WELCOME!

CAPITAL MARKETS DAY
Stockholm, Sweden
4 March 2019
Your hosts today

Riku Kytömäki
President and CEO

Mikko Kettunen
CFO
Agenda

• 12:30-14:00
  – Lunch
  – Introduction to composites, pultrusion, pullwinding and laminates, Mikko Kettunen, CFO
  – Presentation by Riku Kytömäki, President and CEO

• 14:00-14:30
  – Questions and Answers
  – End of event
INTRODUCTION TO COMPOSITES

CAPITAL MARKETS DAY
Mikko Kettunen
CFO
What are composites?

**COMPOSITES** mean a complex material of two or more structurally complementary substances.

Combined these produce structural or functional properties not present in any individual component.
Composite products’ unique features and benefits

- Low weight
- High strength-to-weight ratio
- High fatigue tolerance
- Good corrosion and chemical resistance

Tailored material properties
- Fire retardation
- Thermal insulation
- Radio transparency
- Electrical insulation / conduction

Visual attractiveness and high-quality surface

Long durability and service life

Composites can be utilized in various demanding applications
Exel Composites pultrusion process

1. Reinforcements
2. Resin injection mould
3. Pulling Device
4. Cutting Device

Exel Composites
Exel Composites pullwinding process

1. Reinforcements
2. Cross-winding units
3. Resin Injection Mould
4. Pulling Device
5. Cutting Device
STRONG ORDER INTAKE IN Q4

CAPITAL MARKETS DAY
Riku Kytömäki, President and CEO
4 March 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

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Customers in over 50 countries

Manufacturing in 7 countries

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<table>
<thead>
<tr>
<th>96.6</th>
<th>5.0</th>
<th>675</th>
</tr>
</thead>
</table>

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**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**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2016</th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>19.0</td>
<td>20.4</td>
<td>23.1</td>
</tr>
<tr>
<td>2017</td>
<td>16.4</td>
<td>23.2</td>
<td>25.3</td>
</tr>
<tr>
<td>2018</td>
<td>19.7</td>
<td>20.3</td>
<td>21.5</td>
</tr>
</tbody>
</table>

**Adjusted operating profit, EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2016</th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.7</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>2017</td>
<td>0.6</td>
<td>1.7</td>
<td>0.5</td>
</tr>
<tr>
<td>2018</td>
<td>1.2</td>
<td>1.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>

**Order intake, EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2016</th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>18.3</td>
<td>18.2</td>
<td>18.0</td>
</tr>
<tr>
<td>2017</td>
<td>21.4</td>
<td>20.2</td>
<td>22.5</td>
</tr>
<tr>
<td>2018</td>
<td>29.1</td>
<td>24.7</td>
<td>22.0</td>
</tr>
</tbody>
</table>

**Net cash flow, EUR million**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2016</th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.2</td>
<td>2.5</td>
<td>0.3</td>
</tr>
<tr>
<td>2017</td>
<td>2.7</td>
<td>2.1</td>
<td>0.9</td>
</tr>
<tr>
<td>2018</td>
<td>-0.2</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

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

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

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

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

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.
Order intake and revenue increased significantly
Revenue increase driven by acquisitions

Revenue bridge 2018, LY vs. ACT

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

- **Industrial Applications**
  - Telecommunication
  - Paper Industry
  - Electrical Industry
  - Machine Industry
  - Transportation Industry

- **Construction & Infrastructure**

- **Other Applications**
  - Building, Construction & Infrastructure
  - Energy Industry
  - Cleaning & Maintenance
  - Sports & Leisure
  - Other Industries

Exel Composites
Revenue in the region Rest of the World grew significantly

Revenue by market area, EUR million

- **Europe**
  - 2018: 61.1
  - 2017: 63.8

- **Rest of the World**
  - 2018: 18.1
  - 2017: 4.6

- **APAC**
  - 2018: 17.4
  - 2017: 17.8
Group-wide cost reduction program initiated to improve profitability

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

Capital employed, MEUR  ROCE, %
Earnings per share decreased to 3 cents, impact of German impairments 14 cents

The Board of Directors proposes a dividend of EUR 0.18 per share for the financial year 2018.
Share quotations 2018

- Highest: EUR 7.28
- Lowest: EUR 3.98
- Average: EUR 5.40

Market capitalization on 31.12.2018:

EUR 47.3 (77.7) million

Source: Kauppalehti
## Major shareholders on 31 December 2018

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of shares</th>
<th>Percentage of share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordea Bank Ab (Publ), Suomen Sivuliike (Nominee Registered)</td>
<td>2,249,011</td>
<td>18.90</td>
</tr>
<tr>
<td>Skandinaviska Enskilda Banken AB (Nominee Registered)</td>
<td>1,635,096</td>
<td>13.74</td>
</tr>
<tr>
<td>Sijoitusrahasto Taaleritehdas Mikro Markka</td>
<td>630,000</td>
<td>5.30</td>
</tr>
<tr>
<td>OP-Finland Small Firms Fund</td>
<td>498,259</td>
<td>4.19</td>
</tr>
<tr>
<td>OP-Finland Value Fund</td>
<td>493,113</td>
<td>4.14</td>
</tr>
<tr>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>342,733</td>
<td>2.88</td>
</tr>
<tr>
<td>Phoebus Fund</td>
<td>290,000</td>
<td>2.44</td>
</tr>
<tr>
<td>Danske Invest Finnish Institutional Equity Fund</td>
<td>265,000</td>
<td>2.23</td>
</tr>
<tr>
<td>Matti Suutari</td>
<td>231,821</td>
<td>1.95</td>
</tr>
<tr>
<td>Evli Finnish Small Cap Fund</td>
<td>200,000</td>
<td>1.68</td>
</tr>
</tbody>
</table>

Exel Composites had a total of 3,723(3,164) shareholders on 31 December 2018.
Exel Composites is an agile, innovative global composite company with world class operations providing superior customer experience

We shall differentiate us based on:

Superior customer experience
- Quick response time, reliability, optimized offering
- Industry-specific value propositions, products and packages
- Global coverage in multiple sales channels; in region for region

World-class operations
- Safety, speed, flexibility and responsiveness
- Right quality and stock availability
- Globally unified, next-level processes and quality systems
Exel Composites strategy

Protect and grow strong-holds
- Grow in existing business
- Take out cost and improve customer value

Build leadership in China
- Grow sales to local customers
- Create value offering for mid-segment
- R&D and manufacturing capacity

Penetrate growing / new applications
- Penetrate mid-segment
- Solutions for larger growth applications
- Package key applications to ‘systems’

Create true global footprint
- Expand operational footprint
- Grow supply and service to new market areas, including Americas

Growth in new technologies
- Further processing and vertical integration
- New composite technologies, other than pultrusion
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:
- 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

Exel Composites
DSC: synergies in wind energy, among others

**DSC acquisition**
- Important foothold in the strategically significant American market.
- An established business, with an existing customer network, a competent team, an operational production facility and interesting technologies.
- A platform for cross-selling opportunities to existing and new customers.
- High-level know-how on carbon fibers and technological skills, such as high-speed production.
- Building up own greenfield production facility would have required heavier investments and more time to get to the same point.

In 2018, the wind energy industry, which is part of Exel’s Construction & Infrastructure customer segment, outgrew in revenue telecommunications, which has been the largest client industry in the past few years.
Exel Composites newly acquired Erlanger unit (DSC) has developed fiber optic-embedded carbon composite rod for Norwegian company Ziebel’s innovative well intervention system.

- The unit’s expertise in carbon fiber pultrusion enabled the precision manufacture of a 15 mm diameter rod.

"Because of the high cost of both the carbon fiber and the fiber optics, the process risk is very high. We’ve therefore performed extensive work to develop a pultrusion process that is extremely robust and foolproof."

David Lewis, Director of Technology & Business Development
Composites for airport structures

• Requirements:
  – Stringent safety requirements and regulations
  – Long lasting and low maintenance systems
  – Pricing
• Benefits of composites:
  – Frangibility, required strength with lower mass
  – Resistance to corrosion and weather
  – Electromagnetic transparency

Today approach lighting structures are an integrated element of any airfield, helping pilots land safely. Air traffic is estimated to continue to increase, and the need for cost efficient approach lighting will continue to grow.
Innovative rail solutions

- Requirements:
  - Sustainability
  - Energy efficiency
  - Safety and reliability
  - Cost efficiency

- Benefits of composites:
  - Operational benefits
  - Reduced lifecycle costs
  - Enhanced functionality
  - Sustainability improvements

As the rail industry looks to new technologies to enable it to answer sustainability, performance and cost challenges, applications for pultruded composites are set to grow.
Exel Composites expects revenue as well as adjusted operating profit to increase in 2019 compared to 2018.
More information at www.exelcomposites.com

Financial calendar 2019

- Business Review January - March: 3 May 2019
- Business Review January - September: 30 October 2019

Your IR contacts

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IR Manager
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noora.koikkalainen@exelcomposites.com
News highlights at
www.exelcomposites.com

28.2.2019 10:30 EET
Spoiled composites offer advantages for lean
manufacturing
In today’s competitive manufacturing
environment, greater flexibility, a
deeper level of manufacturing.

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 09:38 EET
Exel Composites pioneers
innovative rail solutions
EPTA highlights opportunities A new
industry briefing from the European
Pullrusion Technology Association

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Marriage made to win

**REINFORCEMENTS**

Carry loads and give main mechanical performance, stiffness and strength, to the final product

- Carbon fibres
- Glass fibres
- Natural fibres
- Synthetic fibres

**MATRIX**

Bonds and holds the fibres together and transfer loads between fibre layers. Matrix determines the chemical resistance and by adjusting the matrix, special properties like fire retardancy, colours and antistatic properties can be achieved.

- Epoxy
- Vinyl ester
- Polyester
- Polyurethane
- Acrylic
- Phenolic