

Pretty much as expected

Exel's Q1 report was close to our expectations in terms of top line and profitability. Order intake was very high. Exel also highlights the risk that global raw materials challenges may hurt short-term profitability.

- Exel Composites' Q1 revenue amounted to EUR 31.0m vs our EUR 30.0m estimate. Top line thus grew by 11.3% y/y. Asia-Pacific drove growth (increased Wind power and Defense deliveries).
- Wind power top line was EUR 7.4m, compared to our EUR 7.5m estimate. Meanwhile Buildings and infrastructure was EUR 7.0m vs our EUR 6.9m estimate.
- Exel Q1 adj. EBIT was EUR 2.5m vs our EUR 2.4m estimate. Adjusted operating margin was 7.9%.
- Q1 order intake amounted to EUR 42.0m and grew by 21.7% y/y. This is a very high figure and suggests, should similar momentum continue, upward revisions to full-year revenue and profitability estimates.
- Exel retains the previously stated guidance and expects revenue as well as adjusted operating profit to increase in 2021 compared to 2020. In our view this is understandable, despite the high order intake, as it is still very early in the year.
- According to Exel global raw material and logistics challenges have not so far had a significant impact on profitability. There is nevertheless an elevated risk that raw materials price inflation, as well as shortages, will have a short-term negative impact on profit margin.

Rating + BUY				
Q1'21	Actual	Evli	Year ago	Q4'20
Revenue	31.0	30.0	27.8	27.5
Adj. EBIT	2.5	2.4	2.1	2.7
Adj. EBIT margin	7.9 %	8.0 %	7.5 %	9.9 %
Deviation				
	Actual	Evli	Year ago	Q4'20
Revenue		3 %	12 %	13 %
Adj. EBIT		4 %	19 %	-7 %
Adj. EBIT margin		-1 %	5 %	-20 %
Share price, EUR (Last trading day's closing price)				11.12
Target price, EUR				11.0
Latest change in recommendation				19-Feb-20
Latest report on company				16-Apr-21
Research paid by issuer:				YES
No. of shares outstanding, '000's				11,897
No. of shares fully diluted, '000's				11,897
Market cap, EURm				132
Free float, %				100.0
Exchange rate EUR/USD				1.20
Reuters code				EXL1V.HE
Bloomberg code				EXL1V FH
Average daily volume, EURm				0.1
Next interim report				30-Apr-21
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+ BUY + HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	103.8	5.1	4.9%	0.7	0.20	32.5	1.0	21.0	0.9	0.18
2020	108.6	9.4	8.7%	0.5	0.45	16.4	1.1	12.5	0.5	0.20
2021E	116.0	10.7	9.2%	6.4	0.63	17.6	1.4	14.8	4.8	0.25
2022E	123.0	12.3	10.0%	7.7	0.75	14.9	1.2	12.5	5.8	0.30
2023E	129.1	12.9	10.0%	8.4	0.80	14.0	1.2	11.5	6.3	0.32
Market cap, EURm	132		BV per share 2021E, EUR		77.0		CAGR EPS 2020-23, %		21.0	
Net debt 2021E, EURm	26		Price/book 2021E		3.9		CAGR sales 2020-23, %		5.9	
Enterprise value, EURm	158		Dividend yield 2021E, %		2.2		ROE 2021E, %		24.0	
Total assets 2021E, EURm	100		Tax rate 2021E, %		21.0		ROCE 2021E, %		15.2	
Goodwill 2021E, EURm	13		Equity ratio 2021E, %		33.7		PEG, P/E 21/CAGR		1.7	

All the important disclosures can be found on the last pages of this report.

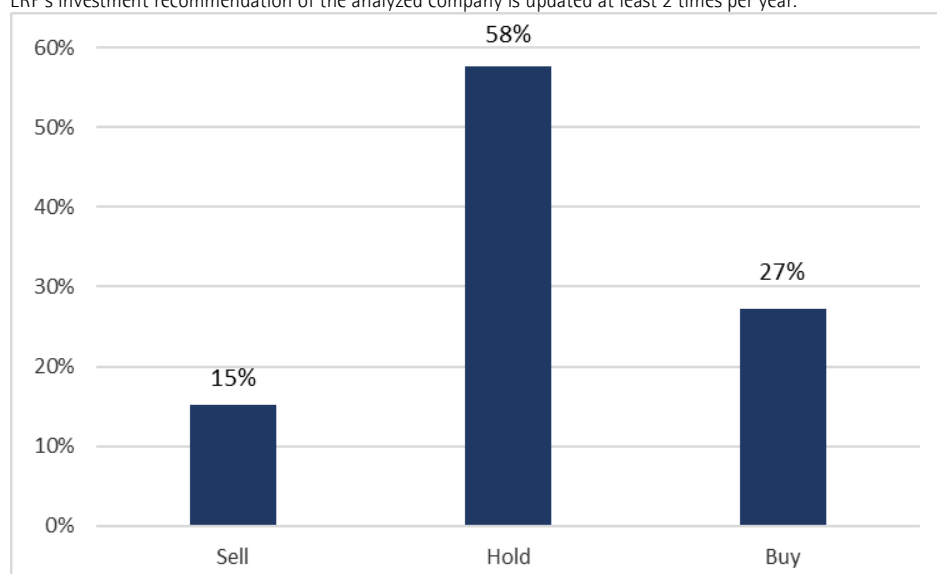
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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