



PROPELLING FUTURE GROWTH THROUGH EXCELLENCE

Investor Meeting
May 2019 | Salt Lake City

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, 2018 and its first quarter 2019 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.

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.



HEXCEL IS A **GLOBAL LEADER** IN ADVANCED COMPOSITES TECHNOLOGY

LTM Sales | **\$2.3 billion**

Commercial Aerospace | 69%

Space & Defense | 17%

Industrial | 14%

Technology leader with a broad range of materials/products/qualifications

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

Sustainable **competitive advantage**

Excellent **customer relationships**

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

Long history of **creating shareholder value**

REASONS TO **INVEST** IN HEXCEL

Growing composite adoption | Sustainable competitive advantage | Financial strength

Leadership in Secular Growth Markets



Growing global
composite adoption

Unrivaled product portfolio
supports sole source positions

High barriers to entry

Innovation creating Competitive Advantage



Leading intellectual
property portfolio
supports growth and
margins

Operational Excellence



Driving productivity
through optimized
performance

Deep customer
relationships

Increasing Shareholder Value



ROIC well above cost of capital

50% increase in quarterly
dividends since 2015

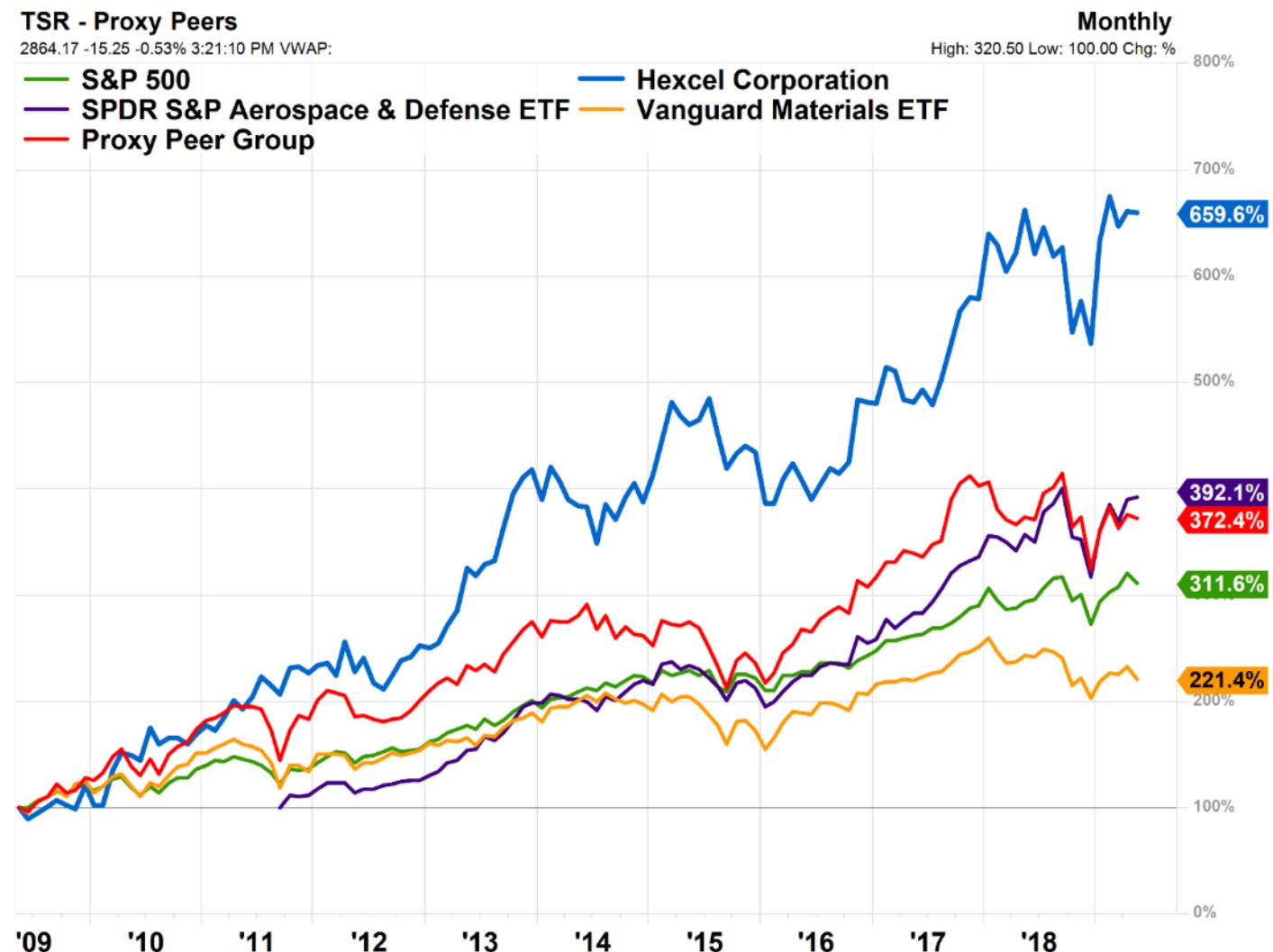
>50% of net income returned
to shareholders

Leadership, innovation and performance = an excellent investment

10-YEAR TOTAL SHAREHOLDER RETURNS

Hexcel versus peers versus S&P 500

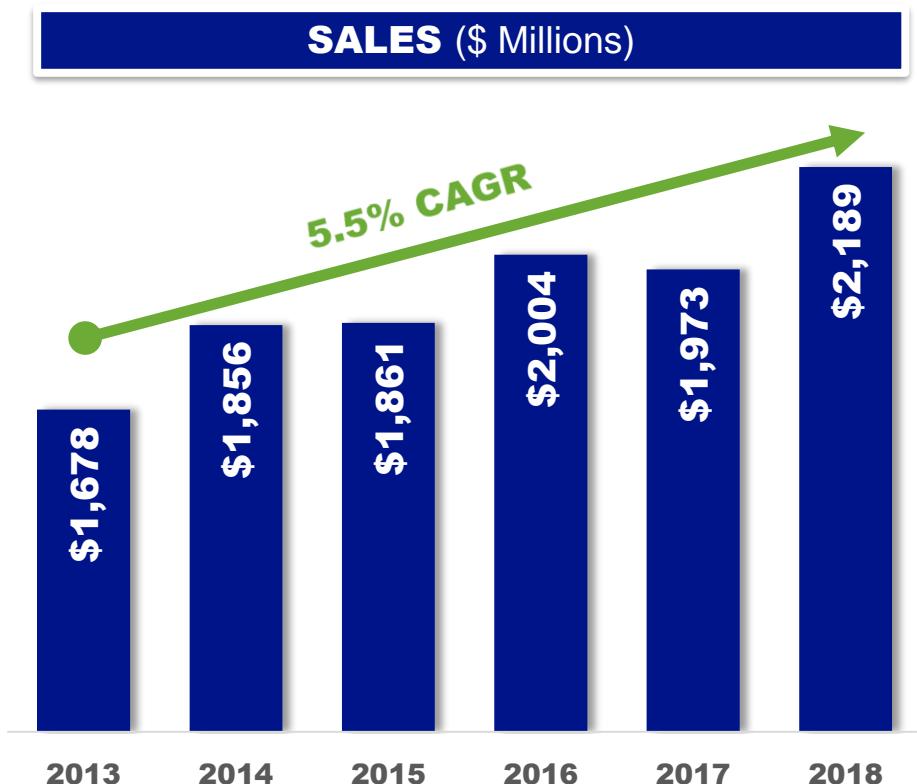
Returns	10-yr.	5-yr.	3-yr.	1-yr.
HXL	659%	170%	160%	102%
A&D	394%	194%	180%	111%
Specialty Materials	222%	114%	121%	91%
Proxy Peers	374%	133%	149%	97%
S&P 500	312%	152%	139%	106%



Source: FactSet as of 05/09/2019

PROVEN PERFORMANCE

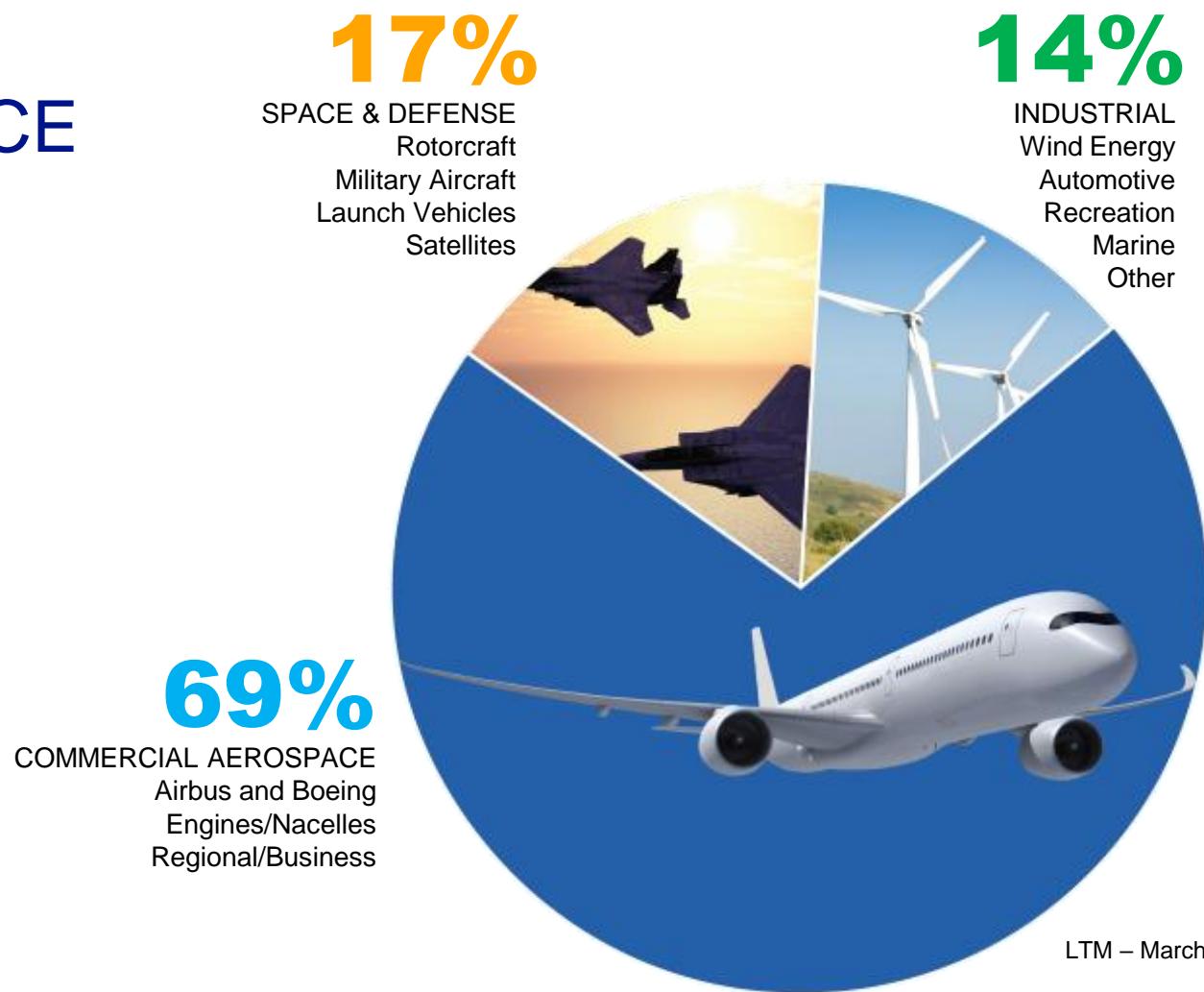
Consistent sales growth



Proven execution, strong earnings growth, exceptional cash generation

PROVEN PERFORMANCE

Sales by market



Growth fueled by composite penetration and technology innovation

WE DELIVER WHAT OUR **CUSTOMERS** WANT

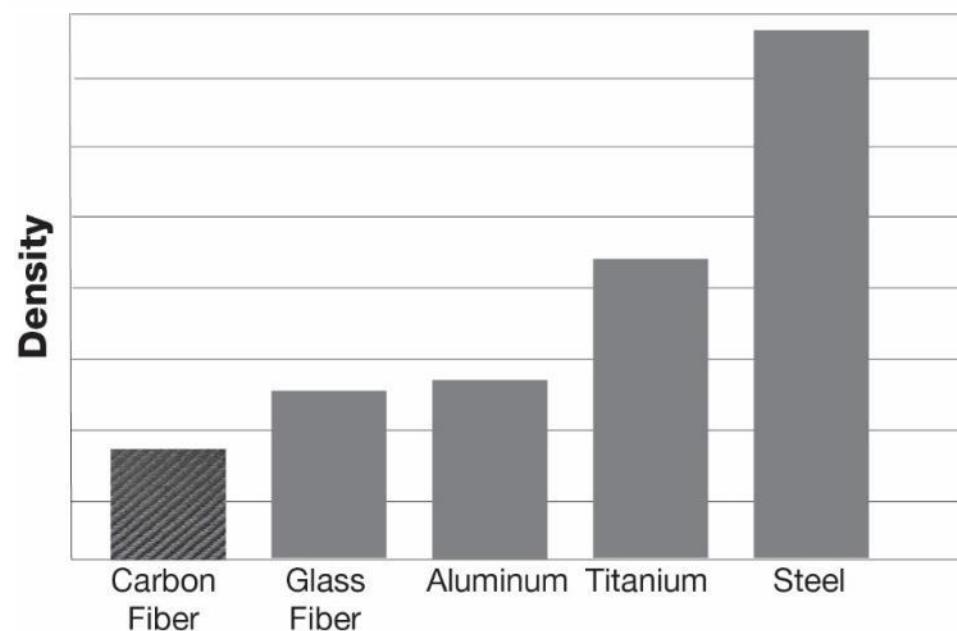
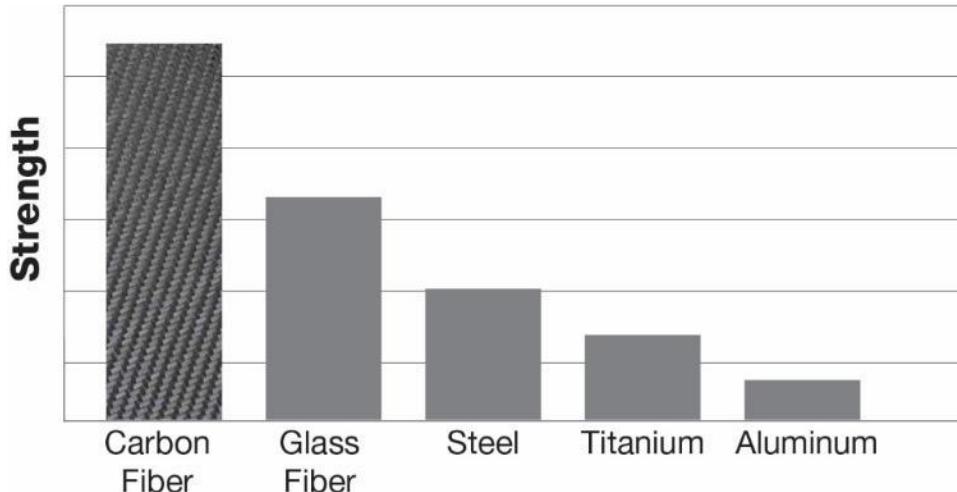
Advanced composite solutions that are stronger, lighter and tougher – optimizing total life cycle costs

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

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

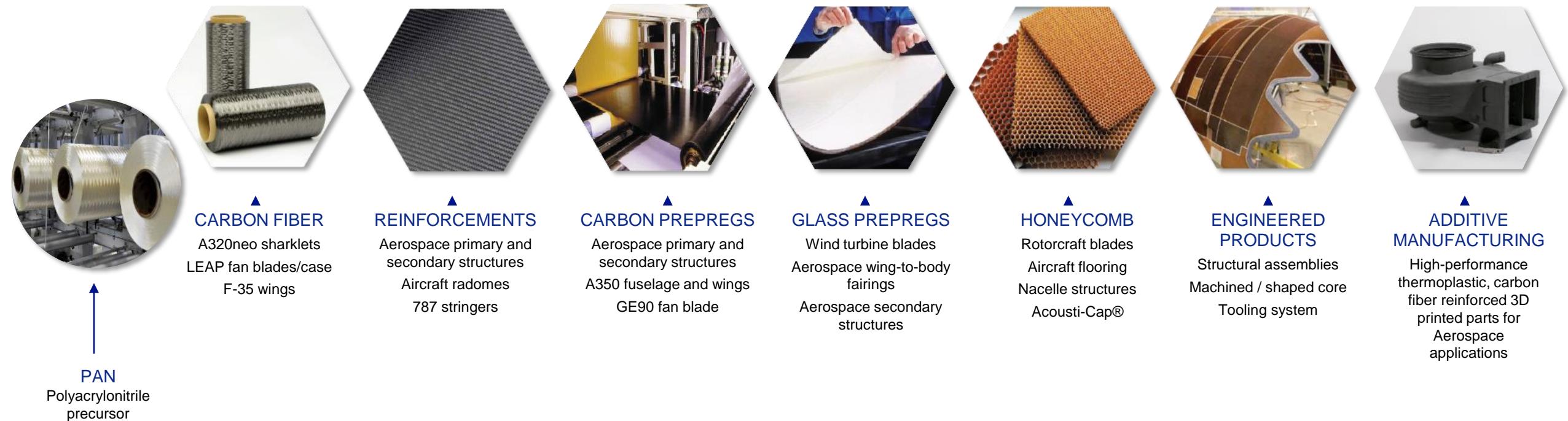
Our products are **tougher, stiffer** and **more durable**

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



WE HAVE AN UNRIValed RANGE OF PRODUCTS

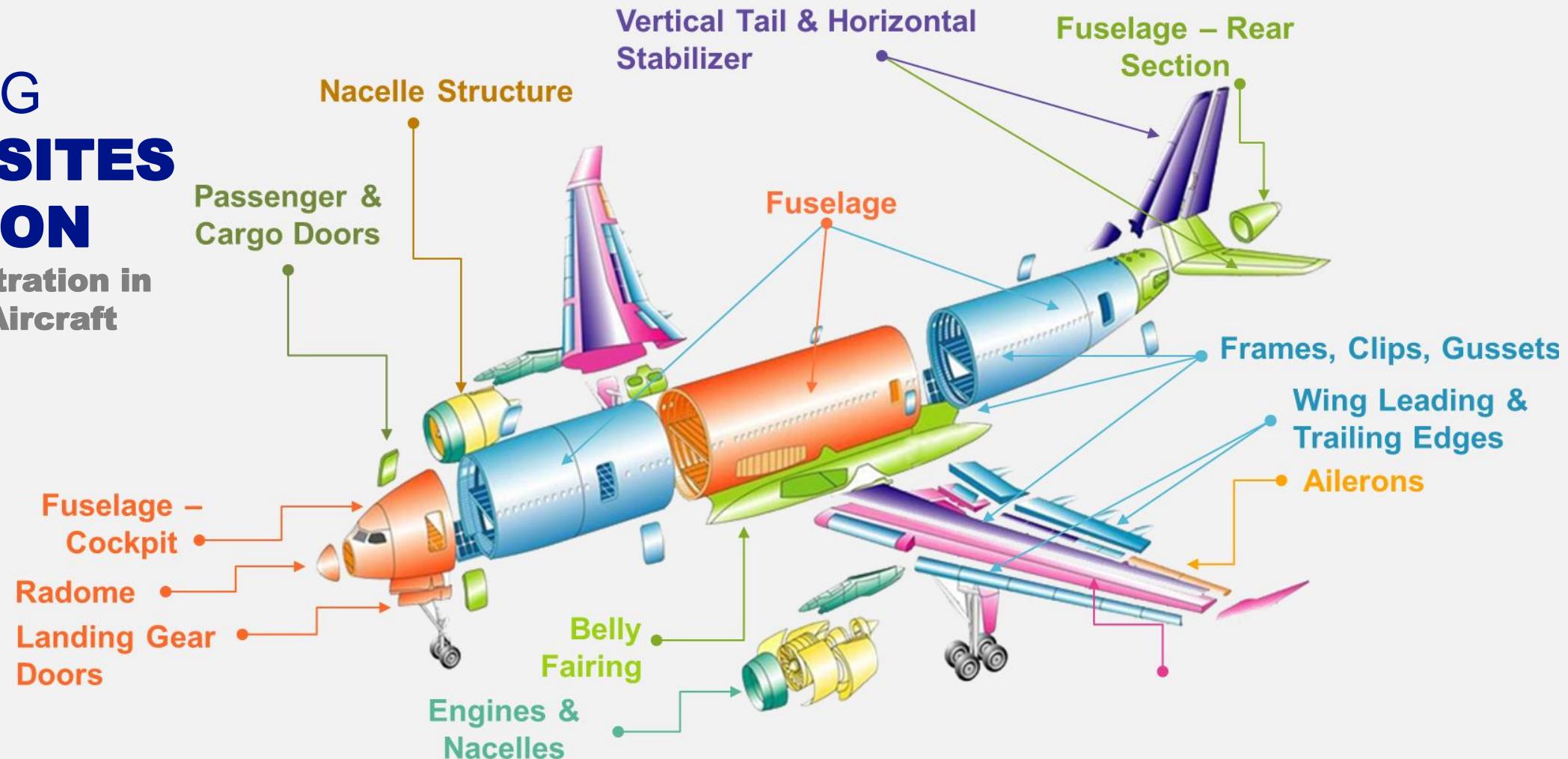
Everything from carbon fibers and reinforcement fabrics to prepregs, honeycomb core, tooling materials and more . . . from raw materials to fly-away parts . . . vertical integration is a strength and a differentiator



Strong | stiff | lightweight | fatigue resistant | corrosion resistant

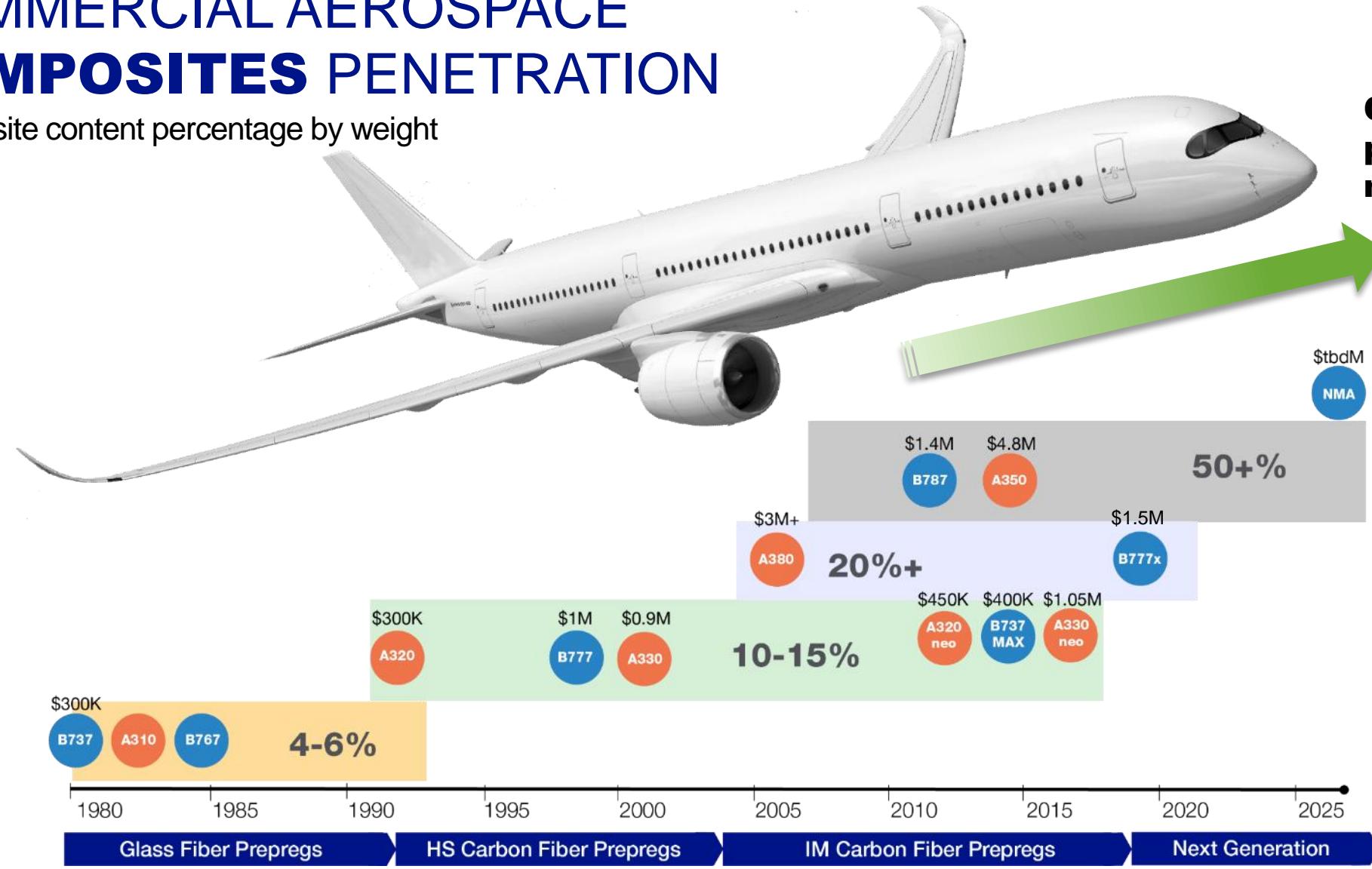
GROWING COMPOSITES ADOPTION

Secular Penetration in Commercial Aircraft



COMMERCIAL AEROSPACE COMPOSITES PENETRATION

Composite content percentage by weight



Continued secular penetration with next-generation:

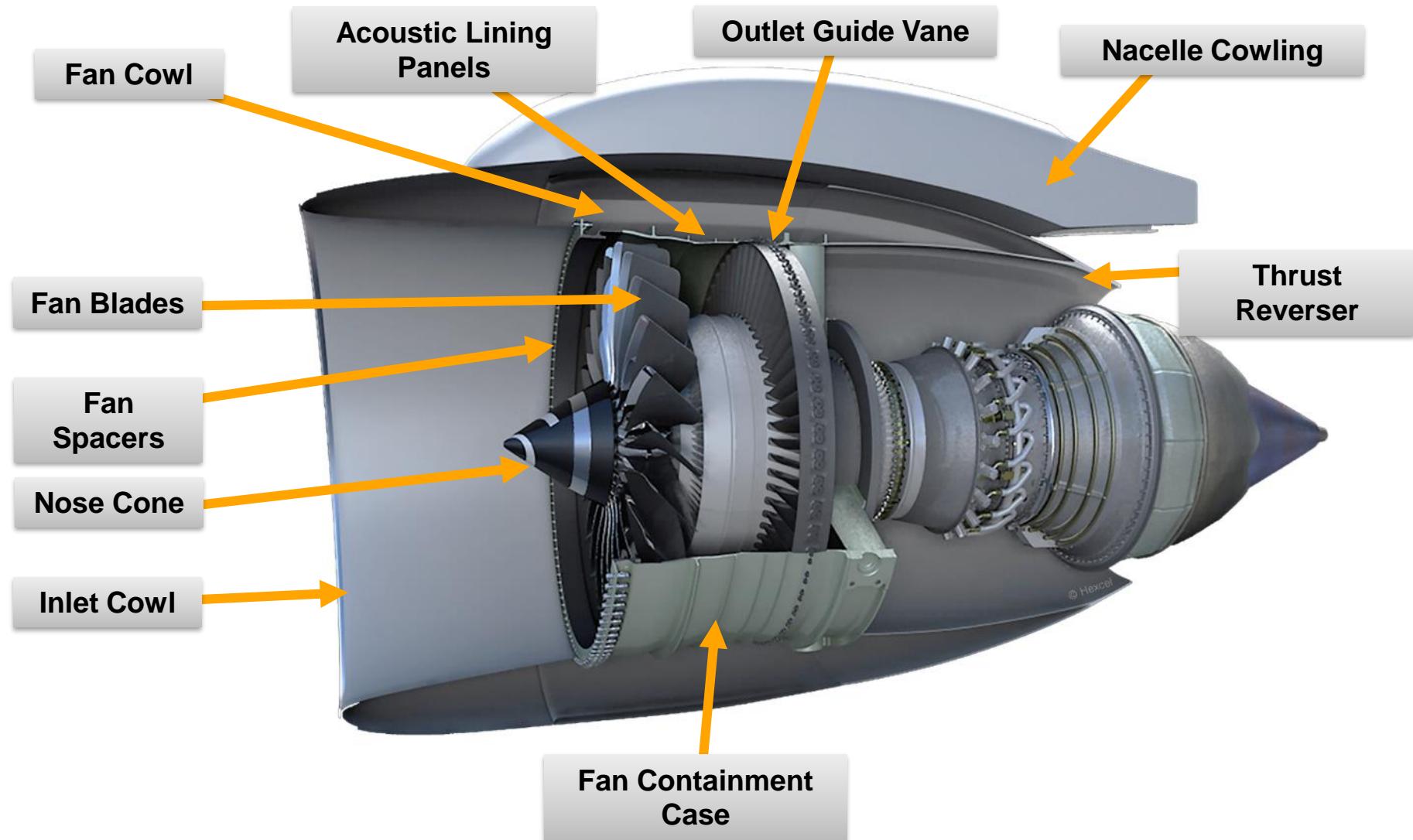
- Primary structure
- Secondary structure
- Engines and nacelles

Opportunity
Today – Primary structure composite aircraft (i.e. A350 & 787) are <5% of total global commercial fleet

Shipset values are estimates and may vary based on production rates and aircraft configurations.

GROWING COMPOSITES ADOPTION

Secular Penetration in
Engines & Nacelles

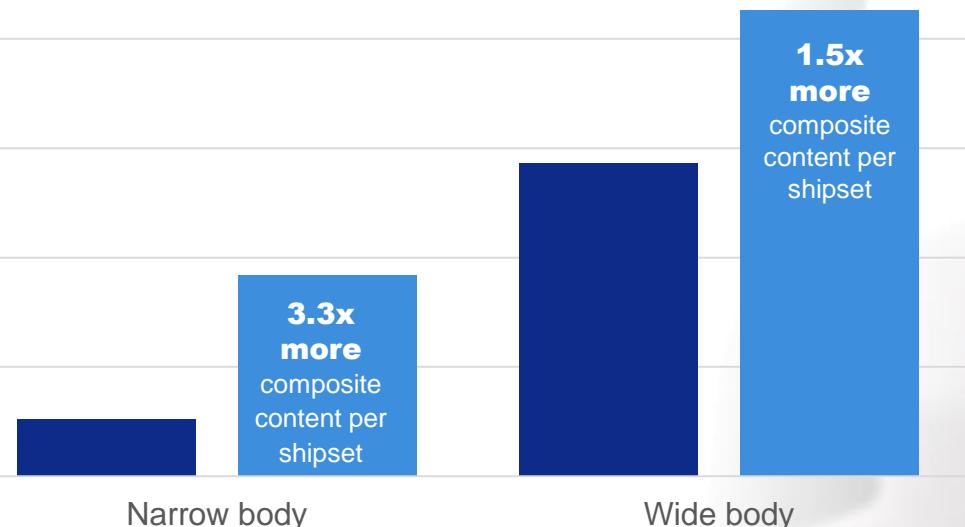


ENGINES & NACELLES COMPOSITES PENETRATION

Growing adoption of Hexcel-leading composites

Continued growth as build rates ramp up for next-generation aircraft

Average revenue per engine & nacelle shipset
■ Legacy ■ Next Generation

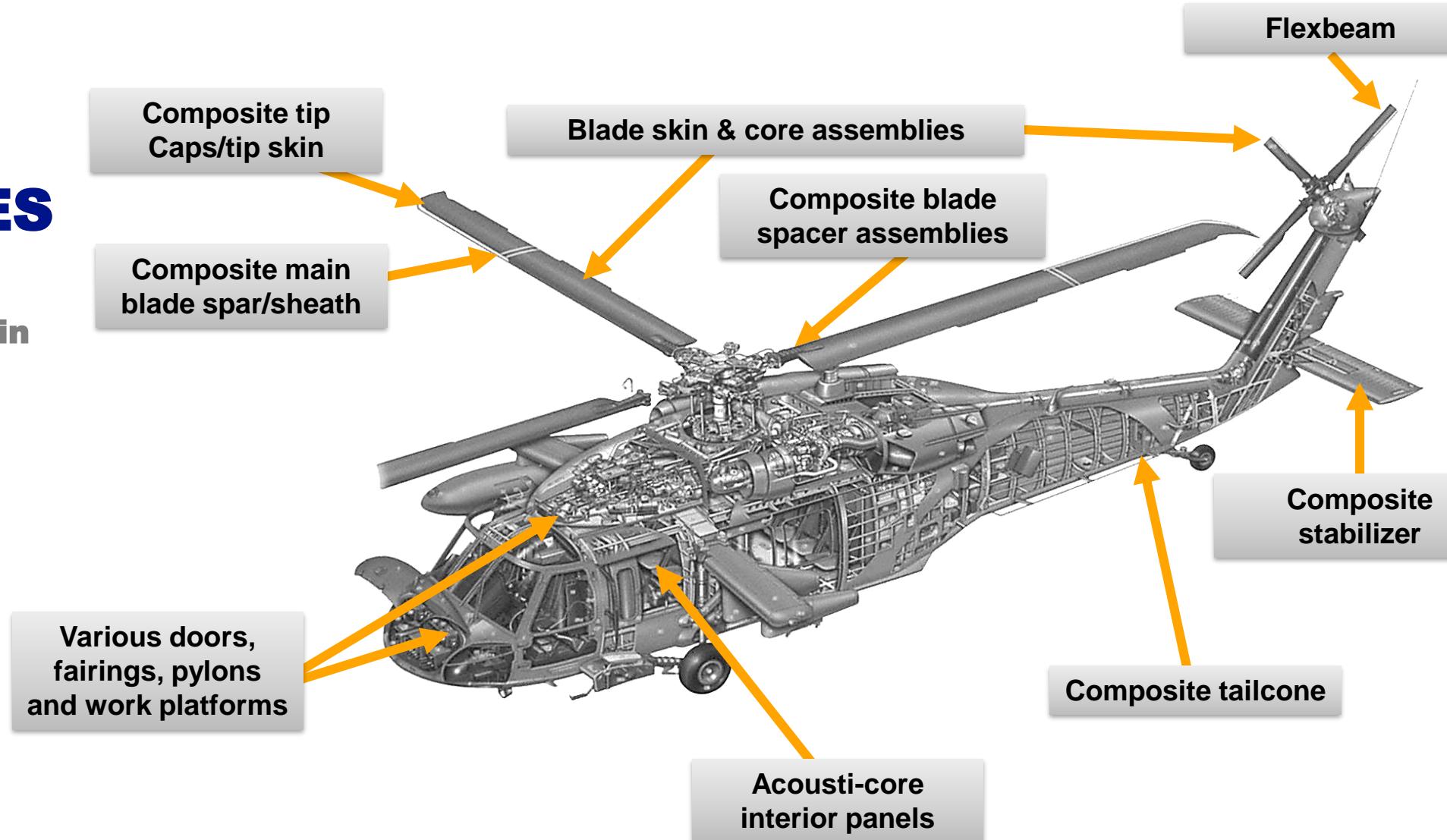


Projected revenue growth from engines & nacelles 2018-2023



GROWING COMPOSITES ADOPTION

Secular Penetration in
Rotorcraft



COMPOSITE RICH CH-53K

Overview

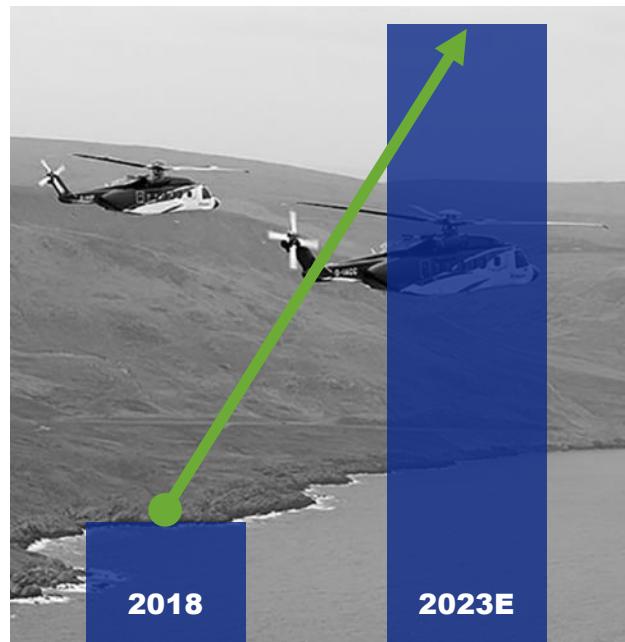
- Double the cargo of its predecessor
- Built at Sikorsky (Connecticut, U.S.)
- First customer: Naval Air Systems

Hexcel Composites On Board

- Main and tail rotor blades
- Blade spar
- Blade tip & skin
- Honeycomb core in blades and fuselage
- Fuselage
- Tailcone/aft transition
- Tail rotor pylon
- Sponsons
- Doors
- Engine nacelle

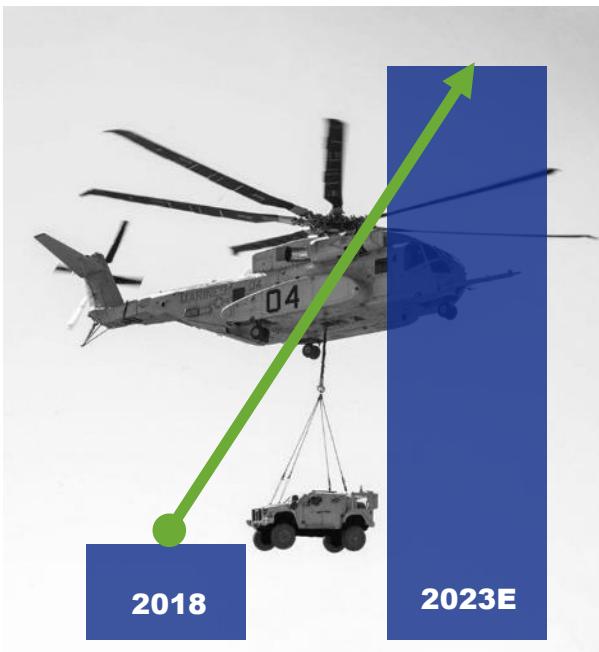


SPACE & DEFENSE TOP **GROWTH** PROGRAMS

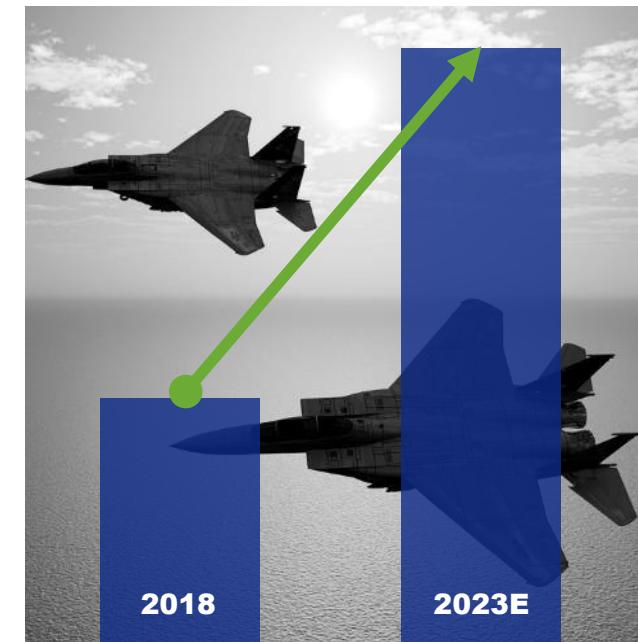


Medium Lift Helicopter Blades
~400% growth

Sikorsky UH-60 Black Hawk, Sikorsky S-92 civil helicopter



CH-53K Heavy Lift
~500% growth



Joint Strike Fighter
~100% growth

Note: Vertical axis scales differ for each graph

RESEARCH & TECHNOLOGY OVERVIEW

Investing today to ensure continued leadership tomorrow

7 GLOBAL CENTERS OF R&T EXCELLENCE



GROWING
INVESTMENT IN R&T



PhD
PROGRAMS



BROAD AND EXPANDING
PATENT PORTFOLIO



UNIVERSITY COLLABORATIONS &
TECHNICAL CONSORTIUMS

Innovation Center Duxford (UK) | 2016



Thermoplastic Research Alliance with Arkema France | 2018



Innovative Manufacturing Technologies Les Avenières, France | 2019



➤ **Expanding our leading technology positions through investments in research**

FROM RAW MATERIALS TO FLYAWAY PARTS

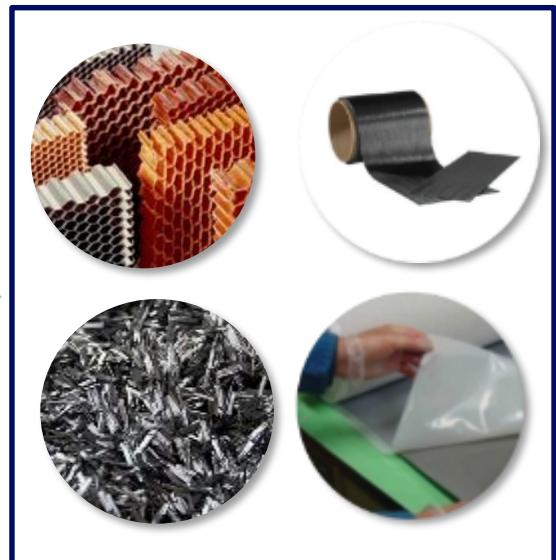
World-leading producer of aerospace carbon fiber, prepgs, reinforcements and more

Fiber to Prepreg

PAN, Fiber, Reinforcements, Resins



Core, Fiber and Composites to Engineered Products



TECHNOLOGICAL COMPETITIVE ADVANTAGES

- **Broadest** aerospace composite product portfolio in the industry
- **Vertical integration** with fiber
- Ability to **engineer performance** in prepreg
- Extensive **processing expertise**
- Functionality in **materials solutions**



HexTow® Carbon Fiber



HexForce® Reinforcements



HiTape® Advanced Reinforcements



HiMax™ Multiaxial Reinforcements



HexPly® Prepregs



HexFlow® Resins



Polyspeed® Laminates & Pultruded Profiles



Modipur® Polyurethane



HexBond® Adhesives



HexMC® Molding Composite



HexWeb® Honeycomb Core



HexWeb® Engineered Core



HexTool® Tooling Material



HexAM® Additive Manufacturing

Intellectual property, products, processes and culture are differentiators

TECHNOLOGY **BREAKTHROUGHS**

- Fast cure processes, out-of-autoclave applications
- Non-crimp fabrics
- PrimeTex®
- Compression Resin Transfer Molding
- Infusion resins
- Snap cure prepreg
- Surface treatments
- Conductivity improvements

Recent Significant Introductions

- HexTow® HM50 high modulus, high tensile strength aerospace fiber
- Acousti-Cap® broadband noise-reducing honeycomb
- HexAM™ additive manufacturing technology
- HexPly® M91 high toughness and impact-resistant epoxy prepreg



Consistently chosen by customers for our superior technologies and products

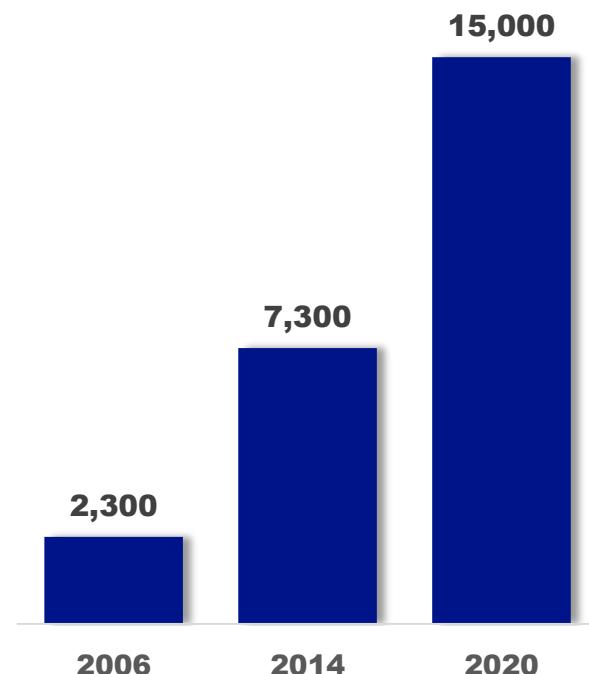
FIBERS OVERVIEW

World's largest aerospace qualified carbon fiber capacity and broadest product portfolio



- PAN and carbon fiber manufacturing on two continents, all assets Aerospace qualified
- ~70% carbon fiber produced used internally with external growth on emerging platforms
- Developing and optimizing tailored solutions based on customer requirements

Hexcel Name Plate Carbon Fiber Capacity (tons)



INTEGRATED SUPPLY CHAIN Overview

Relentless pursuit of Operational Excellence to exceed our customers' expectations

- 24 plants in 9 countries, 4 continents
- 6,000+ ISC employees focused on flawless execution to serve our customers
- International certifications including ISO, AS, OSHA, NADCAP
- Continuous improvement focus, >500 employees Six Sigma/Lean certified
- Extensive supplier management systems (>700 direct suppliers)



PRECURSOR and CARBONIZATION **CAPACITY EXPANSION**

Growing assets to meet future demand for growth



PAN Precursor
Polyacrylonitrile



Carbon Fiber



- Co-located PAN & Carbon Fiber plant for efficiencies
- Qualification targeted for 2020

INDUSTRIAL PREPREG CAPACITY EXPANSION

Growing assets to meet future demand for growth

Hexcel Windsor
(Colorado) heavy uni-
directional (HUD) line
under construction

Plant located adjacent
to Vestas



Glass Fiber Prepreg



FOCUS ON ENVIRONMENT AND SUSTAINABILITY

Whether the goal is to reduce emissions or engine noise . . . or to enable alternative energy sources such as wind turbines to be more efficient . . . Hexcel composites are a vital component in helping our customers reduce environmental impact.



Reducing emissions



Reducing noise

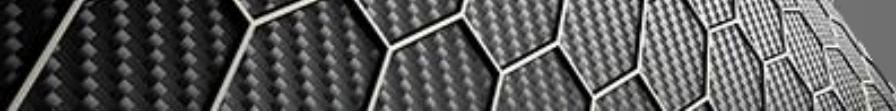


Alternative energy



Committed to innovation, creating a better world for us all

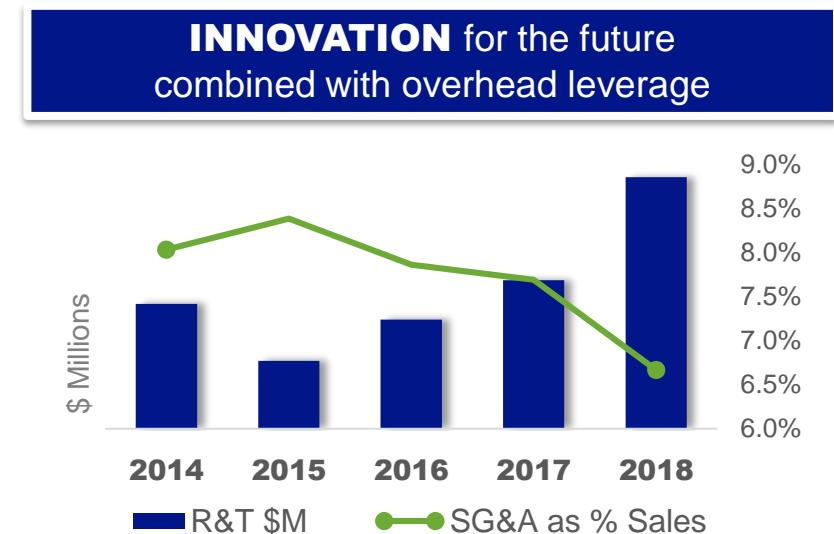
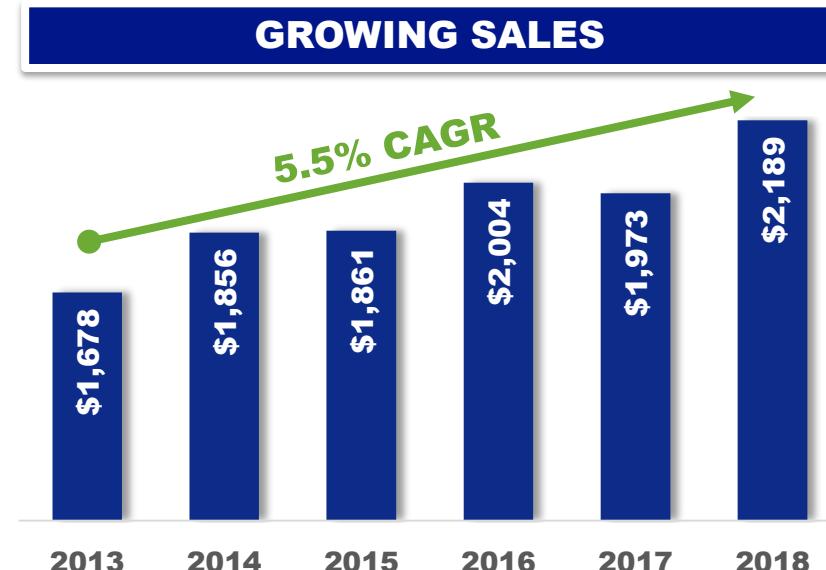
FINANCIAL OVERVIEW



PROVEN PERFORMANCE

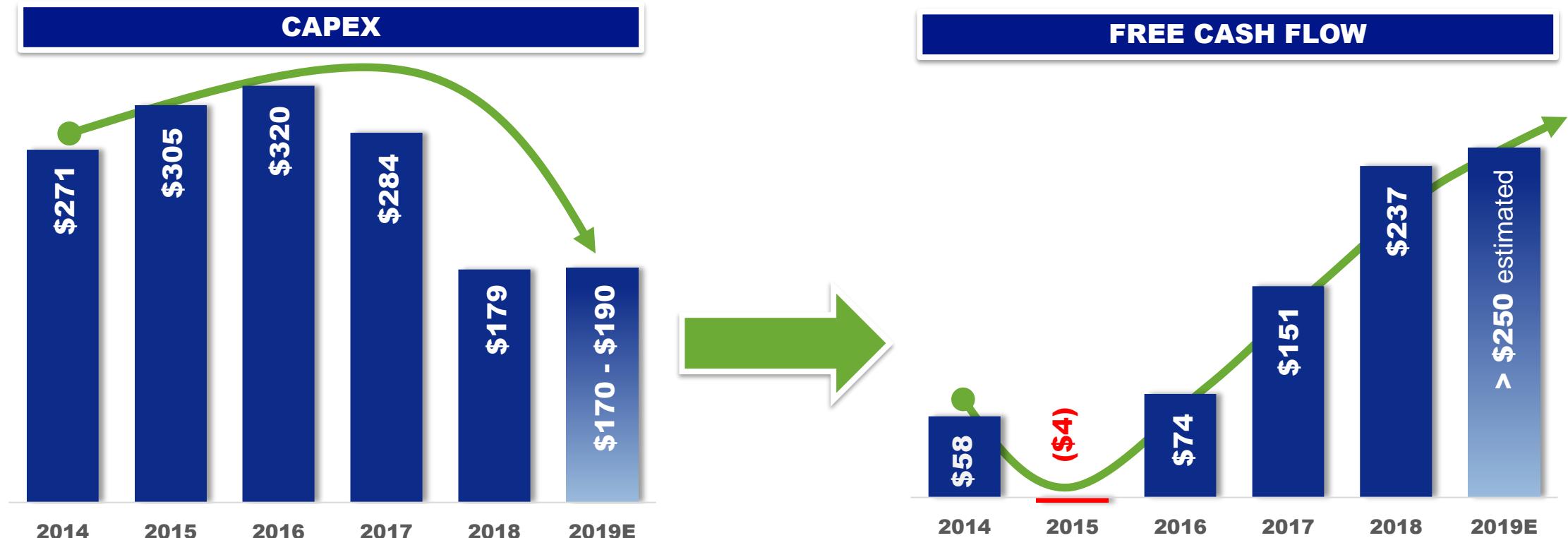
Positioned for continued growth

\$ millions, except EPS



THE JOURNEY FROM **CASH INVESTMENT TO CASH GENERATION**

Invest in leading-edge technology → built assets to deliver future revenue growth → generate strong ROIC and growing free cash flow



On track to deliver \$1 billion of free cash flow from 2016-2020

DISCIPLINED **CAPITAL DEPLOYMENT**

Our cash priorities

1

ORGANIC GROWTH

Investing in R&T and capacity to win positions on new programs

2

M&A OPPORTUNITIES

Consolidations and business growth; emerging technology opportunities and portfolio enhancements

3

RETURN TO SHAREHOLDERS

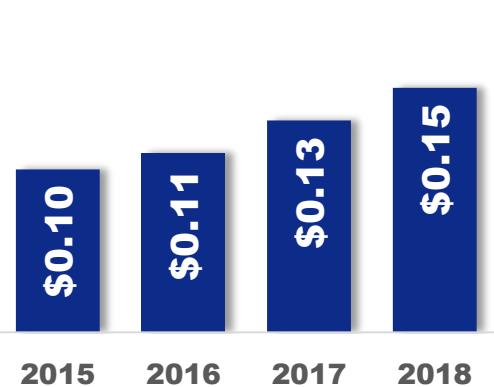
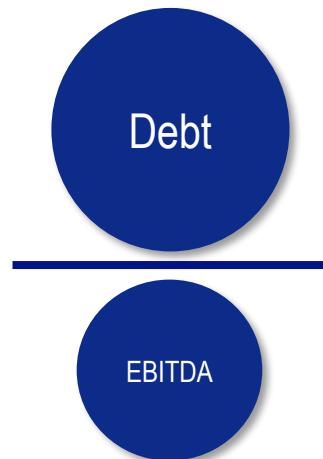
Dividends and share buybacks

DISCIPLINED CAPITAL MANAGEMENT

Creating shareholder value by the numbers

1.5 – 2.0

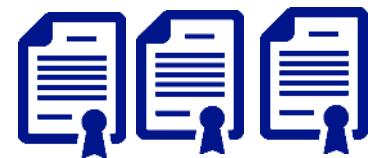
TARGET LEVERAGE RATIO
Maintain Strong Balance Sheet



50%
QUARTERLY DIVIDEND
INCREASE 2015-2018

80%

OF NET INCOME
RETURNED TO
SHAREHOLDERS SINCE
2013

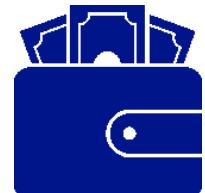


**\$1
billion**
SHARE REPURCHASES
2013-2018

INVESTMENT GRADE MAINTAINED

BBB
S&P

Baa3
MOODY'S



CAPITAL DEPLOYMENT

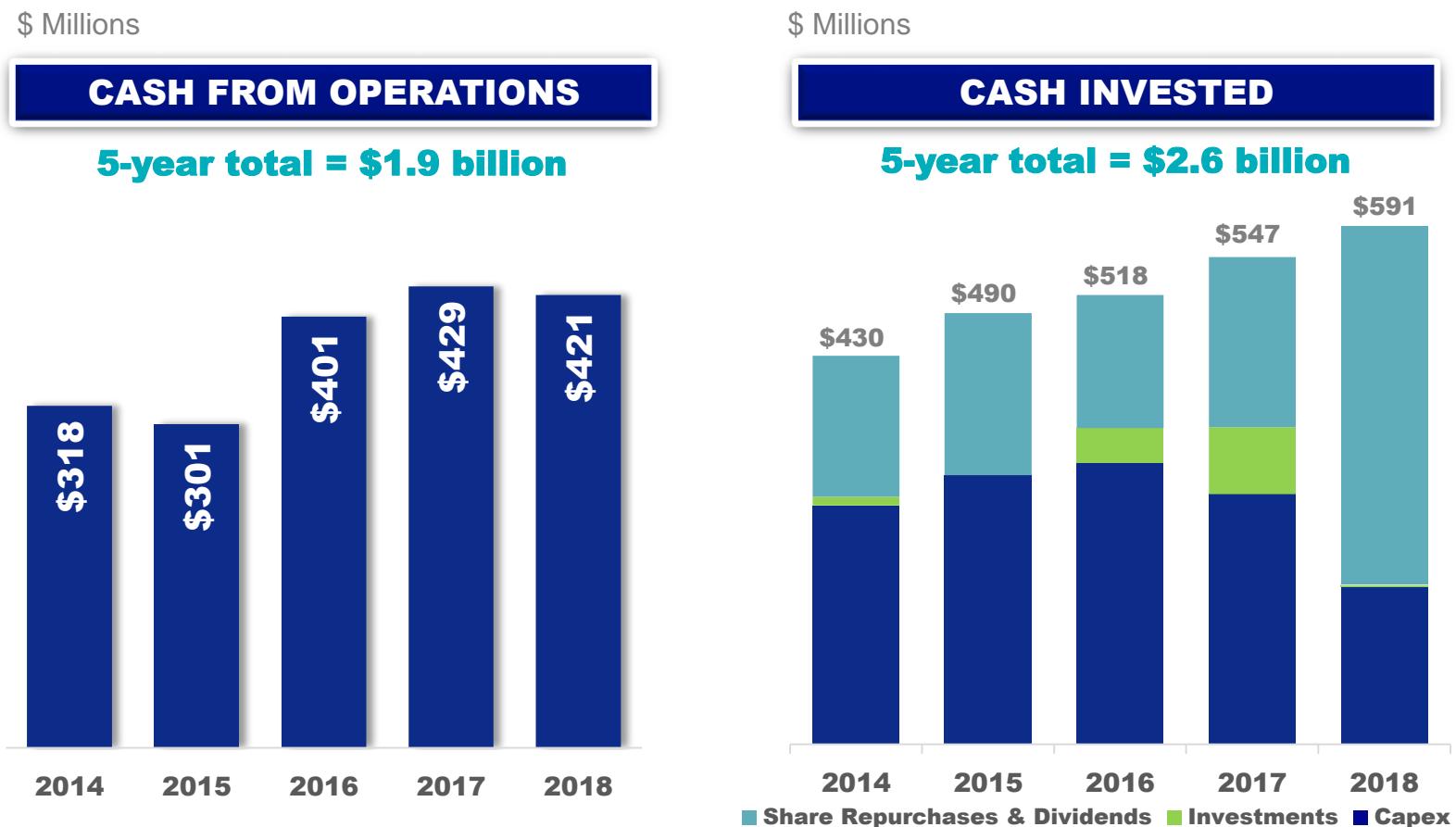
Sources and uses of cash for last five years

- Sources of more than \$2.5 billion:**

- \$1.9 billion from operations
- \$0.7 billion from debt

- Uses of more than \$2.5 billion:**

- \$1.4 billion capex
- \$128 million in investments
- \$1.1 billion returned to stockholders



Funding growth and innovation; returning cash to shareholders

M&A PRINCIPLES

VALUE CREATION APPROACH



ACQUISITION OPPORTUNITIES AHEAD

Opportunities in growth applications



Growth in markets requiring material science solutions

Enabling our customers



Developing technologies that expand our customers' capabilities

Develop adjacent product offerings



Expand into complementary materials and systems

Attractive geographies



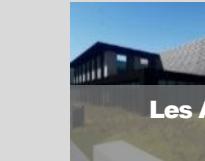
Focusing on key regions with high growth potential

HEXCEL INNOVATION DRIVING GROWTH

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

1

ORGANIC GROWTH Driven by Innovation



GROWING
INVESTMENT
IN R&T

BROAD AND
EXPANDING
PATENT
PORTFOLIO



PhD
PROGRAMS



UNIVERSITY COLLABORATIONS &
TECHNICAL CONSORTIUMS

2

ACQUISITIONS Strategic Business & Technology



JANUARY 2019



DECEMBER 2017



OCTOBER 2017



JANUARY 2016

3

INVESTMENTS Joint Ventures & Collaborations



JULY 2018: Joint Venture



MARCH 2018: Strategic Alliance



MAY 2016: Investment

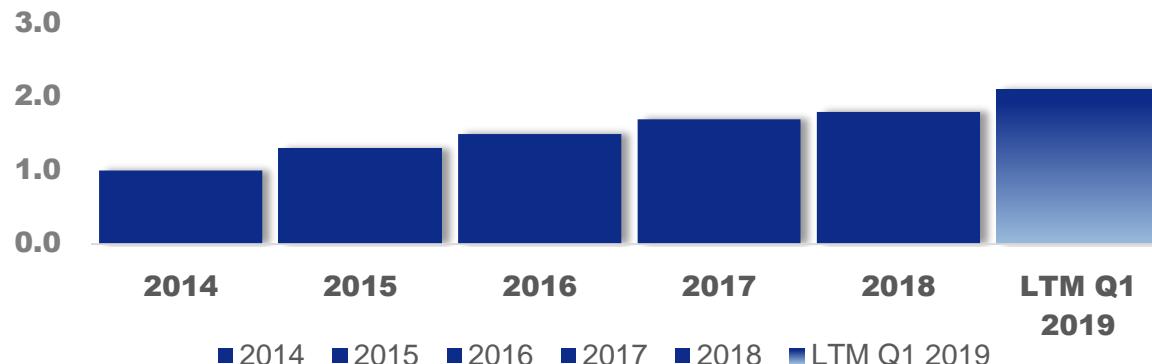
DEBT LEVERAGE

Prudently managed capital structure

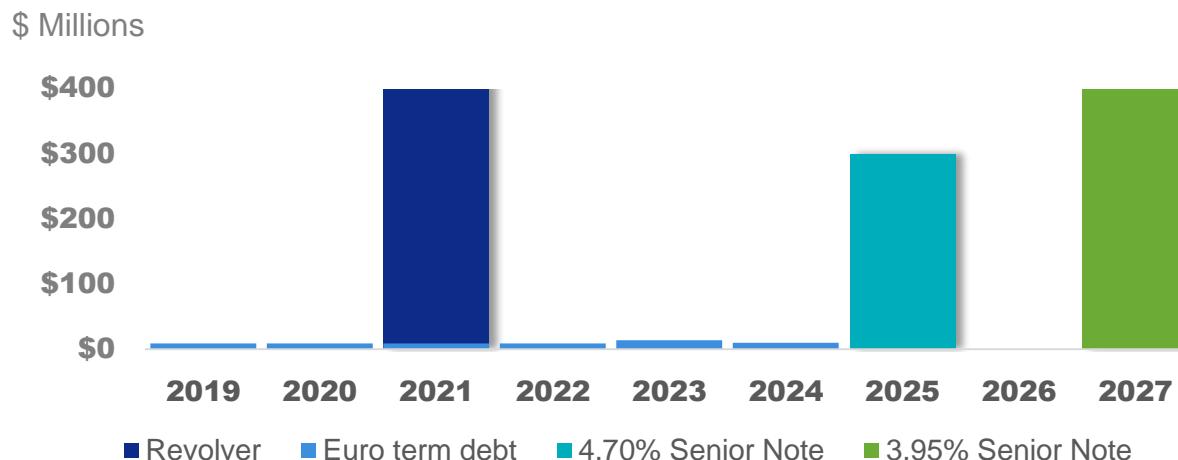
- Disciplined and measured leverage increase in-step with EBITDA growth
- Targeted leverage range of 1.5x to 2.0x
- Committed to maintaining Investment-Grade credit rating
- Staggered debt maturities over comfortable timeframe
- Significant “dry-powder” available for M&A

LEVERAGE: TOTAL DEBT/ADJUSTED EBITDA

Maximum per covenants is 3.5x



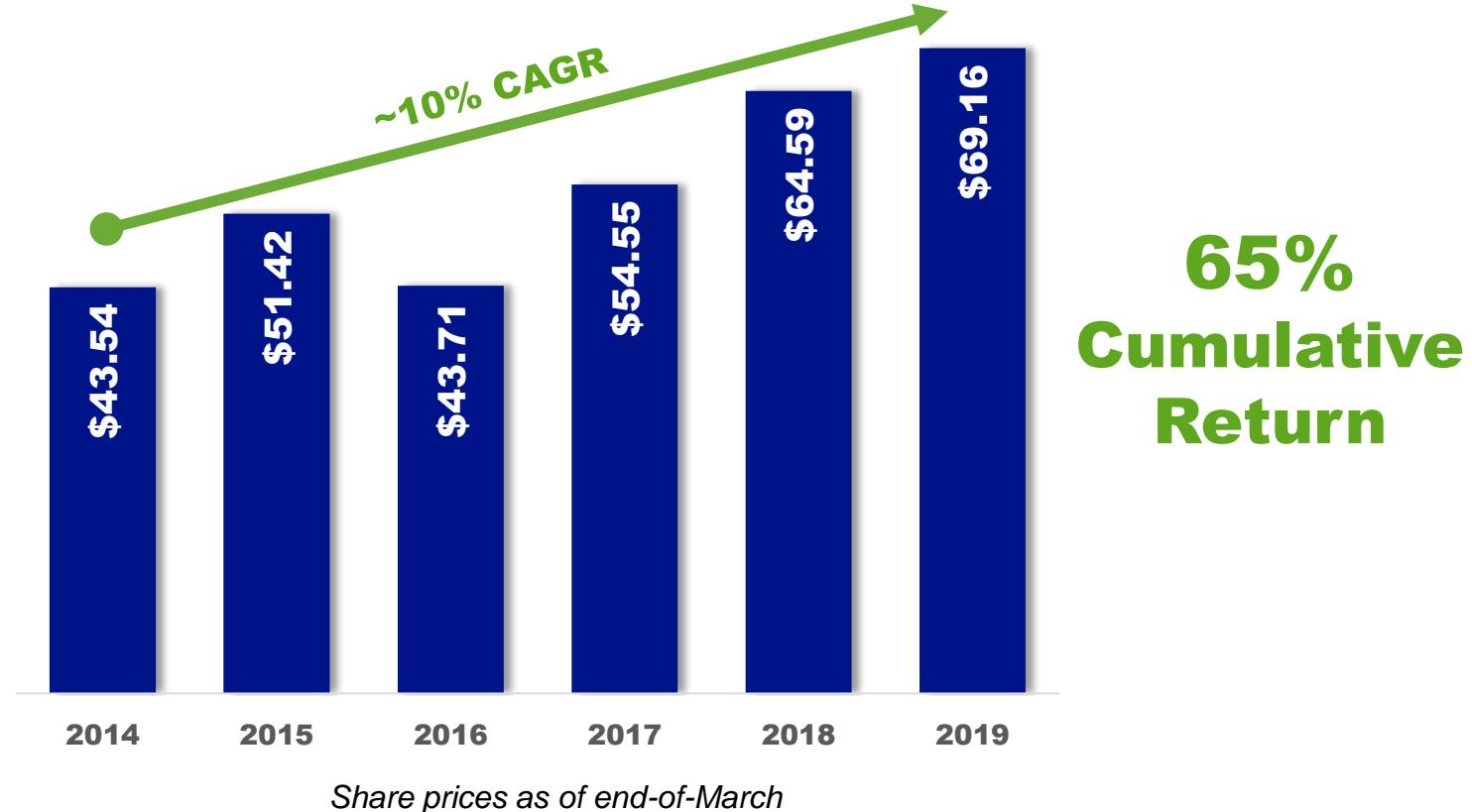
EXTENDED DEBT MATURITY SCHEDULE



TOTAL SHAREHOLDER RETURN

Share price % appreciation + Dividend yield

- Cash flow accelerating
- Margins growing
- Disciplined capital deployment
- Markets growing



We believe Hexcel continues to be an excellent investment

Q1 2019 Results

Sales

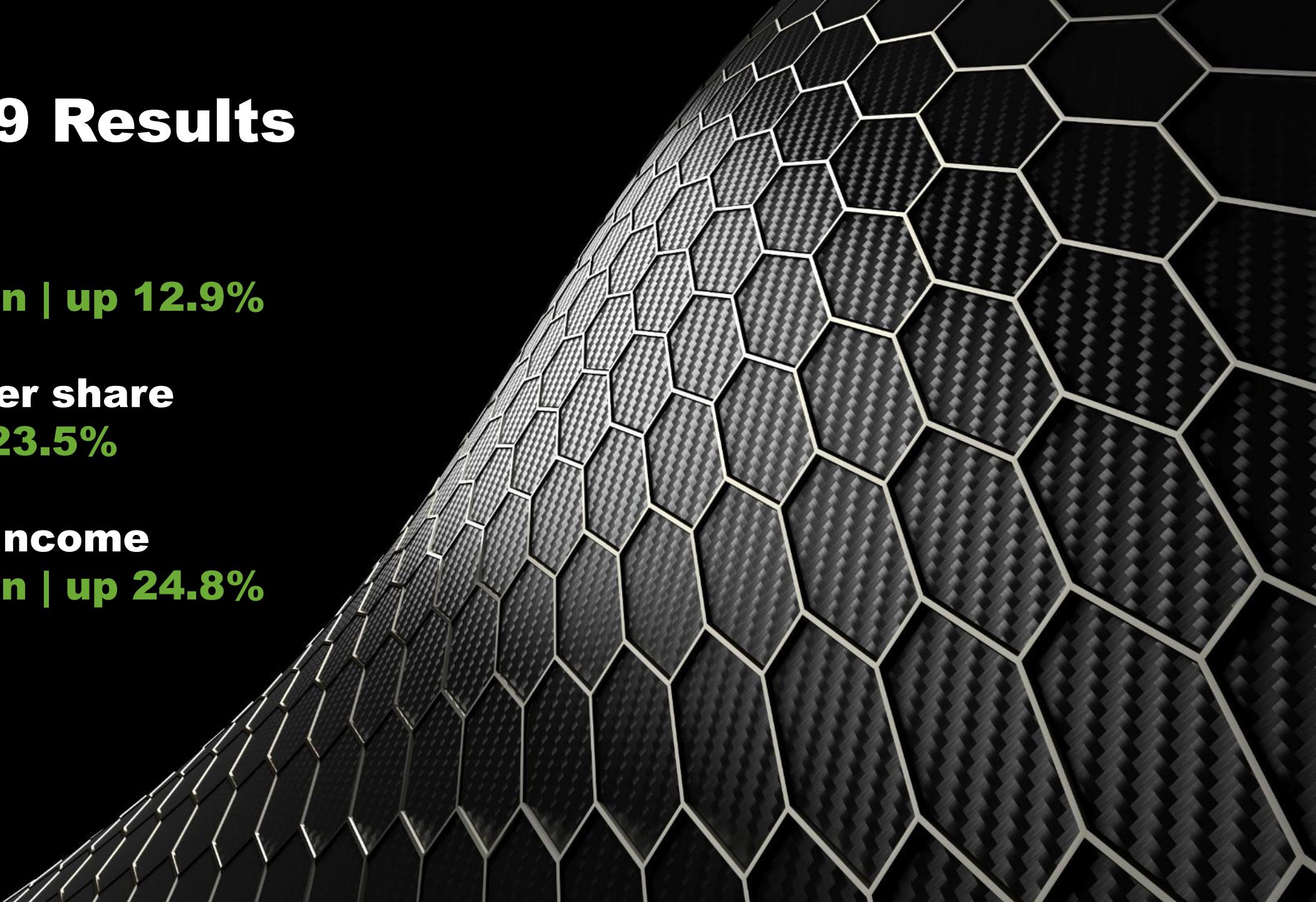
\$610 million | up 12.9%

Earnings per share

\$0.84 | up 23.5%

Operating income

\$103 million | up 24.8%



2019 GUIDANCE

\$ millions, except EPS



COMMERCIAL AEROSPACE

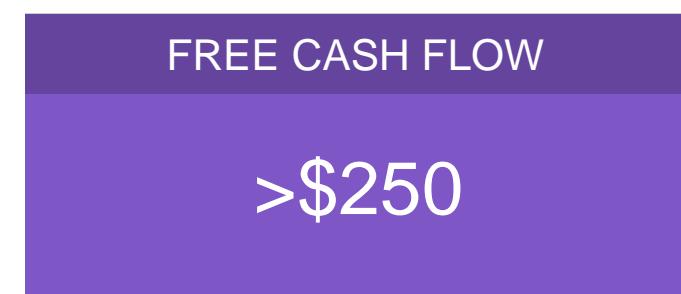
High-single digit growth

SPACE & DEFENSE

Double-digit growth

INDUSTRIAL

Double-digit growth



RETURN TO SHAREHOLDERS >50% OF NET INCOME

Growing sales and strong free cash flow generation

OUTLOOK

GROWTH ACROSS KEY METRICS

Sales Growth

- Secular penetration opportunities continue in a growing aerospace market
- Technology leadership delivering adoption for future programs
- Space & Defense growth remains strong; Industrial outlook very positive

EPS Growth

- Sustainable competitive advantage combined with Operational Excellence
- Delivering strong EPS growth > sales growth

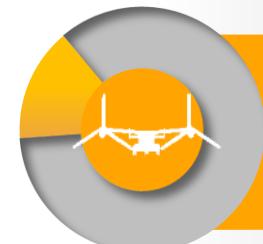
Free Cash Flow Growth

- Maximizing cash generation and growing strong ROIC%
- Period of lower capital investment ahead of new platforms – EIS mid-2020s

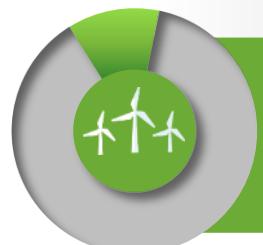
THREE-YEAR SALES CAGR THROUGH 2021



Commercial Aerospace
4 - 7% CAGR



Space & Defense
11 - 13% CAGR



Industrial
10% + CAGR

**Double-digit
CAGR EPS
growth**

2021
TOTAL HEXCEL
6 - 9% CAGR
(2018 – 2021)

SIGNIFICANT **MARKET GROWTH** DRIVERS THROUGH 2021

Commercial Aerospace

- Airbus A220, A320neo family, A350, Boeing 737MAX, 787 and 777X
- Other Commercial Aerospace – Gulfstream (G500/G600), Embraer (190/195-E2)

Space & Defense

- F-35, CH-53K, wide-chord blade, AH-64, launchers + civil helicopters

Industrial

- Wind Energy (including repowering), Automotive

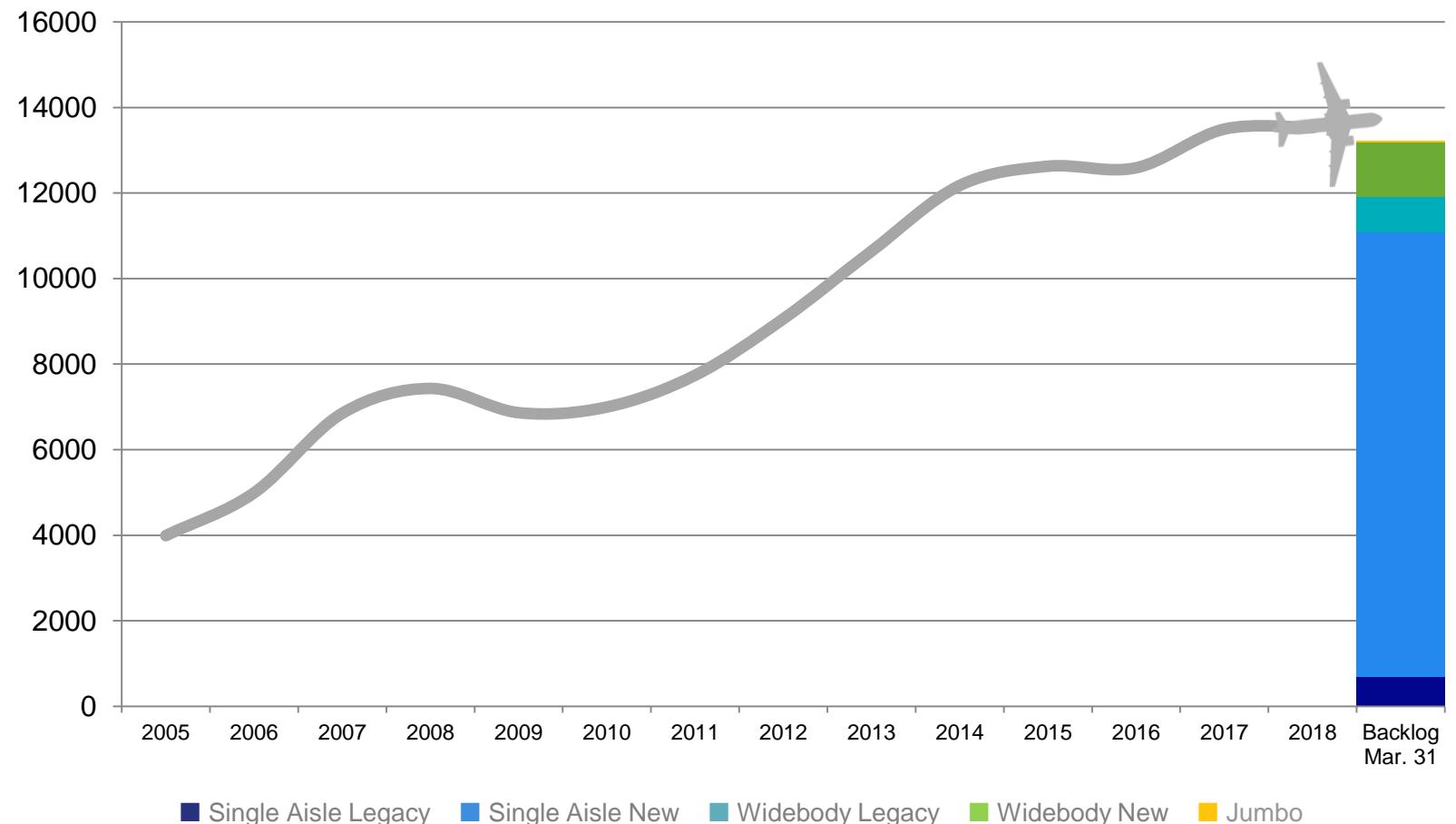
Plus broad opportunities in new innovation, processes and technologies

AIRBUS AND BOEING BACKLOG

Backlog is worth approximately \$10 billion to Hexcel

AIRBUS	
A220/320 single aisle	6,379
A330 twin aisle	290
A350 twin aisle	633
A380 jumbo	17

BOEING	
737 single aisle	4,703
747 jumbo	22
757, 767 twin aisle	103
777, 777x twin aisle	441
787 twin aisle	624

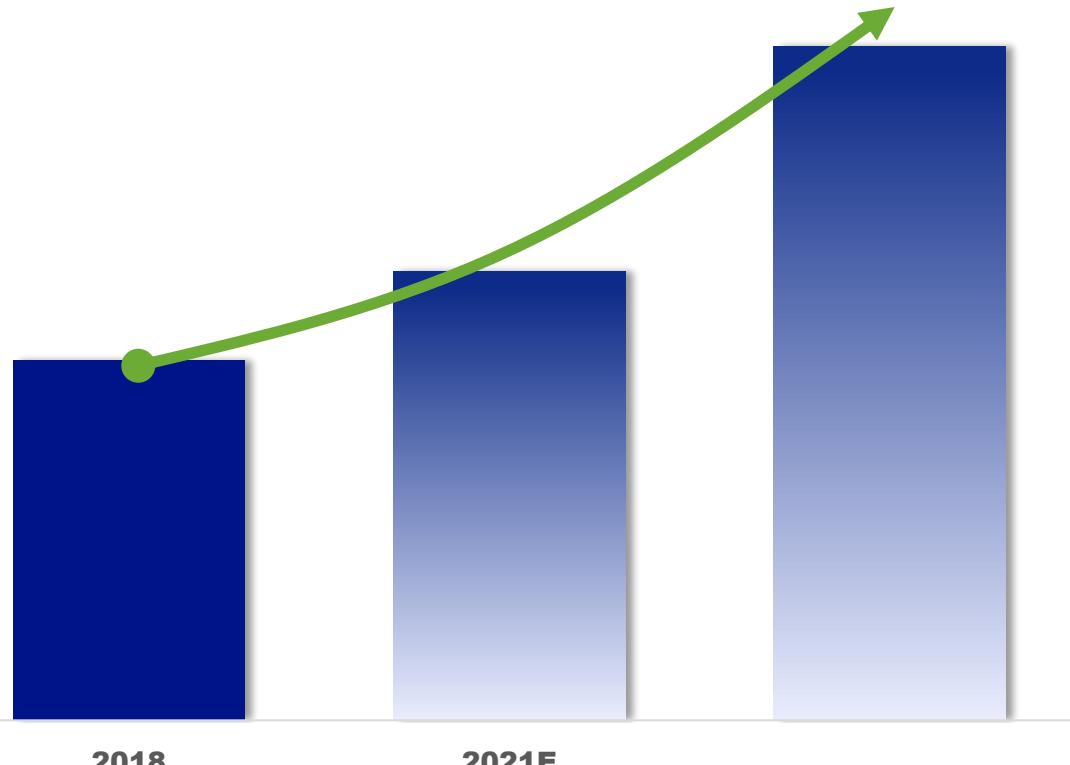


LONGER-TERM SALES GROWTH

Resulting from anticipated organic growth and M&A activity

- Commercial Aerospace, Space & Defense and Industrial markets are growing
- The demand for innovative composite products is rising
- Aerospace backlogs are strong
- Barriers to entry are high
- Continued strategic M&A

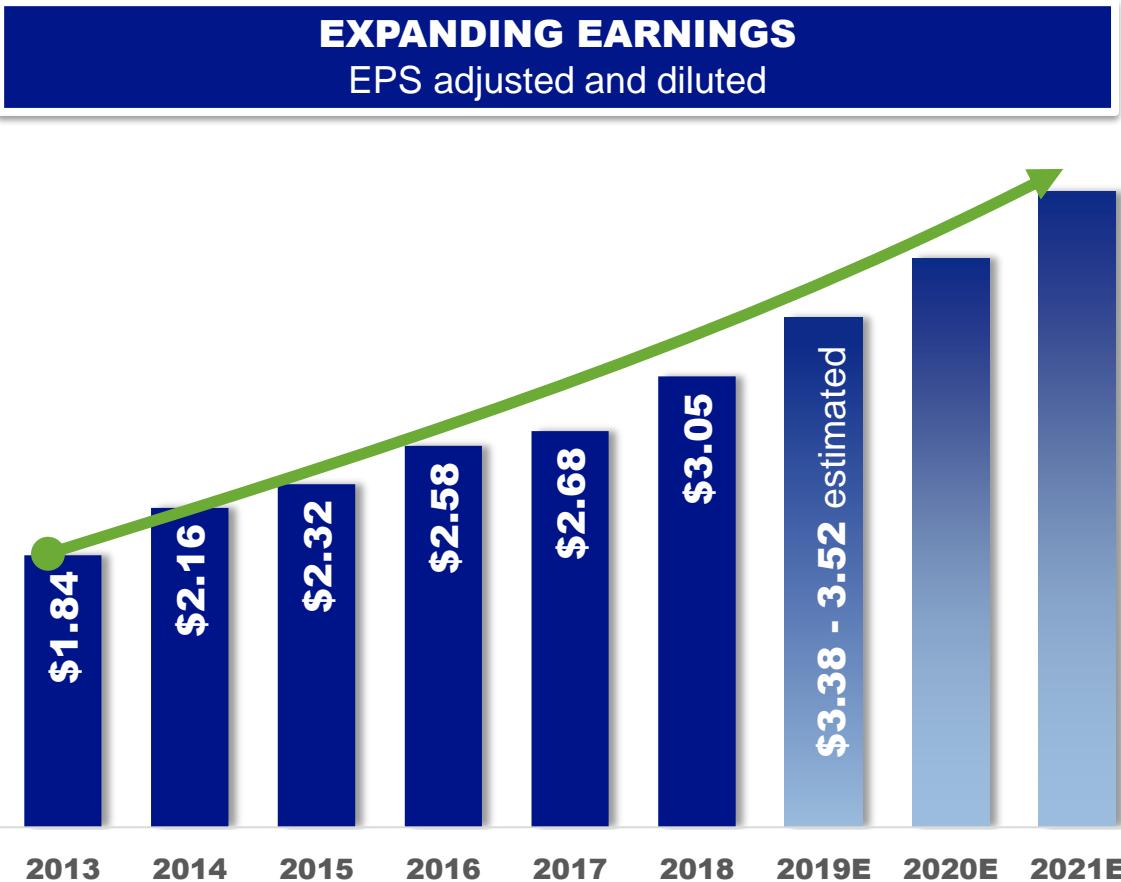
TARGETING LONGER TERM
7-10% SALES GROWTH



Flawless execution + smart investments = continued strong growth

EPS EXPANSION

- Sales volume, operational excellence, and capital allocation driving EPS expansion
- 2019 forecasted EPS growth of 13% to EPS mid-point

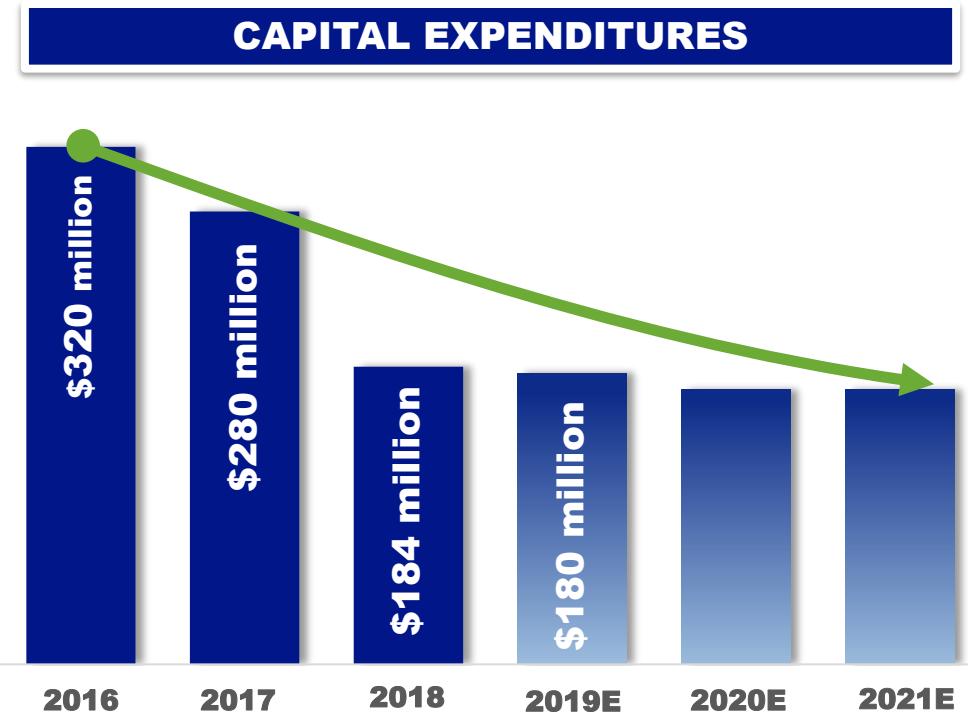


Long-term commitment to double-digit annual EPS growth

CAPEX 2016 - 2021

Return on Investment

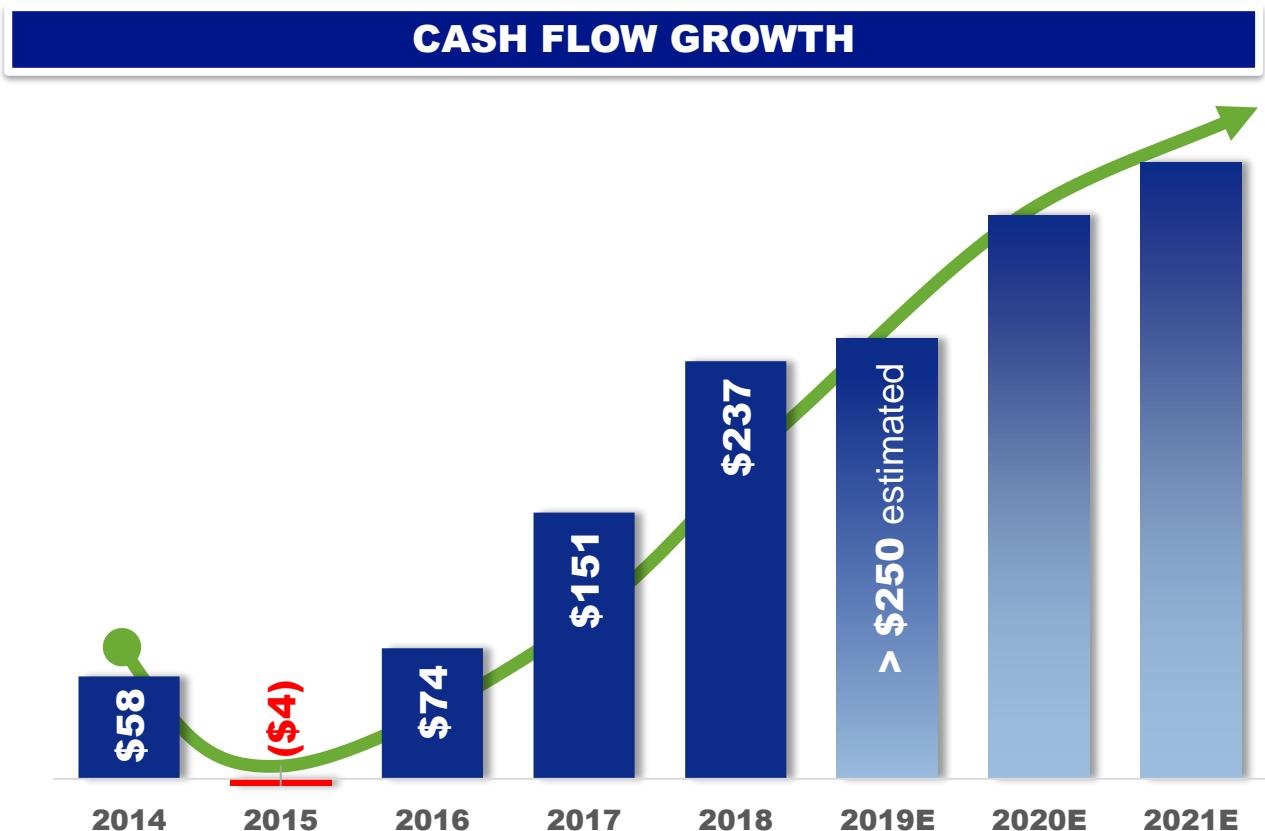
- Now in period of lower capex
 - Driving **execution on investment and cash generation**
- Guidance for \$500 - \$550 million for 2019-2021
 - Capacity investment continues to be required for identified growth



Investment cycle → cash generation cycle

GROWING FREE CASH FLOW

- Strong cash from operations historically
- Leveraging capital assets – beyond peak spend
- Expanding free cash flow
- Period of cash generation ahead

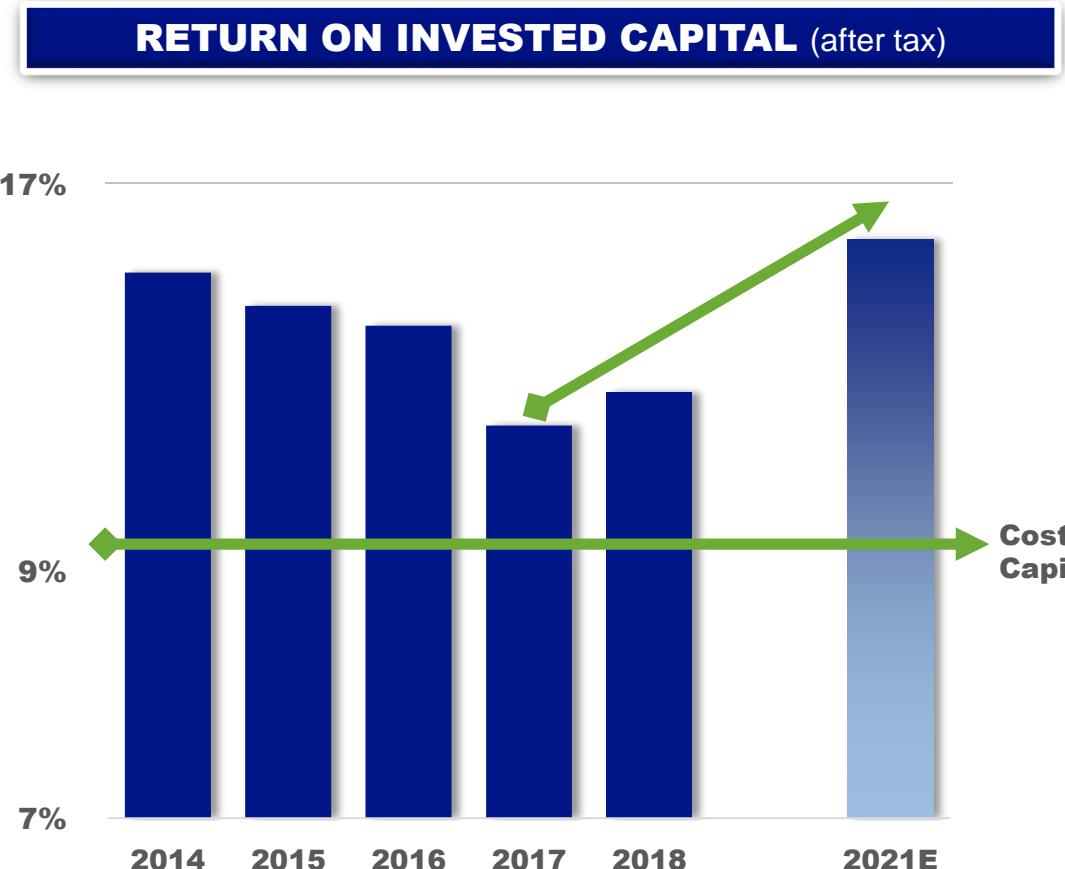


Targeting \$1.8 billion free cash flow 2019 - 2023

RETURN ON INVESTED CAPITAL

ROIC is our metric for capital investments, acquisitions and compensation

- Strong consistent returns throughout investment period
- ROIC consistently above cost of capital
- ROIC returning to growth as capex spend tapers in current growth cycle



Well above cost of capital; strong and growing returns on recent investments

DELIVERING GROWTH & VALUE

Cash is invested to generate sales → Increased sales generate improved EPS → EPS generates cash invested in growth



Extraordinary performance, exceptional results; committed to returning > 50% Net Income

SUMMARY

Hexcel is a global leader in advanced composites technologies

- PROVEN **EXECUTION**
- INNOVATIVE LEADER
- STRONG SALES & EARNINGS **GROWTH**
- EXCEPTIONAL **CASH GENERATION**

Technology leader with a broad range of materials/products/qualifications

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

Sustainable **competitive advantage**

Excellent **customer relationships**

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

Long history of **creating shareholder value**