating profit	5,087	2,217	129.5
% of revenue	4.9	2.3	
Adjusted operating profit ²⁾	7,160	5,017	42.7
% of revenue	6.9	5.2	
Profit for the period	2,397	386	520.3
Net cash flow from operating activities ^{3), 4)}	9,030	868	940.3
Return on capital employed, %	8.6	4.4	
Net gearing, % ³⁾	114.9	96.3	
Earnings per share	0.20	0.03	
Equity per share, EUR	2.2	2.2	2.0
Employees on average	660	647	1.9
Employees at end of period	648	675	-4.0

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.

3) Exel Composites Plc has applied the IFRS16 -standard since 1.1.2019 according to the model where the comparative information of previous periods is not adjusted.

Comparable net gearing ratio, assuming IFRS-16 standard would not have been applied, is estimated to have been 96.7% (96.3).

4) IFRS16 rental payments have been classified to financing activities in the cash flow statement. This impacted net cash flow from operating activities in Q4 with EUR 350 thousand, EUR 651 thousand in H2 and EUR 1196 thousand in the full year 2019.

Key figures Q4 2019

EUR thousand	1.10.-31.12. 2019	1.10.-31.12. 2018	Change, %
Order intake	31,650	29,108	8.7
Order backlog ¹⁾	30,391	23,685	28.3
Revenue	26,585	26,711	-0.5
Operating profit	1,085	-1,194	190.8
% of revenue	4.1	-4.5	
Adjusted operating profit ²⁾	1,300	768	69.3
% of revenue	4.9	2.9	
Profit for the period	364	-1,606	122.7
Net cash flow from operating activities ^{3), 4)}	3,502	534	556.3
Return on capital employed, %	6.9	-8.3	
Net gearing, % ³⁾	114.9	96.3	
Earnings per share	0.03	-0.14	
Equity per share, EUR	2.2	2.2	2.0
Employees on average	656	677	-3.2
Employees at end of period	648	675	-4.0

1) As per the end of the period.

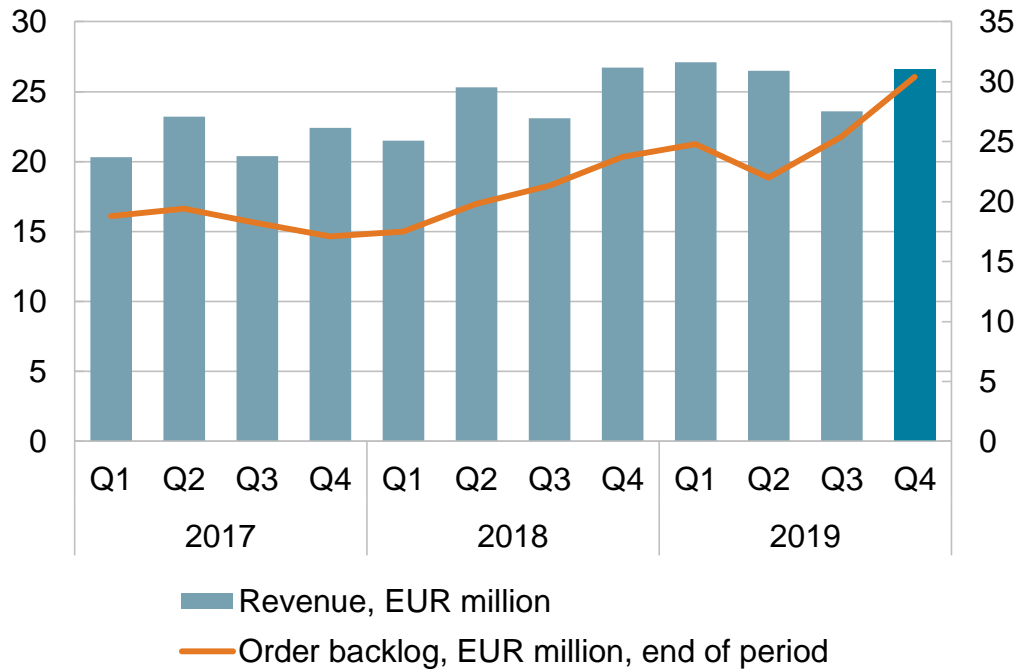
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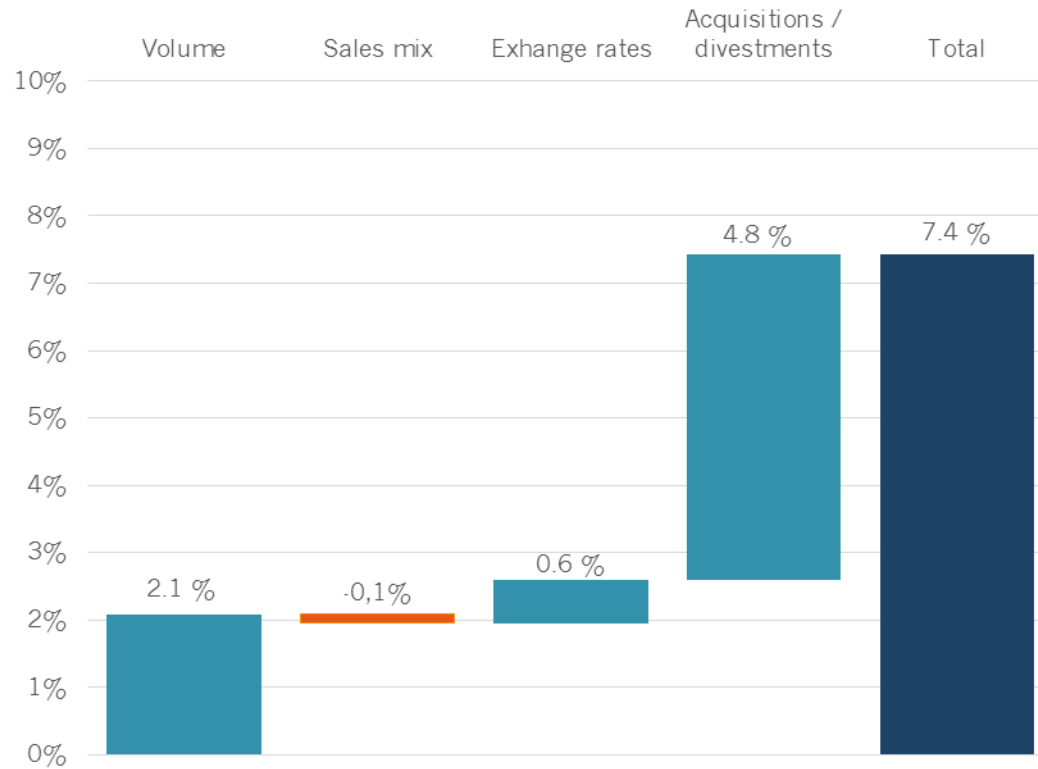
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Order backlog increased to EUR 30.4 million at the end of 2019



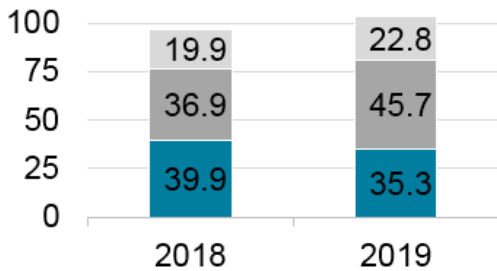
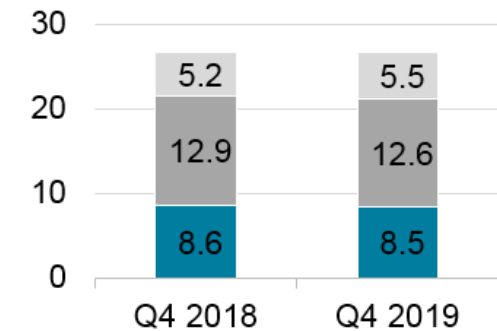
Despite telecom volume decline, overall growth reached 7.4%



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

Construction & Infrastructure drove revenue growth supported by wind power

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

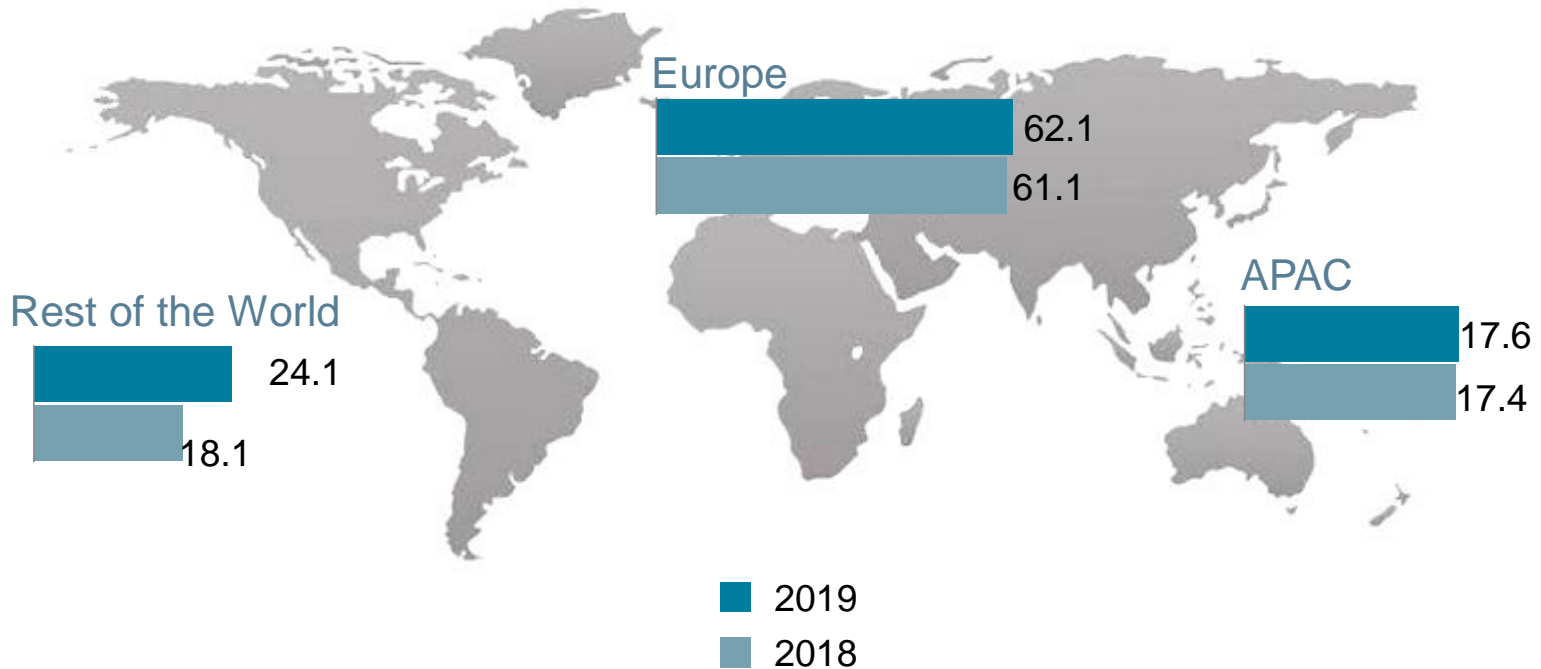


Other
Industries

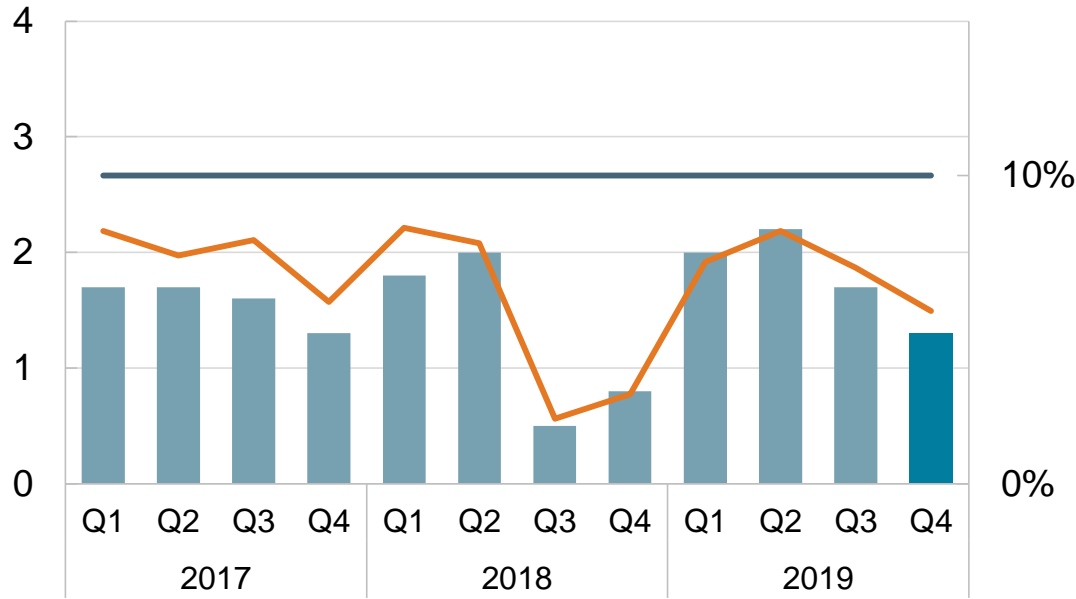
Other Applications

Revenue in the region Rest of the World grew significantly

Revenue by market area,
EUR million



Adjusted operating profit increased significantly compared to previous year



- Adjusted operating profit, EUR million
- Adjusted operating profit margin, %
- Operating profit target, %



Cost reduction program was completed in 2019

- The most important actions implemented under the program
 - Closure of production plant in Germany
 - Layoffs in Finland
 - Cost restructuring in Exel USA
 - Operational improvements and synergy savings in China.
- Actions to improve profitability of Exel USA progressed, but breakeven was not yet achieved in 2019.
 - Although the implemented structural savings improved profitability, lower volumes compared to the previous year had an opposite impact.
 - The streamlining of the cost structure and organization during 2019, however, gives a good start for Exel USA going forward in 2020.
- The original target of the program was to achieve a total of EUR 3 million savings in 2020.
- In 2019 the cost savings program already had an estimated EUR 2 million positive impact on Group profit. The full profit impact of the program in 2020, compared to the 2018 cost structure, will be approximately EUR 3 million.

Strategy implementation in 2019

STRATEGY BASED ON FIVE PILLARS

- Consolidation of production and organization in China
- Started production at a new leased manufacturing location, which is better suited for composite production than the previous ones

- Continued initiatives to extend capabilities in product design and composite production

Build
leadership
in China

Protect and grow
our stronghold
customers
Providing competitive
edge and best
customer service

Create
true global
footprint

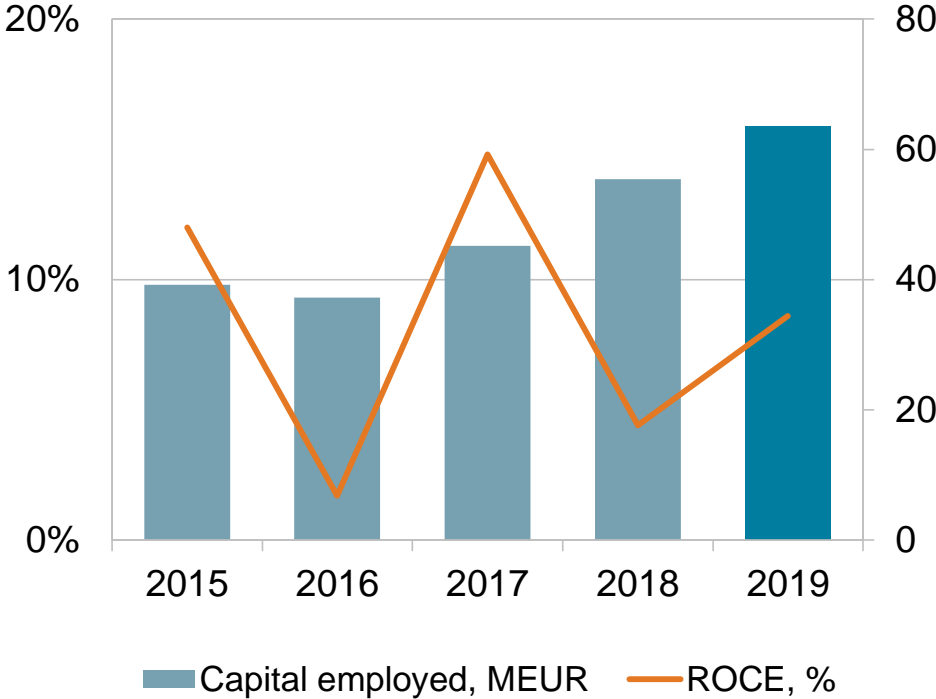
New
composites
technologies

Penetrate
growing/
new
applications

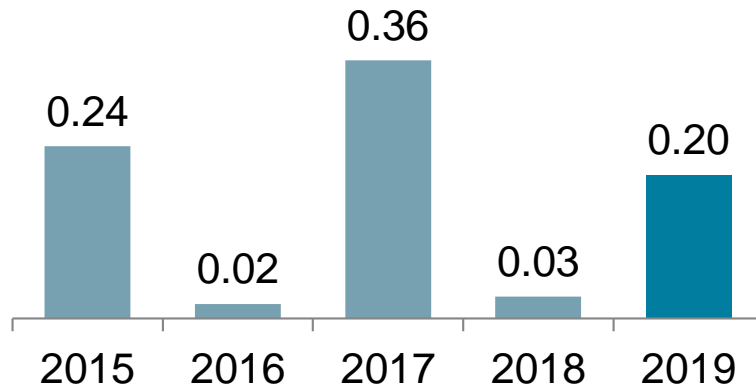
- Expanding operations by investing in a new manufacturing facility in Austria
- Structural changes in production network, e.g. closure of production in Germany
- Global M&A screening activities

- Focused growth initiatives in wind power, transportation as well as building and construction.
- Active development for new composites applications, e.g. the carbon fiber based rope system designed to replace an elevator's steel cabling.

ROCE at 8.6 % in 2019



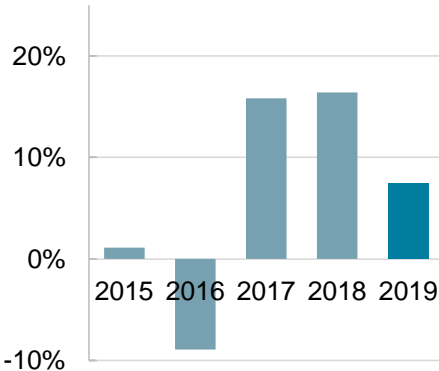
Earnings per share increased to EUR 0.20



Exel's long-term financial targets – net gearing target revised

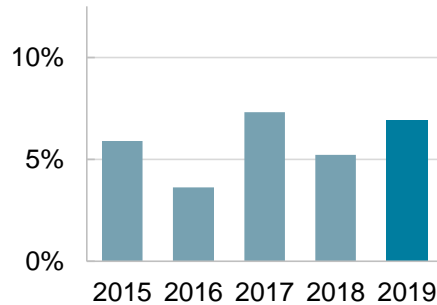
Growth

Revenue growth
2x market growth ¹⁾



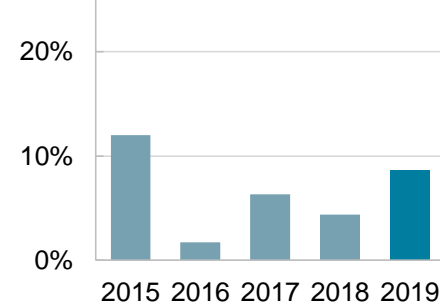
Profitability

Adjusted operating
profit margin >10%



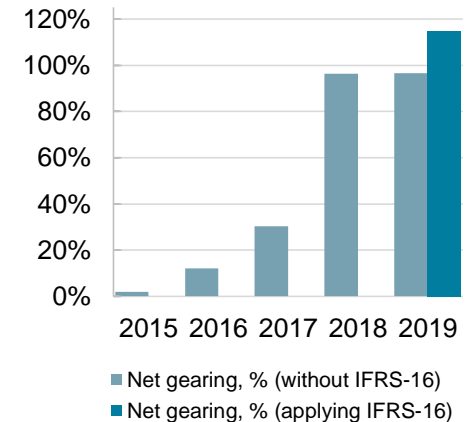
Capital efficiency

Return on capital employed
> 20%



Financial position

Net gearing
≤ 80%



¹⁾ Annual growth rate estimated for the global composites market vary, according to industrial segment, market area and source, between approximately 2%-5% during 2018-2023

Outlook for 2020

Exel Composites expects **revenue** and **adjusted operating profit** to **increase** in 2020 compared to 2019.

Exel Composites has manufacturing in Nanjing, China. The coronavirus outbreak has delayed ramping up production to full capacity after the Chinese New Year. This will impact production volumes in China in the first quarter 2020. Currently, it is too early to estimate the impacts of the outbreak on the company's business and financial performance.

More information at www.exelcomposites.com

Financial calendar 2020

- Financial Statements Release 2019 18 February 2020
- Business Review January - March 6 May 2020
- Half Year Financial Report January - June 21 July 2020
- Business Review January - September 30 October 2020

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

THANK YOU!

