



News Release

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Hexcel Provides Financial Outlook

STAMFORD, Conn., May 21, 2019 – Hexcel Corporation (NYSE: HXL) announced today its financial outlook through 2021, as well as longer term targets, during the Company’s Investor Day held in Salt Lake City, Utah.

Chairman, CEO and President Nick Stanage said: “We expect strong sales growth over the next three years and beyond, with adjusted diluted earnings per share to grow at a double-digit rate, supported by Operational Excellence. We expect continued expansion of free cash flow generation, providing a total of \$1.8 billion between 2019 and 2023 which will be available for continued investment in organic growth, for strategic acquisitions, and to return to shareholders.”

Outlook

For the three-year period 2019 to 2021:

- Total Sales to grow at a compounded annual growth rate (CAGR) of 6%-9%
 - Commercial Aerospace 4-7% CAGR
 - Space & Defense 11-13% CAGR
 - Industrial >10% CAGR
- Adjusted Diluted Earnings Per Share* to grow at a double-digit CAGR
- Capital Expenditures of \$500-\$550 million in total during this three-year period

For the period 2019-2023:

- Free Cash Flow* targeted at \$1.8 billion

Mr. Stanage continued, “In the Commercial Aerospace market, we expect to benefit from production increases for the Airbus A320neo, Boeing 737 MAX and 777X, further supported by secular penetration and strong growth in Engines and Nacelles along with other commercial and regional programs. We are benefitting from increased activity in the Space & Defense market, supported by continued strength in the F-35 and military rotorcraft programs, including the CH-53K as well as from our acquisition of ARC Technologies. Our Industrial market remains strong, underpinned by Wind Energy sales along with the continued adoption of composites in the automotive and marine industries.”

Mr. Stanage concluded, “Our team is talented and experienced, our R&T group is innovating material science solutions of tomorrow, and our advanced composite manufacturing footprint is unparalleled for the needs of our customers – supporting our leadership position and creating excellent value for our shareholders.”

As previously disclosed, the management audio presentation was webcast live and a supporting slide deck is available on the investor relations webpage of the Hexcel website at www.Hexcel.com. A replay will also be available on the investor relations webpage of the Hexcel website approximately

two hours after the conclusion of the event.

***Non-GAAP Measures**

Adjusted diluted earnings per share and free cash flow (defined as cash provided by operating activities less cash payments for capital expenditures) are non-GAAP measures. Management believes that adjusted diluted earnings per share and free cash flow are meaningful to investors because they provide a view of Hexcel with respect to ongoing operating results excluding special items. Special items represent significant charges or credits that are important to an understanding of Hexcel's overall operating results in the periods presented. Non-GAAP measurements are not recognized in accordance with generally accepted accounting principles and should not be viewed as an alternative to GAAP measures of performance. The Company is not providing a quantitative reconciliation of our non-GAAP outlook or targets to the corresponding GAAP information because the GAAP measures that we exclude from our non-GAAP outlook and targets are difficult to predict and are primarily dependent on future uncertainties.

About Hexcel

Hexcel Corporation is a leading advanced composites company. It develops, manufactures and markets lightweight, high-performance structural materials including carbon fibers, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, adhesives, engineered core and composite structures for use in commercial aerospace, space and defense and industrial applications. Learn more at www.Hexcel.com.

Disclaimer on Forward Looking Statements

This news release contains statements that are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to our financial outlook through 2021 and longer term targets, the estimates and expectations based on aircraft production rates made publicly available by Airbus, Boeing and others; the revenues we may generate from an aircraft model or program; the impact of the possible push-out in deliveries of the Airbus and Boeing backlog and the impact of delays in the startup or ramp-up of new aircraft programs or the final Hexcel composite material content once the design and material selection have been completed; expectations of composite content on new commercial aircraft programs and our share of those requirements; expectations of growth in revenues from space and defense applications, including whether certain programs might be curtailed or discontinued; expectations regarding growth in sales for wind energy, recreation, automotive and other industrial applications; expectations regarding working capital trends and expenditures; expectations as to the level of capital expenditures and when we will complete the construction of capacity expansions and qualification of new products; expectations regarding our ability to maintain and improve margins as we add new facilities and in view of the current economic environment; projections regarding our tax rate; and the anticipated impact of the above factors and various market risks on our expectations of financial results for 2019 and beyond. Actual results may differ materially from the results anticipated in the forward looking statements due to a variety of factors, including but not limited to reductions in sales to any significant customers, particularly Airbus, Boeing or Vestas, including any reduction in sales to Boeing related to a decrease in production volume of the 737 MAX; changes in sales mix; changes in current pricing and cost levels; changes in aerospace delivery rates; changes in government defense procurement budgets; changes in military aerospace program technology; timely new product development or introduction; industry capacity; increased competition; availability and cost of raw materials; supply chain disruptions; inability to install, staff and qualify necessary capacity or achievement of planned manufacturing improvements; cybersecurity breaches or intrusions; currency exchange rate fluctuations; changes in political, social and economic conditions; including, but not limited to, the effect of change in U.S. trade policies and the exit of the U.K. from the European Union; work stoppages or other labor disruptions; unexpected outcome of legal matters or impact of changes in laws or regulations. Additional risk factors are described in our filings with the Securities and Exchange Commission. We do not undertake an obligation to update our forward-looking statements to reflect future events.

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