

# Business Review

## Q1 2020

“Profitability improved; guidance withdrawn due to poor short term predictability”

# 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

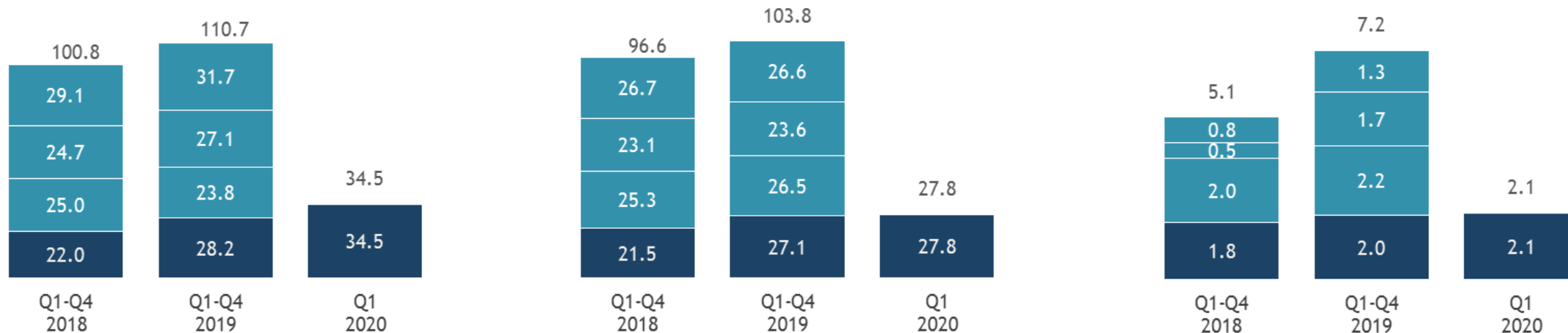
In business for  
**60**  
years

**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)

# Q1 2020 highlights



## Order intake

Order intake increased by 22.6% compared to the previous year.

Record high quarterly order intake supported by the business unit in the USA.

## Revenue

Revenue growth driven by customer industries Defense as well as Equipment and other industries.

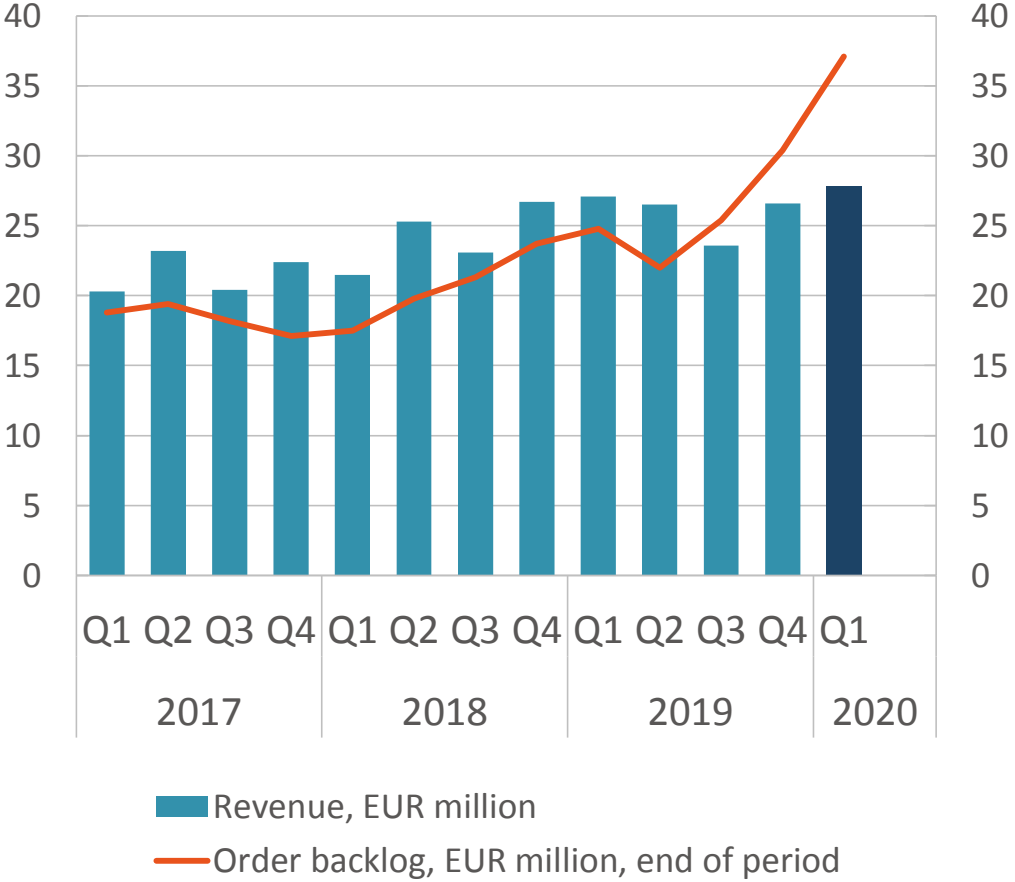
Geographically, revenue was driven by regions Asia-Pacific and Europe.

## Adjusted operating profit

Adjusted operating profit improved despite impact of pandemic in China; business unit in the USA profitable in Q1.

- The main impact from the Covid-19 outbreak was on Exel Composites' business in China.
- Despite the uncertainties in the global business environment in the short term, reducing the impact of global warming, requirements for energy efficiency and sustainable values continue to increase the demand for composites in the long term.

# Order backlog record high at EUR 37.1 million in Q1 2020



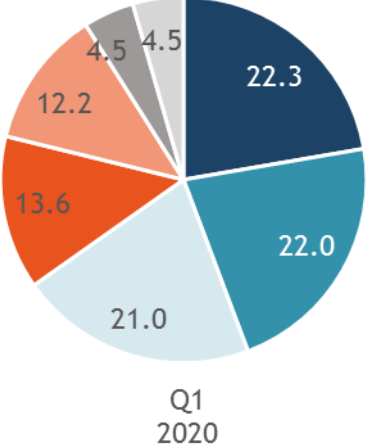
# New revenue distribution split: seven customer industries

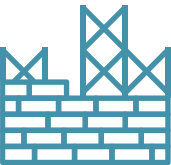



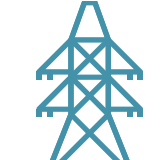
➤ Revenue growth supported by Defense (233.7%) and Equipment and Other industries (12.1%).

Revenue by customer segment, EUR million



Revenue share by customer segment, %

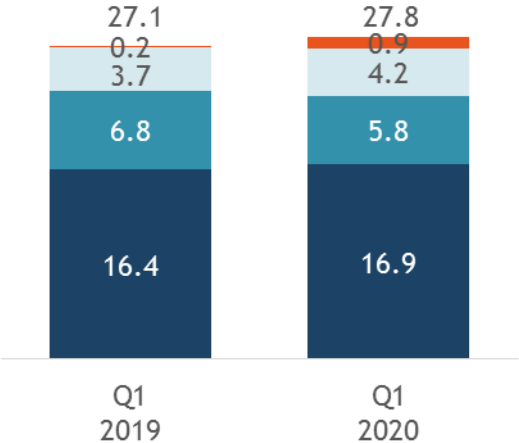


-   
 Buildings and infrastructure
-   
 Equipment and other industries
-   
 Wind power
-   
 Machinery and electrical
-   
 Transportation
-   
 Defense
-   
 Telecommunications

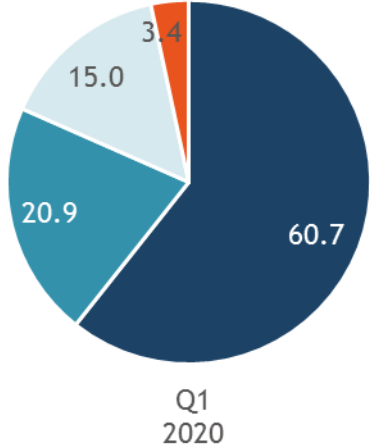
# Four geographical regions: North America separated into a region of its own

Revenue in Asia-Pacific (13.2%) and Rest of the world (395.6%) increased most in Q1 2020

Revenue by region, EUR million

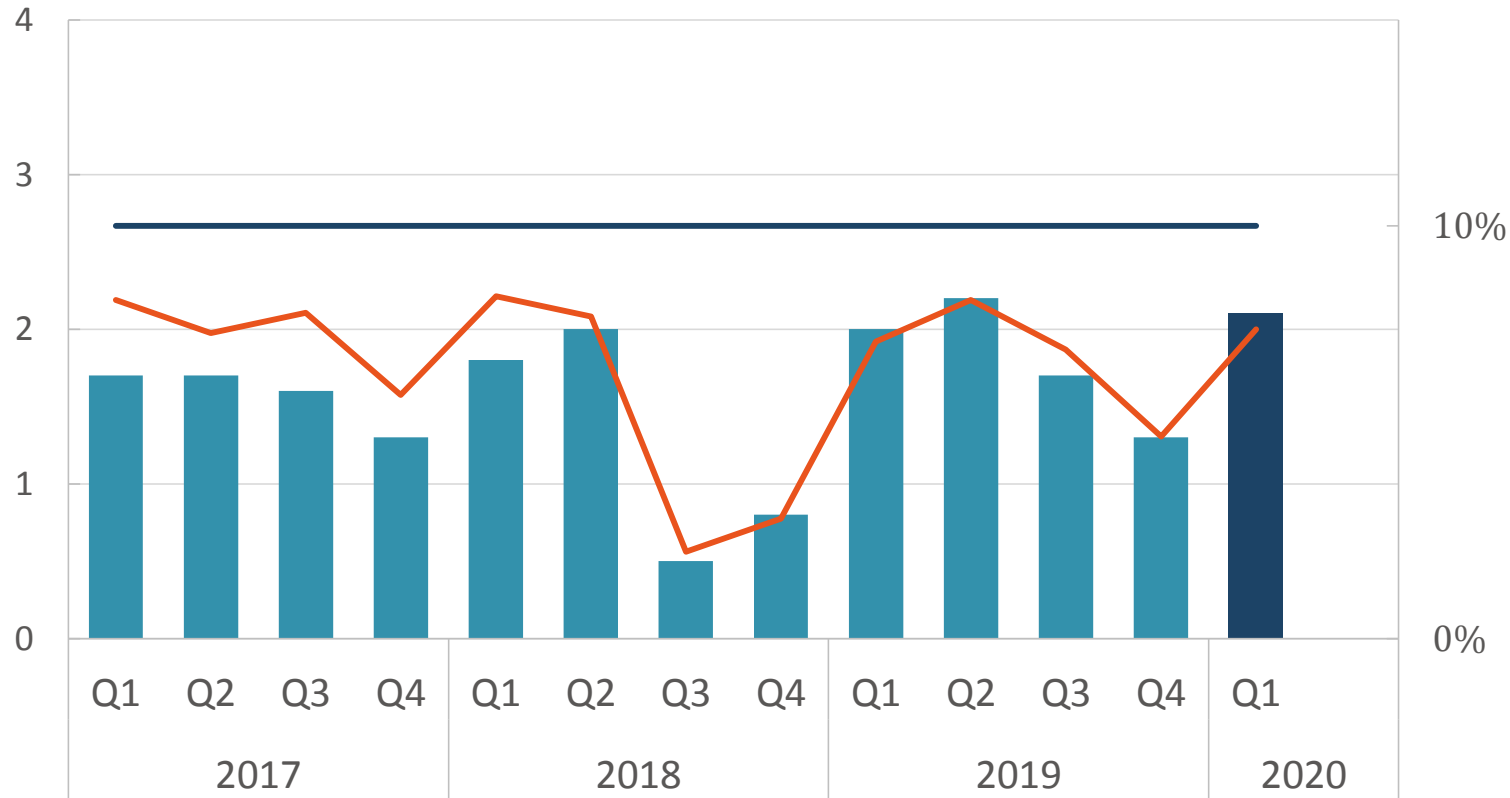


Revenue share by region, %



Europe
  North America
  Asia-Pacific
  Rest of the world

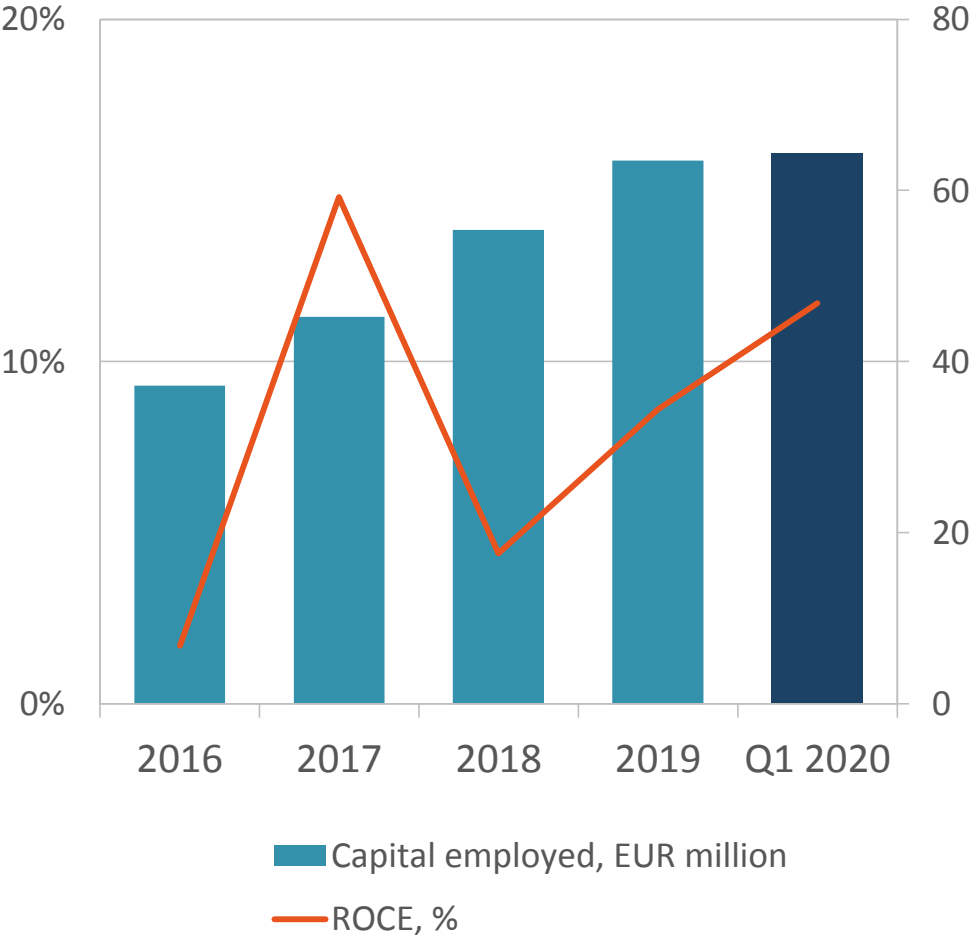
# Adjusted operating profit increased despite the impact of Covid-19-pandemic in China



➤ The business unit in the USA was profitable in Q1 2020, which had a significant positive effect on Group profitability.

■ Adjusted operating profit, EUR million  
— Adjusted operating profit margin, %  
— Operating profit target, %

# Return on capital employed at 11.7 % in Q1 2020





## Impacts of the Covid-19-pandemic during Q1 2020

In Q1 2020, impact on business volumes and profitability mainly in China. All other than Chinese manufacturing units operated normally.

Some requests to postpone deliveries of current orders, no significant cancellations of orders.

Liquidity and cash situation good.

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

Actions implemented to ensure safety and business continuity.

## Guidance for 2020 (withdrawn)

As a consequence of increased uncertainty and poor short term predictability due to the Covid-19-pandemic Exel Composites withdraws its current guidance. 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.

According to its previous guidance, the company expected revenue and adjusted operating profit to increase compared to 2019.

## More information at [www.exelcomposites.com](http://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](mailto:riku.kytomaki@exelcomposites.com)

#### Mikko Kettunen

CFO

+358 50 3477 462

[mikko.kettunen@exelcomposites.com](mailto:mikko.kettunen@exelcomposites.com)

#### Noora Koikkalainen

Investor Relations Manager

+358 50 562 6552

[noora.koikkalainen@exelcomposites.com](mailto:noora.koikkalainen@exelcomposites.com)

**exel** | FOR  
FORWARD  
THINKERS