



Business Review Q1-Q3 2021

STRONG REVENUE, CLEAR DECLINE IN PROFITABILITY

FOR FORWARD THINKERS



Exel Composites in brief

At Exel Composites, we use over 60 years' experience to solve challenges and help customers save resources.

Our forward-thinking composite solutions made with continuous manufacturing technologies serve customers in a wide range of industries around the world.

You can find our products used in applications from wind power and transportation to building and infrastructure.

Our collaborative approach and global footprint set us apart from our competition.

We use our expertise to help customers reduce weight, improve performance and energy efficiency and decrease total lifetime costs.

We want to be the first choice for sustainable composite solutions globally.

Company values



Customer focused



Integrity



One Exel



Caring



Innovation



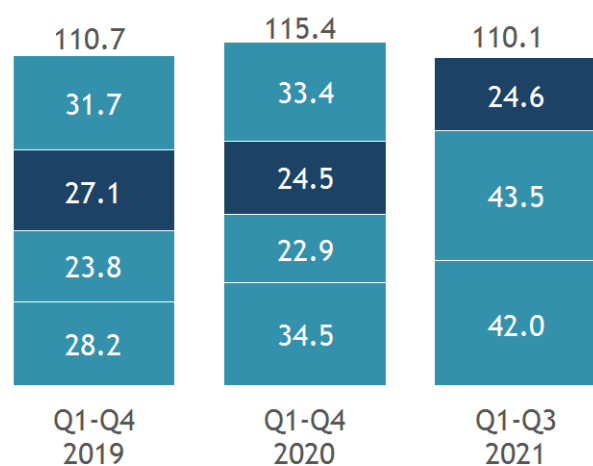
**EUR 108.6 million
(103.8)**
REVENUE
Full year 2020 (2019)

**EUR 9.7 million
(7.2)**
ADJUSTED OPERATING PROFIT
Full year 2020 (2019)

**665
(660)**
EMPLOYEES
Average 2020 (2019)

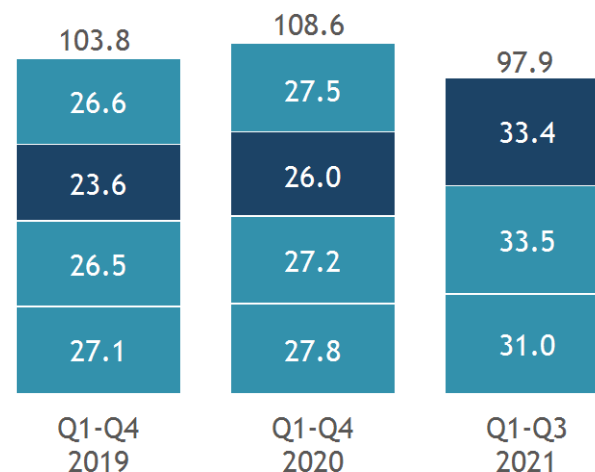
Manufacturing in 7 countries
Customers in over 50 countries

Q3 2021 highlights



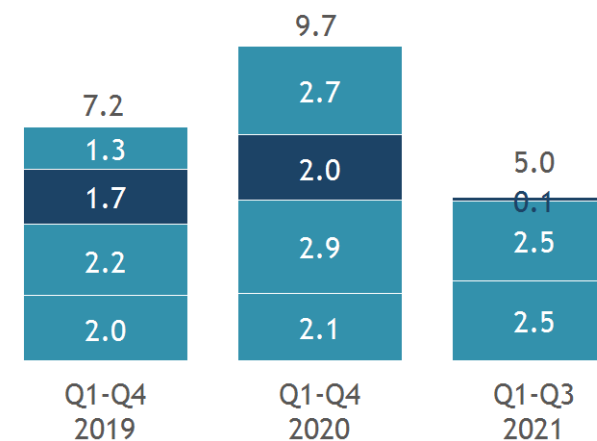
Order intake

Net order intake was at a good level in the quarter and in line with the previous year, even if impacted by cancelled orders that were conditional for delivery in 2021.



Revenue

Growth practically across all customer industries, driven by Buildings and infrastructure customer industry.

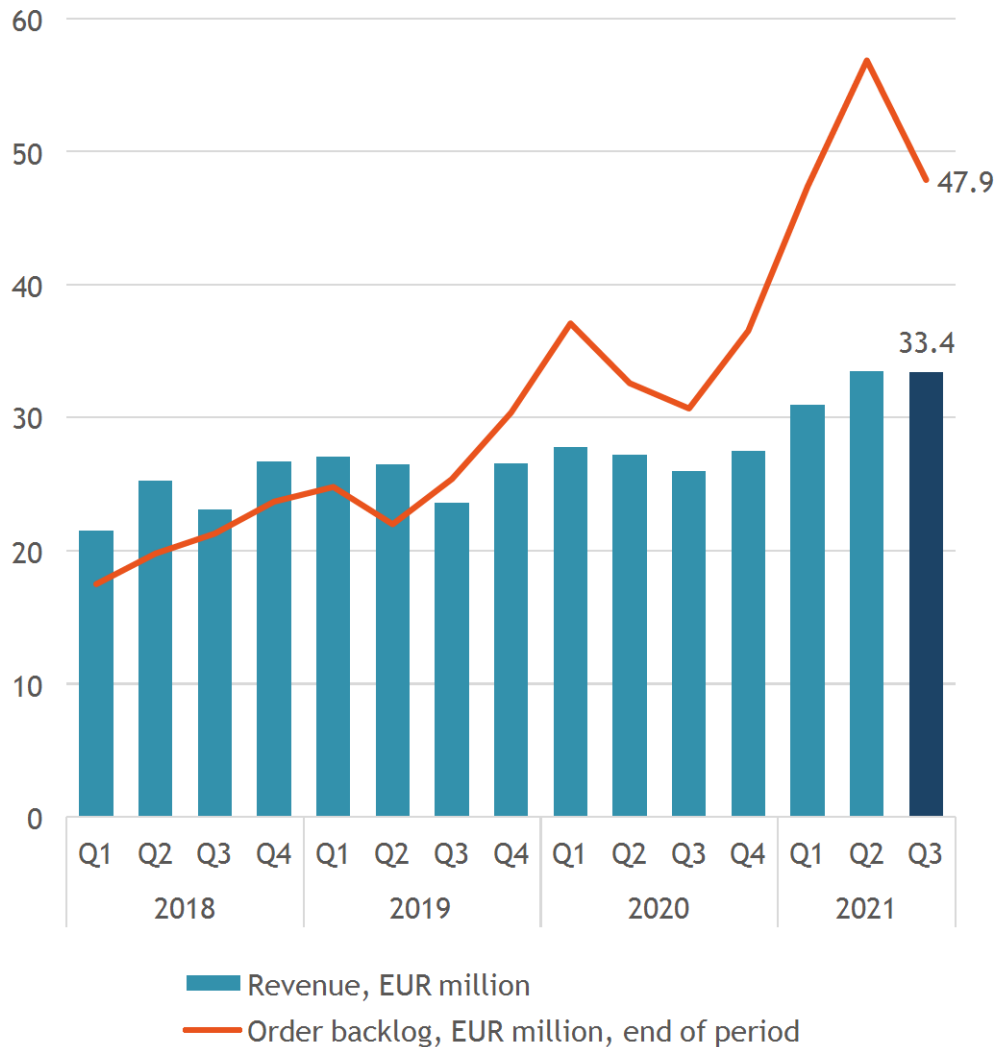


Adjusted operating profit

Lowered profitability due to the ramp-up of a carbon fiber Wind Power product, produced in high volumes in the United States. Due to the financial performance of Exel USA, an impairment of EUR 1.8 million was made.

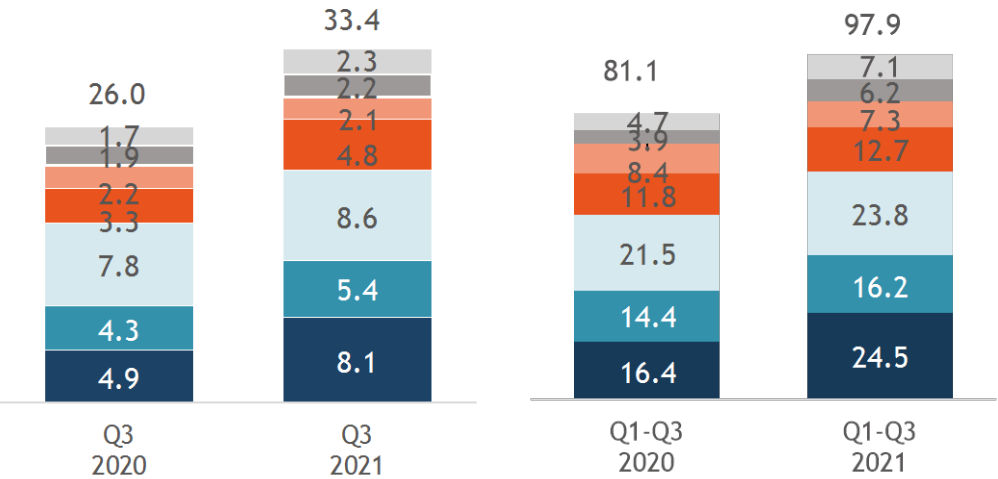
Profitable business growth and good performance elsewhere in the Group.

Order backlog at EUR 47.9 million at the end Q1-Q3 2021 despite cancelled orders during the quarter

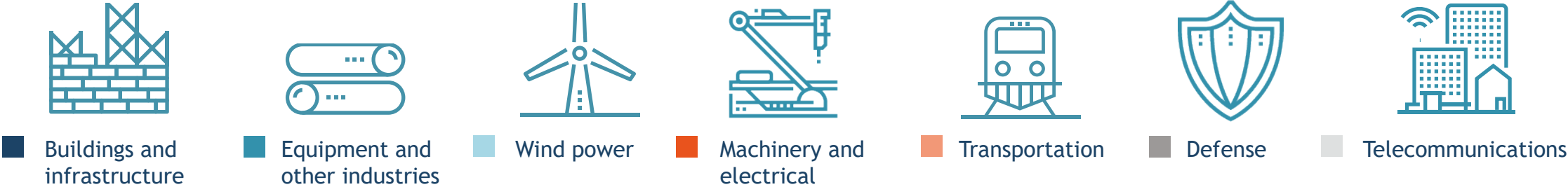
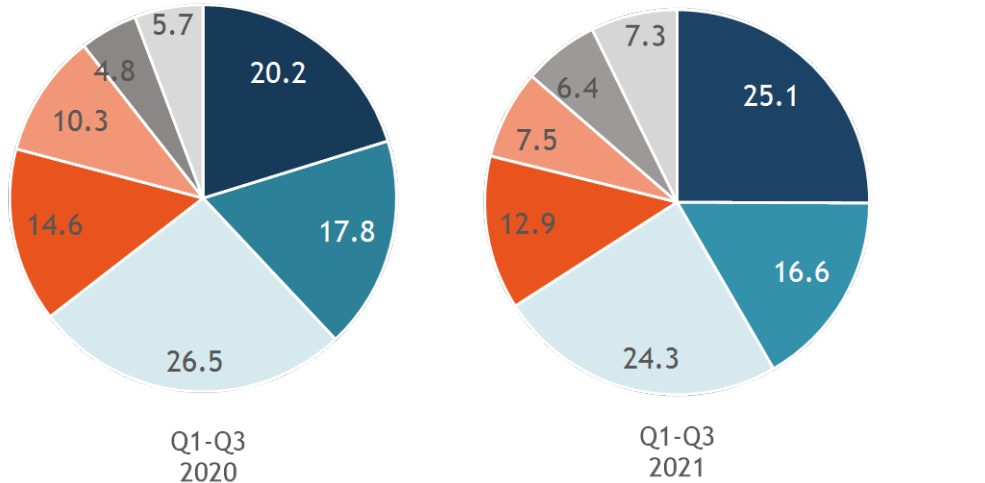


Strong revenue increase in practically all customer industries

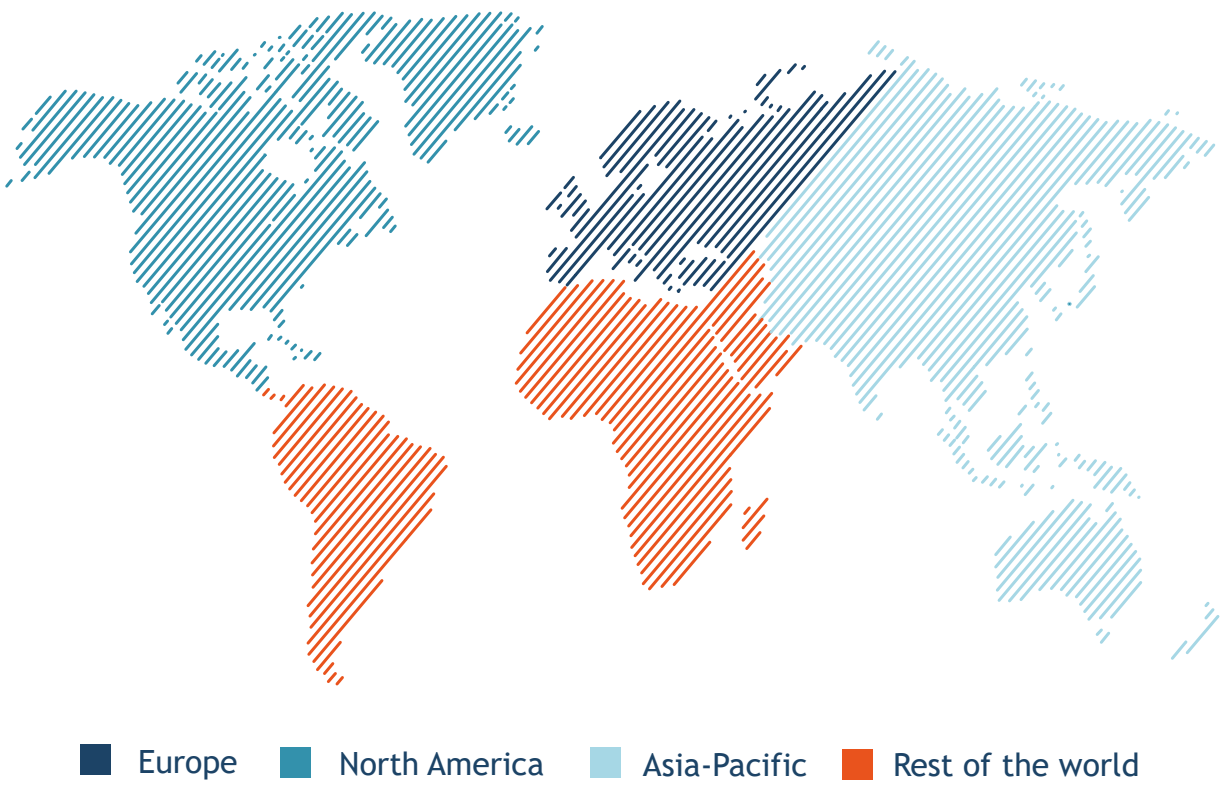
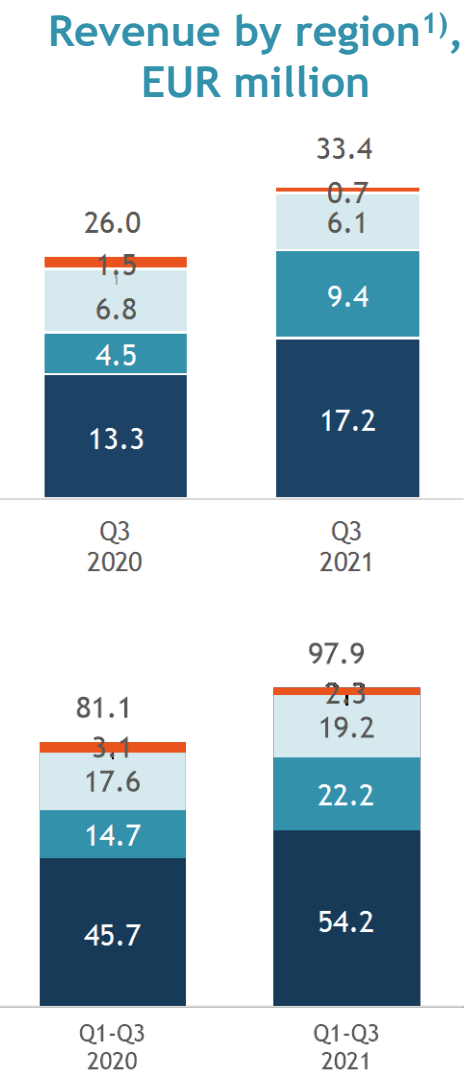
Revenue by customer industry,
EUR million



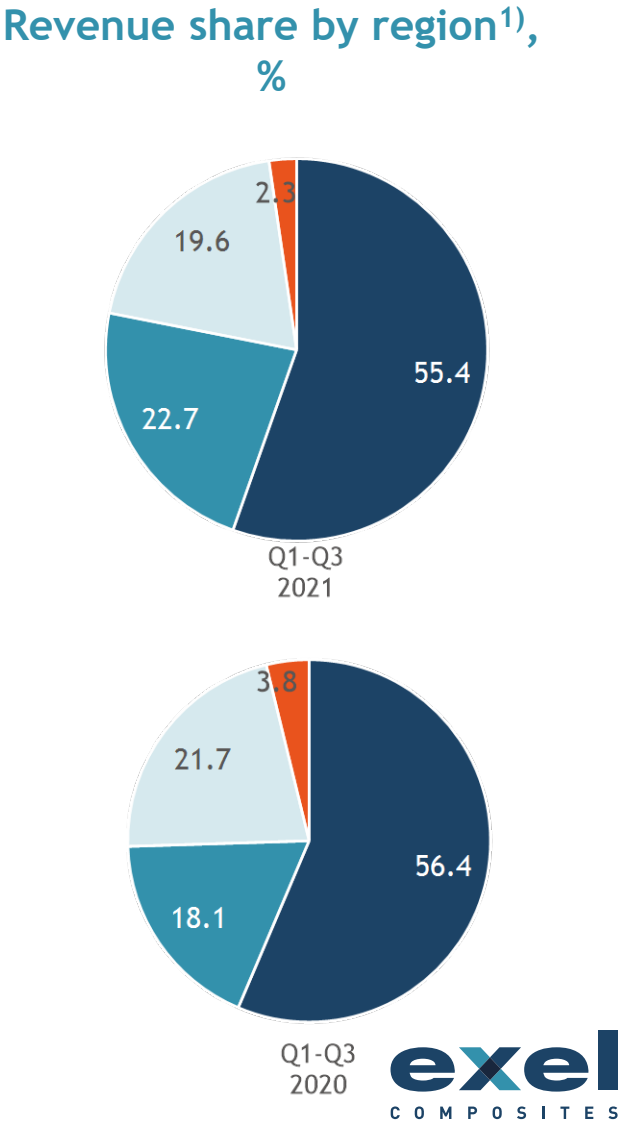
Revenue share by customer industry,
%



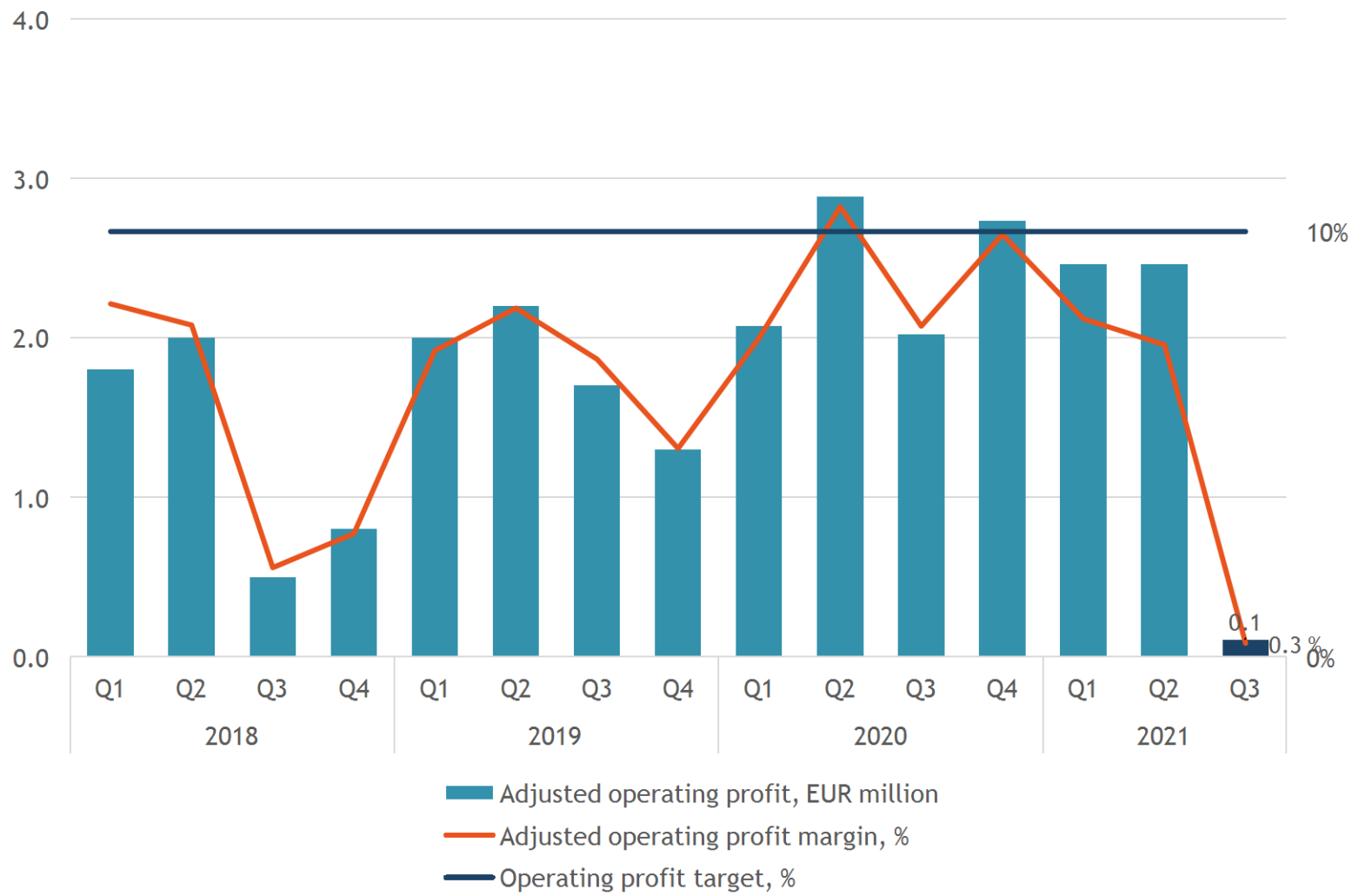
Revenue growth driven by North America and Europe



¹⁾ Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.



Adjusted operating profit in Q3 2021 declined due to the poor performance of the business unit in the US



- Lowered profitability mainly due to the ramp-up of a specific carbon fiber Wind Power product, produced in high volumes in our factory in the United States.
- Challenges relate especially to the recruitment, learning curve and employee turnover in the region, impacted also by the Covid-19 pandemic.
- Profitable business growth and good performance elsewhere in the Group.

Impacts of the Covid-19 pandemic in Q3 2021



All our factories operated normally, with continued focus on health and safety.

Operations continued almost normally despite challenges with global logistics and availability in many raw material categories.

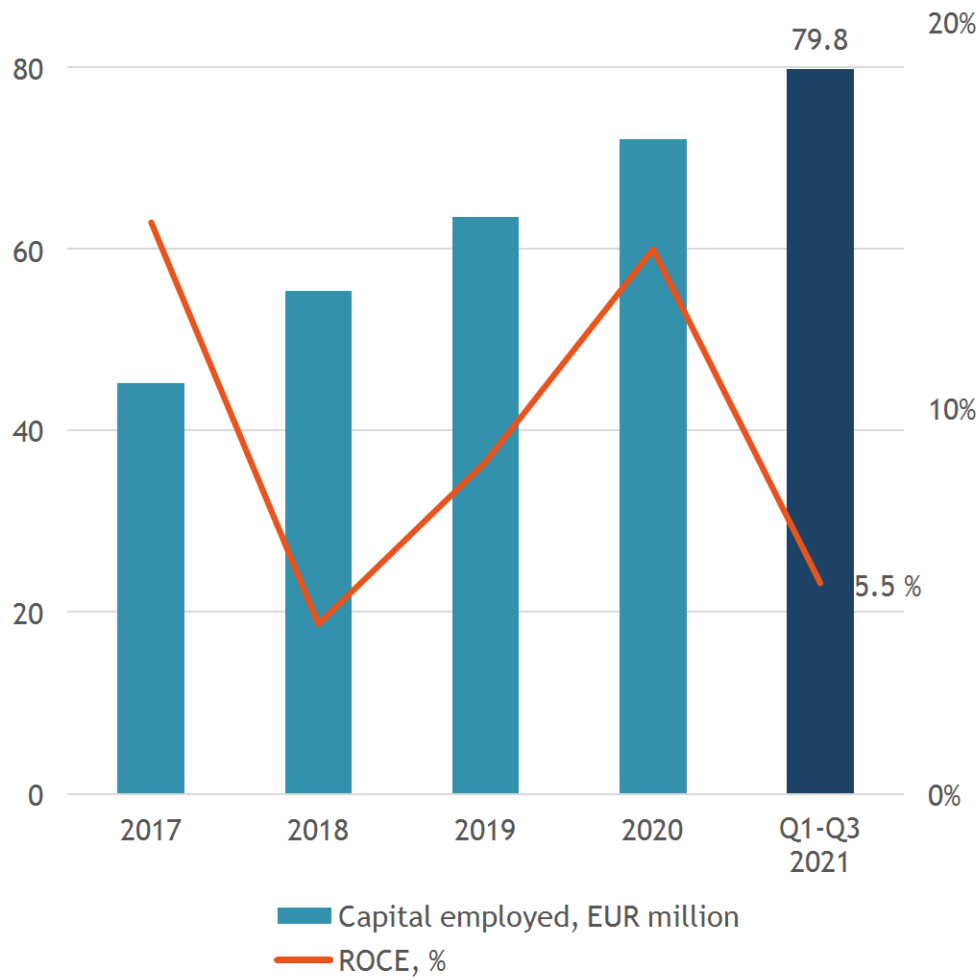
The uncertainty related to the Covid-19 pandemic among most of our customer industries continued to ease.

Liquidity and cash situation is good.

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

Continue to monitor the situation very closely.

Return on capital employed at 5.5% in Q1-Q3 2021



5.7
Return on equity, %



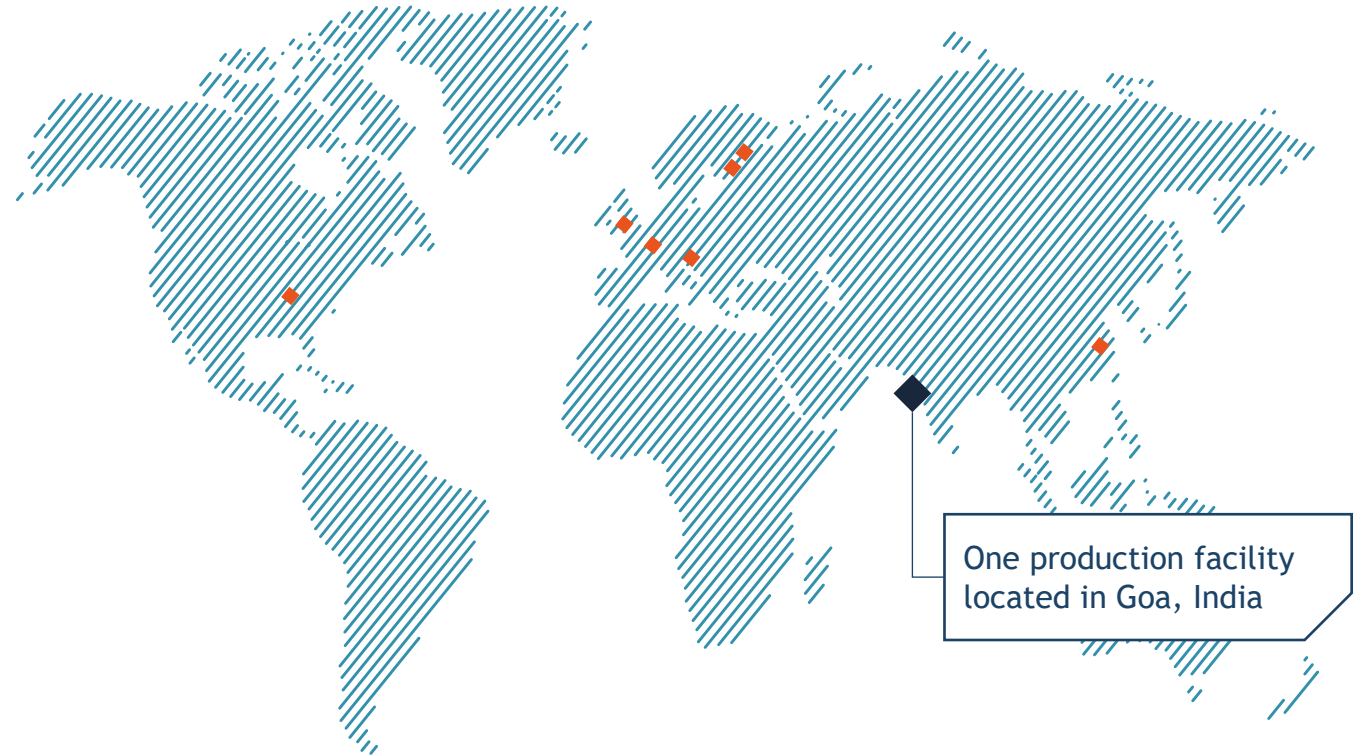
After the reporting period, Exel Composites and Kineco Group announce a joint venture in India

Kineco Group, headquartered in Goa, India, is a composites manufacturing company founded in 1995 offering a range of products and integrated systems for diverse markets such as mass transit, aerospace, defense, infrastructure and other industries.

Kineco Exel Composites India currently has **one production facility located in Goa, India**.

The transaction

- Agreement signed on 14 October 2021.
- Kineco Group will sell the assets of its pultrusion business into a new company, Kineco Exel Composites India Ltd
- Exel Composites will subscribe to a 55% ownership in a directed share issue. Kineco Group will remain a shareholder with a 45% shareholding.
- The transaction is expected to be completed in the fourth quarter of 2021.



Rationale behind the strategic investment

- Direct presence in the fast-growing Indian composites market.
- Kineco Group's long and established position in the Indian composites industry allows expanding into India with a 'flying start'.
- Good fit with Exel's strategy and growth initiatives.
- Clearly strengthened competitive position towards current and new customers especially in the wind power, transportation and telecommunications industries.
- Technological expertise and other complementary strengths improve joint competitiveness and enable synergies.



Guidance for 2021

Exel Composites repeats its guidance and expects revenue in 2021 to increase significantly compared to 2020 and adjusted operating profit to decrease compared to 2020. Due to the poor performance in the business unit in the United States, Exel Composites now gives further detail on the guidance and expects revenue in 2021 to amount to EUR 125-135 million and adjusted operating profit to EUR 5.8-7.0 million.

More information at www.exelcomposites.com

Financial calendar 2022

- | | |
|-----------------------------------------|------------------|
| ➤ Financial Statements Release 2021 | 15 February 2022 |
| ➤ Business Review Q1 2022 | 29 April 2022 |
| ➤ Half Year Financial Report Q1-Q2 2022 | 20 July 2022 |
| ➤ Business Review Q1-Q3 2022 | 3 November 2022 |
| Annual General Meeting 2022 | 25 March 2022 |

Your IR contacts

Riku Kytömäki

President and CEO

+358 50 511 8288

riku.kytomaki@exelcomposites.com

Mikko Kettunen

CFO

+358 50 3477 462

mikko.kettunen@exelcomposites.com

Noora Koikkalainen

Investor Relations Manager

+358 50 562 6552

noora.koikkalainen@exelcomposites.com



Thank you! Kiitos!

Questions? Kysymyksiä?

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