

EXEL COMPOSITES

Chemicals/Finland, July 20, 2021 News Flash

Figures above our estimates

Exel Composites' Q2 report was throughout better than we expected. Absolute profitability remained higher than we estimated as top line development was once again very strong. Relative profitability was close to what we expected, while order intake reached a new high.

- Q2 revenue was EUR 33.5m, compared to our EUR 30.4m estimate. Top line growth was 23% y/y. Customers in Europe and North America drove growth.
- Wind power amounted to EUR 7.8m vs our EUR 8.9m estimate, while Buildings and infrastructure was EUR 8.7m (we expected EUR 5.9m). Defense continued to grow very fast while Equipment and other industries was also very strong.
- Q2 adjusted EBIT was EUR 2.5m vs our EUR 2.2m estimate. Adjusted EBIT margin was 7.3%, compared to our 7.2% estimate.
- Order intake amounted to EUR 43.5m in Q2 and grew by 90% y/y. The Q2 figure was thus some 4% higher than that seen in Q1.
- Exel retains the previous guidance, expects revenue and adjusted EBIT to increase in FY '21 compared to FY '20.

Rating				O HOLD				
Revenue Adj. EBIT Adj. EBIT margin Deviation Revenue Adj. EBIT	Actual 33.5 2.5 7.3 %	Evli 30.4 2.2 7.2 % Evli 10 % 14 %	Year ago 27.2 2.9 10.6 % Year ago 23 % -14 %	01'21 31.0 2.5 7.9 % 01'21 8 % 0 %				
Adj. EBIT margin 1 % -31 % -8 % Share price, EUR (Last trading day's closing price) Target price, EUR 11.0								
Latest change in a Latest report on a Research paid by No. of shares outs No. of shares fully Market cap, EURn Free float, % Exchange rate EU Reuters code Bloomberg code Average daily volid Next interim report	ompany issuer: standing, '0 y diluted, '0 n R/USD	00's 00's	03-May-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	119.6	10.3	8.6%	5.5	0.61	17.0	1.3	14.7	4.4	0.25		
2022E	128.5	12.7	9.9%	7.6	0.77	13.5	1.1	11.5	6.1	0.30		
2023E	136.2	13.6	10.0%	8.5	0.84	12.5	1.0	10.4	6.8	0.32		
Market cap, EURm 124			124 B	BV per share 2021E, EUR			80.3 CAGR EPS 2020-23, %			23.0		
Net debt 2021E, EURm			27 P	Price/book 2021E			3.7 CAGR sales 2020-23, %			7.8		
Enterprise value, EURm 15			151 D	Dividend yield 2021E, %			2.4 ROE 2021E, %			23.5		
Total assets 2021E, EURm			102 T	Tax rate 2021E, %			24.0 ROCE 2021E, %			14.5		
Goodwill 2021E, EURm			13 E	Equity ratio 2021E, %			32.9 PEG, P/E 21/CAGR			1.1		

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

Important Disclosures

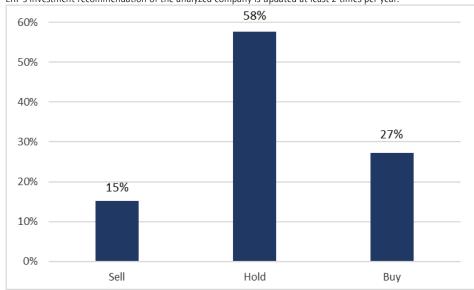
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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