TERVETULOA!
WELCOME!

Factory visit
Joensuu, Finland
31 October 2019
Your hosts today

Riku Kytömäki
President and CEO

Mikko Kettunen
CFO

Juha Honkanen
BU Manager, Finland

And the Group Management Team members:

Tiina Bies
SVP, Human Resources

Callum Gough
SVP, Operations

Kari Loukola
SVP, Exel Composites Americas

Kim Sjödahl
SVP, R&D and Technology

Mikko Rummukainen
SVP, Business Development

Olli Tevä
SVP, Sales & Marketing
Agenda

- **12:45**
  - Lunch
  - Exel Composites, an introduction to composites and our manufacturing techniques
    Mikko Kettunen, CFO
    Riku Kytömäki, President and CEO
  - Safety on site
    Juha Honkanen, BU Manager Finland
  - Factory tour

- **14:45**
  - Bus transportation to Joensuu train station, Joensuu city center or Joensuu airport
Exel Composites overview

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, construction & infrastructure and other applications

96.6
(86.3)
Revenue
EUR million, Full year 2018 (2017)

5.0
(6.3)
Adjusted operating profit
EUR million, Full year 2018 (2017)

675
(568)
Employees
End of 2018 (2017)

Our values

Customer focused
Integrity
One Exel
Caring
Innovative

Customers in over 50 countries
Manufacturing in 6 countries
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
pull-winding process

1. Reinforcements
2. Cross-winding units
3. Resin Injection Mould
4. Pulling Device
5. Cutting Device
Q3 2019: STRONG IMPROVEMENT IN PROFITABILITY

Riku Kytömäki
President and CEO
Exel Composites strategy
2019-2022 updated

Vision

Differentiate with
world class operations, technology innovation, and by delivering the best customer experience

Protect and grow strong-holds

- Multiply existing applications to new customers
- Gain knowledge and improve efficiency in focus applications

Create true global footprint

- Establish sales coverage in new areas
- Grow supply and service to new market areas
- Utilize global footprint as value add

Build leadership in China

- Grow sales to local and exporting customers
- Create value offering for mid-segment
- R&D and manufacturing capacity

Growth in new technologies

- Further processing and vertical integration
- New composite technologies, other than pultrusion

Penetrate growing / new applications

- Solutions for larger growth applications; Wind, Transportation, BCI
- Penetrate mid-segment
- Package key applications to ‘systems’

Foundation built on company values: CUSTOMER FOCUSED • INTEGRITY • ONE EXEL • CARING • INNOVATIVE
Q3 2019 in brief

• **Business environment**
  – Strong revenue growth in Construction & Infrastructure supported by wind energy
  – Revenue growth in Other Applications was good
  – Industrial Applications decreased in revenue reflecting challenges of our telecommunications customers

• **Operations**
  – Cost savings program, which was initiated in 2018, has lowered fixed costs and thereby improved profitability
  – Production initiated in a new manufacturing location in Nanjing, China
    • The new leased site is better suited for composite production
    • Can accommodate, if need be, all production capacity of the old factories.

• **Financial performance**
  – Order intake level continued at a good level and revenue improved slightly compared to previous year.
  – Operating profit in the third quarter more than tripled in comparison to the previous year.
## Quarterly highlights

### Revenue, EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
<th>Q1-Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>22.4</td>
<td>26.7</td>
<td>23.6</td>
</tr>
<tr>
<td>2018</td>
<td>20.4</td>
<td>23.1</td>
<td>26.5</td>
</tr>
<tr>
<td>2019</td>
<td>23.2</td>
<td>25.3</td>
<td>27.1</td>
</tr>
<tr>
<td>2020</td>
<td>20.3</td>
<td>21.5</td>
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</tbody>
</table>

### Order intake, EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
<th>Q1-Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>21.4</td>
<td>29.1</td>
<td>27.1</td>
</tr>
<tr>
<td>2018</td>
<td>19.3</td>
<td>24.7</td>
<td>23.8</td>
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<tr>
<td>2019</td>
<td>23.4</td>
<td>25.0</td>
<td>28.2</td>
</tr>
<tr>
<td>2020</td>
<td>22.5</td>
<td>22.0</td>
<td></td>
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</tbody>
</table>

### Adjusted operating profit, EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
<th>Q1-Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.3</td>
<td>0.8</td>
<td>1.7</td>
</tr>
<tr>
<td>2018</td>
<td>1.6</td>
<td>0.5</td>
<td>1.8</td>
</tr>
<tr>
<td>2019</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
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</tbody>
</table>

### Net cash flow, EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2018</th>
<th>Q1-Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
<td>1.6</td>
<td>1.7</td>
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<tr>
<td>2018</td>
<td>2.1</td>
<td>0.5</td>
<td>2.9</td>
</tr>
<tr>
<td>2019</td>
<td>0.9</td>
<td>-0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>2020</td>
<td>-0.8</td>
<td>-1.1</td>
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### Key figures Q1-Q3 2019

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Order intake</td>
<td>79 043</td>
<td>71 649</td>
<td>10.3</td>
<td>100 757</td>
</tr>
<tr>
<td>Order backlog 1)</td>
<td>25 404</td>
<td>21 322</td>
<td>19.1</td>
<td>23 685</td>
</tr>
<tr>
<td>Revenue 2)</td>
<td>77 199</td>
<td>69 897</td>
<td>10.4</td>
<td>96 608</td>
</tr>
<tr>
<td>Operating profit</td>
<td>4 003</td>
<td>3 411</td>
<td>17.4</td>
<td>2 217</td>
</tr>
<tr>
<td>% of revenue</td>
<td>5.2</td>
<td>4.9</td>
<td></td>
<td>2.3</td>
</tr>
<tr>
<td>Adjusted operating profit 3)</td>
<td>5 859</td>
<td>4 249</td>
<td>37.9</td>
<td>5 018</td>
</tr>
<tr>
<td>% of revenue</td>
<td>7.6</td>
<td>6.1</td>
<td></td>
<td>5.2</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>2 033</td>
<td>1 992</td>
<td>2.0</td>
<td>386</td>
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<tr>
<td>Net cash flow from operating activities 4), 5)</td>
<td>5 527</td>
<td>334</td>
<td>1 553.0</td>
<td>868</td>
</tr>
<tr>
<td>Return on capital employed, %</td>
<td>9.0</td>
<td>8.7</td>
<td></td>
<td>4.4</td>
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<tr>
<td>Net gearing, % 4)</td>
<td>122.1</td>
<td>88.6</td>
<td></td>
<td>96.3</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.17</td>
<td>0.17</td>
<td></td>
<td>0.03</td>
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<tr>
<td>Equity per share, EUR</td>
<td>2.20</td>
<td>2.31</td>
<td>-4.8</td>
<td>2.18</td>
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<tr>
<td>Employees on average</td>
<td>661</td>
<td>613</td>
<td>7.8</td>
<td>647</td>
</tr>
</tbody>
</table>

1) As per the end of the period.
2) Revenue by customer segments Q1-Q3 2019 (Q1-Q3 2018): Industrial applications EUR 26.7 million (31.3); Construction & infrastructure EUR 33.1 million (24.0); Other applications EUR 17.3 million (14.6).
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.
4) Exel Composites Plc has applied the IFRS16 standard since 1.1.2019 according to the model where the comparative information of previous periods is not adjusted.
5) IFRS16 rental payments have been classified to financing activities in the cash flow statement. This impacted net cash flow from operating activities with EUR 845 thousand since the beginning of 2019.
### Key figures Q3 2019

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>27 066</td>
<td>24 674</td>
<td>9.7</td>
<td>100 757</td>
</tr>
<tr>
<td>Order backlog 1)</td>
<td>25 404</td>
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<td>23 101</td>
<td>2.3</td>
<td>96 608</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1 454</td>
<td>459</td>
<td>216.5</td>
<td>2 217</td>
</tr>
<tr>
<td>% of revenue</td>
<td>6.2</td>
<td>2.0</td>
<td></td>
<td>2.3</td>
</tr>
<tr>
<td>Adjusted operating profit 3)</td>
<td>1 663</td>
<td>491</td>
<td>239.0</td>
<td>5 018</td>
</tr>
<tr>
<td>% of revenue</td>
<td>7.0</td>
<td>2.1</td>
<td></td>
<td>5.2</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>847</td>
<td>12</td>
<td>7 161.3</td>
<td>386</td>
</tr>
<tr>
<td>Net cash flow from operating activities 4), 5)</td>
<td>1 725</td>
<td>1 611</td>
<td>7.1</td>
<td>868</td>
</tr>
<tr>
<td>Return on capital employed, %</td>
<td>9.3</td>
<td>3.1</td>
<td>4.4</td>
<td></td>
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<td>Net gearing, % 4)</td>
<td>122.1</td>
<td>88.6</td>
<td>96.3</td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.07</td>
<td>0.00</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>Equity per share, EUR</td>
<td>2.20</td>
<td>2.31</td>
<td>-4.8</td>
<td>2.18</td>
</tr>
<tr>
<td>Employees on average</td>
<td>641</td>
<td>685</td>
<td>-6.5</td>
<td>647</td>
</tr>
</tbody>
</table>

1) As per the end of the period.
2) Revenue by customer segments Q3 2019 (Q3 2018): Industrial applications EUR 7.9 million (8.8); Construction & infrastructure EUR 10.9 million (9.8); Other applications EUR 4.8 million (4.5).
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.
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5) IFRS16 rental payments have been classified to financing activities in the cash flow statement. This impacted net cash flow from operating activities in Q3 2019 with EUR 300 thousand.
Order backlog at EUR 25.4 million

Revenue, EUR million
Order backlog, EUR million, end of period
Revenue increase driven by Construction & Infrastructure

Revenue by customer segment, EUR million

<table>
<thead>
<tr>
<th>Industrial Applications</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunication</td>
<td>4.5</td>
<td>4.8</td>
</tr>
<tr>
<td>Paper Industry</td>
<td>9.8</td>
<td>10.9</td>
</tr>
<tr>
<td>Electrical Industry</td>
<td>8.8</td>
<td>7.9</td>
</tr>
<tr>
<td>Machine Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction &amp; Infrastructure</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building, Construction &amp; Infrastructure</td>
<td>14.6</td>
<td>17.3</td>
</tr>
<tr>
<td>Energy Industry</td>
<td>24.0</td>
<td>33.1</td>
</tr>
<tr>
<td>Cleaning &amp; Maintenance</td>
<td>31.3</td>
<td>26.7</td>
</tr>
<tr>
<td>Sports &amp; Leisure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Industries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Applications

- Other Applications
- Construction & Infrastructure
- Industrial Applications
Adjusted operating profit more than tripled compared to previous year

Adjusted operating profit, EUR million
Adjusted operating profit margin, %
Operating profit target, %
Cost reduction program has lowered fixed costs and improved profitability

• Initiated in 2018 to improve Group profitability.
• Consists, among other things, of:
  – Optimization of manufacturing footprint in Europe
    • Production closed in Germany (completed in April 2019)
  – Improve the profitability and cost efficiency in the DSC business
    • Profitability improved significantly compared to previous year
  – Drive further synergy savings between the company’s two manufacturing units in China
    • Production initiated at a new manufacturing location in China near the city of Nanjing.
    • The new leased site is better suited for composite production and can accommodate, if need be, all production capacity of the old factories.
• The annual savings target of the Group-wide cost savings program is EUR 3 million, expected to be fully effective in 2020.
ROCE at 9.0 % in Q1-Q3 2019

Capital employed, MEUR
ROCE, %
Mega trends drive composite use and adaptation

- Light-weighting
- Growing middle class
- Sustainability
- Cost, fuel, and energy efficiency
- Urbanization
- Long life cycles
5 reasons to invest in Exel

1. We operate in growing markets and solve mega-trend challenges and demands

2. We are guided by clear long-term financial targets and strategy

3. We are strategically located positioning us as a “globally local” solutions provider

4. We have a wide-spread customer base across markets and industries

5. Our 60 years of industry expertise and leadership
Financial targets reflect our growth strategy

- Financial targets are considered over a business cycle
- Potential acquisitions may impact the long-term financial targets
- Dividend policy: Exel Composites’ ambition is to distribute a minimum of 40% of net income in dividends, when permitted by the financial structure and growth opportunities
Outlook for 2019
(unchanged)

Exel Composites expects revenue and adjusted operating profit to increase in 2019 compared to 2018.
Personal protection for visitors on the shop floor

Eye protection

Hearing protection
Safety on site

Visitor vests are to be worn at all time whilst on shop floor

Visitors are required to be escorted at all times by an Exel Composites member of staff

Beware of forklift
Safety on site

In case of emergency follow exit signs

Beware of harmful chemicals
Safety on site

Photography forbidden
Thank you!