

Half Year Financial Report Q1-Q2 2020

OPERATING PROFIT AND REVENUE INCREASED

Exel Composites overview



8
manufacturing units

Global technology company and the world's largest manufacturer of pultruded and pull-wound composite products.

Customers in over
50
countries

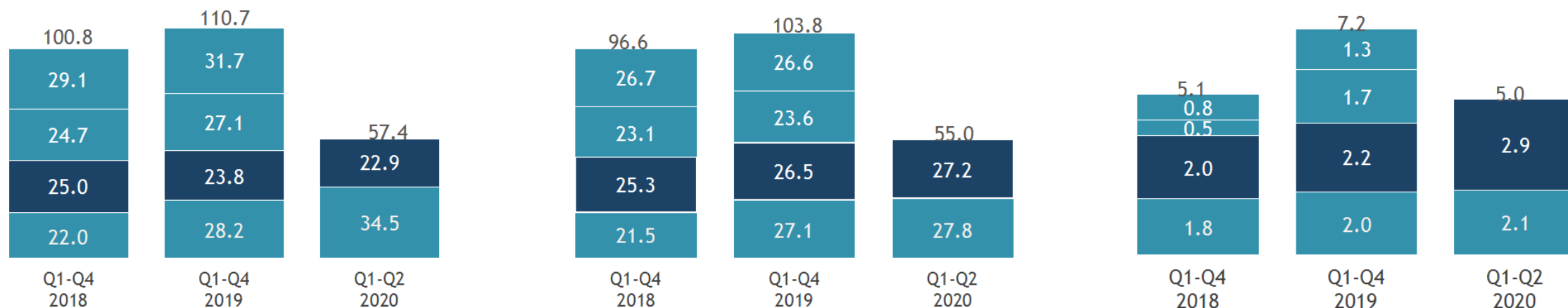
In business for
60
years

103.8
(96.6)
Revenue
EUR million, 2019 (2018)

7.2
(5.0)
Adjusted operating profit
EUR million, 2019 (2018)

648
(675)
Employees
End of 2019 (2018)

Q2 2020 highlights



Order intake

On one hand, order intake suffered from Covid-19 related uncertainty and cautiousness among customers.

On the other hand, we recorded a sizable order in Buildings and infrastructure to be delivered mainly in 2021.

- The Covid-19 pandemic impacted Exel Composites' operations in Europe and the United States, while in China our factories operated normally.
- Activity level increased towards the end of the quarter, based on which it seems that the business environment is developing favorably. However, there is still a risk that the pandemic continues or expands.

Revenue

Increase of deliveries especially in Wind power to the Asia-Pacific region.

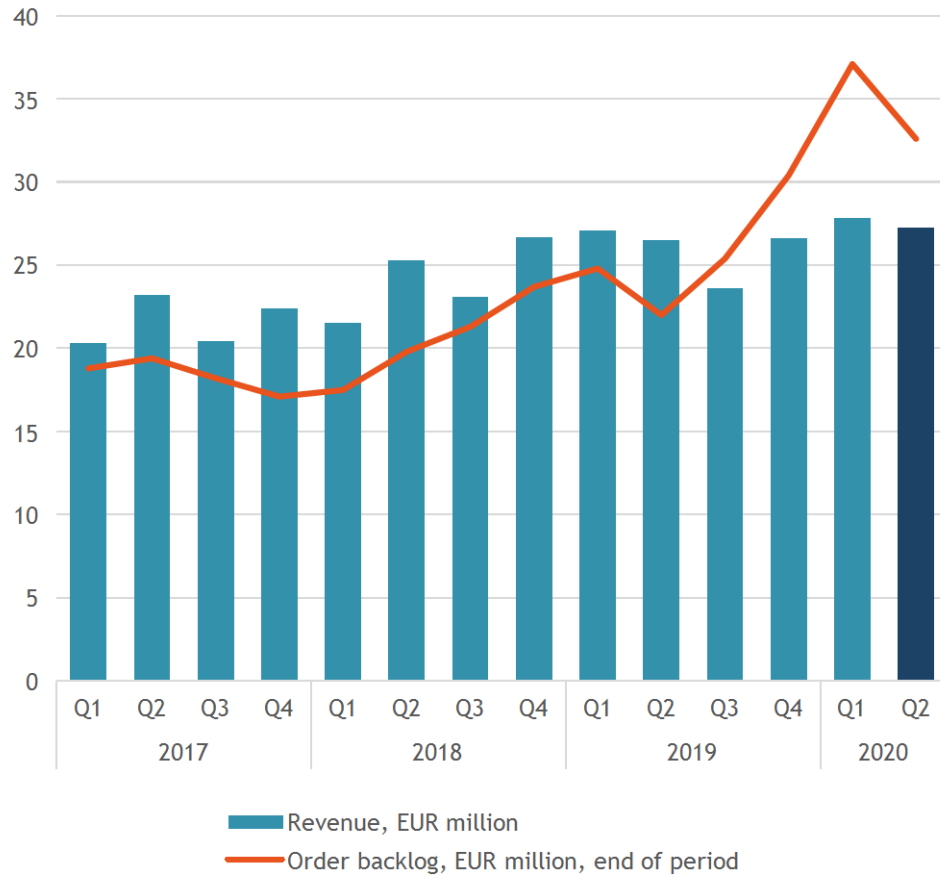
Volume decline in other customer industries globally, mainly attributable to the Covid-19 pandemic.

Adjusted operating profit

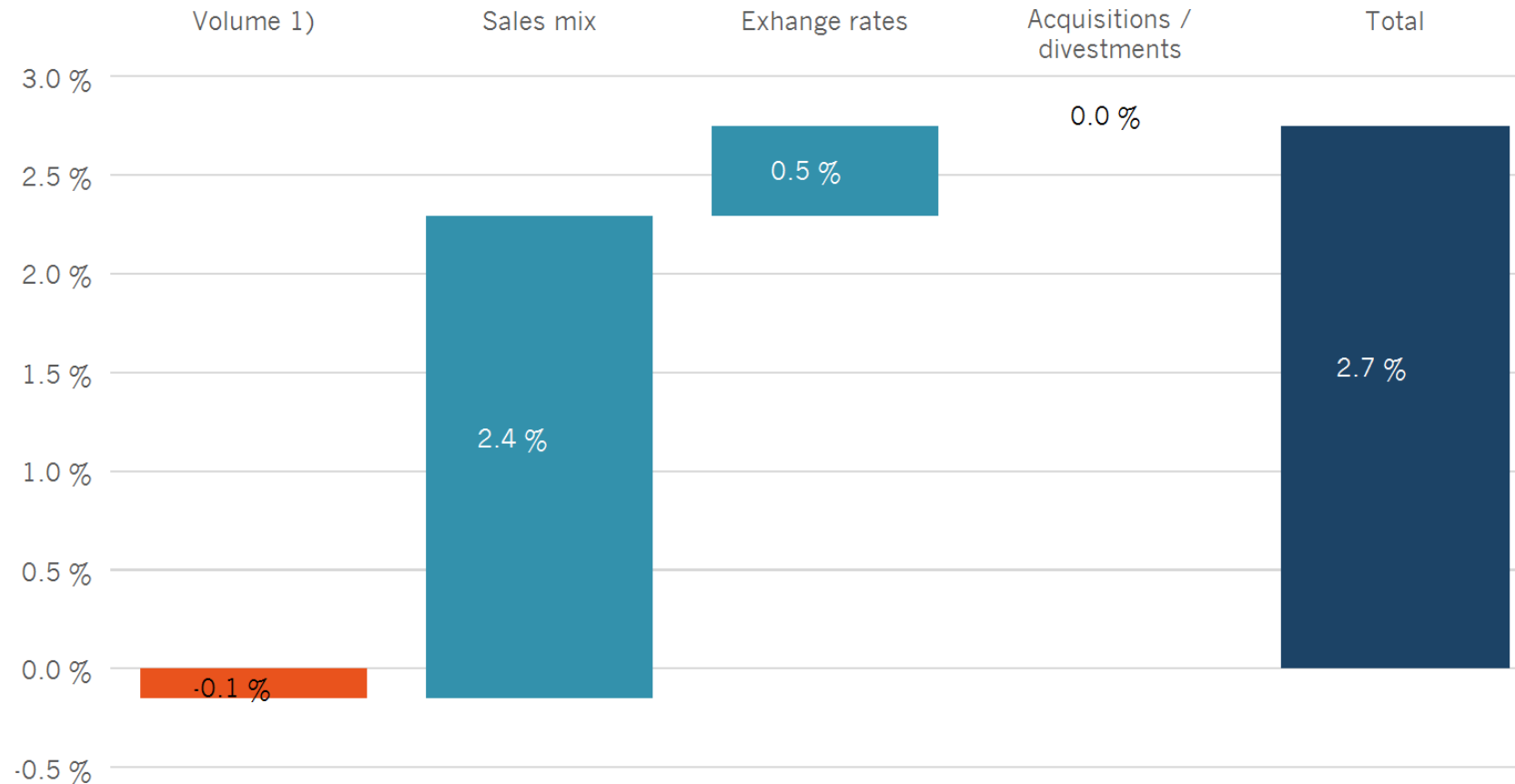
Operating profit increased despite the effects from the pandemic.

Improved profitability of the business unit in the USA was the main factor behind positive development of Group operating profit.

Order backlog was EUR 32.6 million at the end of Q2 2020



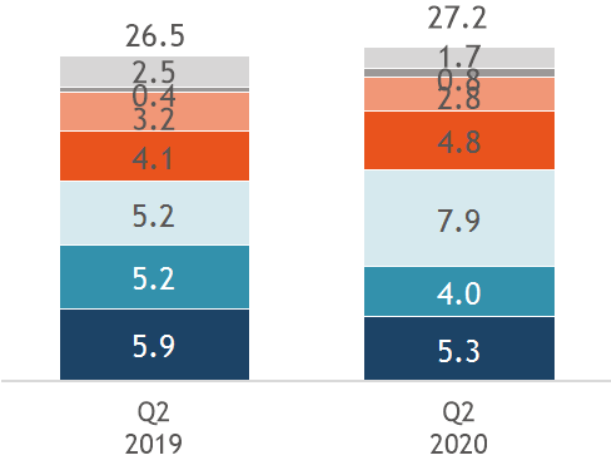
Revenue growth in Q1-Q2 2020 mainly due to improved sales mix



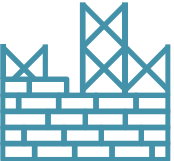
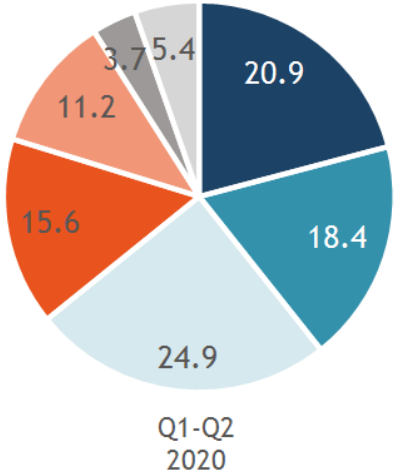
1) Volume impact calculated as difference in kilograms of delivered products times prior year average sales price/kg.

Revenue increased supported by deliveries in Wind power customer industry

Revenue by customer segment, EUR million



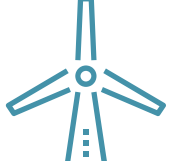
Revenue share by customer segment, %



Buildings and infrastructure



Equipment and other industries



Wind power



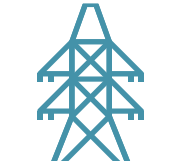
Machinery and electrical



Transportation



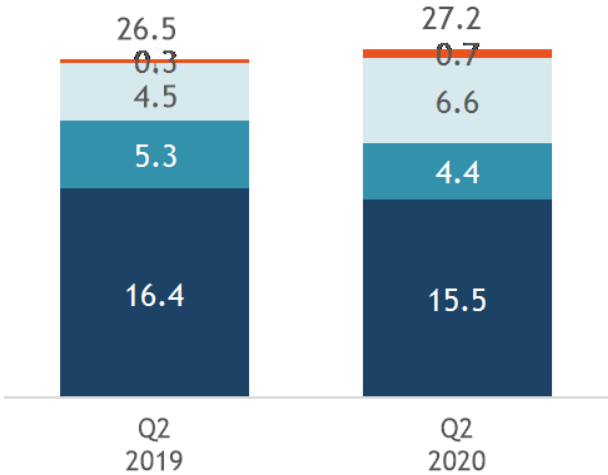
Defense



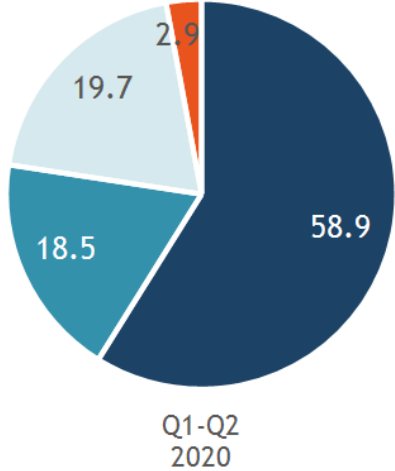
Telecommunications

Revenue growth especially in the Asia-Pacific region

Revenue by region, EUR million

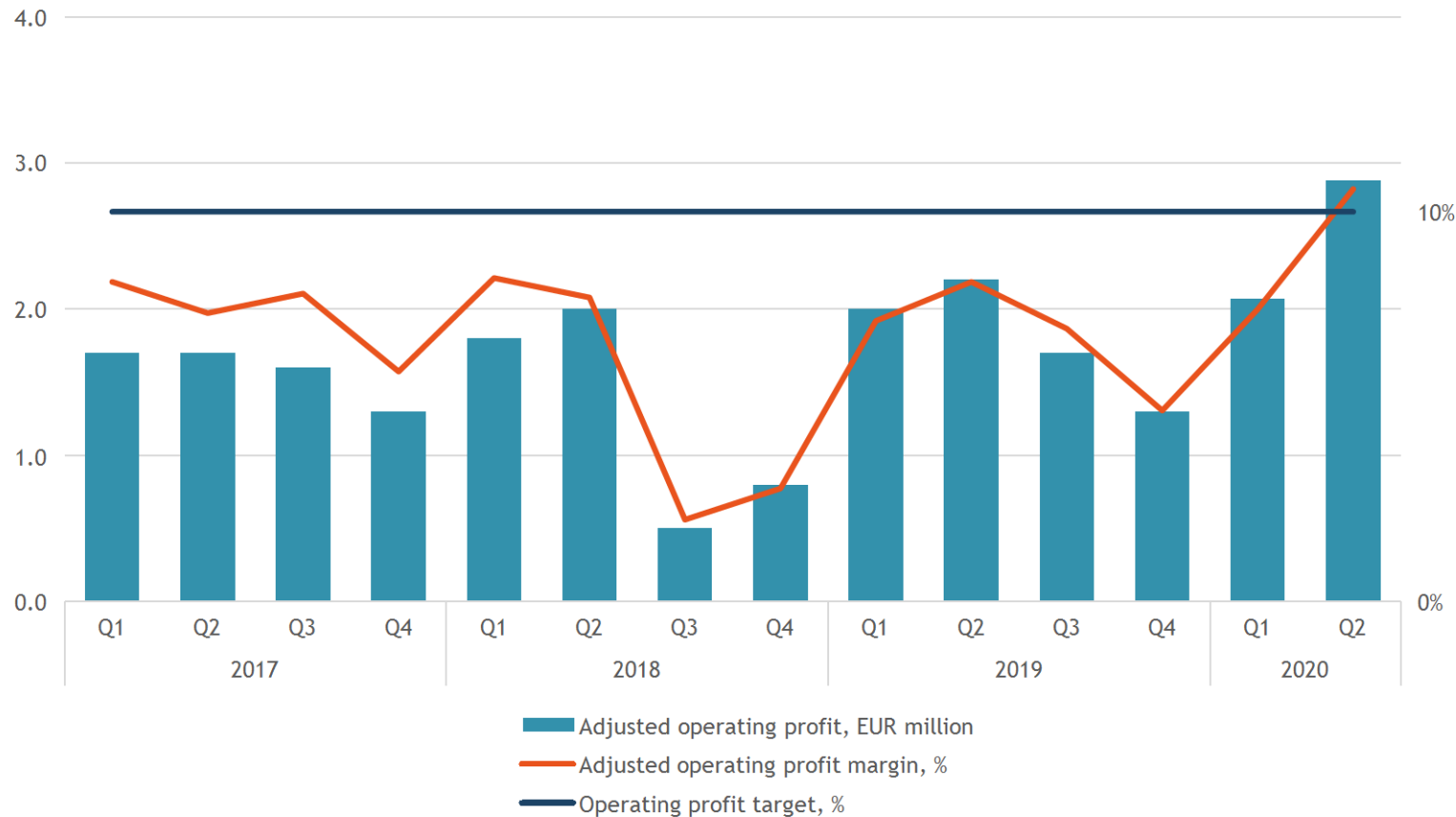


Revenue share by region, %



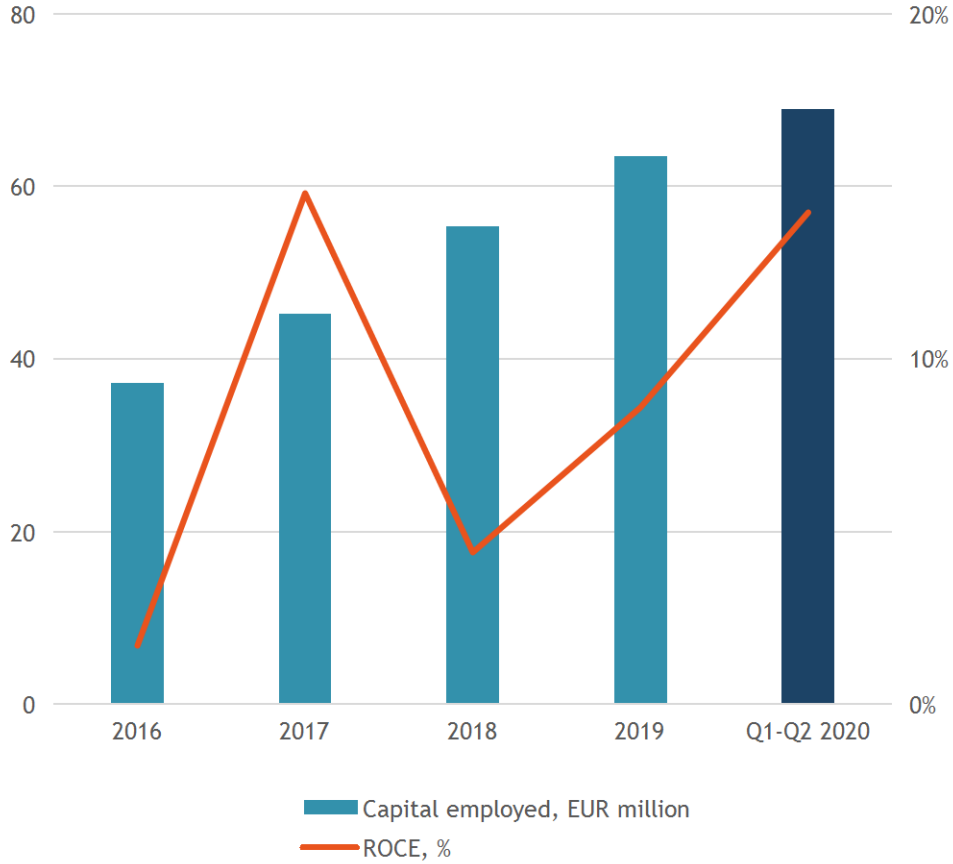
Europe
 North America
 Asia-Pacific
 Rest of the world

Operating profit increased to 2.8 in Q2 2020 despite the effects of the pandemic



- Adjusted operating profit was EUR 2.9 million in Q2 2020
- Improved profitability of the business unit in the USA was the main factor behind the positive development of Group operating profit.

Return on capital employed at 14.2% in Q1-Q2 2020



Impacts of the Covid-19-pandemic in Q2 2020

In Q2 2020, the pandemic impacted Exel Composites' operations in Europe and the United States, while in China our factories operated normally.

Order intake suffered from Covid-19 related uncertainty and cautiousness among customers, but declined only slightly due to a sizable order recorded.

Liquidity and cash situation good.

Close and continuous interaction with customers, suppliers and business partners.

Actions continued to ensure safety and business continuity.

Close monitoring of the situation is a priority for us.

Guidance for 2020

Exel Composites withdrew its guidance on 6 May 2020 as a consequence of increased uncertainty and poor short-term predictability due to the Covid-19 pandemic. The impact of the pandemic on the company depends on the duration and severity of the crisis. The company will specify its guidance for 2020 later during the year when a more reliable estimate can be made.

More information at www.exelcomposites.com

Financial calendar 2020

- Financial Statements Release 2019 18 February 2020
- Business Review Q1 2020 6 May 2020
- Half Year Financial Report Q1-Q2 2020 21 July 2020
- Business Review Q1-Q3 2020 30 October 2020

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THINKERS