

SIGNIFICANT IMPROVEMENT IN OPERATING PROFIT



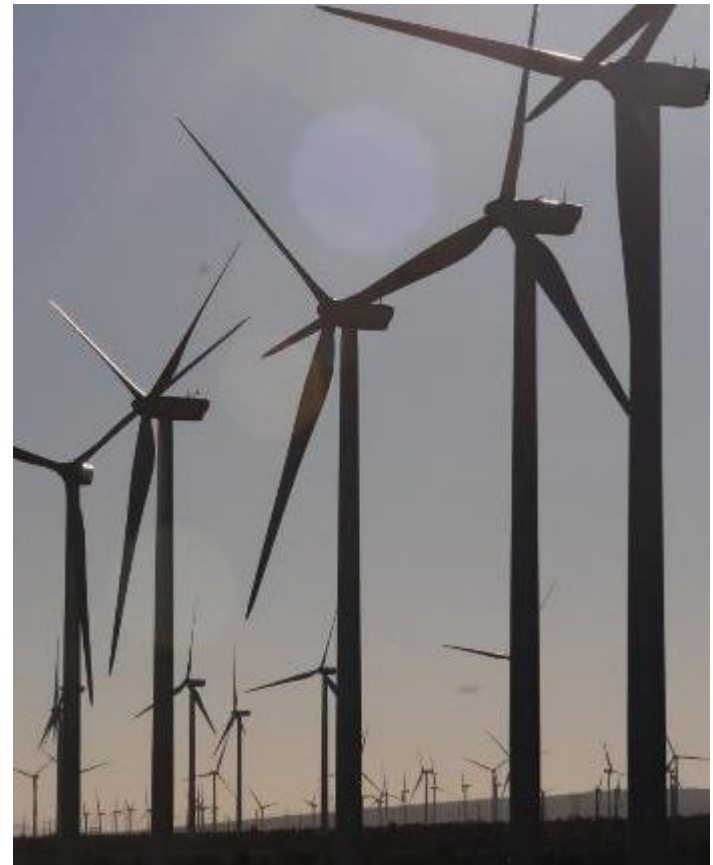
January – March 2017
Business Review

4 May 2017

Riku Kytömäki
President and CEO

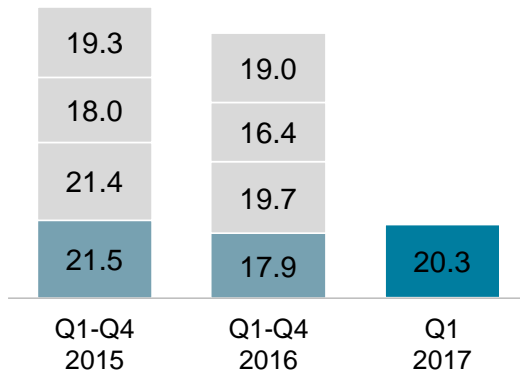
Q1 2017 in brief

- **Business environment**
 - Strong order intake and order backlog leading to increased revenue
 - New customer acquisition gaining momentum
 - General market recovery contributed
 - Significant improvement in operating profit
- **Operations**
 - Increased operational efficiency
 - Reduced cost level after cost savings measures from 2016
- **Financial performance**
 - Key performance indicators – order intake, revenue and operating profit – all improved in Q1 2017

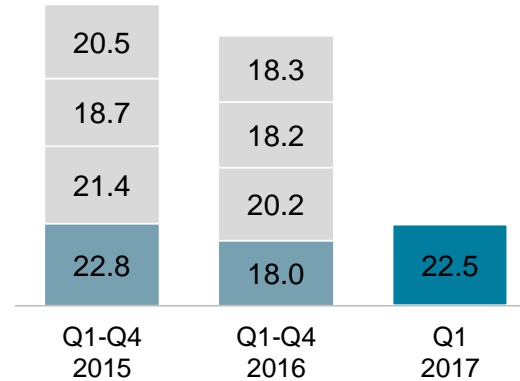


Q1 2017 highlights

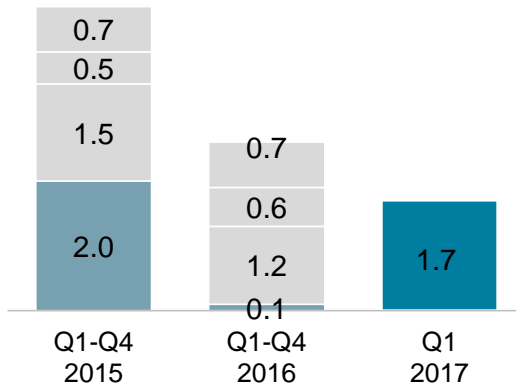
Revenue, EUR million



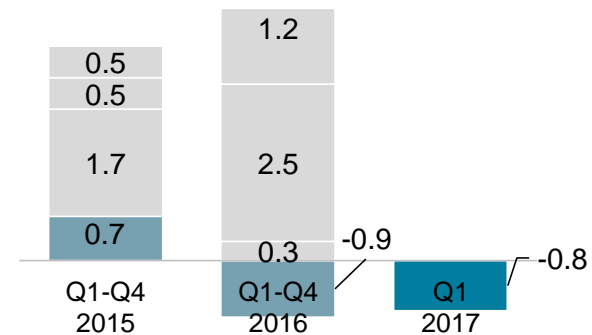
Order intake, EUR million



Adjusted operating profit,
EUR million



Net cash flow, EUR million



Key figures Q1 2017

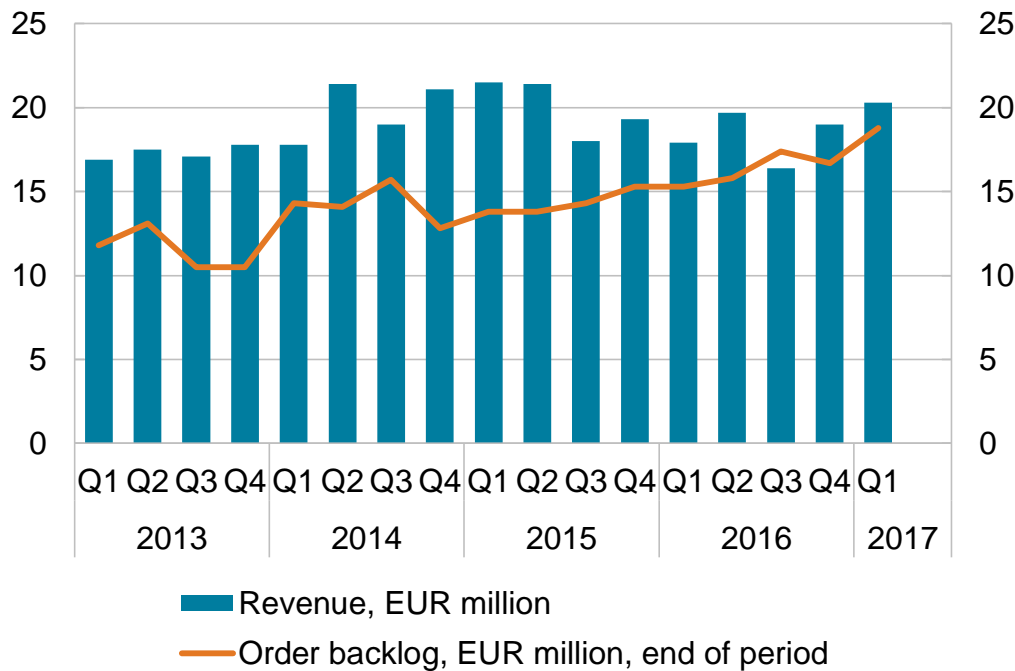
EUR thousand	1.1.-31.3. 2017	1.1.-31.3. 2016	Change, %	1.1.-31.12. 2016
Order intake	22,480	18,032	24.7	74,778
Order backlog ¹	18,806	15,382	22.3	16,702
Revenue ²	20,296	17,919	13.3	73,079
Operating profit	1,655	146	1032.7	649
% of revenue	8.2	0.8		0.9
Adjusted operating profit ³	1,665	149	1016.6	2,621
% of revenue	8.2	0.8		3.6
Profit for the period	1,107	-2	53940.3	198
Net cash flow from operating activities	-848	-862	+1.6	3,129
Return on capital employed, %	17.4	1.5		1.7
Net gearing, %	16.5	15.8		12.2
Earnings per share	0.09	0.00		0.02
Equity per share, EUR	2.37	2.32	2.5	2.27

¹ As per 31 March 2017.

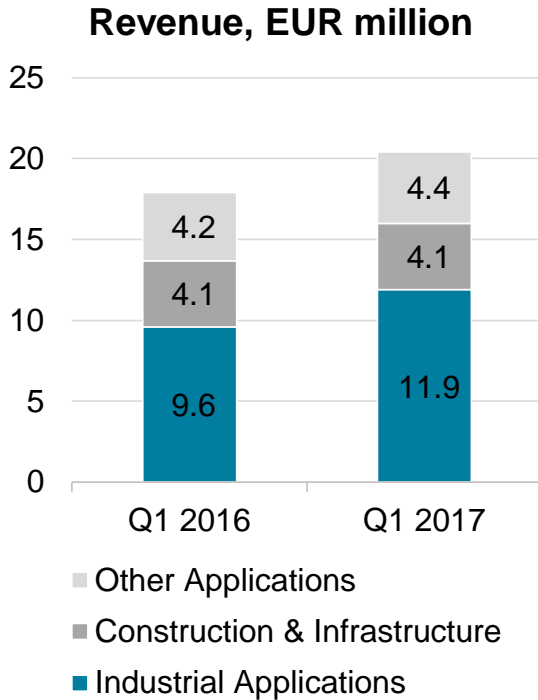
² Revenue by customer segment in Q1 2017: Industrial Applications EUR 11.9 million (9.6), Construction & infrastructure EUR 4.1 million (4.1), Other applications EUR 4.4 million (4.2).

³ 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.

Order backlog continued to increase in Q1 2017



Industrial Applications contributed the most to revenue growth in Q1 2017



Industrial Applications



Telecommuni-
cation



Paper
Industry



Electrical
Industry



Machine
Industry



Transportation
Industry

Construction & Infrastructure



BCI



Energy
Industry



Cleaning &
Maintenance



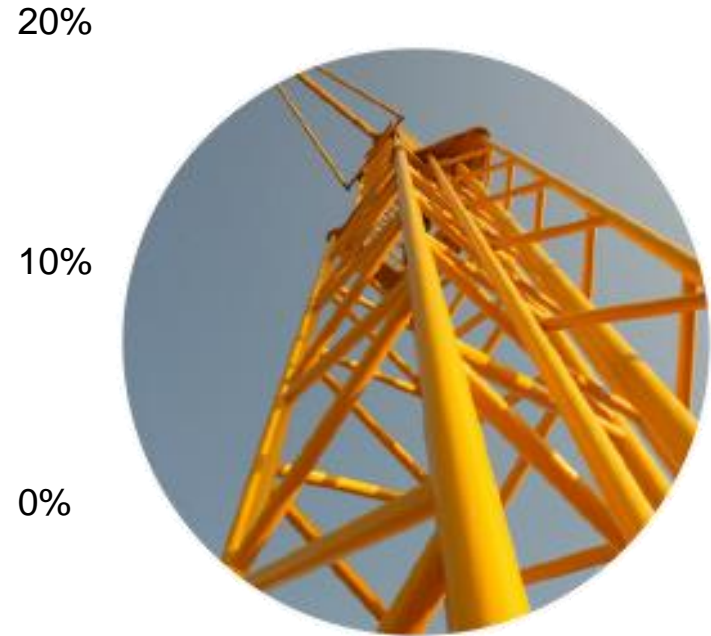
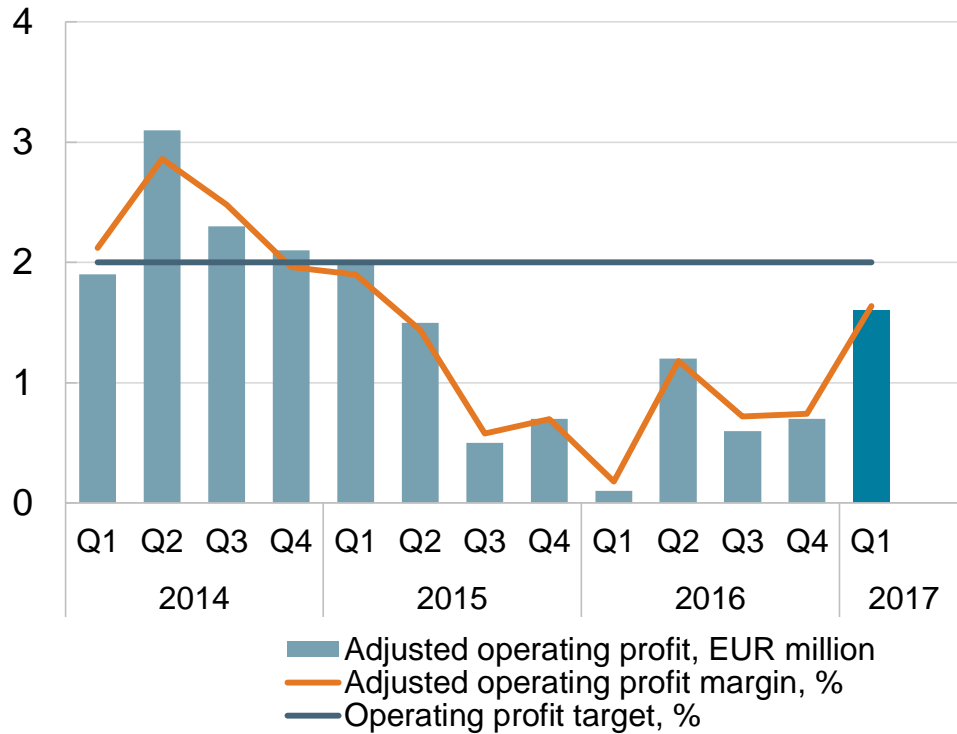
Sports &
Leisure



Other
Industries

Other Applications

Significant improvement in operating profit



Exel is well positioned for profitable growth

- Increased efforts and focus on new customer acquisition gaining momentum
- Continued focus on operational efficiency
- Attractive long-term market fundamentals prevail
- At the end of April 2017 Exel closed the acquisition of the Chinese composites production company Nanjing Jianhui Composite Material (JHFRP)



The acquisition of Nanjing Jianhui strengthens our position in APAC



- Nanjing Jianhui is a steadily growing, profitable business
- Business includes one manufacturing unit, which uses mainly pultrusion technology to produce composite products
- A balanced portfolio of local Chinese customers and exports outside China
- Products produced largely complementary to Exel's existing offering
- Being located in Nanjing, where Exel's existing factory is, gives us the opportunity to realize operational synergies and improves our export sales capacity from China
- Currently integration of Nanjing Jianhui to Exel Group is ongoing

Outlook for 2017

- Exel Composites estimates that **revenue** with current company structure (i.e. without the Chinese company acquisition) will **increase** from previous year level and **adjusted operating profit will be higher** than previous year level. In 2016, Exel Composites' revenue was EUR 73.1 million and adjusted operating profit was EUR 2.6 million.



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