

EXEL COMPOSITES

Chemicals/Finland, February 18, 2021 News Flash

Strong profitability once again

Exel Composites' Q4 top line was slightly above estimates, but the strong profitability was a clear positive surprise. The overall impression is very solid.

- Exel Q4 revenue was EUR 27.5m, compared to the EUR 27.2m/26.5m Evli/consensus estimates. Revenue grew by 3.5% y/y. Q4 growth was strong in Europe and Asia-Pacific.
- Wind power revenue was EUR 6.6m vs our EUR 8.9m estimate (down by 6% y/y). Strongness in other segments, notably Buildings and infrastructure, helped compensate for this weakness relative to our estimate. Wind power's relatively low share may have also helped the earnings beat.
- Exel Q4 adj. EBIT amounted to EUR 2.7m vs the EUR 2.2m/1.8m Evli/consensus estimates. Adjusted operating margin was therefore a very strong 9.9%.
- Q4 order intake was EUR 33.4m and thus increased by 5.7% y/y.
- Exel guides revenue and adjusted operating profit to increase in 2021 compared to 2020.
- The Board of Directors proposes EUR 0.20 per share dividend distribution, the same as our estimate.

Rating				■ BUY				
Revenue Adj. EBIT Adj. EBIT margin Deviation Revenue Adj. EBIT	Actual 27.5 2.7 9.9 % Actual	Evli 27.2 2.2 8.1 % Evli 1 % 23 %	Year ago 26.6 1.3 4.9 % Year ago 3 % 108 %	03'20 26.0 2.0 7.8 % 03'20 6 % 35 %				
Adj. EBIT margin 22 % 103 % 27 % Share price, EUR (Last trading day's closing price) Target price, EUR 7.25								
Latest change in Latest report on concentration of Research paid by No. of shares out: No. of shares fully Market cap, EURr Free float, % Exchange rate EUR euters code Bloomberg code Average daily volin Next interim reports.	ompany issuer: standing, '0 y diluted, '0 n R/USD	000's 100's	19-Feb-20 02-Nov-20 YES 11,897 11,897 100 100.0 1.21 EXL1V.HE EXL1V FH 0.1 18-Feb-21 www.exelcomposites.com					
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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		
2018	96.6	2.2	2.3%	-8.7	0.03	119.0	0.8	34.5	-18.3	0.18		
2019	103.8	5.1	4.9%	0.7	0.20	32.5	1.0	21.0	0.9	0.18		
2020E	108.3	8.9	8.2%	-6.0	0.48	17.7	1.3	15.5	-6.0	0.20		
2021E	115.3	10.7	9.3%	6.6	0.63	13.3	1.2	12.4	6.6	0.25		
2022E	121.7	12.2	10.0%	9.7	0.72	11.8	1.0	10.4	9.7	0.25		
Market cap, EURm 100			100 B	BV per share 2020E, EUR		124.3 CAGR EPS 2019-22, %				52.6		
Net debt 2020E, EURm			37 P	rice/book 2020)E	3.4 CAGR sales 2019-22, %				5.4		
Enterprise value, EURm			138 D	ividend yield 2	2020E, %	2.4 ROE 2020E, %				20.3		
Total assets 2020E, EURm			98 T	ax rate 2020E,	%	23.0 ROCE 2020E, %				13.2		
Goodwill 2020E, EURm			13 E	quity ratio 202	20E, %	30.4 PEG, P/E 20/CAGR				1.0		

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

Important Disclosures

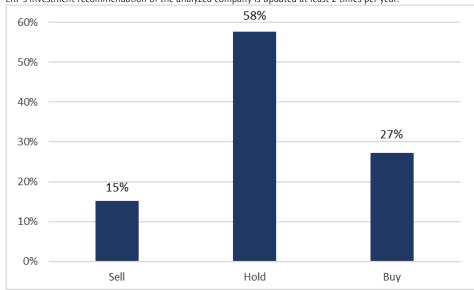
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Target price compared to share price Recommendation

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

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