

## 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** 🟡 HOLD

Q2'21	Actual	Evli	Year ago	Q1'21
Revenue	33.5	30.4	27.2	31.0
Adj. EBIT	2.5	2.2	2.9	2.5
Adj. EBIT margin	7.3 %	7.2 %	10.6 %	7.9 %

Deviation	Actual	Evli	Year ago	Q1'21
Revenue		10 %	23 %	8 %
Adj. EBIT		14 %	-14 %	0 %
Adj. EBIT margin		1 %	-31 %	-8 %

 Share price, EUR (Last trading day's closing price) 10.44

 Target price, EUR 11.0

 Latest change in recommendation 03-May-21

 Latest report on company 03-May-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 124

 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 20-Jul-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	BV per share 2021E, EUR	80.3	CAGR EPS 2020-23, %	23.0
Net debt 2021E, EURm	27	Price/book 2021E	3.7	CAGR sales 2020-23, %	7.8
Enterprise value, EURm	151	Dividend yield 2021E, %	2.4	ROE 2021E, %	23.5
Total assets 2021E, EURm	102	Tax rate 2021E, %	24.0	ROCE 2021E, %	14.5
Goodwill 2021E, EURm	13	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.

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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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