Exel Composites’ strategy 2014 – 2018

Riku Kytömäki, President and CEO
4 November 2014
Composites market expected to grow both in volume and value

- Material market is dominated by steel and plastics
- Composite market represents 0.4% of total materials market
- Composite demand is expected to grow +5% per annum in volume and +7% per annum in value during 2013-2019
  - Composites are replacing aluminum and steel
  - Lower life cycle cost of composites is the key driver to increasing demand
- Pultrusion demand is expected to grow to 1.7 BUSD in 2018
- Exel Composites’ main technologies are pultrusion and lamination. Of total composites demand
  - Pultrusion represents 3-4% share and laminates and composite sheet represent a further 4-5% share
  - Pultrusion and lamination are expected to grow along the industry growth rate (5.1% in volume)
  - Fastest growth is expected in transportation industry and building and construction

Source: Lucintel
Largest markets are North America, North Asia and Europe

- Largest and fastest growing markets are in Asia and North America
- Currently major share of Exel Composites business is in Europe
  - Globally third largest market
  - Growing market but at a slower speed

Global pultrusion market (MUSD)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2018F</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>677</td>
<td>869</td>
<td>5.1%</td>
</tr>
<tr>
<td>Europe</td>
<td>286</td>
<td>339</td>
<td>3.5%</td>
</tr>
<tr>
<td>APAC and ROW*</td>
<td>355</td>
<td>505</td>
<td>7.3%</td>
</tr>
</tbody>
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Source: Lucintel
* Exel Composites considers Lucintel’s APAC market estimate too low
Mega and market trends drive new applications and volume growth

### Megatrends

| Urbanization and healthy living | • Demand for clean water, clear air and urban infrastructure  
|                               |   • Investments in Exel’s large markets: building, construction, infrastructure and transportation |
| Thinking total life cycle cost | • Energy efficiency, low maintenance and durability required  
|                               |   • Competitiveness of composites improves |
| Composite penetration growth   | • Continuous flow of new opportunities  
|                               |   • Fast growth of volume applications  
|                               |   • Developing markets leading growth |

### Market trends

| Composites are becoming a commodity | • Customer side awareness and acceptance increasing  
|                                    |   • Market growth brings new material suppliers; Trade barriers and anti-dumping actions |
| Sustainability and recyclability of composites | • Importance of low life-cycle embodied energy  
|                                                  |   • Increasing availability of recycling options  
|                                                  |   • Composites being used as recycled raw material |
We differentiate ourselves based on our strengths

Exel Composites is an agile, innovative global composite company with world-class operations providing superior customer experience

- **Clear value proposition**
  - Pre-defined products and packages
  - Good technology coverage
  - Customized solution for customers’ needs

- **Local presence globally**
  - Global coverage in multiple channels
  - Availability locally
  - Quick response time

- **Top-quality service**
  - Professional service in all levels
  - Keeping promises
  - Long term partnerships
  - Flexibility

- **World-class operations**
  - On time delivery
  - Efficient and fast
  - Right quality and availability
  - Safety and environment
OUR STRATEGY

- Accelerate growth in China
- Penetrate new applications
- Create true global footprint
- Growth in new technologies
Our growth strategy is based on four cornerstones

Accelerate growth in China
- Local sales network
- Value offering for mid-segment
- R&D and manufacturing capacity

Penetrate new applications
- Solutions for larger growth applications
- Package key applications to ‘systems’

Create true global footprint
- Increase sales coverage
- 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
Financial targets reflect our growth strategy

- Turnover growth: 2x average market growth
- Operating profit margin: >10%
- Return on capital employed: >20%

Financial targets are considered over a business cycle.

Acquisitions targeted to boost growth and to cover market and technology white spots. Acquisitions will influence overall growth and profitability targets.

Exel Composites aims to distribute some 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities.