

EXEL COMPOSITES FINANCIAL STATEMENTS RELEASE



Financial Statements Release
January-December 2018
15 February 2019

Exel Composites in brief

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 Applications: Telecommunication, Paper Industry, Electrical Industry, Machine Industry, Transportation Industry

Construction & Infrastructure: BCI, Energy Industry

Other Applications: Cleaning & Maintenance, Sports & Leisure, Other Industries



Customers in over
50
countries

Manufacturing in
7
countries

96.6

(86.3)

Revenue

EUR million, 2018 (2017)

5.0

(6.3)

Adjusted operating profit

EUR million, 2018 (2017)

675

(568)

Employees

End of 2018 (2017)

Our values



Customer focused



Integrity



One Exel



Caring



Innovative



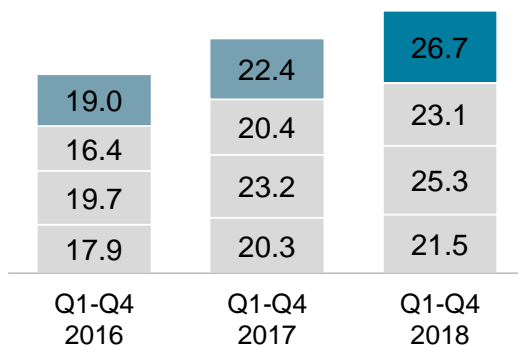
2018 in brief: Strong order intake in Q4

- **Business environment**
 - Wind energy industry predominantly supporting growth
 - Challenging competitive situation in the telecommunications industry
- **Operations**
 - Revenue growth was driven by Construction & Infrastructure customer segment and region Rest of the World
 - DSC turnaround and integration continues according to plan
 - Implementation of cost reduction program continues, e.g. closing of production in Germany
- **Financial performance**
 - Group order intake and revenue grew significantly
 - Adjusted operating profit impacted by lower telecommunications volumes and impaired profitability mainly related to sales mix in some Group manufacturing units; operating profit of DSC improved clearly from Q3 to Q4 2018

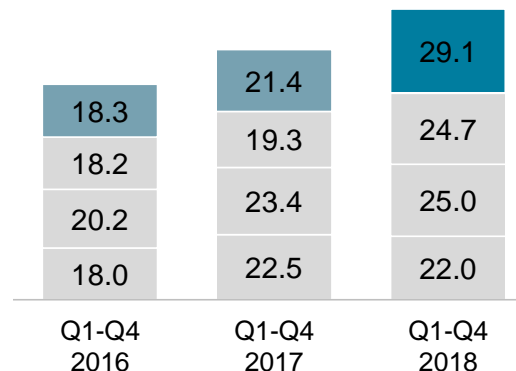


Year 2018 ended on a strong note

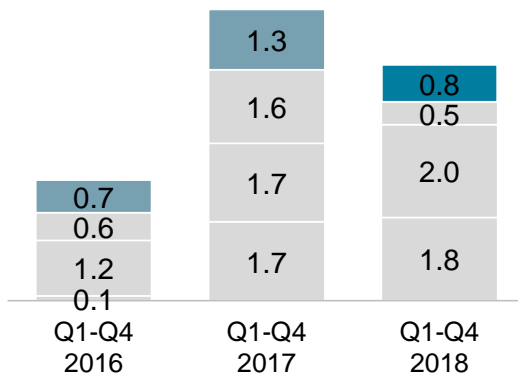
Revenue, EUR million



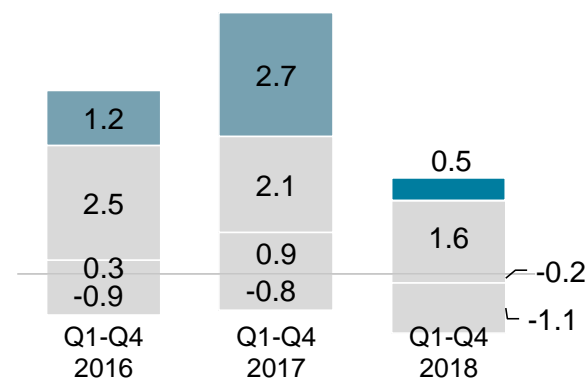
Order intake, EUR million



Adjusted operating profit,
EUR million



Net cash flow, EUR million



Key figures Q1-Q4 2018; order intake exceeded 100 MEUR

EUR thousand	1.1.-31.12. 2018	1.1.-31.12. 2017	Change, %
Order intake	100,757	86,531	16.4
Order backlog 1)	23,685	17,126	38.3
Revenue	96,608	86,255	12.0
Operating profit	2,217	6,081	-63.5
% of revenue	2.3	7.1	
Adjusted operating profit 2)	5,018	6,319	-20.6
% of revenue	5.2	7.3	
Profit for the period	386	4,212	-90.8
Net cash flow from operating activities	868	4,856	-82.1
Return on capital employed, %	4.4	14.8	
Net gearing, %	96.3	30.3	
Earnings per share	0.03	0.36	
Equity per share, EUR	2.18	2.43	-10.2
Employees on average	647	532	21.7
Employees at end of period	675	568	18.8

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.

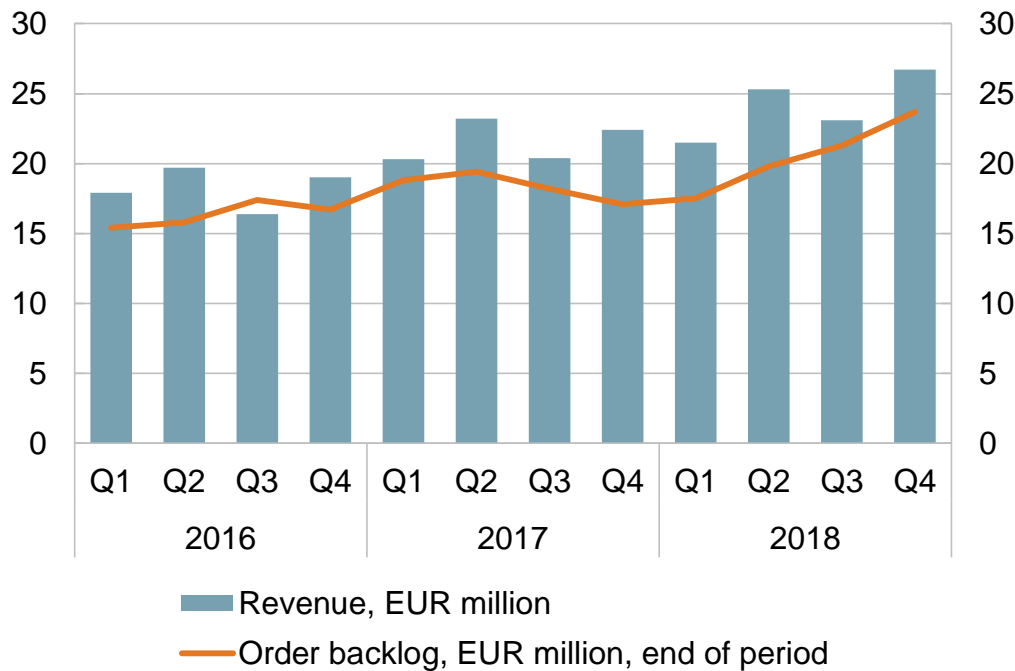
Key figures Q4 2018; German impairments impacted Q4 operating profit

EUR thousand	1.10.-31.12. 2018	1.10.-31.12. 2017	Change, %
Order intake	29,108	21,433	35.8
Order backlog 1)	23,685	17,126	38.3
Revenue	26,711	22,414	19.2
Operating profit	-1,194	1,389	-186.0
% of revenue	-4.5	6.2	
Adjusted operating profit 2)	768	1,327	-42.1
% of revenue	2.9	5.9	
Profit for the period	-1,606	956	-267.9
Net cash flow from operating activities	534	2,708	-80.3
Return on capital employed, %	-8.3	12.3	
Net gearing, %	96.3	30.3	
Earnings per share	-0.14	0.08	
Equity per share, EUR	2.18	2.44	-10.5
Employees on average	677	562	20.6
Employees at end of period	675	568	18.8

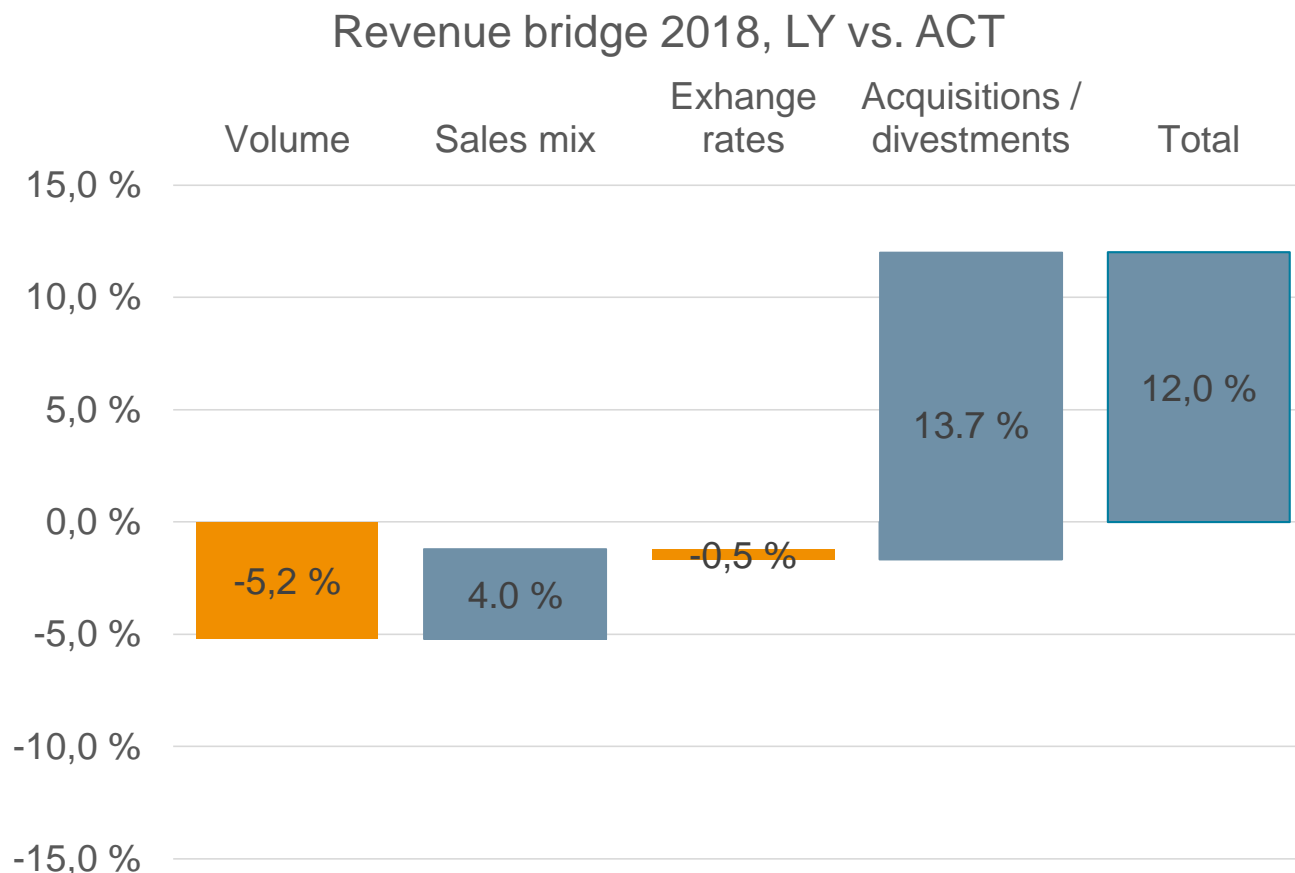
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Order intake and revenue increased significantly



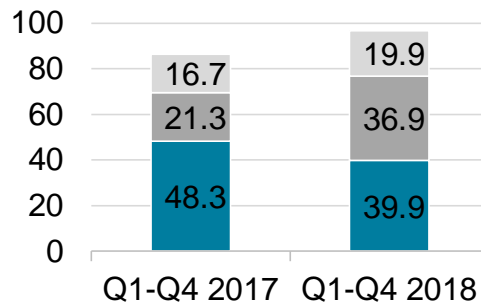
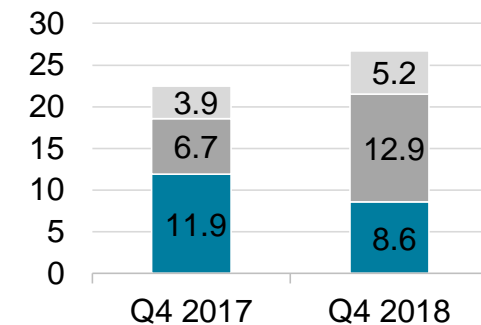
Revenue increase driven by acquisitions



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

Wind energy industry now represents Exel's largest customer

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



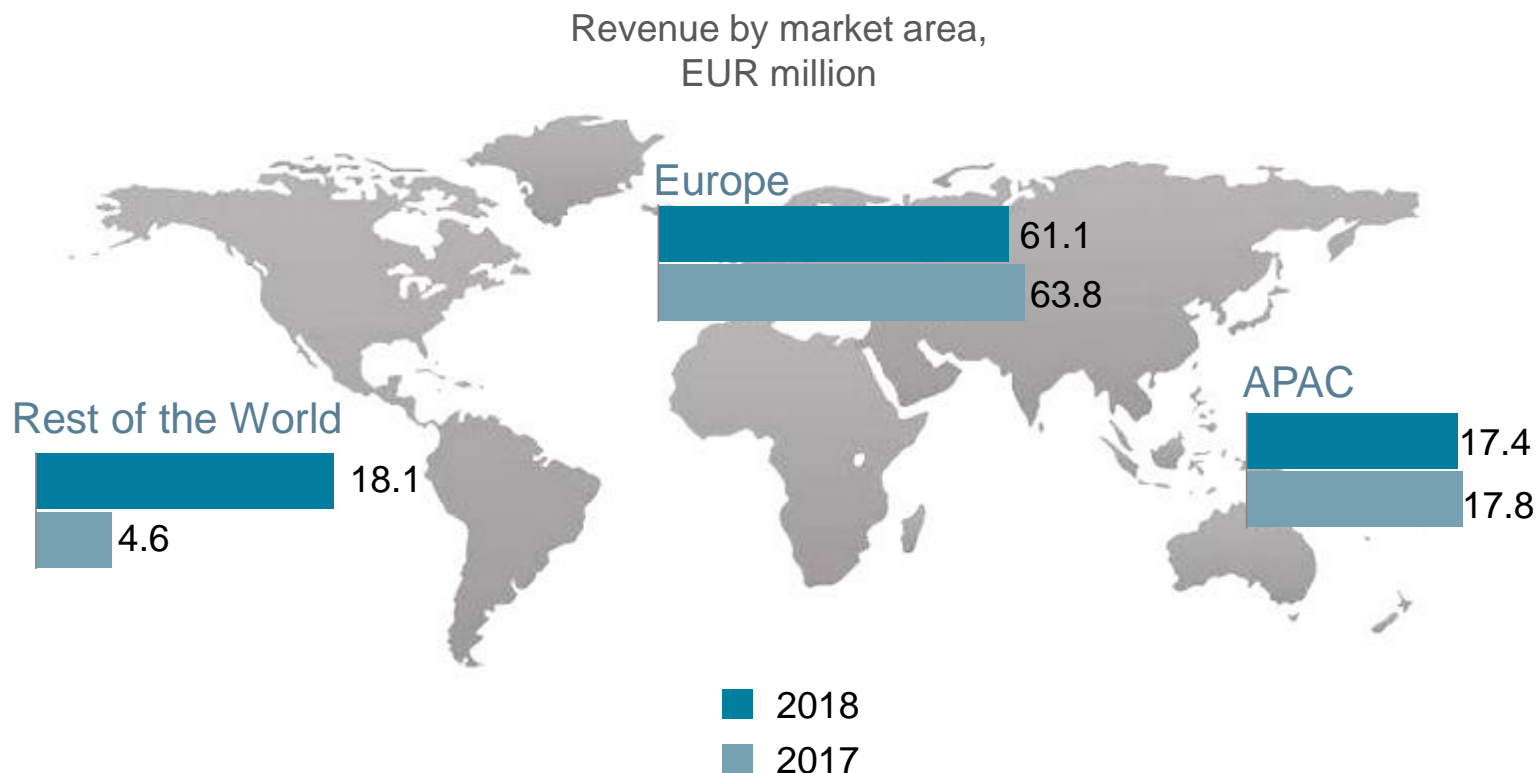
Sports &
Leisure



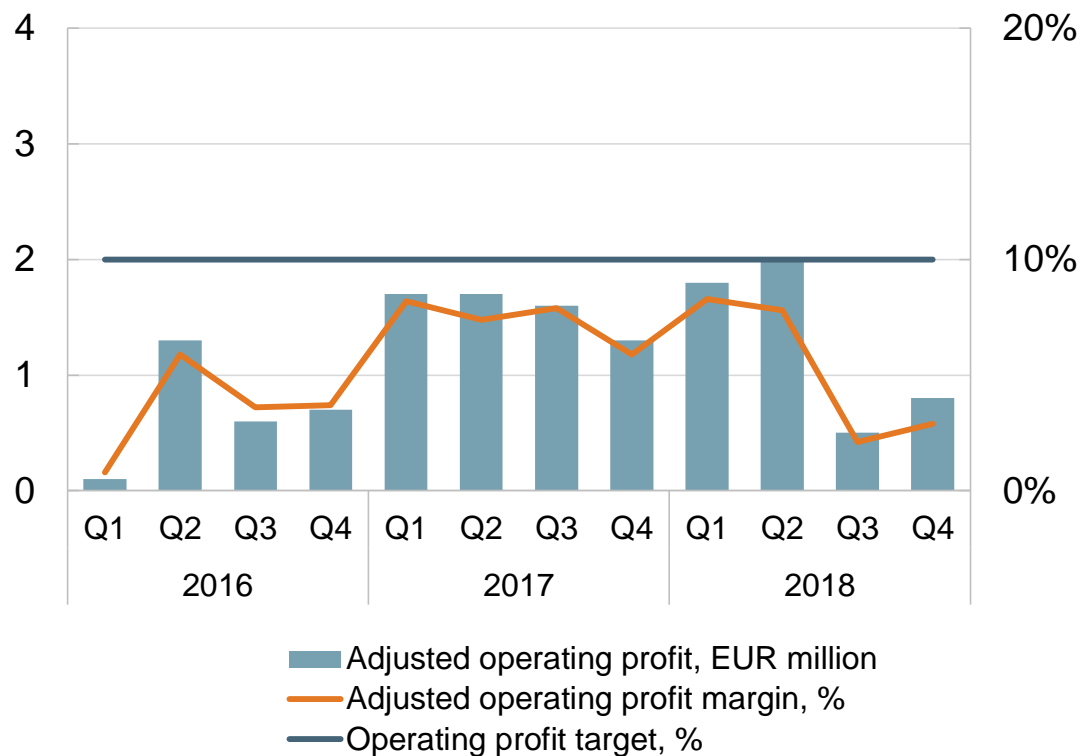
Other
Industries

Other Applications

Revenue in the region Rest of the World grew significantly



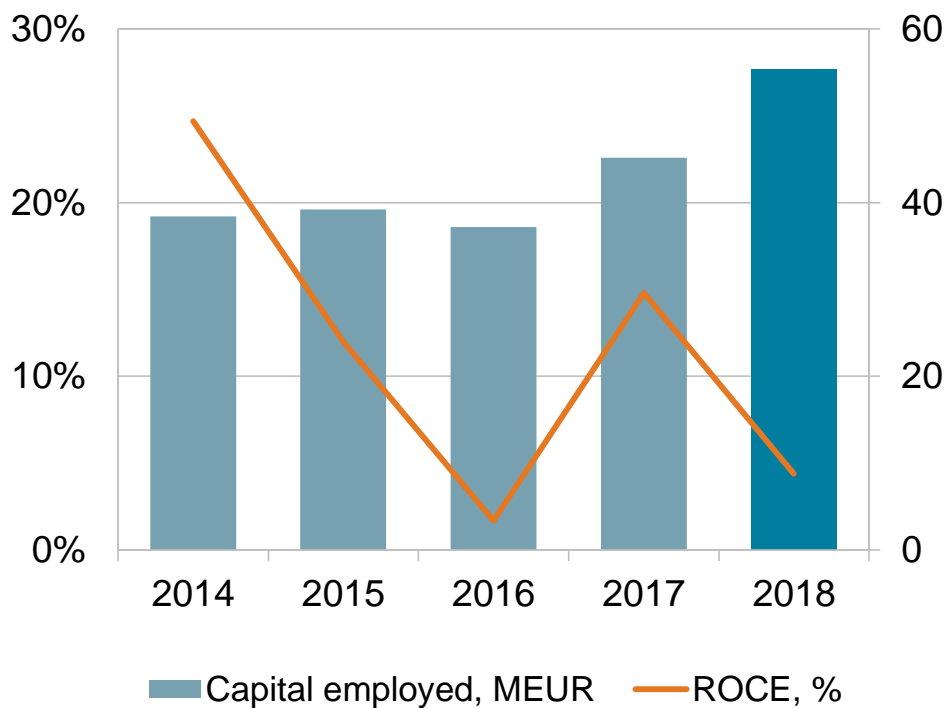
Group-wide cost reduction program initiated to improve profitability



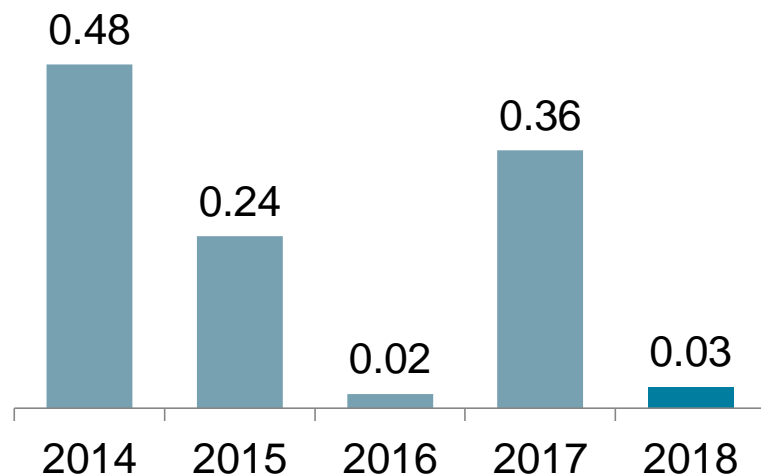
Implementation of cost reduction program continues into 2019

- Initiated in 2018 to improve Group profitability.
- Consists, among other things, of:
 - Optimization of manufacturing footprint in Europe
 - The manufacturing unit in Germany to be closed by end of April 2019
 - Co-determination negotiations conducted in the Finnish manufacturing units
 - Improve the profitability and cost efficiency in the DSC business
 - Turnaround continues according to plan
 - Drive further synergy savings between the company's two manufacturing units in China
- The annual savings target of the Group-wide cost savings program is EUR 3 million, expected to be fully effective in 2020.

ROCE at 4.4% for 2018



Earnings per share decreased to 3 cents, impact of German impairments 14 cents



Strategy implementation in 2018

STRATEGY BASED ON FIVE PILLARS

In 2018:

- Strengthened position in China and APAC; expanded manufacturing capacity, local sales and product development
- Increased export capacity to other markets

In 2018:

- High-level know-how on carbon fibers and technological skills such as high-speed production through the acquisition of DSC
- Continued initiatives to extend capabilities in product design and composite production



In 2018:

- Acquisition of Diversified Structural Composites (DSC)
- Foothold in all of the most important composites markets
- Global M&A screening activities

In 2018:

- Active development for new composites applications, e.g. applications for the automotive and wind energy industry, long-length carbon fiber products and mid-segment composite profiles in the construction industry

Outlook for 2019

- Exel Composites expects **revenue** as well as **adjusted operating profit** to **increase** in 2019 compared to 2018.



News highlights at www.exelcomposites.com



12.12.2018 11:45 EET

Safety challenge accepted!

In the mid 1940's the US Navy experimented with 5,000-watt natural gas lights mounted on 75-foot towers at



29.10.2018 09:56 EET

Next time you fly, think about the lights

If you have flown recently, you may have had the opportunity to watch your take-off and landing from an



27.9.2018 09:58 EET

Exel Composites pioneers innovative rail solutions

EPTA highlights opportunities A new industry briefing from the European Pultrusion Technology Association



30.7.2018 07:41 EET

Exel Composites partners with Ziebel on game-changing oil well sensor

Improving oil recovery factors Ziebel was founded in 2006 with the vision to become a significant contributor to

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