Business Review
Q1 2020

“Profitability improved; guidance withdrawn due to poor short term predictability”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

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

8 manufacturing units

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

![Graph showing order backlog and revenue from Q1 2017 to Q1 2020. The order backlog is at its highest in Q1 2020 at EUR 37.1 million. The graph also shows that revenue has been increasing over the years.]
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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and infrastructure</td>
<td>27.1</td>
<td>27.8</td>
</tr>
<tr>
<td>Equipment and other industries</td>
<td>2.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Wind power</td>
<td>3.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Machinery and electrical</td>
<td>6.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Transportation</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>Defense</td>
<td>5.5</td>
<td>6.2</td>
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<tr>
<td>Telecommunications</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

Revenue share by customer segment, %

- Buildings and infrastructure: 22.3%
- Equipment and other industries: 12.2%
- Wind power: 13.6%
- Machinery and electrical: 21.0%
- Transportation: 4.5%
- Defense: 4.5%
- Telecommunications: 22.0%
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
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.
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.
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

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

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