



# Investor Briefing

April 2021

# Risks, Uncertainties and Other Factors with Respect to Forward-Looking Statements Disclaimer

Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements that are not of historical fact constitute “forward-looking statements” and accordingly, involve estimates, assumptions, judgments and uncertainties. There are a number of factors that could cause actual results or outcomes to differ materially from those addressed in the forward-looking statements. Such factors are detailed in the Forward Looking Statements and Risk Factors sections of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and its first quarter 2021 quarterly report on Form 10-Q filed with the Securities and Exchange Commission. We do not undertake an obligation to update our forward-looking statements to reflect future events.

# OUR HEXCEL PURPOSE

We propel the future of flight, energy generation, transportation and recreation through **excellence in advanced material solutions** that create a better world for us all.



CUSTOMER  
EXCELLENCE



OPERATIONAL  
EXCELLENCE



PEOPLE  
EXCELLENCE



# ADVANCED COMPOSITES LEADERSHIP

- **INNOVATIVE** SOLUTIONS
- PROVEN **EXECUTION**
- RE-ALIGNING THE BUSINESS FOR CURRENT DEMAND - PREPARING FOR **FUTURE OPPORTUNITIES**
- STRONG BALANCE SHEET & AMPLE **LIQUIDITY**

**Leading, sole source positions** in key markets with **high barriers to entry**

Sustainable **competitive advantage**

Excellent **customer relationships**

Increasing share of **long-term growth** markets

Long history of **creating shareholder value**

# HXL – AT A GLANCE

- Leader in markets undergoing secular growth
- Broadest aerospace composite solution portfolio globally
  - Intellectual property and manufacturing processes are differentiators and barriers to entry
- #1 in aerospace composites – by sales & capacity
  - Leveraging scale | Manufacturing in nine countries
- Culture of continuous improvement and excellence

**Lightweighting for high performance applications**

- **Stronger and lighter** than metals
- **Superior life cycle costs** to metals
- **Saves fuel & reduces emissions** for transportation applications

## Markets



2020 SALES\* | **\$1.5 billion**

\* Percentages represent FY 2020 sales.  
2019 sales: Commercial Aerospace 68%; Defense 19%; Industrial 13%.

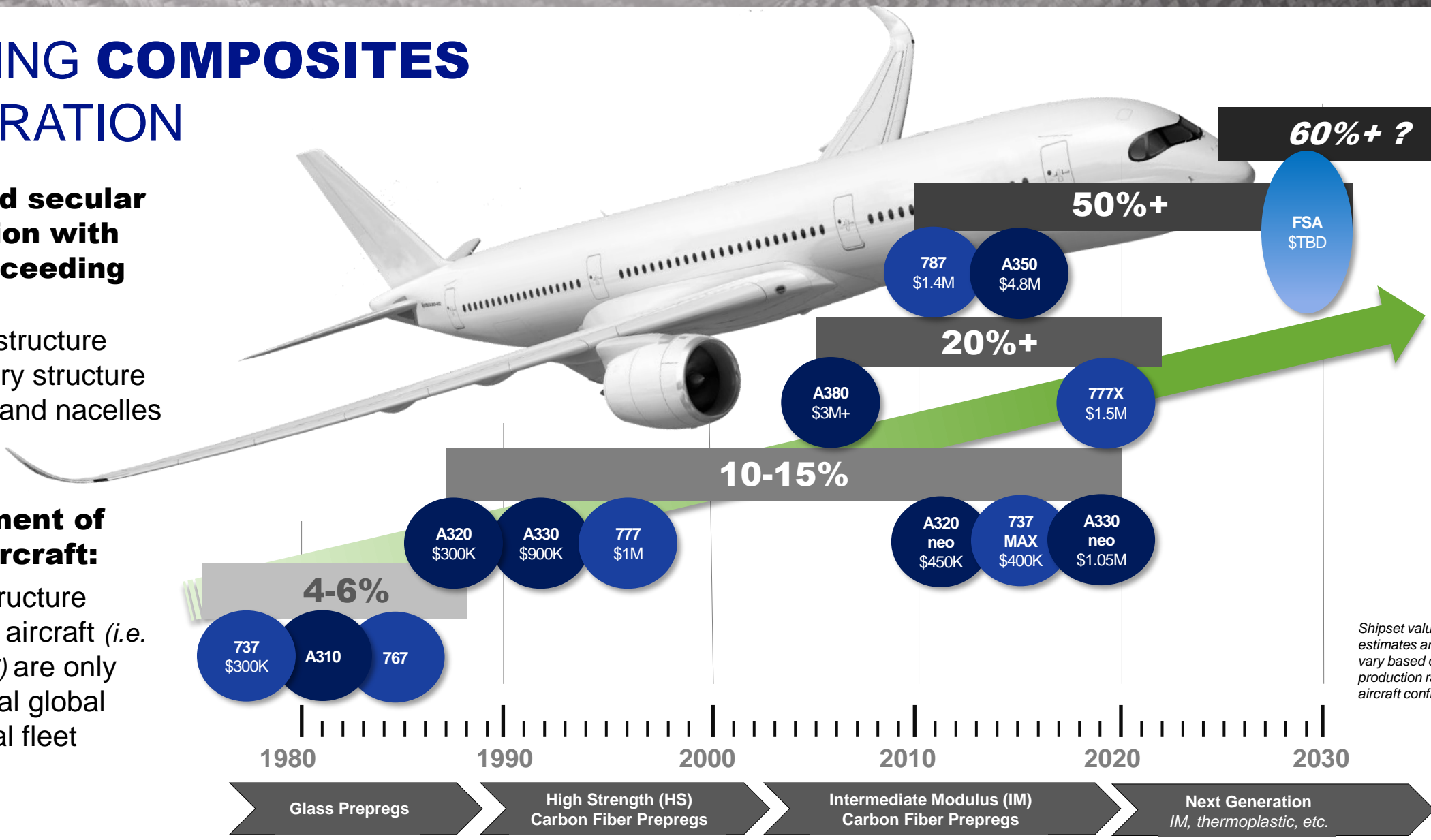
# GROWING COMPOSITES PENETRATION

**Continued secular penetration with each succeeding platform:**

- Primary structure
- Secondary structure
- Engines and nacelles

**Replacement of legacy aircraft:**



Primary structure composite aircraft (*i.e.* A350 & 787) are only ~5% of total global commercial fleet





# UNRIVALED PRODUCT RANGE

Everything from carbon fibers, reinforcement fabrics, and resins to prepregs, honeycomb core, tooling materials and more . . . from raw materials to fly-away parts . . . **vertical integration is a strength and a differentiator**

Carbon Fiber & Prepregs	<b>PAN</b> Polyacrylonitrile precursor 	<b>CARBON FIBER</b> Continuous and Chopped A320neo sharklets   F-35 wings   LEAP fan blades/case 	Glass Prepregs	<b>GLASS PREPREGS</b> Wind turbine blades Aerospace secondary structures 	Honeycomb	<b>HONEYCOMB</b> Rotorcraft blades Aircraft flooring Nacelle structures Acousti-Cap® 	Engineered Products	<b>ENGINEERED PRODUCTS</b> Structural assemblies Machine/shaped core Tooling system 	
	<b>REINFORCEMENTS</b> Aerospace primary and secondary structures 	<b>CARBON PREPREGS</b> A350 fuselage and wings GE90 fan blade 		<b>ADDITIVE MANUFACTURING</b> Thermoplastic, carbon fiber reinforced 3D printed parts for Aerospace 					

**Strong | stiff | lightweight | fatigue resistant | corrosion resistant**

# WE DELIVER WHAT OUR CUSTOMERS WANT

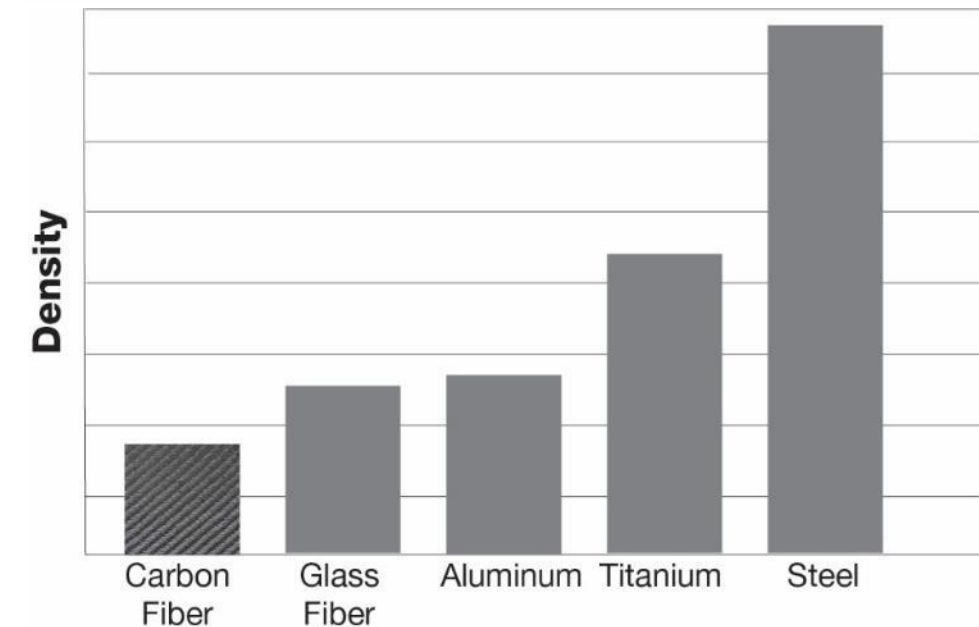
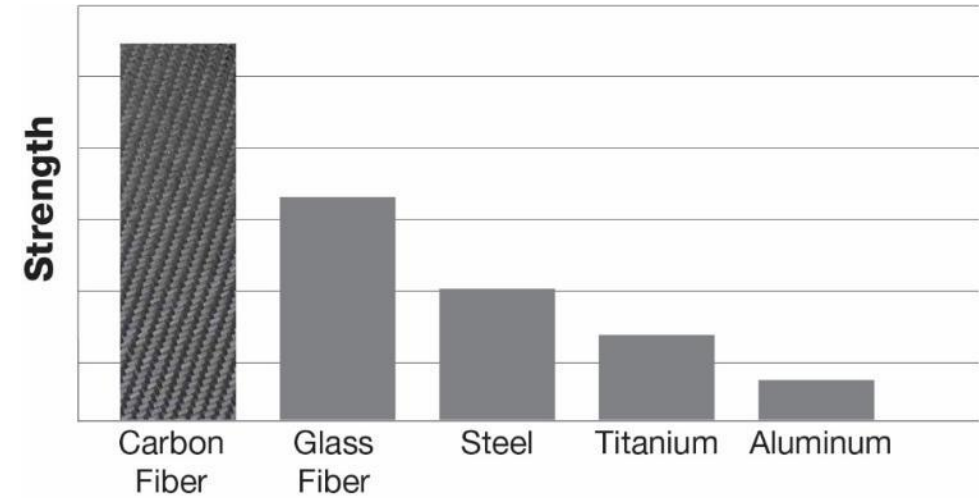
Advanced composite solutions that are stronger, lighter and tougher – optimizing total life cycle costs

Carbon fiber is **5x stronger** than aluminum

Carbon fiber is **30% lighter** than aluminum

Our products are **tougher, stiffer** and **more durable**

Our products offer **lower lifecycle cost** (*operating & maintenance costs*)





# FOCUS ON **ENVIRONMENT AND SUSTAINABILITY**

Smarter, Cleaner and Safer . . . Hexcel advanced composites are a vital component in helping our customers reduce the environmental impact of transportation in the air, on the ground, and in the water.

## Lightweighting Reduces Emissions



## Innovative Hexcel Solutions Reduce Noise



## Composites Support Advanced Aerodynamic Design



**Committed to innovation, creating a better world for us all**

# RE-ALIGNING THE BUSINESS

- Realigning for today's environment, while positioning for the future
- Managing capacity and reducing headcount (*both Direct & Indirect labor*)
- Tightly controlling discretionary spend
- Minimizing capital expenditures
  - Now in period of lower capex
  - Enhancing output of existing assets
  - Capital intensity varies across product line
- Strong liquidity position supports the business during this market transition

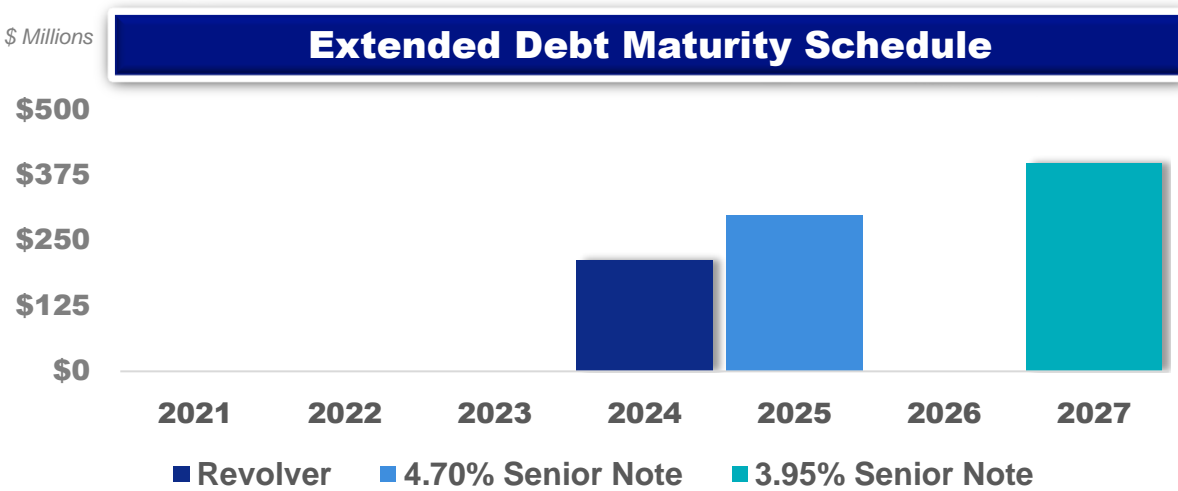
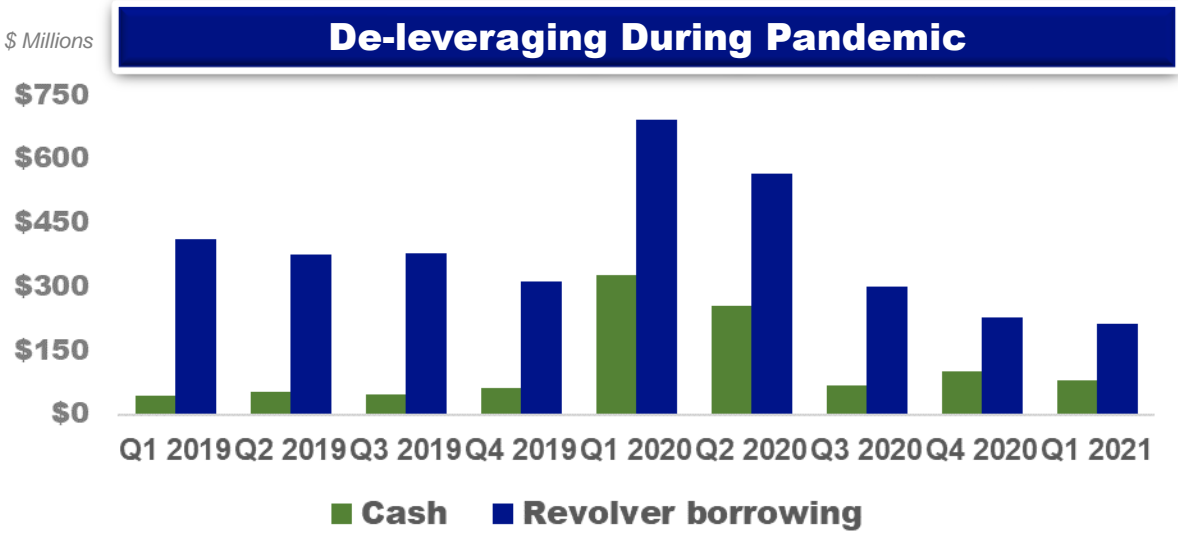


**Aligning the business for the changing demand environment**

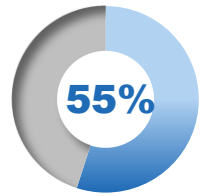
# STRONG LIQUIDITY

Conservative capital structure

- Strong liquidity of \$618 million at March 31, 2021
- Staggered debt maturities over comfortable timeframe
- \$750 million Revolver matures June 2024
  - De-leveraging during pandemic
  - Revolver covenant amended to a minimum liquidity requirement for Q1 2021 through Q1 2022 (Undrawn facility + Cash >= \$250 million)
  - Reverts back to a maximum leverage ratio in Q2 2022, or sooner at Company's option



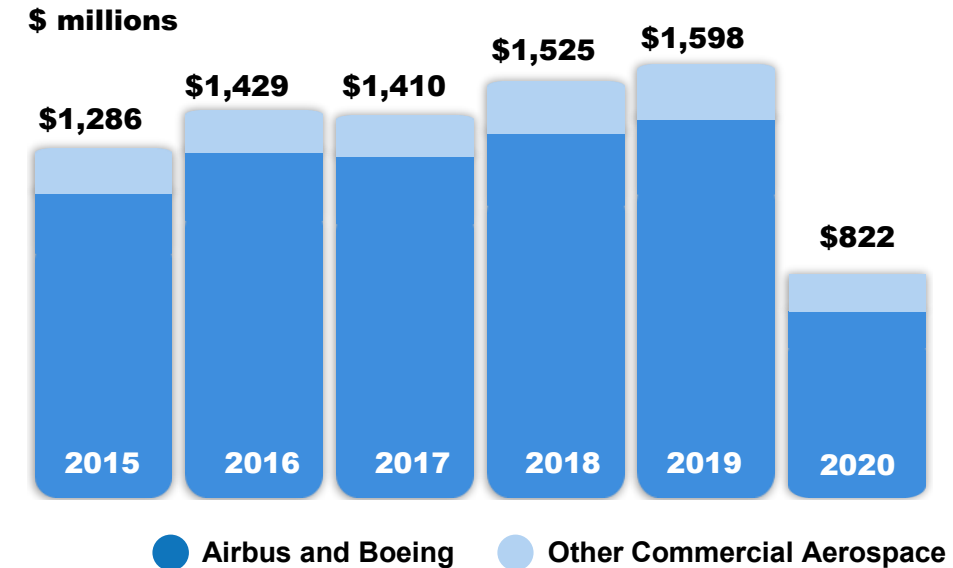


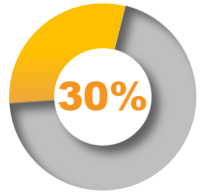


# COMMERCIAL AEROSPACE

Commercial Aviation | Engines/Nacelles | Other Commercial Aerospace

- Near-Term: Realigning for lower build rates
- Mid-Term: Growing composites secular penetration
- Multi-year OE backlog
- Growing Engine and Nacelle composite adoption
- Thermoplastic qualifications received
- Accelerated retirements and high level of parked legacy aircraft support future replacement cycle
- Availability of aircraft financing remains strong globally

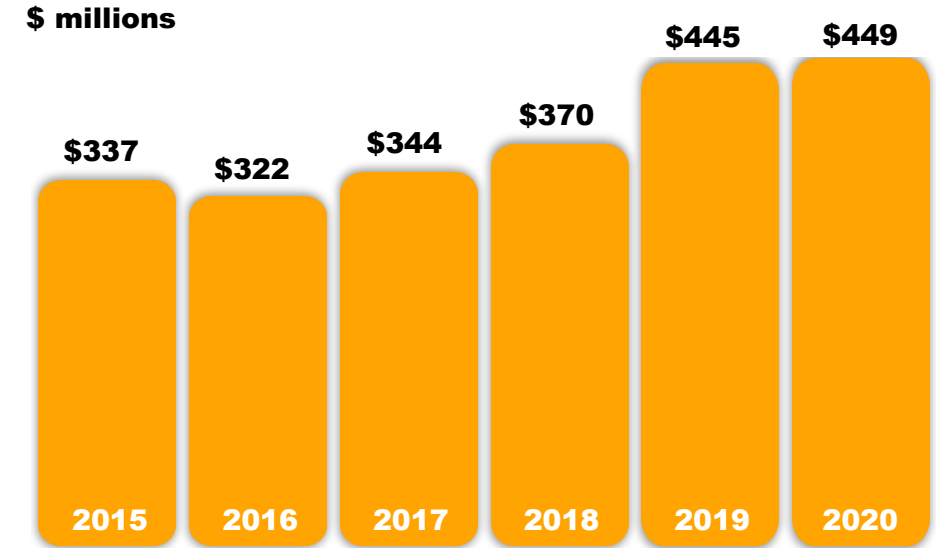




# SPACE & DEFENSE

Rotorcraft | Fighters | Launch Vehicles | Transport

- Hexcel carbon fiber is the defense industry standard
- Active on >100 different programs – Deep relationships
- Major programs: F-35, A400M, V-22, Black Hawk, Wide Chord Blades (*both new build & replacement demand*)
- Growth platforms: CH-53K, potential Future Vertical Lift
- Rotorcraft are ~45% of S&D sales
- Capabilities with Honeycomb & microwave absorbing composites are competitive differentiators
- Expanding opportunities with Space sector





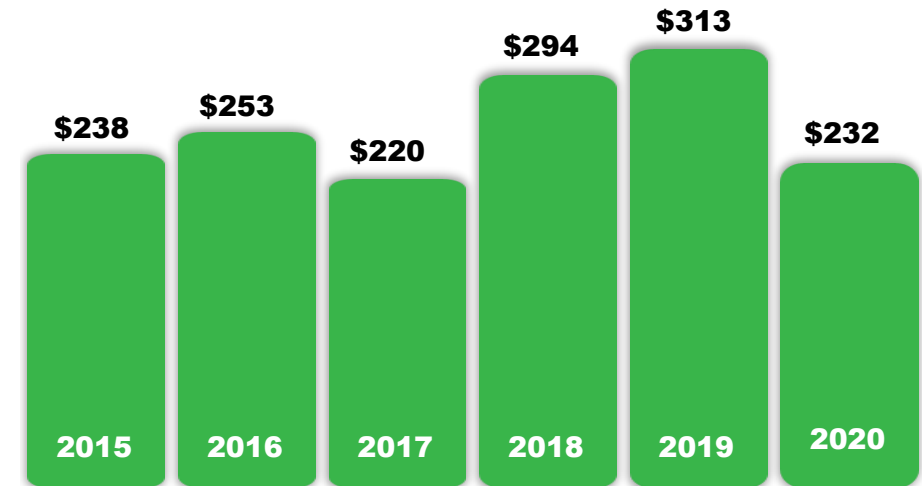


# INDUSTRIAL

Wind Energy | Automotive | Recreation | Infrastructure | Marine

- Active in 30+ different Industrial sub-markets
- Broad range of performance applications leveraging carbon fiber, resin and process expertise
- Wind energy comprises ~50% of Industrial
- Growth opportunities: Marine, Energy Storage/EVs and O&G piping

\$ millions

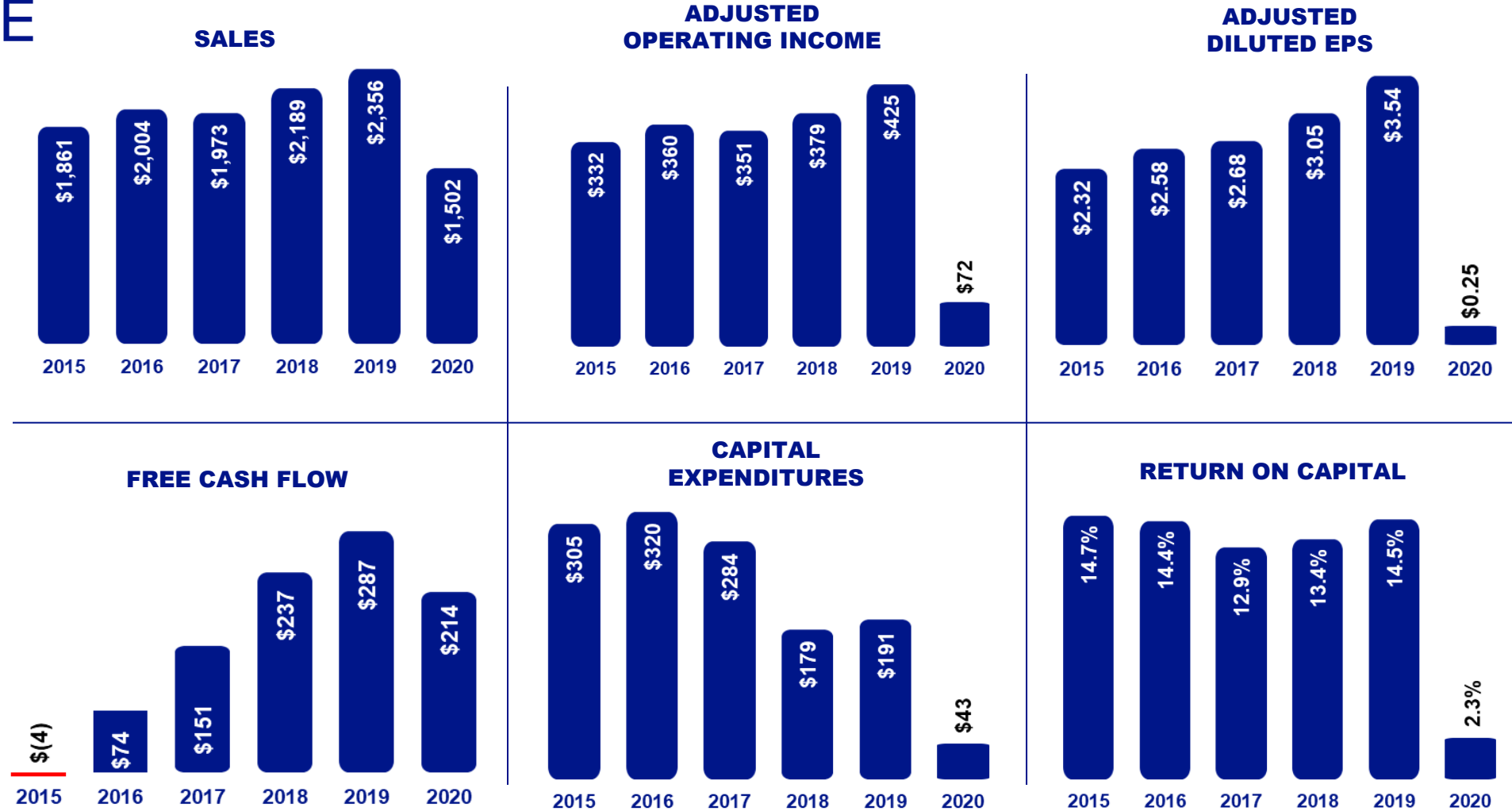




# PROVEN PERFORMANCE

Record results  
and positioned  
for growth

\$ millions, except EPS



# HEXCEL INNOVATION DRIVING GROWTH

New ideas, processes, and solutions leading the development of world-class products

1

## ORGANIC GROWTH

### Driven by Innovation

Duxford, U.K.

Dublin, CA

Salt Lake City, UT

Casa Grande, AZ

Les Avenières, France

Decatur, AL

GROWING INVESTMENT IN R&T

BROAD AND EXPANDING PATENT PORTFOLIO

PhD PROGRAMS

UNIVERSITY COLLABORATIONS & TECHNICAL CONSORTIUMS

2

## ACQUISITIONS

### Strategic Business & Technology

January 2019

Microwave/radio frequency absorbing materials

December 2017

Aerospace additive manufacturing

October 2017

Next-generation aerospace composite solutions

January 2016

Non-crimp & multi-axial composite fabrics

3

## INVESTMENTS

### Joint Ventures & Collaborations

July 2018: Joint Venture

Aerospace kitting services

March 2018: Strategic Alliance

Carbon fiber reinforced thermoplastic tape

May 2016: Investment

Carbon fiber recycling

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# REASONS TO **INVEST** IN HEXCEL

Investing in Innovation | Achieving Operational Excellence | Strong Investment Fundamentals

## Leadership in Attractive Markets



Unrivaled product portfolio  
Continuing secular growth  
High barriers-to-entry

## Lightweighting for Emissions Reduction



Lightweighting saves fuel and reduces transportation emissions

## Culture of Innovation



Technology and innovation support sustained growth

## Operational Excellence



Driving productivity through optimized performance

## Strong Investment Fundamentals



Strong balance sheet & liquidity  
History of prudent capital management & allocation

**Secular growth supported by Innovation | High barriers | Proven execution**