

# A Wright Investors' Service Research Report:

## Hexcel Corporation



2 Corporate Drive Suite 770  
Shelton Connecticut 06484 U.S.A.

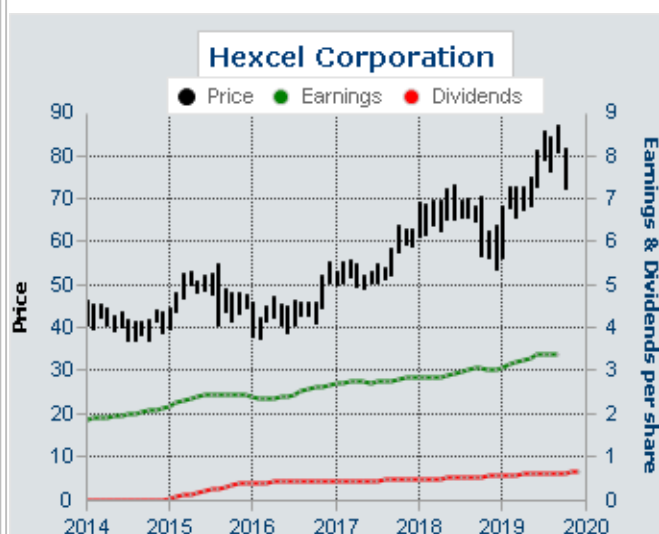
### COMPANY PROFILE

Figures in U.S. Dollars

Wright Quality Rating: ABA12

Hexcel Corporation is a composites company. The Company develops, manufactures, and markets lightweight, structural materials, including carbon fibers, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, adhesives, engineered honeycomb and structures, for use in Commercial Aerospace, Space and Defense and Industrial markets. It operates in two segments: Composite Materials and Engineered Products. The Composite Materials segment consists of its carbon fiber, specialty reinforcements, resins, prepregs and other fiber-reinforced matrix materials, and honeycomb core product lines. The Engineered Products segment consists of lightweight structures, molded components, engineered core and honeycomb products with added functionality. Its products are used in a range of end applications, such as commercial and military aircraft, space launch vehicles and satellites, wind turbine blades, automotive, and recreational products.

#### Stock Chart



Stock Price (11/15/2019): 80.02

#### Recent stock performance

|          |       |
|----------|-------|
| 1 Week   | 3.3%  |
| 4 Weeks  | 5.1%  |
| 13 Weeks | 0.3%  |
| 52 Weeks | 32.6% |

#### Officers

Chairman, President & Chief Executive  
Nick Lee Stanage

Executive Vice President & Chief Financial Officer  
Patrick J. Winterlich

Executive Vice President, Secretary & General Counsel  
Gail E. Lehman

#### Key Data

Ticker:

HXL

2018 Sales:

2,189,100,000

Major Industry:

Aerospace

Sub Industry:

Engines, Components & Parts Mfrs.

Country:

United States

Currency:

U.S. Dollars

Fiscal Year Ends:

December

Employees

6,626

Exchanges:

NYSE MSE PBW PCS

Share Type:

Common

Market Capitalization:

6,769,692,000

Total Shares

Outstanding:

84,600,000

Closely Held Shares:

572,652

#### Earnings / Dividends (as of 9/30/2019)

|                 | Earnings | Dividends |
|-----------------|----------|-----------|
| Most Recent Qtr | 0.93     | 0.17      |
| Last 12 Months  | 3.39     | 0.64      |

#### Ratio Analysis

Price / Earnings Ratio 23.60 Dividend Yield 0.80%

Price / Sales Ratio 3.09 Payout Ratio 18.88%

Price / Book Ratio 4.49 % Held by Insiders 0.68%

#### Address

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Stamford, CONNECTICUT 06901-3284  
UNITED STATES

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Home Page  
<http://www.hexcel.com>

# Comparative Business Analysis: Hexcel Corporation

Report Date: November 22, 2019

## Company Description

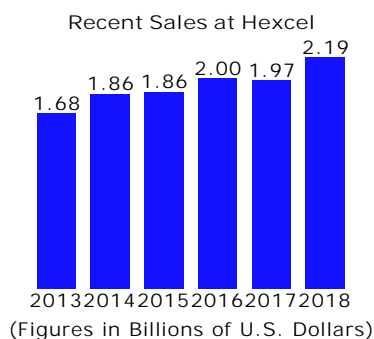
Hexcel Corporation is a composites company. The Company develops, manufactures, and markets lightweight, structural materials, including carbon fibers, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, adhesives, engineered honeycomb and structures, for use in Commercial Aerospace, Space and Defense and Industrial markets. It operates in two segments: Composite Materials and Engineered Products. The Composite Materials segment consists of its carbon fiber, specialty reinforcements, resins, prepregs and other fiber-reinforced matrix materials, and honeycomb core product lines. The Engineered Products segment consists of lightweight structures, molded components, engineered core and honeycomb products with added functionality. Its products are used in a range of end applications, such as commercial and military aircraft, space launch vehicles and satellites, wind turbine blades, automotive, and recreational products.

## Competitor Analysis

Hexcel Corporation operates in the Plastics materials and resins sector. This analysis compares Hexcel with three other companies: Kraton Corp (2018 sales of \$2.01 billion of which 61% was Polymer), MPM Holdings Inc (\$2.71 billion of which 56% was Formulated and Basic Silicones), and AdvanSix Inc (\$1.51 billion of which 100% was Synthetic Fibre).

## Sales Analysis

During the third quarter of 2019, sales at Hexcel totalled \$572.50 million. This is an increase of 5.9% from the \$540.50 million in sales at the company during the third quarter of 2018. During the first three quarters of 2019, sales totalled \$1.79 billion, which is 10.0% higher than through the first three quarters of 2018. During the previous 8 quarters, sales at Hexcel have increased compared with the same quarter in the previous year. Hexcel reported sales of \$2.19 billion for the year ending December of 2018. This represents an increase of 10.9% versus 2017, when the company's sales were \$1.97 billion. Sales of Engineered Products saw an increase of 11.3% in 2018, from \$376.20 million to \$418.60 million.



Although Hexcel is headquartered in the United States, it derives most of its sales outside of its home market: sales in the United States were \$1.06 billion which was only 48.2% of 2018's sales. In 2018, sales in other countries were up at a rate that was much higher than the company as a whole: in this region, sales increased 30.3% to \$79.20 million. Hexcel also experienced significant increases in sales in Austria (up 29.4% to \$111.40 million). Hexcel currently has 6,626 employees. With sales of \$2.19 billion, this equates to sales of US\$330,380 per employee. This is a great deal lower than the three comparable companies, which had sales between US\$520,192 and US\$1,048,840 per employee. Note that some of the figures stated herein could be distorted based on exact classification of employees and subcontractors.

## Sales Comparisons (Fiscal Year ending 2018)

| Company     | Sales (blns) | Sales Growth | Sales/ Emp (US\$) | Largest Region            |
|-------------|--------------|--------------|-------------------|---------------------------|
| Hexcel      | 2.189        | 10.9%        | 330,380           | the United States (48.2%) |
| Kraton Corp | 2.012        | 2.6%         | 1,048,840         | Other Foreign (53.6%)     |

|                  |       |       |           |                           |
|------------------|-------|-------|-----------|---------------------------|
| MPM Holdings Inc | 2.705 | 16.0% | 520,192   | the United States (34.2%) |
| AdvanSix Inc     | 1.515 | 2.7%  | 1,020,191 | the United States (83.9%) |

### Recent Stock Performance

For the 52 weeks ending 11/15/2019, the stock of this company was up 32.6% to \$80.02. During the past 13 weeks, the stock has increased 0.3%. During the past 52 weeks, the stock of Hexcel has outperformed (by a large margin) the three comparable companies, which saw losses between 3.5% and 20.8%. During the 12 months ending 9/30/2019, earnings per share totalled \$3.39 per share. Thus, the Price / Earnings ratio is 23.60. These 12 month earnings are greater than the earnings per share achieved during the calendar year ending last December, when the company reported earnings of 3.02 per share. Earnings per share rose 6.1% in 2018 from 2017. The 23.6 P/E ratio of this company is higher than the P/E ratio of all three comparable companies, which are currently trading between 7.2 and 22.5 times earnings. This company is currently trading at 3.09 times sales. This is at a higher ratio than all three comparable companies, which are trading between 0.36 and 0.57 times sales. Hexcel is trading at 4.49 times book value. The company's price to book ratio is higher than that of all three comparable companies, which are trading between 0.92 and 2.57 times book value. Therefore, the market is valuing this company at higher book, sales and earnings multiples than the three comparable companies.

### Summary of company valuations

| Company          | Date       | P/E  | Price/<br>Book | Price/<br>Sales | 52 Wk<br>Pr Chg |
|------------------|------------|------|----------------|-----------------|-----------------|
| Hexcel           | 11/15/2019 | 23.6 | 4.49           | 3.09            | 32.60%          |
| Kraton Corp      | 11/15/2019 | 7.2  | 0.92           | 0.36            | -12.96%         |
| MPM Holdings Inc | 5/10/2019  | 22.5 | 2.57           | 0.57            | -3.48%          |
| AdvanSix Inc     | 11/15/2019 | 10.0 | 1.37           | 0.39            | -20.75%         |

The market capitalization of this company is \$6.77 billion . Management, directors, and other insiders own less than 2% of the outstanding stock. The capitalization of the floating stock (i.e., that which is not closely held) is \$6.72 billion .

### Dividend Analysis

During the 12 months ending 9/30/2019, Hexcel paid dividends totalling \$0.64 per share. Since the stock is currently trading at \$80.02, this implies a dividend yield of 0.8%. None of the three comparable companies paid any dividends during the previous 12 months. During the quarter ended 9/30/2019, the company paid dividends of \$0.17 per share. The company has paid a dividend for 4 straight years. Hexcel has increased its dividend during each of the past 3 calendar years (in 2015, the dividends were \$0.40 per share). During the same 12 month period ended 9/30/2019, the Company reported earnings of \$3.39 per share. Thus, the company paid 18.9% of its profits as dividends.

### Profitability Analysis

On the \$2.19 billion in sales reported by the company in 2018, the cost of goods sold totalled \$1.49 billion, or 67.8% of sales (i.e., the gross profit was 32.2% of sales). This gross profit margin is lower than the company achieved in 2017, when cost of goods sold totalled 66.7% of sales. Hexcel's 2018 gross profit margin of 32.2% was better than all three comparable companies (which had gross profits in 2018 between 15.0% and 28.9% of sales). The company's earnings before interest, taxes, depreciation and amortization (EBITDA) were \$494.30 million, or 22.6% of sales. This EBITDA to sales ratio is roughly on par with what the company achieved in 2017, when the EBITDA ratio was 23.1% of sales. The three comparable companies had EBITDA margins that were all less (between 9.7% and 19.4%) than that achieved by Hexcel. In 2018, earnings before extraordinary items at Hexcel were \$269.20 million, or 12.3% of sales. This profit margin is lower than the level the company achieved in 2017, when the profit margin was 13.3% of sales. Earnings before extraordinary items have grown for each of the past 5 years (and since 2014, earnings before extraordinary items have grown a total of 29%). The company's return on equity in 2018 was 18.0%. This was a decline in performance from the 21.0% return that the company achieved in 2017. (Extraordinary items have been excluded).

### Profitability Comparison

|  |  |                 |        |                    |
|--|--|-----------------|--------|--------------------|
|  |  | Gross<br>Profit | EBITDA | Earnings<br>before |
|--|--|-----------------|--------|--------------------|

| Company          | Year | Margin | Margin | extras |
|------------------|------|--------|--------|--------|
| Hexcel           | 2018 | 32.2%  | 22.6%  | 12.3%  |
| Hexcel           | 2017 | 33.3%  | 23.1%  | 13.3%  |
| Kraton Corp      | 2018 | 28.9%  | 19.4%  | 3.9%   |
| MPM Holdings Inc | 2018 | 27.3%  | 14.0%  | 2.6%   |
| AdvanSix Inc     | 2018 | 15.0%  | 9.7%   | 4.3%   |

During the third quarter of 2019, Hexcel reported earnings per share of \$0.93. This is an increase of 3% versus the third quarter of 2018, when the company reported earnings of \$0.91 per share. Hexcel reports profits by product line. During 2018, the itemized operating profits at all divisions were \$371.20 million, which is equal to 17.0% of total sales. Of all the product lines, Composite Materials had the highest operating profits in 2018, with operating profits equal to 21.1% of sales. (This product line is the largest at Hexcel, and accounted for 81% of sales in 2018). In fact, during each of the previous 5 years, Composite Materials has had the highest operating profits of all product lines at Hexcel. Engineered Products had the lowest operating profit margin in 2018, with the operating profit equal to only 12.1% of sales. This marks the fifth year in which Engineered Products had the lowest operating profit margins.

### Inventory Analysis

As of December 2018, the value of the company's inventory totalled \$297.80 million. Since the cost of goods sold was \$1.49 billion for the year, the company had 73 days of inventory on hand (another way to look at this is to say that the company turned over its inventory 5.0 times per year). In terms of inventory turnover, this is a significant improvement over December 2017, when the company's inventory was \$314.00 million, equivalent to 87 days in inventory.

### Research and Development

Research and Development Expenses at Hexcel in 2018 were \$55.90 million, which is equivalent to 2.6% of sales. In 2018 R&D expenditures increased both as a percentage of sales and in actual amounts: In 2017, Hexcel spent \$49.40 million on R&D, which was 2.5% of sales. During each of the previous 3 years, the company has increased the amount of money it has spent on Research and Development (in 2015, Hexcel spent \$44.30 million versus \$55.90 million in 2018).

### Financial Position

As of December 2018, the company's long term debt was \$947.40 million and total liabilities (i.e., all monies owed) were \$1.50 billion. The long term debt to equity ratio of the company is 0.72. As of December 2018, the accounts receivable for the company were \$311.40 million, which is equivalent to 52 days of sales. This is slightly higher than at the end of 2017, when Hexcel had 46 days of sales in accounts receivable. The 52 days of accounts receivable at Hexcel are higher than all three comparable companies: Kraton Corp had 36 days, MPM Holdings Inc had 47 days, while AdvanSix Inc had 39 days outstanding at the end of the fiscal year 2018.

#### Financial Positions

| Company          | Year | LT Debt/<br>Equity | Days<br>AR | Days<br>Inv. | R&D/<br>Sales |
|------------------|------|--------------------|------------|--------------|---------------|
| Hexcel           | 2018 | 0.72               | 52         | 73           | 2.6%          |
| Kraton Corp      | 2018 | 2.08               | 36         | 113          | 2.1%          |
| MPM Holdings Inc | 2018 | 2.04               | 47         | 88           | 2.6%          |
| AdvanSix Inc     | 2018 | 0.48               | 39         | 39           | 0.0%          |

# SUMMARY ANALYSIS: Hexcel Corporation

*Per Share- U.S. Dollars*

| Year<br><br>Calendar Year | Price<br><br>Market Price Last | Value Ratios                |                         |                   | Equity Capital        |                           |                           | Earnings                          |             | Dividends            |                                    |
|---------------------------|--------------------------------|-----------------------------|-------------------------|-------------------|-----------------------|---------------------------|---------------------------|-----------------------------------|-------------|----------------------|------------------------------------|
|                           |                                | Price/<br>Earnings<br>Ratio | Price/<br>Book<br>Ratio | Dividend<br>Yield | %<br>Earned<br>Growth | % Profit<br>Rate<br>(ROE) | Book<br>Value<br>Begin Yr | 12 Month<br>Earnings<br>Per Share | %<br>Change | %<br>Payout<br>Ratio | 12 Month<br>Dividends<br>Per Share |
| 2010                      | 18.09                          | 23.5                        | 3.1                     | 0.0%              | 13.2%                 | 13.2%                     | 5.82                      | 0.77                              | 35.1%       | 0.0%                 | 0.00                               |
| 2011                      | 24.21                          | 17.9                        | 3.6                     | 0.0%              | 20.3%                 | 20.3%                     | 6.65                      | 1.35                              | 75.3%       | 0.0%                 | 0.00                               |
| 2012                      | 26.96                          | 16.7                        | 3.4                     | 0.0%              | 20.1%                 | 20.1%                     | 8.00                      | 1.61                              | 19.3%       | 0.0%                 | 0.00                               |
| 2013                      | 44.69                          | 24.3                        | 4.5                     | 0.0%              | 18.5%                 | 18.5%                     | 9.95                      | 1.84                              | 14.3%       | 0.0%                 | 0.00                               |
| 2014                      | 41.49                          | 19.6                        | 3.5                     | 0.0%              | 18.1%                 | 18.1%                     | 11.73                     | 2.12                              | 15.3%       | 0.0%                 | 0.00                               |
| 2015                      | 46.45                          | 19.0                        | 3.9                     | 0.9%              | 16.9%                 | 20.3%                     | 12.04                     | 2.44                              | 15.0%       | 16.4%                | 0.40                               |
| 2016                      | 51.44                          | 19.4                        | 4.1                     | 0.8%              | 17.6%                 | 21.0%                     | 12.62                     | 2.65                              | 8.7%        | 16.2%                | 0.43                               |
| 2017                      | 61.85                          | 21.7                        | 4.5                     | 0.8%              | 17.5%                 | 20.9%                     | 13.62                     | 2.85                              | 7.5%        | 16.5%                | 0.47                               |
| 2018                      | 57.34                          | 19.0                        | 3.4                     | 1.0%              | 14.8%                 | 18.1%                     | 16.69                     | 3.02                              | 6.1%        | 18.2%                | 0.55                               |
| 11/15/2019                | 80.02                          | 23.6                        | 4.5                     | 0.8%              | n/a                   | n/a                       | 15.59                     | 3.39                              | n/c         | 18.9%                | 0.64                               |

# SALES ANALYSIS: **Hexcel Corporation**

*Figures in thousands of U.S. Dollars*

| Year | Sales               |                     | Cost of Goods Sold  |            | Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) |            | After Tax Income before Extraordinary Charges and Credits |            | Employees |                    |                               |
|------|---------------------|---------------------|---------------------|------------|--|------------|---|------------|-----------|--------------------|-------------------------------|
|      | Amount in thousands | Year-to-year Growth | Amount in thousands | % of Sales | Amount in thousands  | % of Sales | Amount in thousands                                       | % of Sales | Number    | Sales Per Employee | After Tax Income Per Employee |
| 2009 | 1,108,300           | -16.3%              | 813,200             | 73.4%      | 150,000  | 13.5%      | 56,300  | 5.1%       | 3,734     | 296,813            | 15,078                        |
| 2010 | 1,173,600           | 5.9%                | 837,800             | 71.4%      | 182,700  | 15.6%      | 77,400  | 6.6%       | 4,043     | 290,279            | 19,144                        |
| 2011 | 1,392,400           | 18.6%               | 995,000             | 71.5%      | 242,400  | 17.4%      | 135,500   | 9.7%       | 4,508     | 308,873            | 30,058                        |
| 2012 | 1,578,200           | 13.3%               | 1,114,300           | 70.6%      | 304,900  | 19.3%      | 164,300   | 10.4%      | 4,973     | 317,354            | 33,038                        |
| 2013 | 1,678,200           | 6.3%                | 1,164,900           | 69.4%      | 329,200  | 19.6%      | 187,900   | 11.2%      | 5,274     | 318,203            | 35,628                        |
| 2014 | 1,855,500           | 10.6%               | 1,273,900           | 68.7%      | 378,100  | 20.4%      | 209,400   | 11.3%      | 5,663     | 327,653            | 36,977                        |
| 2015 | 1,861,200           | 0.3%                | 1,250,900           | 67.2%      | 409,900  | 22.0%      | 237,200   | 12.7%      | 5,897     | 315,618            | 40,224                        |
| 2016 | 2,004,300           | 7.7%                | 1,344,700           | 67.1%      | 454,700  | 22.7%      | 249,800   | 12.5%      | 6,155     | 325,638            | 40,585                        |
| 2017 | 1,973,300           | -1.5%               | 1,317,000           | 66.7%      | 455,100  | 23.1%      | 261,900   | 13.3%      | 6,259     | 315,274            | 41,844                        |
| 2018 | 2,189,100           | 10.9%               | 1,485,200           | 67.8%      | 494,300  | 22.6%      | 269,200   | 12.3%      | 6,626     | 330,380            | 40,628                        |

# PRICE ANALYSIS: Hexcel Corporation

*Per Share- U.S. Dollars*

| Quarter |           | High Price | Low Price | Closing Price | Quarterly %Change | 12 months %Change |
|---------|-----------|------------|-----------|---------------|-------------------|-------------------|
| 2010    | Jan - Mar | 14.660     | 9.860     | 14.440        | n/a               | n/a               |
|         | Apr - Jun | 17.550     | 12.960    | 15.510        | 7.4%              | n/a               |
|         | Jul - Sep | 19.530     | 14.890    | 17.790        | 14.7%             | n/a               |
|         | Oct - Dec | 19.300     | 15.560    | 18.090        | 1.7%              | n/a               |
| 2011    | Jan - Mar | 20.900     | 17.330    | 19.690        | 8.8%              | 36.4%             |
|         | Apr - Jun | 22.080     | 18.320    | 21.890        | 11.2%             | 41.1%             |
|         | Jul - Sep | 25.680     | 18.000    | 22.160        | 1.2%              | 24.6%             |
|         | Oct - Dec | 26.480     | 20.410    | 24.210        | 9.3%              | 33.8%             |
| 2012    | Jan - Mar | 26.970     | 23.260    | 24.010        | -0.8%             | 21.9%             |
|         | Apr - Jun | 28.010     | 22.770    | 25.790        | 7.4%              | 17.8%             |
|         | Jul - Sep | 26.760     | 22.170    | 24.020        | -6.9%             | 8.4%              |
|         | Oct - Dec | 27.625     | 23.450    | 26.960        | 12.2%             | 11.4%             |
| 2013    | Jan - Mar | 30.290     | 26.200    | 29.010        | 7.6%              | 20.8%             |
|         | Apr - Jun | 35.720     | 27.370    | 34.050        | 17.4%             | 32.0%             |
|         | Jul - Sep | 39.680     | 33.670    | 38.800        | 14.0%             | 61.5%             |
|         | Oct - Dec | 44.934     | 38.020    | 44.690        | 15.2%             | 65.8%             |
| 2014    | Jan - Mar | 46.460     | 39.690    | 43.540        | -2.6%             | 50.1%             |
|         | Apr - Jun | 44.410     | 39.250    | 40.900        | -6.1%             | 20.1%             |
|         | Jul - Sep | 41.990     | 36.860    | 39.700        | -2.9%             | 2.3%              |
|         | Oct - Dec | 44.320     | 36.850    | 41.490        | 4.5%              | -7.2%             |
| 2015    | Jan - Mar | 52.430     | 39.800    | 51.420        | 23.9%             | 18.1%             |
|         | Apr - Jun | 52.890     | 48.200    | 49.740        | -3.3%             | 21.6%             |
|         | Jul - Sep | 54.720     | 40.490    | 44.860        | -9.8%             | 13.0%             |
|         | Oct - Dec | 48.330     | 41.500    | 46.450        | 3.5%              | 12.0%             |
| 2016    | Jan - Mar | 45.990     | 37.540    | 43.710        | -5.9%             | -15.0%            |
|         | Apr - Jun | 47.220     | 38.870    | 41.640        | -4.7%             | -16.3%            |
|         | Jul - Sep | 46.450     | 40.410    | 44.300        | 6.4%              | -1.2%             |
|         |           |            |           |               |                   |                   |



|            |           |        |        |        |        |       |
|------------|-----------|--------|--------|--------|--------|-------|
|            | Oct - Dec | 55.110 | 41.030 | 51.440 | 16.1%  | 10.7% |
| 2017       | Jan - Mar | 55.910 | 49.770 | 54.550 | 6.0%   | 24.8% |
|            | Apr - Jun | 54.930 | 49.200 | 52.790 | -3.2%  | 26.8% |
|            | Jul - Sep | 58.238 | 50.500 | 57.420 | 8.8%   | 29.6% |
|            | Oct - Dec | 63.930 | 57.430 | 61.850 | 7.7%   | 20.2% |
| 2018       | Jan - Mar | 69.520 | 60.990 | 64.590 | 4.4%   | 18.4% |
|            | Apr - Jun | 73.420 | 62.530 | 66.380 | 2.8%   | 25.7% |
|            | Jul - Sep | 70.150 | 64.520 | 67.050 | 1.0%   | 16.8% |
|            | Oct - Dec | 70.320 | 53.500 | 57.340 | -14.5% | -7.3% |
| 2019       | Jan - Mar | 72.850 | 56.090 | 69.160 | 20.6%  | 7.1%  |
|            | Apr - Jun | 81.180 | 67.355 | 80.880 | 16.9%  | 21.8% |
|            | Jul - Sep | 87.000 | 76.230 | 82.130 | 1.5%   | 22.5% |
| 11/15/2019 |           |        |        | 80.020 | 0.3%   | 32.6% |

# EARNINGS AND DIVIDENDS ANALYSIS: Hexcel Corporation

Per Share- U.S. Dollars

Fiscal Year Ends in December

| Calendar<br>Years | Earnings Per Share |             |                             |            |            |            | Dividends Per Share |             |                              |            |            |            |             |
|-------------------|--------------------|-------------|-----------------------------|------------|------------|------------|---------------------|-------------|------------------------------|------------|------------|------------|-------------|
|                   | 12 Months          |             | Quarterly Reported Earnings |            |            |            | 12 Months           |             | Quarterly Reported Dividends |            |            |            |             |
|                   | Earnings           | %<br>Change | Q1<br>Mar.                  | Q2<br>Jun. | Q3<br>Sep. | Q4<br>Dec. | Dividends           | %<br>Change | Q1<br>Mar.                   | Q2<br>Jun. | Q3<br>Sep. | Q4<br>Dec. | %<br>Payout |
|                   |                    |             |                             |            |            |            |                     |             |                              |            |            |            |             |
| 2008              | 1.14               | 72.7%       | 0.24                        | 0.27       | 0.34       | 0.29       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2009              | 0.57               | -50.0%      | 0.23                        | 0.17       | 0.11       | 0.06       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2010              | 0.77               | 35.1%       | 0.15                        | 0.23       | 0.16       | 0.23       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2011              | 1.35               | 75.3%       | 0.26                        | 0.38       | 0.32       | 0.39       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2012              | 1.61               | 19.3%       | 0.39                        | 0.47       | 0.39       | 0.36       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2013              | 1.84               | 14.3%       | 0.42                        | 0.48       | 0.48       | 0.46       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2014              | 2.12               | 15.3%       | 0.50                        | 0.51       | 0.57       | 0.54       | 0.00                | n/c         | 0.00                         | 0.00       | 0.00       | 0.00       | 0.0%        |
| 2015              | 2.44               | 15.0%       | 0.70                        | 0.63       | 0.55       | 0.56       | 0.40                | n/c         | 0.10                         | 0.10       | 0.10       | 0.10       | 16.1%       |
| 2016              | 2.65               | 8.7%        | 0.59                        | 0.70       | 0.72       | 0.64       | 0.43                | 7.5%        | 0.10                         | 0.11       | 0.11       | 0.11       | 15.9%       |
| 2017              | 2.85               | 7.5%        | 0.69                        | 0.67       | 0.76       | 0.72       | 0.47                | 9.3%        | 0.11                         | 0.11       | 0.13       | 0.13       | 15.0%       |
| 2018              | 3.02               | 6.1%        | 0.67                        | 0.77       | 0.91       | 0.68       | 0.55                | 17.0%       | 0.13                         | 0.13       | 0.15       | 0.15       | 17.5%       |
| 2019              | n/a                | n/c         | 0.84                        | 0.94       | 0.93       | n/a        | 0.64                | 16.4%       | 0.15                         | 0.15       | 0.17       | 0.17       | n/c         |

## Annual Balance Sheet - (Actual Values): Hexcel Corporation

All figures in millions of U.S. Dollars.

| Fiscal Year                          | 2018         | 2017         | 2016         | 2015         | 2014         |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End Date                 | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   | 12/31/2014   |
| <b>Assets</b>                        |              |              |              |              |              |
| <b>Total Assets</b>                  | <b>2,824</b> | <b>2,781</b> | <b>2,401</b> | <b>2,187</b> | <b>2,036</b> |
| Total Current Assets                 | 676          | 657          | 607          | 634          | 682          |
| Cash & Short Term Investments        | 33           | 60           | 35           | 52           | 71           |
| Cash                                 | 33           | 60           | 35           | 52           | 71           |
| Short Term Investments               |              |              |              |              |              |
| Receivables (Net)                    | 311          | 249          | 246          | 234          | 234          |
| Inventories -Total                   | 298          | 314          | 291          | 307          | 290          |
| Raw Materials                        | 131          | 127          | 121          | 121          | 111          |
| Work in Process                      | 44           | 52           | 54           | 55           | 49           |
| Finished Goods                       | 123          | 135          | 117          | 132          | 131          |
| Progress Payments & Other            |              |              |              |              |              |
| Prepaid Expenses                     |              |              |              |              |              |
| Other Current Assets                 | 34           | 34           | 35           | 41           | 87           |
| Long Term Receivables                | 0            | 0            | 0            | 0            | 0            |
| Investment in Associated Companies   | 49           | 48           | 53           | 30           | 34           |
| Other Investments                    | 0            | 1            | 1            | 0            | 0            |
| Property Plant and Equipment - Gross | 2,840        | 2,744        | 2,378        | 2,099        | 1,869        |
| Accumulated Depreciation             | 963          | 878          | 753          | 674          | 631          |
| Property Plant and Equipment – Net   | 1,877        | 1,866        | 1,626        | 1,426        | 1,238        |
| Other Assets                         | 223          | 209          | 114          | 98           | 82           |
| Deferred Charges                     | 0            | 0            | 0            | 0            | 0            |

|   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Tangible Other Assets                               | 81           | 60           | 42           | 39           | 23           |
| Intangible Other Assets                             | 142          | 149          | 72           | 59           | 60           |
| Total Assets  | 2,824        | 2,781        | 2,401        | 2,187        | 2,036        |
| <b>Liabilities &amp; Shareholders' Equity</b>       |              |              |              |              |              |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>2,824</b> | <b>2,781</b> | <b>2,401</b> | <b>2,187</b> | <b>2,036</b> |
| Total Current Liabilities                           | 327          | 262          | 272          | 293          | 311          |
| Accounts Payable                                    | 162          | 144          | 137          | 149          | 175          |
| Short Term Debt & Current Portion of Long Term Debt | 9            | 4            | 4            | 0            | 1            |
| Accrued Payroll                                     | 76           | 73           | 67           | 63           | 66           |
| Income Taxes Payable                                |              |              |              |              |              |
| Dividends Payable                                   |              |              |              |              |              |
| Other Current Liabilities                           | 80           | 41           | 64           | 81           | 68           |
| Long Term Debt                                      | 947          | 806          | 684          | 577          | 415          |
| Long Term Debt Excluding Capitalized Leases         | 947          | 806          | 684          | 577          | 415          |
| Capitalized Lease Obligations                       | 1            | 0            | 0            | 0            | 0            |
| Provision for Risks and Charges                     | 42           | 45           | 40           | 39           | 39           |
| Deferred Income                                     | 0            | 0            | 0            | 0            | 0            |
| Deferred Taxes                                      |              |              |              |              |              |
| Deferred Taxes - Credit                             |              |              |              |              |              |
| Deferred Taxes - Debit                              |              |              |              |              |              |
| Other Liabilities                                   | 186          | 173          | 159          | 100          | 122          |
| Total Liabilities                                   | 1,502        | 1,286        | 1,156        | 1,008        | 887          |
| Non-Equity Reserves                                 | 0            | 0            | 0            | 0            | 0            |
| Minority Interest                                   | 0            | 0            | 0            | 0            | 0            |
| Preferred Stock                                     | 0            | 0            | 0            | 0            | 0            |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Common Equity                            | 1,322 | 1,495 | 1,245 | 1,180 | 1,150 |
| Total Liabilities & Shareholders' Equity | 2,824 | 2,781 | 2,401 | 2,187 | 2,036 |

## Annual Balance Sheet - (Common Size): Hexcel Corporation

*Figures are expressed as Percent of Total Assets.*

*Total Assets are in millions of U.S. Dollars.*

| Fiscal Year                          | 2018           | 2017           | 2016           | 2015           | 2014           |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year End Date                 | 12/31/2018     | 12/31/2017     | 12/31/2016     | 12/31/2015     | 12/31/2014     |
| <b>Assets</b>                        |                |                |                |                |                |
| <b>Total Assets</b>                  | <b>2,824.1</b> | <b>2,780.9</b> | <b>2,400.6</b> | <b>2,187.4</b> | <b>2,036.4</b> |
| Total Current Assets                 | 23.9%          | 23.6%          | 25.3%          | 29.0%          | 33.5%          |
| Cash & Short Term Investments        | 1.2%           | 2.2%           | 1.5%           | 2.4%           | 3.5%           |
| Cash                                 | 1.2%           | 2.2%           | 1.5%           | 2.4%           | 3.5%           |
| Short Term Investments               |                |                |                |                |                |
| Receivables (Net)                    | 11.0%          | 8.9%           | 10.2%          | 10.7%          | 11.5%          |
| Inventories -Total                   | 10.5%          | 11.3%          | 12.1%          | 14.0%          | 14.2%          |
| Raw Materials                        | 4.7%           | 4.6%           | 5.0%           | 5.5%           | 5.5%           |
| Work in Process                      | 1.5%           | 1.9%           | 2.2%           | 2.5%           | 2.4%           |
| Finished Goods                       | 4.3%           | 4.9%           | 4.9%           | 6.0%           | 6.4%           |
| Progress Payments & Other            |                |                |                |                |                |
| Prepaid Expenses                     |                |                |                |                |                |
| Other Current Assets                 | 1.2%           | 1.2%           | 1.5%           | 1.9%           | 4.3%           |
| Long Term Receivables                | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Investment in Associated Companies   | 1.7%           | 1.7%           | 2.2%           | 1.4%           | 1.7%           |
| Other Investments                    | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Property Plant and Equipment - Gross | 100.6%         | 98.7%          | 99.1%          | 96.0%          | 91.8%          |
| Accumulated Depreciation             | 34.1%          | 31.6%          | 31.4%          | 30.8%          | 31.0%          |
| Property Plant and Equipment – Net   | 66.4%          | 67.1%          | 67.7%          | 65.2%          | 60.8%          |
| Other Assets                         | 7.9%           | 7.5%           | 4.7%           | 4.5%           | 4.0%           |

|   |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| Deferred Charges                                    | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Tangible Other Assets                               | 2.9%           | 2.2%           | 1.7%           | 1.8%           | 1.1%           |
| Intangible Other Assets                             | 5.0%           | 5.3%           | 3.0%           | 2.7%           | 2.9%           |
| Total Assets  | 100.0%         | 100.0%         | 100.0%         | 100.0%         | 100.0%         |
| <b>Liabilities &amp; Shareholders' Equity</b>       |                |                |                |                |                |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>2,824.1</b> | <b>2,780.9</b> | <b>2,400.6</b> | <b>2,187.4</b> | <b>2,036.4</b> |
| Total Current Liabilities                           | 11.6%          | 9.4%           | 11.3%          | 13.4%          | 15.3%          |
| Accounts Payable                                    | 5.7%           | 5.2%           | 5.7%           | 6.8%           | 8.6%           |
| Short Term Debt & Current Portion of Long Term Debt | 0.3%           | 0.2%           | 0.2%           | 0.0%           | 0.1%           |
| Accrued Payroll                                     | 2.7%           | 2.6%           | 2.8%           | 2.9%           | 3.3%           |
| Income Taxes Payable                                |                |                |                |                |                |
| Dividends Payable                                   |                |                |                |                |                |
| Other Current Liabilities                           | 2.8%           | 1.5%           | 2.6%           | 3.7%           | 3.3%           |
| Long Term Debt                                      | 33.5%          | 29.0%          | 28.5%          | 26.4%          | 20.4%          |
| Long Term Debt Excluding Capitalized Leases         | 33.5%          | 29.0%          | 28.5%          | 26.4%          | 20.4%          |
| Capitalized Lease Obligations                       | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Provision for Risks and Charges                     | 1.5%           | 1.6%           | 1.7%           | 1.8%           | 1.9%           |
| Deferred Income                                     | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Deferred Taxes                                      |                |                |                |                |                |
| Deferred Taxes - Credit                             |                |                |                |                |                |
| Deferred Taxes - Debit                              |                |                |                |                |                |
| Other Liabilities                                   | 6.6%           | 6.2%           | 6.6%           | 4.6%           | 6.0%           |
| Total Liabilities                                   | 53.2%          | 46.2%          | 48.1%          | 46.1%          | 43.5%          |
| Non-Equity Reserves                                 | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Minority Interest                                   | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
|   |                |                |                |                |                |

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| Preferred Stock                          | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Common Equity                            | 46.8%  | 53.8%  | 51.9%  | 53.9%  | 56.5%  |
| Total Liabilities & Shareholders' Equity | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |



## Balance Sheet - (Year to Year Percent Change): Hexcel Corporation

*Figures are the Percent Changes from the Prior Year.*

| Fiscal Year                          | 2018        | 2017         | 2016        | 2015        | 2014         |
|--------------------------------------|-------------|--------------|-------------|-------------|--------------|
| Fiscal Year End Date                 | 12/31/2018  | 12/31/2017   | 12/31/2016  | 12/31/2015  | 12/31/2014   |
| <b>Assets</b>                        |             |              |             |             |              |
| <b>Total Assets</b>                  | <b>1.6%</b> | <b>15.8%</b> | <b>9.7%</b> | <b>7.4%</b> | <b>11.5%</b> |
| Cash & Short Term Investments        | -45.6%      | 70.7%        | -32.0%      | -26.9%      | 8.2%         |
| Cash                                 | -45.6%      | 70.7%        | -32.0%      | -26.9%      | 8.2%         |
| Short Term Investments               |             |              |             |             |              |
| Receivables (Net)                    | 25.2%       | 1.3%         | 5.0%        | 0.2%        | 0.5%         |
| Inventories -Total                   | -5.2%       | 7.9%         | -5.3%       | 5.9%        | 9.3%         |
| Raw Materials                        | 3.7%        | 5.1%         | -0.1%       | 8.6%        | 7.4%         |
| Work in Process                      | -16.3%      | -3.0%        | -1.8%       | 12.8%       | -22.0%       |
| Finished Goods                       | -9.2%       | 15.9%        | -11.5%      | 1.0%        | 30.9%        |
| Progress Payments & Other            |             |              |             |             |              |
| Prepaid Expenses                     |             |              |             |             |              |
| Other Current Assets                 | 0.0%        | -3.7%        | -13.7%      | -53.2%      | -6.4%        |
| Current Assets - Total               | 2.9%        | 8.2%         | -4.2%       | -7.0%       | 3.9%         |
| Long Term Receivables                |             |              |             |             |              |
| Investment in Associated Companies   | 2.1%        | -10.2%       | 74.7%       | -11.1%      | 46.8%        |
| Other Investments                    | -76.9%      | 44.4%        |             |             |              |
| Property Plant and Equipment - Gross | 3.5%        | 15.4%        | 13.3%       | 12.3%       | 12.5%        |
| Accumulated Depreciation             | 9.8%        | 16.6%        | 11.7%       | 6.9%        | 6.2%         |
| Property Plant and Equipment – Net   | 0.5%        | 14.8%        | 14.0%       | 15.1%       | 16.0%        |
| Other Assets                         | 6.7%        | 83.2%        | 16.8%       | 18.6%       | 4.6%         |
| Deferred Charges                     |             |              |             |             | -100.0%      |

|   |             |              |             |             |              |
|---|-------------|--------------|-------------|-------------|--------------|
| Tangible Other Assets                               | 33.7%       | 44.0%        | 8.0%        | 72.0%       | 77.2%        |
| Intangible Other Assets                             | -4.3%       | 106.0%       | 22.6%       | -1.5%       | -2.0%        |
| Total Assets  | 1.6%        | 15.8%        | 9.7%        | 7.4%        | 11.5%        |
| <b>Liabilities &amp; Shareholders' Equity</b>       |             |              |             |             |              |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>1.6%</b> | <b>15.8%</b> | <b>9.7%</b> | <b>7.4%</b> | <b>11.5%</b> |
| Accounts Payable                                    | 12.4%       | 5.0%         | -7.8%       | -14.9%      | 28.8%        |
| Short Term Debt & Current Portion of Long Term Debt | 118.6%      | 0.0%         |             | -100.0%     | -56.7%       |
| Accrued Payroll                                     | 3.8%        | 9.3%         | 6.4%        | -5.4%       | -25.6%       |
| Income Taxes Payable                                |             |              |             |             |              |
| Dividends Payable                                   |             |              |             |             |              |
| Other Current Liabilities                           | 95.6%       | -35.9%       | -21.5%      | 19.1%       | 67.2%        |
| Current Liabilities - Total                         | 24.6%       | -3.6%        | -7.1%       | -5.8%       | 15.6%        |
| Long Term Debt                                      | 17.6%       | 17.7%        | 18.7%       | 38.9%       | 42.1%        |
| Long Term Debt Excluding Capitalized Leases         | 17.5%       | 17.7%        | 18.7%       | 38.9%       | 42.1%        |
| Capitalized Lease Obligations                       |             |              |             |             |              |
| Provision for Risks and Charges                     | -7.5%       | 13.5%        | 3.6%        | -0.3%       | -5.8%        |
| Deferred Income                                     |             |              |             |             |              |
| Deferred Taxes                                      |             |              |             |             |              |
| Deferred Taxes - Credit                             |             |              |             |             |              |
| Deferred Taxes - Debit                              |             |              |             |             |              |
| Deferred Tax Liability in Untaxed Reserves          |             |              |             |             |              |
| Other Liabilities                                   | 7.7%        | 8.3%         | 59.2%       | -18.1%      | 65.4%        |
| Total Liabilities                                   | 16.8%       | 11.3%        | 14.7%       | 13.7%       | 33.2%        |
| Non-Equity Reserves                                 |             |              |             |             |              |
| Minority Interest                                   |             |              |             |             |              |
|   |             |              |             |             |              |

|  |        |       |      |      |       |
|--|--------|-------|------|------|-------|
| Preferred Stock                          |        |       |      |      |       |
| Preferred Stock Issued for ESOP          |        |       |      |      |       |
| ESOP Guarantees - Preferred Issued       |        |       |      |      |       |
| Common Equity                            | -11.6% | 20.1% | 5.5% | 2.6% | -0.9% |
| Total Liabilities & Shareholders' Equity | 1.6%   | 15.8% | 9.7% | 7.4% | 11.5% |

## Balance Sheet - (5 Year Averages): Hexcel Corporation

Figures in millions of U.S. Dollars.

| Fiscal Year                          | 2018           | 2017           | 2016           | 2015           | 2014           |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year End Date                 | 12/31/2018     | 12/31/2017     | 12/31/2016     | 12/31/2015     | 12/31/2014     |
| <b>Assets</b>                        |                |                |                |                |                |
| <b>Total Assets</b>                  | <b>2,445.9</b> | <b>2,246.2</b> | <b>2,007.6</b> | <b>1,796.1</b> | <b>1,597.5</b> |
| Cash & Short Term Investments        | 50.1           | 56.7           | 51.2           | 54.1           | 67.1           |
| Cash                                 | 50.1           | 56.7           |                |                |                |
| Short Term Investments               |                |                |                |                |                |
| Receivables (Net)                    | 254.6          | 238.8          | 234.9          | 225.6          | 213.6          |
| Inventories -Total                   | 300.0          | 293.5          | 277.3          | 262.2          | 234.8          |
| Raw Materials                        | 122.1          | 116.5          | 110.2          | 103.3          | 93.5           |
| Work in Process                      | 50.5           | 54.2           | 54.1           | 53.0           | 50.2           |
| Finished Goods                       | 127.4          | 122.8          | 113.1          | 105.9          | 95.6           |
| Progress Payments & Other            |                |                |                |                |                |
| Prepaid Expenses                     |                |                |                |                |                |
| Other Current Assets                 | 46.2           | 58.1           | 67.5           | 72.5           | 71.6           |
| Current Assets - Total               | 651.0          | 647.1          | 630.9          | 614.4          | 587.2          |
| Long Term Receivables                | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Investment in Associated Companies   | 42.8           | 37.7           | 32.7           | 26.4           | 24.3           |
| Other Investments                    | 0.5            | 0.4            | 1.5            | 1.5            | 1.5            |
| Property Plant and Equipment - Gross | 2,386.1        | 2,150.3        | 1,893.4        | 1,662.4        | 1,455.3        |
| Accumulated Depreciation             | 779.6          | 705.7          | 639.1          | 588.9          | 547.2          |
| Property Plant and Equipment – Net   | 1,606.4        | 1,444.6        | 1,254.2        | 1,073.5        | 908.1          |
| Other Assets                         | 145.1          | 116.3          | 88.2           | 80.2           | 76.4           |
| Deferred Charges                     | 0.0            | 1.0            | 1.9            | 3.1            | 5.1            |

|   |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| Tangible Other Assets                               | 48.7           | 35.2           | 24.3           | 18.1           | 12.9           |
| Intangible Other Assets                             | 96.4           | 80.1           | 61.9           | 59.0           | 58.4           |
| Total Assets  | 2,445.9        | 2,246.2        | 2,007.6        | 1,796.1        | 1,597.5        |
| <b>Liabilities &amp; Shareholders' Equity</b>       |                |                |                |                |                |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>2,445.9</b> | <b>2,246.2</b> | <b>2,007.6</b> | <b>1,796.1</b> | <b>1,597.5</b> |
| Accounts Payable                                    | 153.4          | 148.2          | 142.6          | 143.4          | 130.3          |
| Short Term Debt & Current Portion of Long Term Debt | 3.9            | 2.6            | 5.0            | 6.7            | 12.2           |
| Accrued Payroll                                     | 69.0           | 71.6           | 68.8           | 66.9           | 64.5           |
| Income Taxes Payable                                |                |                |                |                |                |
| Dividends Payable                                   |                |                |                |                |                |
| Other Current Liabilities                           | 66.5           | 58.7           | 59.4           | 53.8           | 46.6           |
| Current Liabilities - Total                         | 292.8          | 281.2          | 275.8          | 270.9          | 253.6          |
| Long Term Debt                                      | 685.8          | 554.7          | 441.6          | 352.4          | 298.0          |
| Long Term Debt Excluding Capitalized Leases         | 685.6          | 554.7          | 441.6          | 352.0          | 297.1          |
| Capitalized Lease Obligations                       | 0.2            | 0.0            | 0.0            | 0.4            | 0.9            |
| Provision for Risks and Charges                     | 40.9           | 40.8           | 47.9           | 53.6           | 58.3           |
| Deferred Income                                     | 0.0            | 0.0            | 0.0            |                |                |
| Deferred Taxes                                      |                |                |                |                |                |
| Deferred Taxes - Credit                             |                |                |                |                |                |
| Deferred Taxes - Debit                              |                |                |                |                |                |
| Deferred Tax Liability in Untaxed Reserves          |                |                |                |                |                |
| Other Liabilities                                   | 148.1          | 125.7          | 98.6           | 70.4           | 55.3           |
| Total Liabilities                                   | 1,167.6        | 1,000.2        | 861.8          | 738.8          | 644.3          |
| Non-Equity Reserves                                 | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Minority Interest                                   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Preferred Stock                          | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Preferred Stock Issued for ESOP          |         |         |         |         |         |
| ESOP Guarantees - Preferred Issued       |         |         |         |         |         |
| Common Equity                            | 1,278.3 | 1,246.0 | 1,145.8 | 1,057.2 | 953.2   |
| Total Liabilities & Shareholders' Equity | 2,445.9 | 2,246.2 | 2,007.6 | 1,796.1 | 1,597.5 |

## Interim Balance Sheet - (Actual Values): Hexcel Corporation

All figures in millions of U.S. Dollars.

| Fiscal Period End Date                              | 09/30/2019   | 06/30/2019   | 03/31/2019   | 12/31/2018   | 09/30/2018   |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>                                       |              |              |              |              |              |
| <b>Total Assets</b>                                 | <b>3,155</b> | <b>3,195</b> | <b>3,166</b> | <b>2,824</b> | <b>2,847</b> |
| Total Current Assets                                | 772          | 798          | 782          | 676          | 699          |
| Cash & Short Term Investments                       | 47           | 55           | 44           | 33           | 47           |
| Receivables (Net)                                   | 345          | 373          | 378          | 311          | 314          |
| Inventories - Total                                 | 352          | 339          | 335          | 298          | 309          |
| Prepaid Expenses                                    |              |              |              |              |              |
| Other Current Assets                                | 27           | 30           | 26           | 34           | 29           |
| Investment in Associated Companies                  | 46           | 52           | 51           | 49           | 46           |
| Property Plant and Equipment - Gross                | 3,082        | 3,073        | 2,895        | 2,840        | 2,840        |
| Accumulated Depreciation                            | 1,091        | 1,083        | 992          | 963          | 946          |
| Property Plant and Equipment – Net                  | 1,991        | 1,989        | 1,903        | 1,877        | 1,894        |
| Other Assets  | 347          | 356          | 430          | 223          | 207          |
| Intangible Other Assets                             | 279          | 284          | 286          | 142          | 145          |
| Total Assets  | 3,155        | 3,195        | 3,166        | 2,824        | 2,847        |
| <b>Liabilities &amp; Shareholders' Equity</b>       |              |              |              |              |              |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>3,155</b> | <b>3,195</b> | <b>3,166</b> | <b>2,824</b> | <b>2,847</b> |
| Total Current Liabilities                           | 347          | 360          | 350          | 327          | 271          |
| Accounts Payable                                    | 165          | 178          | 165          | 162          | 143          |
| Short Term Debt & Current Portion of Long Term Debt | 9            | 10           | 10           | 9            | 9            |
| Income Taxes Payable                                |              |              |              |              |              |
| Other Current Liabilities                           | 173          | 172          | 175          | 155          | 119          |

|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| Long Term Debt                              | 1,115 | 1,116 | 1,160 | 947   | 981   |
| Long Term Debt Excluding Capitalized Leases | 1,113 | 1,114 | 1,160 | 947   | 981   |
| Capitalized Lease Obligations               | 2     | 2     |       | 1     |       |
| Deferred Taxes                              |       |       |       |       |       |
| Deferred Taxes - Credit                     |       |       |       |       |       |
| Deferred Taxes - Debit                      |       |       |       |       |       |
| Other Liabilities                           | 275   | 277   | 284   | 228   | 228   |
| Total Liabilities                           | 1,737 | 1,753 | 1,794 | 1,502 | 1,479 |
| Non-Equity Reserves                         | 0     | 0     | 0     | 0     | 0     |
| Minority Interest                           | 0     | 0     | 0     | 0     | 0     |
| Preferred Stock                             | 0     | 0     | 0     | 0     | 0     |
| Common Equity                               | 1,418 | 1,442 | 1,372 | 1,322 | 1,367 |
| Total Liabilities & Shareholders' Equity    | 3,155 | 3,195 | 3,166 | 2,824 | 2,847 |



## Interim Balance Sheet - (Common Size): Hexcel Corporation

*Figures are expressed as Percent of Total Assets.*

*Total Assets are in millions of U.S. Dollars.*

| Fiscal Period End Date                              | 09/30/2019     | 06/30/2019     | 03/31/2019     | 12/31/2018     | 09/30/2018     |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                                       |                |                |                |                |                |
| <b>Total Assets</b>                                 | <b>3,155.2</b> | <b>3,195.1</b> | <b>3,166.0</b> | <b>2,824.1</b> | <b>2,846.5</b> |
| Total Current Assets                                | 24.5%          | 25.0%          | 24.7%          | 23.9%          | 24.6%          |
| Cash & Short Term Investments                       | 1.5%           | 1.7%           | 1.4%           | 1.2%           | 1.7%           |
| Receivables (Net)                                   | 10.9%          | 11.7%          | 11.9%          | 11.0%          | 11.0%          |
| Inventories - Total                                 | 11.2%          | 10.6%          | 10.6%          | 10.5%          | 10.8%          |
| Prepaid Expenses                                    |                |                |                |                |                |
| Other Current Assets                                | 0.9%           | 1.0%           | 0.8%           | 1.2%           | 1.0%           |
| Investment in Associated Companies                  | 1.5%           | 1.6%           | 1.6%           | 1.7%           | 1.6%           |
| Property Plant and Equipment - Gross                | 97.7%          | 96.2%          | 91.4%          | 100.6%         | 99.8%          |
| Accumulated Depreciation                            | 34.6%          | 33.9%          | 31.3%          | 34.1%          | 33.2%          |
| Property Plant and Equipment – Net                  | 63.1%          | 62.3%          | 60.1%          | 66.4%          | 66.5%          |
| Other Assets  | 11.0%          | 11.1%          | 13.6%          | 7.9%           | 7.3%           |
| Intangible Other Assets                             | 8.9%           | 8.9%           | 9.0%           | 5.0%           | 5.1%           |
| Total Assets  | 100.0%         | 100.0%         | 100.0%         | 100.0%         | 100.0%         |
| <b>Liabilities &amp; Shareholders' Equity</b>       |                |                |                |                |                |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>3,155.2</b> | <b>3,195.1</b> | <b>3,166.0</b> | <b>2,824.1</b> | <b>2,846.5</b> |
| Total Current Liabilities                           | 11.0%          | 11.3%          | 11.1%          | 11.6%          | 9.5%           |
| Accounts Payable                                    | 5.2%           | 5.6%           | 5.2%           | 5.7%           | 5.0%           |
| Short Term Debt & Current Portion of Long Term Debt | 0.3%           | 0.3%           | 0.3%           | 0.3%           | 0.3%           |
| Income Taxes Payable                                |                |                |                |                |                |

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| Other Current Liabilities                   | 5.5%   | 5.4%   | 5.5%   | 5.5%   | 4.2%   |
| Long Term Debt                              | 35.3%  | 34.9%  | 36.6%  | 33.5%  | 34.5%  |
| Long Term Debt Excluding Capitalized Leases | 35.3%  | 34.9%  | 36.6%  | 33.5%  | 34.5%  |
| Capitalized Lease Obligations               | 0.1%   | 0.1%   |        | 0.0%   |        |
| Deferred Taxes                              |        |        |        |        |        |
| Deferred Taxes - Credit                     |        |        |        |        |        |
| Deferred Taxes - Debit                      |        |        |        |        |        |
| Other Liabilities                           | 8.7%   | 8.7%   | 9.0%   | 8.1%   | 8.0%   |
| Total Liabilities                           | 55.1%  | 54.9%  | 56.7%  | 53.2%  | 52.0%  |
| Non-Equity Reserves                         | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Minority Interest                           | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Preferred Stock                             | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Common Equity                               | 44.9%  | 45.1%  | 43.3%  | 46.8%  | 48.0%  |
| Total Liabilities & Shareholders' Equity    | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

## Annual Income Statement - (Actual Values): Hexcel Corporation

All figures in millions of U.S. Dollars.

| Fiscal Year   | 2018       | 2017       | 2016       | 2015       | 2014       |
|---|------------|------------|------------|------------|------------|
| Fiscal Year End Date  | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| Net Sales or Revenues   | 2,189      | 1,973      | 2,004      | 1,861      | 1,856      |
| Cost of Goods Sold  | 1,485      | 1,317      | 1,345      | 1,251      | 1,274      |
| Depreciation, Depletion & Amortization                                | 123        | 105        | 95         | 78         | 73         |
| Gross Income  | 581        | 552        | 565        | 533        | 509        |
| Selling, General & Administrative Expenses                            | 202        | 201        | 205        | 200        | 197        |
| Other Operating Expenses  | 8          | 0          | 0          | 0          | 6          |
| Operating Expenses - Total  | 1,818      | 1,623      | 1,644      | 1,529      | 1,550      |
| Operating Income  | 371        | 351        | 360        | 332        | 306        |
| Extraordinary Credit - Pretax   | 0          | 0          | 0          | 0          | 0          |
| Extraordinary Charge - Pretax   | 0          | 0          | 0          | 0          | 0          |
| Non-Operating Interest Income   |            |            |            |            |            |
| Reserves - Increase/Decrease  | 0          | 0          | 0          | 0          | 0          |
| Pretax Equity in Earnings   |            |            |            |            |            |
| Other Income/Expense - Net  | 0          | 0          | -0         | 0          | -1         |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 494        | 455        | 455        | 410        | 378        |
| Earnings before Interest & Taxes(EBIT)                                | 371        | 351        | 360        | 332        | 305        |
| Interest Expense on Debt  |            |            |            |            |            |
| Interest Capitalized  | 0          | 0          | 0          | 0          | 0          |
| Pretax Income   | 334        | 323        | 338        | 318        | 297        |
| Income Taxes  | 70         | 65         | 90         | 83         | 89         |
| Minority Interest   | 0          | 0          | 0          | 0          | 0          |

|  |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|
| Equity in Earnings   | 6   | 3   | 3   | 2   | 1   |
| After Tax Other<br>Income/Expense                                | 0   | 0   | 0   | 0   | 0   |
| Discontinued Operations  | 0   | 0   | 0   | 0   | 0   |
| Net Income before<br>Extraordinary Items/Preferred<br>Dividends  | 269 | 262 | 250 | 237 | 209 |
| Extraordinary Items &<br>Gain/Loss Sale of Assets                | 7   | 22  | 0   | 0   | 0   |
| Preferred Dividend<br>Requirements                               | 0   | 0   | 0   | 0   | 0   |
| Net Income after Preferred<br>Dividends - available to<br>Common | 269 | 262 | 250 | 237 | 209 |

## Annual Income Statement - (Common Size): Hexcel Corporation

Figures are expressed as Percent of Net Sales or Revenues.

Net Sales or Revenues are in millions of U.S. Dollars.

| Fiscal Year   | 2018       | 2017       | 2016       | 2015       | 2014       |
|---|------------|------------|------------|------------|------------|
| Fiscal Year End Date  | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| Net Sales or Revenues   | 2,189.1    | 1,973.3    | 2,004.3    | 1,861.2    | 1,855.5    |
| Cost of Goods Sold  | 67.8%      | 66.7%      | 67.1%      | 67.2%      | 68.7%      |
| Depreciation, Depletion & Amortization                                | 5.6%       | 5.3%       | 4.7%       | 4.2%       | 3.9%       |
| Gross Income  | 26.5%      | 28.0%      | 28.2%      | 28.6%      | 27.4%      |
| Selling, General & Administrative Expenses                            | 9.2%       | 10.2%      | 10.2%      | 10.8%      | 10.6%      |
| Other Operating Expenses  | 0.4%       | 0.0%       | 0.0%       | 0.0%       | 0.3%       |
| Operating Expenses - Total  | 83.0%      | 82.2%      | 82.0%      | 82.1%      | 83.5%      |
| Operating Income  | 17.0%      | 17.8%      | 18.0%      | 17.9%      | 16.5%      |
| Extraordinary Credit - Pretax   | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Extraordinary Charge - Pretax   | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Non-Operating Interest Income   |            |            |            |            |            |
| Reserves - Increase/Decrease  | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Pretax Equity in Earnings   |            |            |            |            |            |
| Other Income/Expense - Net  | 0.0%       | 0.0%       | -0.0%      | 0.0%       | -0.0%      |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 22.6%      | 23.1%      | 22.7%      | 22.0%      | 20.4%      |
| Earnings before Interest & Taxes(EBIT)                                | 17.0%      | 17.8%      | 17.9%      | 17.9%      | 16.5%      |
| Interest Expense on Debt  |            |            |            |            |            |
| Interest Capitalized  | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Pretax Income   | 15.2%      | 16.4%      | 16.8%      | 17.1%      | 16.0%      |
| Income Taxes  | 3.2%       | 3.3%       | 4.5%       | 4.5%       | 4.8%       |
| Minority Interest   | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Equity in Earnings   | 0.3%  | 0.2%  | 0.1%  | 0.1%  | 0.1%  |
| After Tax Other<br>Income/Expense                                | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| Discontinued Operations  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| Net Income before<br>Extraordinary Items/Preferred<br>Dividends  | 12.3% | 13.3% | 12.5% | 12.7% | 11.3% |
| Extraordinary Items &<br>Gain/Loss Sale of Assets                | 0.3%  | 1.1%  | 0.0%  | 0.0%  | 0.0%  |
| Preferred Dividend<br>Requirements                               | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| Net Income after Preferred<br>Dividends - available to<br>Common | 12.3% | 13.3% | 12.5% | 12.7% | 11.3% |

## Income Statement - (Year to Year Percent Change): Hexcel Corporation

*Figures are the Percent Changes from the Prior Year.*

| Fiscal Year   | 2018         | 2017         | 2016        | 2015        | 2014         |
|---|--------------|--------------|-------------|-------------|--------------|
| <b>Net Sales or Revenues</b>  | <b>10.9%</b> | <b>-1.5%</b> | <b>7.7%</b> | <b>0.3%</b> | <b>10.6%</b> |
| Cost of Goods Sold  | 12.8%        | -2.1%        | 7.5%        | -1.8%       | 9.4%         |
| Depreciation, Depletion & Amortization                                | 17.8%        | 10.0%        | 22.6%       | 6.5%        | 22.8%        |
| Gross Income  | 5.3%         | -2.3%        | 6.0%        | 4.7%        | 12.1%        |
| Selling, General & Administrative Expenses                            | 0.3%         | -1.6%        | 2.0%        | 1.7%        | 7.6%         |
| Other Operating Expenses  |              |              |             | -<br>100.0% |              |
| Operating Expenses - Total  | 12.0%        | -1.3%        | 7.5%        | -1.3%       | 10.1%        |
| Operating Income  | 5.9%         | -2.6%        | 8.3%        | 8.7%        | 12.9%        |
| Extraordinary Credit - Pretax   |              |              |             |             |              |
| Extraordinary Charge - Pretax   |              |              |             |             |              |
| Non-Operating Interest Income   |              |              |             |             |              |
| Reserves - Increase/Decrease  |              |              |             |             |              |
| Pretax Equity in Earnings   |              |              |             |             |              |
| Other Income/Expense - Net  |              |              |             |             |              |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 8.6%         | 0.1%         | 10.9%       | 8.4%        | 14.9%        |
| Earnings before Interest & Taxes(EBIT)                                | 5.9%         | -2.5%        | 8.2%        | 8.9%        | 13.1%        |
| Interest Expense on Debt  | 37.6%        | 24.0%        | 55.6%       | 77.5%       | 9.6%         |
| Interest Capitalized  |              |              |             |             |              |
| Pretax Income   | 3.2%         | -4.3%        | 6.1%        | 7.0%        | 13.2%        |
| Income Taxes  | 8.2%         | -<br>28.5%   | 8.8%        | -7.1%       | 17.5%        |
| Minority Interest   |              |              |             |             |              |
| Equity in Earnings  | 69.7%        | 32.0%        | 25.0%       | 42.9%       | 7.7%         |
| After Tax Other Income/Expense  |              |              |             |             |              |
| Discontinued Operations   |              |              |             |             |              |

|  |            |      |      |       |       |
|--|------------|------|------|-------|-------|
| Net Income before Extraordinary Items/Preferred Dividends  | 2.8%       | 4.8% | 5.3% | 13.3% | 11.4% |
| Extraordinary Items & Gain/Loss Sale of Assets             | -<br>66.5% |      |      |       |       |
| Preferred Dividend Requirements                            |            |      |      |       |       |
| Net Income after Preferred Dividends - available to Common | 2.8%       | 4.8% | 5.3% | 13.3% | 11.4% |



## Income Statement - (5 Year Averages): Hexcel Corporation

Figures in millions of U.S. Dollars.

| Fiscal Year   | 2018           | 2017           | 2016           | 2015           | 2014           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Net Sales or Revenues</b>  | <b>1,976.7</b> | <b>1,874.5</b> | <b>1,795.5</b> | <b>1,673.1</b> | <b>1,535.6</b> |
| Cost of Goods Sold  | 1,334.3        | 1,270.3        | 1,229.7        | 1,159.8        | 1,077.2        |
| Depreciation, Depletion & Amortization                                | 94.6           | 81.8           | 72.4           | 64.4           | 59.6           |
| Gross Income  | 547.8          | 522.4          | 493.4          | 448.9          | 398.8          |
| Selling, General & Administrative Expenses                            | 201.0          | 197.2          | 190.5          | 180.2          | 170.0          |
| Other Operating Expenses  | 2.7            | 1.2            | 2.2            | 2.7            | 3.4            |
| Operating Expenses - Total  | 1,632.7        | 1,550.5        | 1,494.8        | 1,407.2        | 1,310.2        |
| Operating Income  | 344.0          | 324.0          | 300.7          | 265.9          | 225.4          |
| Extraordinary Credit - Pretax   | 0.0            | 0.0            | 1.9            | 3.1            | 3.1            |
| Extraordinary Charge - Pretax   | 0.0            | 0.0            | 0.0            | 0.0            | 0.1            |
| Non-Operating Interest Income   |                |                |                |                |                |
| Reserves - Increase/Decrease  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Pretax Equity in Earnings   |                |                |                |                |                |
| Other Income/Expense - Net  | -0.2           | -0.4           | 0.4            | -0.5           | -0.5           |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 438.4          | 405.4          | 375.4          | 332.9          | 287.5          |
| Earnings before Interest & Taxes(EBIT)                                | 343.8          | 323.6          | 303.0          | 268.5          | 227.9          |
| Interest Expense on Debt  | 21.9           | 15.8           | 12.3           | 10.2           | 13.3           |
| Interest Capitalized  | 0.0            | 0.0            | 0.0            |                |                |
| Pretax Income   | 322.0          | 307.8          | 290.7          | 258.3          | 214.6          |
| Income Taxes  | 79.4           | 80.6           | 82.5           | 72.8           | 60.8           |
| Minority Interest   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Equity in Earnings  | 3.0            | 2.1            | 1.6            | 1.4            | 1.1            |
| After Tax Other Income/Expense  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Discontinued Operations   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Net Income before Extraordinary Items/Preferred Dividends             | 245.5          | 229.2          | 209.7          | 186.9          | 154.9          |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Extraordinary Items & Gain/Loss Sale of Assets             | 5.9   | 4.4   | 0.0   | 0.0   | 0.0   |
| Preferred Dividend Requirements                            | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Net Income after Preferred Dividends - available to Common | 245.5 | 229.2 | 209.7 | 186.9 | 154.9 |

## Interim Income Statement - (Actual Values): Hexcel Corporation

All figures in millions of U.S. Dollars.

| Fiscal Period End Date  | 09/30/2019 | 06/30/2019 | 03/31/2019 | 12/31/2018 | 09/30/2018 |
|---|------------|------------|------------|------------|------------|
| <b>Net Sales or Revenues</b>  | <b>573</b> | <b>609</b> | <b>610</b> | <b>561</b> | <b>541</b> |
| Cost of Goods Sold  | 380        | 406        | 404        | 378        | 366        |
| Depreciation, Depletion & Amortization                                | 34         | 34         | 39         | 32         | 31         |
| Gross Income  | 158        | 169        | 167        | 150        | 143        |
| Selling, General & Administrative Expenses                            | 48         | 54         | 64         | 47         | 47         |
| Other Operating Expenses  | 0          | 0          | 0          | 8          | 0          |
| Operating Expenses - Total  |            |            |            |            |            |
| Operating Income  | 110        | 115        | 103        | 96         | 97         |
| Extraordinary Credit - Pretax   | 0          | 0          | 0          | 0          | 0          |
| Extraordinary Charge - Pretax   | 0          | 0          | 0          | 0          | 0          |
| Non-Operating Interest Income   |            |            |            |            |            |
| Reserves - Increase/Decrease  |            |            |            |            |            |
| Pretax Equity in Earnings   |            |            |            |            |            |
| Other Income/Expense - Net  | 0          | 0          | 0          | 0          | 0          |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 144        | 149        | 142        | 128        | 128        |
| Earnings before Interest & Taxes(EBIT)                                | 110        | 115        | 103        | 96         | 97         |
| Interest Expense on Debt  |            |            |            |            |            |
| Interest Capitalized  |            |            |            |            |            |
| Pretax Income   | 99         | 103        | 91         | 85         | 86         |
| Income Taxes  | 18         | 24         | 21         | 28         | 8          |
| Minority Interest   | 0          | 0          | 0          | 0          | 0          |
| Equity in Earnings  | -0         | 1          | 2          | 1          | 2          |

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| After Tax Other<br>Income/Expense                                |    |    |    |    |    |
| Discontinued Operations  | 0  | 0  | 0  | 0  | 0  |
| Net Income before<br>Extraordinary Items/Preferred<br>Dividends  | 80 | 81 | 72 | 59 | 80 |
| Extraordinary Items &<br>Gain/Loss Sale of Assets                | 0  | 0  | 0  | 7  | 0  |
| Preferred Dividend<br>Requirements                               | 0  | 0  | 0  | 0  | 0  |
| Net Income after Preferred<br>Dividends - available to<br>Common | 80 | 81 | 72 | 59 | 80 |

## Interim Income Statement - (Common Size): Hexcel Corporation

Figures are expressed as Percent of Net Sales or Revenues.

Net Sales or Revenues are in millions of U.S. Dollars.

| Fiscal Period End Date  | 09/30/2019   | 06/30/2019   | 03/31/2019   | 12/31/2018   | 09/30/2018   |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Net Sales or Revenues</b>  | <b>572.5</b> | <b>609.0</b> | <b>609.9</b> | <b>561.0</b> | <b>540.5</b> |
| Cost of Goods Sold  | 66.4%        | 66.7%        | 66.2%        | 67.4%        | 67.8%        |
| Depreciation, Depletion & Amortization                                | 6.0%         | 5.6%         | 6.3%         | 5.8%         | 5.8%         |
| Gross Income  | 27.6%        | 27.7%        | 27.4%        | 26.8%        | 26.5%        |
| Selling, General & Administrative Expenses                            | 8.4%         | 8.8%         | 10.6%        | 8.4%         | 8.6%         |
| Other Operating Expenses  | 0.0%         | 0.0%         | 0.0%         | 1.4%         | 0.0%         |
| Operating Expenses - Total  |              |              |              |              |              |
| Operating Income  | 19.2%        | 18.9%        | 16.9%        | 17.1%        | 17.9%        |
| Extraordinary Credit - Pretax   | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Extraordinary Charge - Pretax   | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Non-Operating Interest Income   |              |              |              |              |              |
| Reserves - Increase/Decrease  |              |              |              |              |              |
| Pretax Equity in Earnings   |              |              |              |              |              |
| Other Income/Expense - Net  | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 25.2%        | 24.5%        | 23.2%        | 22.8%        | 23.6%        |
| Earnings before Interest & Taxes(EBIT)                                | 19.2%        | 18.9%        | 16.9%        | 17.1%        | 17.9%        |
| Interest Expense on Debt  |              |              |              |              |              |
| Interest Capitalized  |              |              |              |              |              |
| Pretax Income   | 17.3%        | 16.9%        | 14.9%        | 15.2%        | 15.9%        |
| Income Taxes  | 3.2%         | 3.9%         | 3.4%         | 5.0%         | 1.4%         |
| Minority Interest   | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Equity in Earnings  | -0.1%        | 0.2%         | 0.3%         | 0.2%         | 0.4%         |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| After Tax Other<br>Income/Expense                                |       |       |       |       |       |
| Discontinued Operations  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| Net Income before<br>Extraordinary Items/Preferred<br>Dividends  | 14.0% | 13.3% | 11.8% | 10.5% | 14.8% |
| Extraordinary Items &<br>Gain/Loss Sale of Assets                | 0.0%  | 0.0%  | 0.0%  | 1.3%  | 0.0%  |
| Preferred Dividend<br>Requirements                               | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| Net Income after Preferred<br>Dividends - available to<br>Common | 14.0% | 13.3% | 11.8% | 10.5% | 14.8% |

## Sources of Capital: Hexcel Corporation

Currency figures are in millions of U.S. Dollars.

Year to year % changes pertain to reported Balance Sheet values.

| Fiscal Year                         | 2018           | 2017           | 2016           | 2015           | 2014           |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year End Date                | 12/31/2018     | 12/31/2017     | 12/31/2016     | 12/31/2015     | 12/31/2014     |
| <b>Total Capital</b>                | <b>2,269.4</b> | <b>2,300.7</b> | <b>1,929.3</b> | <b>1,756.1</b> | <b>1,564.9</b> |
| <b>Percent of Total Capital</b>     |                |                |                |                |                |
| Short Term Debt                     | 0.4%           | 0.2%           | 0.2%           | 0.0%           | 0.1%           |
| Long Term Debt                      | 41.7%          | 35.0%          | 35.5%          | 32.8%          | 26.5%          |
| Other Liabilities                   | 8.2%           | 7.5%           | 8.3%           | 5.7%           | 7.8%           |
| Total Liabilities                   | 66.2%          | 55.9%          | 59.9%          | 57.4%          | 56.6%          |
| Minority Interest                   | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Preferred Stock                     | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Retained Earnings                   | 76.1%          | 65.0%          | 65.0%          | 59.5%          | 54.0%          |
| Common Equity                       | 58.3%          | 65.0%          | 64.5%          | 67.2%          | 73.5%          |
| Total Capital                       | 100.0%         | 100.0%         | 100.0%         | 100.0%         | 100.0%         |
| <b>Year to Year Net Changes</b>     |                |                |                |                |                |
| Short Term Debt                     | 5.1            | 0.0            | 4.3            | -1.3           | -1.7           |
| Long Term Debt                      | 141.8          | 121.2          | 107.9          | 161.5          | 123.0          |
| Other Liabilities                   | 13.3           | 13.3           | 59.3           | -22.1          | 48.3           |
| Total Liabilities                   | 216.3          | 130.1          | 147.9          | 121.3          | 221.1          |
| Minority Interest                   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Preferred Stock                     | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Retained Earnings                   | 230.4          | 241.4          | 210.3          | 198.9          | 209.4          |
| Common Equity                       | -173.1         | 250.2          | 65.3           | 29.7           | -10.5          |
| Total Capital                       | -31.3          | 371.4          | 173.2          | 191.2          | 112.5          |
| <b>Year to Year Percent Changes</b> |                |                |                |                |                |
| Short Term Debt                     | 118.6%         | 0.0%           |                | -100.0%        | -56.7%         |
| Long Term Debt                      | 17.6%          | 17.7%          | 18.7%          | 38.9%          | 42.1%          |

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Other Liabilities                                   | 7.7%    | 8.3%    | 59.2%   | -18.1%  | 65.4%   |
| Total Liabilities                                   | 16.8%   | 11.3%   | 14.7%   | 13.7%   | 33.2%   |
| Minority Interest                                   |         |         |         |         |         |
| Preferred Stock                                     |         |         |         |         |         |
| Retained Earnings                                   | 15.4%   | 19.2%   | 20.1%   | 23.5%   | 32.9%   |
| Common Equity                                       | -11.6%  | 20.1%   | 5.5%    | 2.6%    | -0.9%   |
| Total Capital                                       | -1.4%   | 19.3%   | 9.9%    | 12.2%   | 7.7%    |
| <b>Total Liabilities &amp; Common Equity</b>        |         |         |         |         |         |
| Total Liabilities                                   | 1,502.1 | 1,285.8 | 1,155.7 | 1,007.8 | 886.5   |
| Net Change in Liabilities as % of Total Liabilities | 14.4%   | 10.1%   | 12.8%   | 12.0%   | 24.9%   |
| Common Equity                                       | 1,322.0 | 1,495.1 | 1,244.9 | 1,179.6 | 1,149.9 |
| Net Change in Common Equity as % of Common Equity   | -13.1%  | 16.7%   | 5.2%    | 2.5%    | -0.9%   |
| <b>Cash Flow</b>                                    |         |         |         |         |         |
| Operating Activities                                | 421.4   | 428.7   | 401.4   | 301.0   | 318.0   |
| Financing Activities                                | -257.3  | -58.3   | -46.8   | -10.9   | -36.9   |
| Investing Activities                                | 187.5   | 354.1   | 366.5   | 305.3   | 270.4   |



## Accounting Ratios: Hexcel Corporation

Currency amounts are in millions of U.S. Dollars.

| Fiscal Year   | 2018         | 2017         | 2016         | 2015         | 2014         |
|---|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End Date  | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   | 12/31/2014   |
| <b>Current Assets</b>   | <b>675.8</b> | <b>656.7</b> | <b>607.0</b> | <b>633.8</b> | <b>681.7</b> |
| Current Assets Turnover -<br>Sales / Current Assets                         | 3.2          | 3.0          | 3.3          | 2.9          | 2.7          |
| Current Assets / Working<br>Capital   | 1.9          | 1.7          | 1.8          | 1.9          | 1.8          |
| <b>Cash &amp; Short Term<br/>Investments + Restricted<br/>Cash</b>          | <b>32.7</b>  | <b>60.1</b>  | <b>35.2</b>  | <b>51.8</b>  | <b>70.9</b>  |
| Cash & Short Term<br>Investments + Restricted<br>Cash % Current Assets      | 4.8%         | 9.2%         | 5.8%         | 8.2%         | 10.4%        |
| Cash Asset Ratio: Cash &<br>Short Term Investments %<br>Current Liabilities | 10.0%        | 22.9%        | 12.9%        | 17.7%        | 22.8%        |
| <b>Net Receivables</b>  | <b>311.4</b> | <b>248.7</b> | <b>245.6</b> | <b>234.0</b> | <b>233.5</b> |
| Net Receivables % Total<br>Current Assets                                   | 46.1%        | 37.9%        | 40.5%        | 36.9%        | 34.3%        |
| Net Receivable Turnover   | 7.0          | 7.9          | 8.2          | 8.0          | 7.9          |
| Net Receivable Ratio:<br>Collection in Days                                 | 47           | 46           | 44           | 46           | 46           |
| <b>Inventories</b>  | <b>297.8</b> | <b>314.0</b> | <b>291.0</b> | <b>307.2</b> | <b>290.1</b> |
| Inventories % Current Assets  | 44.1%        | 47.8%        | 47.9%        | 48.5%        | 42.6%        |
| Inventory Turnover -<br>Inventory / Cost of Goods<br>Sold                   | 5            | 4            | 4            | 4            | 5            |
| Inventory Period Ratio -<br>Number of Days                                  | 75           | 84           | 81           | 87           | 80           |
| <b>Accounts Payable</b>   | <b>161.9</b> | <b>144.1</b> | <b>137.3</b> | <b>148.9</b> | <b>175.0</b> |
| Accounts Payable Turnover:<br>Cost of Goods Sold /<br>Accounts Payable      | 9.2          | 9.1          | 9.8          | 8.4          | 7.3          |

|   |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| Accounts Payable Ratio - Number of Days               | 40             | 40             | 37             | 43             | 50             |
| <b>Length of Operating &amp; Conversion Cycles</b>    |                |                |                |                |                |
| Length of Operating Cycle in Days                     | 122            | 130            | 125            | 133            | 125            |
| Length of Cash Conversion Cycle in Days               | 12             | 10             | 11             | 7              | 0              |
| <b>Liquidity Measures</b>                             |                |                |                |                |                |
| Current Ratio   | 2.07           | 2.51           | 2.23           | 2.17           | 2.19           |
| Quick Ratio   | 1.05           | 1.18           | 1.03           | 0.98           | 0.98           |
| Acid Test Ratio                                       | 1.1            | 1.2            | 1.0            | 1.0            | 1.0            |
| Absolute Liquidity Ratio                              | 0.1            | 0.2            | 0.1            | 0.2            | 0.2            |
| Current Assets / Working Capital                      | 1.9            | 1.7            | 1.8            | 1.9            | 1.8            |
| Tangible Book Value % Regular Book Value              | 89.2%          | 90.1%          | 94.2%          | 95.0%          | 94.8%          |
| Total Asset Turnover                                  | 0.8            | 0.7            | 0.8            | 0.9            | 0.9            |
| Shareholders' Common Equity % Total Capital           | 58.3%          | 65.0%          | 64.5%          | 67.2%          | 73.5%          |
| <b>Enterprise Value</b>                               | <b>5,786.5</b> | <b>6,291.6</b> | <b>5,355.1</b> | <b>4,867.8</b> | <b>4,307.7</b> |
| Enterprise Value % Yield [EBDITA / Enterprise Value]  | 8.5%           | 7.2%           | 8.5%           | 8.4%           | 8.8%           |
| Adjusted Earnings % Yield [EBIT / Enterprise Value]   | 6.4%           | 5.6%           | 6.7%           | 6.8%           | 7.1%           |
| Enterprise Value / Revenues Ratio                     | 2.6            | 3.2            | 2.7            | 2.6            | 2.3            |
| Enterprise Value / Assets Ratio                       | 2.0            | 2.3            | 2.2            | 2.2            | 2.1            |
| <b>Gross Property, Plant &amp; Equipment Turnover</b> | <b>0.8</b>     | <b>0.7</b>     | <b>0.8</b>     | <b>0.9</b>     | <b>1.0</b>     |
| Net Property, Plant & Equipment Turnover              | 1.2            | 1.1            | 1.2            | 1.3            | 1.5            |
| Depreciation, Depletion & Amortization % Gross        | 33.9%          | 32.0%          | 31.7%          | 32.1%          | 33.7%          |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Property, Plant & Equip.   |       |       |       |       |       |
| Depreciation, Depletion & Amortization % Net Property, Plant & Equipment | 51.3% | 47.0% | 46.3% | 47.3% | 50.9% |
| Capital Expenditure % Gross Fixed Assets                                 | 6.5%  | 10.1% | 13.8% | 14.5% | 13.9% |

## Analytical Ratios: Hexcel Corporation

*Currency amounts are in millions of U.S. Dollars.*

| Fiscal Year   | 2018       | 2017       | 2016       | 2015       | 2014       |
|---|------------|------------|------------|------------|------------|
| Fiscal Year End Date  | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| <b>Current Assets Turnover:<br/>[Sales / Current Assets]</b>          | <b>3.2</b> | <b>3.0</b> | <b>3.3</b> | <b>2.9</b> | <b>2.7</b> |
| Current Assets % Total Assets   | 23.9%      | 23.6%      | 25.3%      | 29.0%      | 33.5%      |
| Cash & Short Term Investments + Restricted Cash % Total Assets        | 1.2%       | 2.2%       | 1.5%       | 2.4%       | 3.5%       |
| Increase/Decrease in Cash & Cash Equivalents                          | -27.4      | 24.9       | -16.6      | -19.1      | 5.4        |
| <b>Accounts Receivable Turnover</b>                                   | <b>7.0</b> | <b>7.9</b> | <b>8.2</b> | <b>8.0</b> | <b>7.9</b> |
| Accounts Receivable % Total Debt                                      | 32.5%      | 30.7%      | 35.7%      | 40.6%      | 56.1%      |
| Accounts Payable Turnover:<br>[Cost of Goods Sold / Accounts Payable] | 9.2        | 9.1        | 9.8        | 8.4        | 7.3        |
| <b>Current Liabilities / Working Capital Ratio</b>                    | <b>0.9</b> | <b>0.7</b> | <b>0.8</b> | <b>0.9</b> | <b>0.8</b> |
| Working Capital Turnover Ratio: [Net Sales / Working Capital]         | 6.3        | 5.0        | 6.0        | 5.5        | 5.0        |
| Current Assets / Total Assets Ratio                                   | 0.2        | 0.2        | 0.3        | 0.3        | 0.3        |
| Working Capital Ratio: [Current Assets / Current Liabilities]         | 2.1        | 2.5        | 2.2        | 2.2        | 2.2        |
| Working Capital per Employee (in U.S. Dollars)                        | 52,686.4   | 63,045.2   | 54,443.5   | 57,859.9   | 65,530.6   |
| Total Liabilities / Total Assets Ratio                                | 0.5        | 0.5        | 0.5        | 0.5        | 0.4        |
| Current Assets / Working Capital Ratio                                | 1.9        | 1.7        | 1.8        | 1.9        | 1.8        |

|  |               |              |              |              |              |
|--|---------------|--------------|--------------|--------------|--------------|
| <b>Total Long Term Receivables &amp; Investments % Total Assets</b>    | <b>1.7%</b>   | <b>1.8%</b>  | <b>2.2%</b>  | <b>1.4%</b>  | <b>1.7%</b>  |
| Long Term Receivables % Total Assets                                   | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Investment in Associate Companies % Total Assets                       | 1.7%          | 1.7%         | 2.2%         | 1.4%         | 1.7%         |
| Other Investments % Total Assets                                       | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| <b>Tangible Book Value % Regular Book Value</b>                        | <b>89.2%</b>  | <b>90.1%</b> | <b>94.2%</b> | <b>95.0%</b> | <b>94.8%</b> |
| Tangible Equity % Total Assets   | 41.8%         | 48.4%        | 48.9%        | 51.2%        | 53.5%        |
| Total Asset Turnover   | 0.8           | 0.7          | 0.8          | 0.9          | 0.9          |
| Total Assets per Employee (in U.S. Dollars)                            | 426,214.9     | 444,304.2    | 390,024.4    | 370,934.4    | 359,597.4    |
| Free Asset Ratio: [Total Assets - Total Liabilities] % Assets          | 46.8%         | 53.8%        | 51.9%        | 53.9%        | 56.5%        |
| Total Borrowing % Total Assets   | 33.9%         | 29.1%        | 28.7%        | 26.4%        | 20.4%        |
| <b>Enterprise Value % Yield: [EBDITA / Enterprise Value]</b>           | <b>8.5%</b>   | <b>7.2%</b>  | <b>8.5%</b>  | <b>8.4%</b>  | <b>8.8%</b>  |
| Adjusted Earnings % Yield: [EBIT / Enterprise Value]                   | 6.4%          | 5.6%         | 6.7%         | 6.8%         | 7.1%         |
| Enterprise Value / Sales Ratio   | 2.6           | 3.2          | 2.7          | 2.6          | 2.3          |
| Enterprise Value / Assets Ratio  | 2.0           | 2.3          | 2.2          | 2.2          | 2.1          |
| Enterprise Value per Employee (in U.S. Dollars)                        | 873,307.0     | 1,005,202.1  | 870,043.2    | 825,466.3    | 760,673.7    |
| <b>Gross Property, Plant &amp; Equipment (PP&amp;E) % Total Assets</b> | <b>100.6%</b> | <b>98.7%</b> | <b>99.1%</b> | <b>96.0%</b> | <b>91.8%</b> |
| Accumulated Depreciation,  |               |              |              |              |              |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Depletion & Amortization % Total Assets                          | 34.1%        | 31.6%        | 31.4%        | 30.8%        | 31.0%        |
| Net Property, Plant & Equipment (PP&E)                           | 1,876.5      | 1,866.3      | 1,625.6      | 1,425.6      | 1,238.2      |
| Net Property, Plant & Equipment (PP&E) % Total Assets            | 66.4%        | 67.1%        | 67.7%        | 65.2%        | 60.8%        |
| Net Property, Plant & Equipment Turnover: [Net Sales / Net PP&E] | 1.2          | 1.1          | 1.2          | 1.3          | 1.5          |
| Capital Expenditures % Total Sales                               | 8.4%         | 14.1%        | 16.4%        | 16.4%        | 14.0%        |
| Capital Expenditures % Gross Fixed Assets                        | 6.5%         | 10.1%        | 13.8%        | 14.5%        | 13.9%        |
| <b>Funds from Operations % Total Sales</b>                       | <b>20.5%</b> | <b>20.6%</b> | <b>21.0%</b> | <b>19.8%</b> | <b>17.7%</b> |
| Funds from Operations % Total Assets                             | 15.9%        | 14.6%        | 17.5%        | 16.9%        | 16.1%        |

## Asset Utilization: **Hexcel Corporation**

*Currency amounts are in millions of U.S. Dollars.*

| <b>Fiscal Year</b>                        | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fiscal Year End Date</b>               | <b>12/31/2018</b> | <b>12/31/2017</b> | <b>12/31/2016</b> | <b>12/31/2015</b> | <b>12/31/2014</b> |
| <b>Net Sales</b>                          | <b>2,189.1</b>    | <b>1,973.3</b>    | <b>2,004.3</b>    | <b>1,861.2</b>    | <b>1,855.5</b>    |
| Cash & Cash Equivalents                   | 1.5%              | 3.0%              | 1.8%              | 2.8%              | 3.8%              |
| Short-Term Investments                    |                   |                   |                   |                   |                   |
| Accounts Receivable                       | 14.2%             | 12.6%             | 12.3%             | 12.6%             | 12.6%             |
| Inventories                               | 13.6%             | 15.9%             | 14.5%             | 16.5%             | 15.6%             |
| Other Current Assets                      | 1.5%              | 1.7%              | 1.8%              | 2.2%              | 4.7%              |
| Total Current Assets                      | 30.9%             | 33.3%             | 30.3%             | 34.1%             | 36.7%             |
| Total Long Term Receivables & Investments | 2.2%              | 2.5%              | 2.7%              | 1.6%              | 1.8%              |
| Long Term Receivables                     | 0.0%              | 0.0%              | 0.0%              | 0.0%              | 0.0%              |
| Investments in Associated Companies       | 2.2%              | 2.4%              | 2.6%              | 1.6%              | 1.8%              |
| Other Investments                         | 0.0%              | 0.1%              | 0.0%              | 0.0%              | 0.0%              |
| Property, Plant & Equipment - Gross       | 129.7%            | 139.1%            | 118.7%            | 112.8%            | 100.7%            |
| Accumulated Depreciation                  | 44.0%             | 44.5%             | 37.6%             | 36.2%             | 34.0%             |
| Property Plant & Equipment - Net          | 85.7%             | 94.6%             | 81.1%             | 76.6%             | 66.7%             |
| Other Assets                              | 10.2%             | 10.6%             | 5.7%              | 5.2%              | 4.4%              |
| Total Assets                              | 129.0%            | 140.9%            | 119.8%            | 117.5%            | 109.7%            |

## Employee Efficiency: **Hexcel Corporation**

*Values per Employee are in U.S. Dollars.*

| <b>Fiscal Year</b>                        | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fiscal Year End Date</b>               | <b>12/31/2018</b> | <b>12/31/2017</b> | <b>12/31/2016</b> | <b>12/31/2015</b> | <b>12/31/2014</b> |
| <b>Employees</b>                          | <b>6,626</b>      | <b>6,259</b>      | <b>6,155</b>      | <b>5,897</b>      | <b>5,663</b>      |
| <b>Values per Employee</b>                |                   |                   |                   |                   |                   |
| Sales                                     | 330,380           | 315,274           | 325,638           | 315,618           | 327,653           |
| Net Income                                | 40,628            | 41,844            | 40,585            | 40,224            | 36,977            |
| Cash Earnings                             | 67,748            | 65,074            | 68,432            | 62,625            | 57,920            |
| Working Capital                           | 52,686            | 63,045            | 54,444            | 57,860            | 65,531            |
| Total Debt                                | 144,401           | 129,398           | 111,893           | 97,762            | 73,512            |
| Total Capital                             | 342,499           | 367,583           | 313,452           | 297,795           | 276,338           |
| Total Assets                              | 426,215           | 444,304           | 390,024           | 370,934           | 359,597           |
| <b>Year to Year % Change per Employee</b> |                   |                   |                   |                   |                   |
| Employees                                 | 5.9%              | 1.7%              | 4.4%              | 4.1%              | 7.4%              |
| Sales                                     | 4.8%              | -3.2%             | 3.2%              | -3.7%             | 3.0%              |
| Net Income                                | -2.9%             | 3.1%              | 0.9%              | 8.8%              | 3.8%              |
| Cash Earnings                             | 4.1%              | -4.9%             | 9.3%              | 8.1%              | 9.5%              |
| Working Capital                           | -16.4%            | 15.8%             | -5.9%             | -11.7%            | -10.9%            |
| Total Debt                                | 11.6%             | 15.6%             | 14.5%             | 33.0%             | 31.4%             |
| Total Capital                             | -6.8%             | 17.3%             | 5.3%              | 7.8%              | 0.3%              |
| Total Assets                              | -4.1%             | 13.9%             | 5.1%              | 3.2%              | 3.9%              |



## Fixed Charges Coverage: Hexcel Corporation

| Fiscal Year                           | 2018       | 2017       | 2016       | 2015       | 2014       |
|---------------------------------------|------------|------------|------------|------------|------------|
| Fiscal Year End Date                  | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| EBIT/Total Interest Expense           | 9.8        | 12.8       | 16.3       | 23.4       | 38.2       |
| EBIT/Net Interest                     | 9.8        | 12.8       | 16.3       | 23.4       | 38.2       |
| EBIT/(Total Interest Exp + Pfd Div)   | 9.8        | 12.8       | 16.3       | 23.4       | 38.2       |
| EBIT/Dividends on Common Shares       | 7.7        | 8.2        | 9.0        | 8.7        |            |
| EBIT/(Dividends on Common + Pfd)      | 7.7        | 8.2        | 9.0        | 8.7        |            |
| EBITDA/Total Interest Expense         | 13.1       | 16.6       | 20.6       | 28.9       | 47.3       |
| EBITDA/Net Interest                   | 13.1       | 16.6       | 20.6       | 28.9       | 47.3       |
| EBITDA/(Total Interest Exp + Pfd Div) | 13.1       | 16.6       | 20.6       | 28.9       | 47.3       |
| EBITDA/Dividends on Com Shares        | 10.2       | 10.7       | 11.4       | 10.7       |            |
| EBITDA/(Dividends on Com + Pfd)       | 10.2       | 10.7       | 11.4       | 10.7       |            |

## Leverage Analysis: Hexcel Corporation

| Fiscal Year                                     | 2018       | 2017       | 2016       | 2015       | 2014       |
|---|------------|------------|------------|------------|------------|
| Fiscal Year End Date                            | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| Long Term Debt % of EBIT                        | 255.2%     | 229.8%     | 190.3%     | 173.4%     | 135.9%     |
| Long Term Debt % of EBITDA                      | 191.7%     | 177.0%     | 150.5%     | 140.6%     | 109.8%     |
| Long Term Debt % of Total Assets                | 33.5%      | 29.0%      | 28.5%      | 26.4%      | 20.4%      |
| Long Term Debt % of Total Capital               | 41.7%      | 35.0%      | 35.5%      | 32.8%      | 26.5%      |
| Long Term Debt % of Com Equity                  | 71.7%      | 53.9%      | 55.0%      | 48.9%      | 36.1%      |
| Total Debt % of EBIT                            | 257.8%     | 231.0%     | 191.5%     | 173.4%     | 136.4%     |
| Total Debt % of EBITDA                          | 193.6%     | 178.0%     | 151.5%     | 140.6%     | 110.1%     |
| Total Debt % of Total Assets                    | 33.9%      | 29.1%      | 28.7%      | 26.4%      | 20.4%      |
| Total Debt % of Total Capital                   | 42.2%      | 35.2%      | 35.7%      | 32.8%      | 26.6%      |
| Total Debt % of Total Capital & Short Term Debt | 42.0%      | 35.1%      | 35.6%      | 32.8%      | 26.6%      |
| Total Debt % of Common Equity                   | 72.4%      | 54.2%      | 55.3%      | 48.9%      | 36.2%      |
| Minority Interest % of EBIT                     | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Minority Interest % of EBITDA                   | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Minority Interest % of Total Assets             | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Minority Interest % of Total Capital            | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Minority Interest % of Com Equity               | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Preferred Stock % of EBIT                       | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Preferred Stock % of EDITDA                     | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |
| Preferred Stock % of Total Assets               | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%       |

|                                       |        |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|--------|
| Preferred Stock % of Total Capital    | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Preferred Stock % of Total Equity     | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Common Equity % of Total Assets       | 46.8%  | 53.8%  | 51.9%  | 53.9%  | 56.5%  |
| Common Equity % of Total Capital      | 58.3%  | 65.0%  | 64.5%  | 67.2%  | 73.5%  |
| Total Capital % of Total Assets       | 80.4%  | 82.7%  | 80.4%  | 80.3%  | 76.8%  |
| Capital Expenditure % of Sales        | 8.4%   | 14.1%  | 16.4%  | 16.4%  | 14.0%  |
| Fixed Assets % of Common Equity       | 141.9% | 124.8% | 130.6% | 120.9% | 107.7% |
| Working Capital % of Total Capital    | 15.4%  | 17.2%  | 17.4%  | 19.4%  | 23.7%  |
| Dividend Payout                       | 17.5%  | 15.0%  | 15.9%  | 16.1%  | 0.0%   |
| Funds From Operations % of Total Debt | 46.9%  | 50.3%  | 61.2%  | 64.1%  | 78.8%  |

## Liquidity Analysis: Hexcel Corporation

*Currency amounts are in millions of U.S. Dollars.*

| Fiscal Year   | 2018         | 2017         | 2016         | 2015         | 2014         |
|---|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End Date  | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   | 12/31/2014   |
| <b>Total Current Assets</b>                                       | <b>675.8</b> | <b>656.7</b> | <b>607.0</b> | <b>633.8</b> | <b>681.7</b> |
| Total Current Assets % of Net Sales                               | 30.9%        | 33.3%        | 30.3%        | 34.1%        | 36.7%        |
| Current Assets / Working Capital                                  | 1.9          | 1.7          | 1.8          | 1.9          | 1.8          |
| Cash & Short Term Investments % Total Current Assets              | 4.8%         | 9.2%         | 5.8%         | 8.2%         | 10.4%        |
| Cash & Short Term Investments % Total Assets                      | 1.2%         | 2.2%         | 1.5%         | 2.4%         | 3.5%         |
| <b>Liquidity Measures</b>   |              |              |              |              |              |
| Current Ratio: Current Assets / Current Liabilities               | 2.07         | 2.51         | 2.23         | 2.17         | 2.19         |
| Quick Ratio: [Current Assets - Inventories] / Current Liabilities | 1.05         | 1.18         | 1.03         | 0.98         | 0.98         |
| Acid Test Ratio   | 1.1          | 1.2          | 1.0          | 1.0          | 1.0          |
| Absolute Liquidity Ratio  | 0.1          | 0.2          | 0.1          | 0.2          | 0.2          |
| <b>Net Receivables Turnover: Net Sales / Net Receivables</b>      | <b>7.0</b>   | <b>7.9</b>   | <b>8.2</b>   | <b>8.0</b>   | <b>7.9</b>   |
| Inventories % Current Assets                                      | 44.1%        | 47.8%        | 47.9%        | 48.5%        | 42.6%        |
| Inventories Turnover: Cost of Goods Sold / Inventories            | 4.86         | 4.35         | 4.50         | 4.19         | 4.59         |
| <b>Current Liabilities % Total Assets</b>                         | <b>11.6%</b> | <b>9.4%</b>  | <b>11.3%</b> | <b>13.4%</b> | <b>15.3%</b> |
| Working Capital Turnover: Total Sales / Working Capital           | 6.3          | 5.0          | 6.0          | 5.5          | 5.0          |
| Working Capital Ratio: Working Capital % Total Assets             | 12.4%        | 14.2%        | 14.0%        | 15.6%        | 18.2%        |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Length of Operating &amp; Conversion Cycles</b>                   |              |              |              |              |              |
| Length of Operating Cycle in Days                                    | 122          | 130          | 125          | 133          | 125          |
| Length of Cash Conversion Cycle in Days                              | 12           | 10           | 11           | 7            | 0            |
| Current Assets % Total Liabilities                                   | 45.0%        | 51.1%        | 52.5%        | 62.9%        | 76.9%        |
| Total Liabilities % Total Assets                                     | 53.2%        | 46.2%        | 48.1%        | 46.1%        | 43.5%        |
| Long Term Debt % Total Capital                                       | 41.7%        | 35.0%        | 35.5%        | 32.8%        | 26.5%        |
| Total Debt % Total Capital   | 42.2%        | 35.2%        | 35.7%        | 32.8%        | 26.6%        |
| <b>Shareholders Common Equity % Total Capital</b>                    | <b>58.3%</b> | <b>65.0%</b> | <b>64.5%</b> | <b>67.2%</b> | <b>73.5%</b> |
| Shareholders Common Equity % Total Assets                            | 46.8%        | 53.8%        | 51.9%        | 53.9%        | 56.5%        |
| Capital Risk: Total Assets % Total Liabilities                       | 188.0%       | 216.3%       | 207.7%       | 217.0%       | 229.7%       |
| Total Borrowing % Total Assets                                       | 33.9%        | 29.1%        | 28.7%        | 26.4%        | 20.4%        |
| Enterprise Value / Net Sales Ratio                                   | 2.6          | 3.2          | 2.7          | 2.6          | 2.3          |
| Enterprise Value / Assets Ratio                                      | 2.0          | 2.3          | 2.2          | 2.2          | 2.1          |
| <b>Total Debt Coverage Ratio: Funds From Operations % Total Debt</b> | <b>46.9%</b> | <b>50.3%</b> | <b>61.2%</b> | <b>64.1%</b> | <b>78.8%</b> |
| Funds From Operations % Net Property, Plant & Equipment              | 23.9%        | 21.8%        | 25.9%        | 25.9%        | 26.5%        |
| Funds From Operations % Total Capital                                | 19.8%        | 17.7%        | 21.8%        | 21.0%        | 21.0%        |
| Funds From Operations % Total Assets                                 | 15.9%        | 14.6%        | 17.5%        | 16.9%        | 16.1%        |
| <b>Increase/Decrease in Cash &amp; Short Term Investment</b>         | <b>-27.4</b> | <b>24.9</b>  | <b>-16.6</b> | <b>-19.1</b> | <b>5.4</b>   |

|  |       |      |       |       |      |
|--|-------|------|-------|-------|------|
| Increase/Decrease in Cash &<br>Short Term Investment % of<br>Funds from Operations | -6.1% | 6.1% | -3.9% | -5.2% | 1.6% |
|--|-------|------|-------|-------|------|

## Per Share Data: **Hexcel Corporation**

*Figures are expressed as per unit of respective shares.*

*Figures are in U.S. Dollars.*

| <b>Fiscal Year</b>                    | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fiscal Year End Date</b>           | <b>12/31/2018</b> | <b>12/31/2017</b> | <b>12/31/2016</b> | <b>12/31/2015</b> | <b>12/31/2014</b> |
| Sales                                 | 25.81             | 22.02             | 21.93             | 19.91             | 19.43             |
| Operating Income                      | 4.38              | 3.91              | 3.94              | 3.56              | 3.20              |
| Pre-tax Income                        | 3.93              | 3.61              | 3.69              | 3.40              | 3.11              |
| Net Income (Continuing Operations)    | 3.26              | 3.17              | 2.73              | 2.54              | 2.19              |
| Net Income Before Extra Items         | 3.17              | 2.92              | 2.73              | 2.54              | 2.19              |
| Extraordinary Items                   |                   |                   | 0.00              | 0.00              | 0.00              |
| Net Income After Extraordinary Items  | 3.26              | 3.17              | 2.73              | 2.54              | 2.19              |
| Net Income Available to Common Shares | 3.02              | 2.85              | 2.65              | 2.44              | 2.12              |
| Fully Diluted Earnings                | 3.02              | 2.85              | 2.65              | 2.44              | 2.12              |
| Common Dividends                      | 0.55              | 0.47              | 0.43              | 0.40              | 0.00              |
| Cash Earnings                         | 5.04              | 4.43              | 4.47              | 3.80              | 3.32              |
| Book Value                            | 15.59             | 16.69             | 13.62             | 12.62             | 12.04             |
| Retained Earnings                     | 20.36             | 16.70             | 13.73             | 11.17             | 8.85              |
| Assets                                | 33.30             | 31.04             | 26.26             | 23.39             | 21.32             |

## Profitability Analysis: **Hexcel Corporation**

*Currency figures are in U.S. Dollars.*

| <b>Fiscal Year</b>                                    | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fiscal Year End Date</b>                           | <b>12/31/2018</b> | <b>12/31/2017</b> | <b>12/31/2016</b> | <b>12/31/2015</b> | <b>12/31/2014</b> |
| Gross Income Margin                                   | 26.5%             | 28.0%             | 28.2%             | 28.6%             | 27.4%             |
| Operating Income Margin                               | 17.0%             | 17.8%             | 18.0%             | 17.9%             | 16.5%             |
| Pretax Income Margin                                  | 15.2%             | 16.4%             | 16.8%             | 17.1%             | 16.0%             |
| EBIT Margin   | 17.0%             | 17.8%             | 17.9%             | 17.9%             | 16.5%             |
| Net Income Margin                                     | 12.6%             | 14.4%             | 12.5%             | 12.7%             | 11.3%             |
| Return on Equity - Total                              | 19.6%             | 20.7%             | 20.6%             | 20.4%             | 18.1%             |
| Return on Invested Capital                            | 13.4%             | 14.2%             | 14.3%             | 14.8%             | 14.2%             |
| Return on Assets                                      | 10.9%             | 11.6%             | 11.5%             | 11.7%             | 11.1%             |
| Asset Turnover  | 0.8               | 0.7               | 0.8               | 0.9               | 0.9               |
| Financial Leverage                                    | 72.4%             | 54.2%             | 55.3%             | 48.9%             | 36.2%             |
| Interest Expense on Debt                              | 37,700,000        | 27,400,000        | 22,100,000        | 14,200,000        | 8,000,000         |
| Effective Tax Rate                                    | 21.0%             | 20.0%             | 26.7%             | 26.1%             | 30.0%             |
| Cash Flow % Sales                                     | 20.5%             | 20.6%             | 21.0%             | 19.8%             | 17.7%             |
| Selling, General & Administrative Expenses % of Sales | 9.2%              | 10.2%             | 10.2%             | 10.8%             | 10.6%             |
| Research & Development Expense                        | 2.6%              | 2.5%              | 2.3%              | 2.4%              | 2.6%              |
| Operating Income Return On Total Capital              | -1.4%             | 19.3%             | 9.9%              | 12.2%             | 7.7%              |



## Wright Quality Rating - Investment Acceptance: Hexcel Corporation

*Currency figures are in millions of U.S. Dollars.*

|  |                     |
|--|---------------------|
| <u>Wright Quality Rating</u>                                     | <b>A</b> BA12       |
| <b>Investment Acceptance Rating</b>                              | <b>A</b>            |
| Total Market Value of Shares Outstanding - Three Year Average    | 5,315               |
| - Current Year   | 6,770               |
| Public Market Value (Excludes Closely Held) - Three Year Average | 5,279               |
| - Current Year   | 6,724               |
| Trading Volume - Three Year Average                              | 8,474               |
| - Current Year   | 9,572               |
| Turnover Rate - Three Year Average                               | 159.4%              |
| - Current Year   | 141.4%              |
| Stock Exchange Listings  | NYSE MSE PBW<br>PCS |
| Number of Institutional Investors                                | 445                 |
| Number of Shareholders   | 1,044               |
| Closely Held Shares as % of Total Shares Outstanding             | 0.7%                |

## Wright Quality Rating - Financial Strength: Hexcel Corporation

|   |                   |
|---|-------------------|
| Wright Quality Rating   | AB <sup>A12</sup> |
| Financial Strength Rating   | B                 |
| Total Shareholders' Equity (Millions of U.S. Dollars)                                   | 1,418             |
| Total Shareholders' Equity as % Total Capital   | 55.8%             |
| Preferred Stock as % of Total Capital   | 0.0%              |
| Long Term Debt as % of Total Capital  | 43.9%             |
| Long Term Debt (Millions of U.S. Dollars)   | 1,115             |
| Lease Obligations (Millions of U.S. Dollars)  | 2                 |
| Long Term Debt including Leases (Millions of U.S. Dollars)                              | 1,117             |
| Total Debt as % of Total Capital  | 44.2%             |
| Fixed Charge Coverage Ratio: Pretax Income to Interest Expense & Preferred Dividends    | 9.8               |
| Fixed Charge Coverage Ratio: Pretax Income to Net Interest Income & Preferred Dividends | 9.8               |
| Quick Ratio (Cash & Receivables / Current Liabilities)                                  | 1.1               |
| Current Ratio (Current Assets / Current Liabilities)                                    | 2.2               |

## Wright Quality Rating - Profitability & Stability: Hexcel Corporation

|  |                   |
|--|-------------------|
| Wright Quality Rating  | ABA <sub>12</sub> |
| Profitability & Stability Rating                                 | A                 |
| Profit Rate of Earnings on Equity Capital - Time-Weighted Normal | 20.0%             |
| - Basic Trend  | 0.2%              |
| Cash Earnings Return on Equity - Time-Weighted Average           | 30.8%             |
| - Basic Trend  | 1.1%              |
| Cash Earnings Return on Equity - Stability Index                 | 67.4%             |
| Return On Assets (Time-Weighted Average)                         | 11.9%             |
| Pre-Tax Income as % of Total Assets (Time-Weighted Average)      | 13.2%             |
| Operating Income as % of Total Assets (Time-Weighted Average)    | 14.1%             |
| Operating Income as % of Total Capital (Adjusted Rate)           | 19.3%             |
| Pre-Tax Income as % of Total Assets (Time-Weighted Average)      | 13.2%             |
| Operating Income as % of Total Assets (Time-Weighted Average)    | 14.1%             |
| Operating Income as % of Total Capital (Adjusted Rate)           | 19.3%             |

Wright Quality Rating - Corporate Growth: **Hexcel Corporation**

*Figures are expressed on a Per Share Basis.*

|                               |               |
|-------------------------------|---------------|
| Wright Quality Rating         | ABA <b>12</b> |
| Growth Rating                 | <b>12</b>     |
| Normal Earnings Growth        | 9.3%          |
| Cash Earnings Growth          | 11.2%         |
| Cash Earnings Stability Index | 96.5%         |
| Earned Equity Growth          | 16.8%         |
| Dividend Growth               | 23.9%         |
| Operating Income Growth       | 8.3%          |
| Assets Growth                 | 11.7%         |
| Sales/Revenues Growth         | 7.2%          |

# Wright Industry Averages Reports

## Introduction

The following pages are comprised of seven reports which contain averages for the companies in the Materials (Global) sector. The primary source of the data contained in these reports is the Worldscope® Database. The "averages" reports are compiled from the fundamental data compiled on the companies which make up this industry.

## Industry Averages - Report Types

- | Sales Analysis
- | Income Statement
- | Balance Sheet
- | Sources of Capital
- | Leverage Analysis Ratios
- | Per Share Data Ratios
- | Profitability Analysis Ratios

The Wright Industry Averages Reports are compiled on a fiscal year basis. Companies ending their fiscal year in January are grouped with the prior year's reports. The values for 2012 for example are contributed by those companies that ended their fiscal year after 31 January 2012 and prior to 1 February 2013. The values shown for all reports are presented in U.S. dollars.

## Data Compilation Steps

All companies in the industry with more than \$1 million (U.S.) in net sales were included. Currency items in the financial statements were converted to U.S. dollars using an average exchange rate for each fiscal year. A sum (aggregate value) was computed for all financial statement items by totaling the values reported by each company in the industry sector. Industry Average report values were computed by dividing the aggregate value by the number of companies reporting.

Per share ratios were computed by using in the numerator a specific value that represents the aggregate sum for all companies in the industry divided by the aggregate value of the average number of appropriate common shares for each company.

Most companies in the industry reported Operating Income along with the major components that go into the calculation of Operating Income. For the minority of companies that did not report all underlying cost components those components were derived, where possible, utilizing the reported items. For example, if Cost of Goods Sold was not reported it was derived on a company-specific basis from the other reported items (i.e. Sales, Gross Income and Depreciation, Depletion & Amortization). The derived value was then included in the calculation of the industry average.

## Summary Analysis: Materials Industry Averages (Global)

Figures are expressed on a Per Share Basis in U.S. Dollars.

| Fiscal Year                                  | 2018  | 2017  | 2016   | 2015   | 2014   | 2013   |
|--|-------|-------|--------|--------|--------|--------|
| Market Prices                                |       |       |        |        |        |        |
| High   | 1.90  | 2.08  | 1.78   | 1.98   | 1.88   | 2.22   |
| Low  | 1.11  | 1.30  | 0.94   | 1.04   | 1.17   | 1.39   |
| Average                                      | 1.50  | 1.69  | 1.36   | 1.51   | 1.52   | 1.80   |
| Last   | 1.38  | 1.76  | 1.42   | 1.36   | 1.51   | 1.79   |
| Value Ratios                                 |       |       |        |        |        |        |
| High Price / Earnings                        | 19.6  | 22.5  | 34.1   | 98.5   | 31.3   | 40.2   |
| Low Price / Earnings                         | 11.5  | 14.1  | 18.0   | 51.5   | 19.5   | 25.1   |
| Average Price / Earnings                     | 15.6  | 18.3  | 26.0   | 75.0   | 25.4   | 32.7   |
| Last Price / Earnings                        | 14.3  | 19.1  | 27.0   | 67.7   | 25.2   | 32.4   |
| Average Price / Book Value                   | 1.7   | 1.8   | 1.6    | 1.7    | 1.6    | 1.6    |
| Last Price / Book Value                      | 1.5   | 1.9   | 1.7    | 1.6    | 1.6    | 1.5    |
| Dividends / Average Price (Dividend Yield)   | 3.1%  | 2.5%  | 2.6%   | 2.7%   | 3.0%   | 2.9%   |
| Dividends / Last Price (Dividend Yield)      | 3.4%  | 2.4%  | 2.5%   | 3.0%   | 3.0%   | 3.0%   |
| Common Equity                                |       |       |        |        |        |        |
| Earned Equity Growth                         | 5.8%  | 6.4%  | 2.1%   | -2.3%  | 1.5%   | 0.2%   |
| Return on Equity                             | 11.6% | 11.9% | 6.3%   | 2.2%   | 6.0%   | 4.7%   |
| Book Value                                   | 0.91  | 0.92  | 0.83   | 0.86   | 0.95   | 1.16   |
| Common Shares (in millions)                  |       |       |        |        |        |        |
| Common Shares Outstanding                    | 887.5 | 815.0 | 774.6  | 742.3  | 708.7  | 608.0  |
| Common Shares Used to Compute EPS            | 887.5 | 815.0 | 774.6  | 742.3  | 708.7  | 608.0  |
| Common Stock Earnings                        |       |       |        |        |        |        |
| Earnings per Share                           | 0.10  | 0.09  | 0.05   | 0.02   | 0.06   | 0.06   |
| Percent Change                               | 4.7%  | 76.1% | 159.9% | -66.5% | 8.7%   | -33.9% |
| Income Tax Rate                              | 24.0% | 25.8% | 28.8%  | 49.7%  | 31.5%  | 38.4%  |
| Common Stock Dividends                       |       |       |        |        |        |        |
| Dividends per Share                          | 0.05  | 0.04  | 0.04   | 0.04   | 0.05   | 0.05   |
| Percent Change                               | 13.6% | 17.7% | -12.8% | -9.9%  | -14.8% | -14.6% |
| Total Common Dividends (in millions of US\$) | 41.9  | 33.9  | 27.4   | 30.1   | 31.9   | 32.1   |

|   |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|
| Dividends / Earnings (% Payout)           | 49.0%   | 45.1%   | 67.5%   | 201.4%  | 75.0%   | 95.8%   |
| Capital Expenditure (in millions of US\$) | 85.6    | 74.2    | 70.3    | 82.3    | 93.5    | 111.9   |
| Sales                                     |         |         |         |         |         |         |
| Sales (in millions of US\$)               | 1,315.1 | 1,203.3 | 1,028.0 | 1,039.3 | 1,165.4 | 1,214.4 |
| Percent Change                            | 9.3%    | 17.0%   | -1.1%   | -10.8%  | -4.0%   | -4.5%   |
| Sales per Share                           | 1.48    | 1.48    | 1.33    | 1.40    | 1.64    | 2.00    |
| Percent Change                            | 0.4%    | 11.2%   | -5.2%   | -14.8%  | -17.7%  | -8.5%   |

## Sales Analysis: Materials Industry Averages (Global)

*Figures are expressed in thousands of U.S. Dollars. Values per Employee are in U.S. Dollars.*

| Fiscal Year   | 2018      | 2017      | 2016      | 2015      | 2014      | 2013      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Sales   | 1,315,075 | 1,203,262 | 1,028,032 | 1,039,332 | 1,165,435 | 1,214,406 |
| Percent Change  | 9.3%      | 17.0%     | -1.1%     | -10.8%    | -4.0%     | -4.5%     |
| Cost of Goods Sold  | 964,410   | 877,613   | 756,238   | 782,428   | 877,947   | 921,355   |
| Percent of Sales  | 73.3%     | 72.9%     | 73.6%     | 75.3%     | 75.3%     | 75.9%     |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 209,539   | 192,087   | 145,057   | 110,934   | 152,607   | 144,402   |
| Percent of Sales  | 15.9%     | 16.0%     | 14.1%     | 10.7%     | 13.1%     | 11.9%     |
| Net Income after Preferred Dividends - available to Common            | 85,654    | 75,097    | 40,529    | 14,942    | 42,528    | 33,562    |
| Percent of Sales  | 6.5%      | 6.2%      | 3.9%      | 1.4%      | 3.6%      | 2.8%      |
| Employees   | 5,247     | 5,198     | 5,120     | 4,715     | 4,566     | 4,360     |
| Sales per Employee  | 250,630   | 231,472   | 200,769   | 220,408   | 255,265   | 278,522   |
| Net Income per Employee   | 16,324    | 14,446    | 7,915     | 3,169     | 9,315     | 7,697     |



## Income Statement - (Actual Values): Materials Industry Averages (Global)

All figures in millions of U.S. Dollars.

| Fiscal Year   | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|---|---------|---------|---------|---------|---------|---------|
| Net Sales or Revenues   | 1,315.1 | 1,203.3 | 1,028.0 | 1,039.3 | 1,165.4 | 1,214.4 |
| Cost of Goods Sold  | 964.4   | 877.6   | 756.2   | 782.4   | 877.9   | 921.4   |
| Depreciation, Depletion & Amortization                                | 69.2    | 68.3    | 63.9    | 63.4    | 63.9    | 64.6    |
| Other Costs   | -0.1    | -0.1    | -0.1    | -1.6    | -0.1    | -0.2    |
| Gross Income  | 281.5   | 257.4   | 208.0   | 195.1   | 223.6   | 228.7   |
| Selling, General & Administrative Expenses                            | 120.7   | 113.7   | 102.9   | 100.9   | 102.5   | 107.6   |
| Other Operating Expenses  | 20.9    | 20.5    | 18.1    | 17.1    | 22.0    | 20.2    |
| Operating Expenses - Total  | 1,175.3 | 1,080.1 | 941.2   | 963.8   | 1,066.4 | 1,113.7 |
| Operating Income  | 139.9   | 123.3   | 87.0    | 77.1    | 99.1    | 100.9   |
| Extraordinary Credit - Pretax   | 5.7     | 5.6     | 6.5     | 4.5     | 4.8     | 4.9     |
| Extraordinary Charge - Pretax   | 19.7    | 17.3    | 24.5    | 37.1    | 22.4    | 38.1    |
| Non-Operating Interest Income   | 3.5     | 3.3     | 2.7     | 2.7     | 2.8     | 2.9     |
| Reserves - Increase/Decrease  | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | -0.0    |
| Pretax Equity in Earnings   | 4.4     | 4.1     | 1.5     | 2.1     | 2.8     | 2.0     |
| Other Income/Expense - Net  | -9.0    | -7.6    | -10.0   | -3.5    | -2.2    | -8.0    |
| Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) | 209.5   | 192.1   | 145.1   | 110.9   | 152.6   | 144.4   |
| Earnings before Interest & Taxes(EBIT)                                | 142.2   | 125.6   | 82.7    | 52.6    | 89.0    | 80.3    |
| Interest Expense on Debt  | 24.4    | 23.7    | 22.8    | 22.6    | 23.2    | 24.0    |
| Interest Capitalized  | 1.6     | 1.5     | 1.9     | 2.2     | 2.2     | 2.4     |
| Pretax Income   | 120.1   | 104.4   | 62.3    | 32.4    | 68.4    | 59.1    |
| Income Taxes  | 28.9    | 27.0    | 17.9    | 16.1    | 21.6    | 22.7    |
| Minority Interest   | 7.0     | 5.1     | 3.2     | 1.5     | 4.3     | 2.7     |
| Equity in Earnings  | 2.1     | 3.0     | 1.0     | 0.7     | 1.0     | 0.5     |
| After Tax Other Income/Expense  | -0.3    | -0.3    | -0.3    | -0.3    | -0.3    | -0.2    |
| Discontinued Operations   | -0.2    | 0.2     | -1.0    | -0.1    | -0.5    | -0.3    |
| Net Income before Extraordinary Items/Preferred Dividends             | 85.7    | 75.2    | 40.9    | 15.2    | 42.7    | 33.7    |
| Extraordinary Items & Gain/Loss Sale of Assets                        | 1.5     | 1.8     | -0.1    | 0.0     | -0.1    | 0.1     |
| Preferred Dividend Requirements                                       | 0.1     | 0.1     | 0.3     | 0.2     | 0.1     | 0.1     |

|  |      |      |      |      |      |      |
|--|------|------|------|------|------|------|
| Net Income after Preferred Dividends - available to Common | 85.7 | 75.1 | 40.5 | 14.9 | 42.5 | 33.6 |
|--|------|------|------|------|------|------|

## Balance Sheet - (Actual Values): Materials Industry Averages (Global)

All figures in millions of U.S. Dollars.

| Fiscal Year   | 2018           | 2017           | 2016           | 2015           | 2014           | 2013           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                                       |                |                |                |                |                |                |
| <b>Total Assets</b>                                 | <b>1,842.2</b> | <b>1,732.8</b> | <b>1,548.7</b> | <b>1,544.8</b> | <b>1,602.3</b> | <b>1,638.4</b> |
| Cash & Short Term Investments                       | 192.0          | 185.7          | 157.3          | 146.8          | 147.9          | 149.2          |
| Cash  | 119.6          | 112.6          | 93.5           | 84.6           | 84.0           | 81.6           |
| Short Term Investments                              | 72.3           | 73.2           | 63.8           | 62.2           | 63.9           | 67.6           |
| Receivables (Net)                                   | 219.7          | 205.8          | 176.5          | 172.2          | 185.7          | 193.1          |
| Inventories -Total                                  | 211.8          | 189.4          | 162.3          | 164.8          | 181.4          | 187.4          |
| Raw Materials                                       | 75.5           | 66.0           | 59.3           | 60.0           | 66.9           | 69.3           |
| Work in Process                                     | 48.3           | 44.1           | 35.5           | 36.8           | 40.2           | 40.1           |
| Finished Goods                                      | 88.0           | 78.6           | 67.0           | 69.2           | 75.8           | 77.6           |
| Progress Payments & Other                           | -0.1           | 0.7            | 0.5            | -1.2           | -1.5           | 0.3            |
| Prepaid Expenses                                    | 12.0           | 11.5           | 10.5           | 9.2            | 10.3           | 11.8           |
| Other Current Assets                                | 41.2           | 30.8           | 26.1           | 23.5           | 28.7           | 29.7           |
| Current Assets - Total                              | 673.5          | 619.6          | 530.7          | 515.5          | 552.8          | 569.8          |
| Long Term Receivables                               | 16.4           | 15.2           | 14.4           | 14.3           | 14.1           | 14.0           |
| Investment in Associated Companies                  | 67.9           | 63.2           | 57.9           | 59.2           | 61.2           | 58.7           |
| Other Investments                                   | 57.6           | 54.9           | 47.5           | 45.1           | 42.6           | 43.6           |
| Property Plant and Equipment - Gross                | 1,555.4        | 1,505.7        | 1,404.0        | 1,376.0        | 1,420.9        | 1,421.1        |
| Accumulated Depreciation                            | 782.7          | 753.4          | 694.9          | 657.1          | 663.8          | 655.8          |
| Property Plant and Equipment – Net                  | 772.7          | 752.3          | 709.2          | 721.6          | 759.7          | 767.2          |
| Other Assets  | 248.0          | 220.8          | 182.0          | 184.8          | 167.8          | 173.8          |
| Deferred Charges                                    | 13.0           | 11.2           | 9.2            | 10.4           | 10.0           | 9.1            |
| Tangible Other Assets                               | 24.8           | 21.9           | 18.0           | 18.7           | 20.0           | 23.2           |
| Intangible Other Assets                             | 209.2          | 187.6          | 155.0          | 155.7          | 137.4          | 140.9          |
| Total Assets  | 1,842.2        | 1,732.8        | 1,548.7        | 1,544.8        | 1,602.3        | 1,638.4        |
| <b>Liabilities &amp; Shareholders' Equity</b>       |                |                |                |                |                |                |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>1,841.6</b> | <b>1,732.8</b> | <b>1,548.7</b> | <b>1,544.8</b> | <b>1,602.3</b> | <b>1,638.4</b> |
| Accounts Payable                                    | 154.6          | 139.5          | 120.3          | 117.8          | 127.9          | 131.3          |

|   |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|
| Short Term Debt & Current Portion of Long Term Debt | 185.6   | 181.7   | 164.5   | 169.2   | 171.1   | 174.5   |
| Accrued Payroll                                     | 12.9    | 12.5    | 10.6    | 10.0    | 10.7    | 10.8    |
| Income Taxes Payable                                | 14.1    | 13.7    | 9.6     | 8.2     | 10.5    | 10.4    |
| Dividends Payable                                   | 1.5     | 1.9     | 2.0     | 1.3     | 1.2     | 1.1     |
| Other Current Liabilities                           | 107.4   | 99.7    | 86.0    | 85.0    | 89.3    | 90.3    |
| Current Liabilities - Total                         | 473.9   | 446.0   | 392.0   | 391.4   | 410.7   | 418.4   |
| Long Term Debt                                      | 355.5   | 341.6   | 335.8   | 336.5   | 339.5   | 345.6   |
| Long Term Debt Excluding Capitalized Leases         | 309.6   | 300.5   | 296.1   | 303.5   | 309.7   | 313.3   |
| Capitalized Lease Obligations                       | 45.9    | 41.2    | 39.7    | 33.0    | 29.8    | 32.3    |
| Provision for Risks and Charges                     | 75.5    | 76.7    | 74.0    | 71.3    | 76.7    | 71.6    |
| Deferred Income                                     | 4.3     | 3.8     | 3.3     | 3.5     | 2.9     | 1.7     |
| Deferred Taxes                                      | 20.6    | 18.3    | 15.3    | 18.4    | 16.8    | 19.4    |
| Deferred Tax Liability in Untaxed Reserves          |         |         |         |         |         | 0.0     |
| Other Liabilities                                   | 32.3    | 29.1    | 25.6    | 24.5    | 22.4    | 13.7    |
| Total Liabilities                                   | 964.3   | 918.2   | 846.5   | 845.7   | 869.3   | 870.5   |
| Non-Equity Reserves                                 | 1.6     | 1.1     | 0.7     | 0.6     | 0.8     | 1.0     |
| Minority Interest                                   | 67.2    | 60.3    | 56.7    | 55.8    | 58.5    | 55.4    |
| Preferred Stock                                     | 1.1     | 0.9     | 0.9     | 1.2     | 1.0     | 0.8     |
| Preferred Stock Issued for ESOP                     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| ESOP Guarantees - Preferred Issued                  |         |         |         |         |         | 0.0     |
| Common Equity                                       | 808.0   | 752.3   | 643.9   | 641.5   | 672.8   | 704.1   |
| Total Liabilities & Shareholders' Equity            | 1,841.6 | 1,732.8 | 1,548.7 | 1,544.8 | 1,602.3 | 1,638.4 |

## Sources of Capital: Materials Industry Averages (Global)

Currency figures are in millions of U.S. Dollars.

Year to year % changes pertain to reported Balance Sheet values.

| Fiscal Year   | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|---|---------|---------|---------|---------|---------|---------|
| <b>Actual Values</b>  |         |         |         |         |         |         |
| Total Capital   | 1,233.4 | 1,156.3 | 1,038.0 | 1,035.6 | 1,072.4 | 1,106.3 |
| Long Term Debt  | 355.5   | 341.6   | 335.8   | 336.5   | 339.5   | 345.6   |
| Minority Interest   | 67.2    | 60.3    | 56.7    | 55.8    | 58.5    | 55.4    |
| Preferred Stock   | 1.1     | 0.9     | 0.9     | 1.2     | 1.0     | 0.8     |
| Common Equity   | 808.0   | 752.3   | 643.9   | 641.5   | 672.8   | 704.1   |
| <b>Percent of Total Capital</b>                               |         |         |         |         |         |         |
| Long Term Debt  | 28.8%   | 29.5%   | 32.3%   | 32.5%   | 31.7%   | 31.2%   |
| Minority Interest   | 5.4%    | 5.2%    | 5.5%    | 5.4%    | 5.5%    | 5.0%    |
| Preferred Stock   | 0.1%    | 0.1%    | 0.1%    | 0.1%    | 0.1%    | 0.1%    |
| Common Equity   | 65.5%   | 65.1%   | 62.0%   | 61.9%   | 62.7%   | 63.6%   |
| Total Capital   | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  |
| <b>Year to Year Net Changes (in millions of U.S. Dollars)</b> |         |         |         |         |         |         |
| Long Term Debt  | 13.8    | 5.9     | -0.8    | -3.0    | -6.1    | 18.4    |
| Minority Interest   | 6.9     | 3.6     | 0.8     | -2.6    | 3.1     | -2.6    |
| Preferred Stock   | 0.1     | 0.1     | -0.3    | 0.2     | 0.1     | -0.0    |
| Common Equity   | 55.8    | 108.3   | 2.5     | -31.3   | -31.3   | -16.1   |
| Total Capital   | 77.2    | 118.2   | 2.4     | -36.8   | -33.9   | -0.9    |
| <b>Year to Year Percent Changes</b>                           |         |         |         |         |         |         |
| Long Term Debt  | 4.1%    | 1.8%    | -0.2%   | -0.9%   | -1.8%   | 5.6%    |
| Minority Interest   | 11.5%   | 6.4%    | 1.5%    | -4.5%   | 5.6%    | -4.5%   |
| Preferred Stock   | 12.3%   | 9.8%    | -26.1%  | 20.8%   | 13.9%   | -4.5%   |
| Common Equity   | 7.4%    | 16.8%   | 0.4%    | -4.7%   | -4.4%   | -2.2%   |
| Total Capital   | 6.7%    | 11.4%   | 0.2%    | -3.4%   | -3.1%   | -0.1%   |
| <b>Total Liabilities &amp; Common Equity</b>                  |         |         |         |         |         |         |
| Total Liabilities   | 964.3   | 918.2   | 846.5   | 845.7   | 869.3   | 870.5   |
| Net Change in Liabilities as % of Total Liabilities           | 4.8%    | 7.8%    | 0.1%    | -2.8%   | -0.1%   | 0.2%    |

|  |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
| Common Equity  | 808.0 | 752.3 | 643.9 | 641.5 | 672.8 | 704.1 |
| Net Change in Common Equity as<br>% of Common Equity | 6.9%  | 14.4% | 0.4%  | -4.9% | -4.7% | -2.3% |
| <b>Cash Flow</b>                                     |       |       |       |       |       |       |
| Operating Activities                                 | 148.0 | 138.6 | 120.2 | 117.1 | 124.1 | 122.7 |
| Financing Activities                                 | -50.7 | -36.7 | -21.8 | -16.5 | -19.6 | 2.1   |
| Investing Activities                                 | 97.7  | 81.8  | 87.5  | 96.4  | 100.2 | 121.1 |

## Leverage Analysis: Materials Industry Averages (Global)

| Fiscal Year                                     | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
|---|--------|--------|--------|--------|--------|--------|
| Long Term Debt % of EBIT                        | 249.9% | 271.9% | 406.1% | 640.0% | 381.3% | 430.6% |
| Long Term Debt % of EBITDA                      | 169.6% | 177.9% | 231.5% | 303.3% | 222.4% | 239.3% |
| Long Term Debt % of Total Assets                | 19.3%  | 19.7%  | 21.7%  | 21.8%  | 21.2%  | 21.1%  |
| Long Term Debt % of Total Capital               | 28.8%  | 29.5%  | 32.3%  | 32.5%  | 31.7%  | 31.2%  |
| Long Term Debt % of Com Equity                  | 44.0%  | 45.4%  | 52.1%  | 52.5%  | 50.5%  | 49.1%  |
| Total Debt % of EBIT                            | 380.4% | 416.5% | 605.1% | 961.8% | 573.4% | 647.9% |
| Total Debt % of EBITDA                          | 258.2% | 272.4% | 344.9% | 455.9% | 334.5% | 360.2% |
| Total Debt % of Total Assets                    | 29.4%  | 30.2%  | 32.3%  | 32.7%  | 31.9%  | 31.7%  |
| Total Debt % of Total Capital                   | 43.9%  | 45.3%  | 48.2%  | 48.8%  | 47.6%  | 47.0%  |
| Total Debt % of Total Capital & Short Term Debt | 43.9%  | 45.3%  | 48.2%  | 48.8%  | 47.6%  | 47.0%  |
| Total Debt % of Common Equity                   | 67.0%  | 69.6%  | 77.7%  | 78.8%  | 75.9%  | 73.9%  |
| Minority Interest % of EBIT                     | 47.3%  | 48.0%  | 68.5%  | 106.2% | 65.7%  | 69.0%  |
| Minority Interest % of EBITDA                   | 32.1%  | 31.4%  | 39.1%  | 50.3%  | 38.3%  | 38.4%  |
| Minority Interest % of Total Assets             | 3.6%   | 3.5%   | 3.7%   | 3.6%   | 3.7%   | 3.4%   |
| Minority Interest % of Total Capital            | 5.4%   | 5.2%   | 5.5%   | 5.4%   | 5.5%   | 5.0%   |
| Minority Interest % of Com Equity               | 8.3%   | 8.0%   | 8.8%   | 8.7%   | 8.7%   | 7.9%   |
| Preferred Stock % of EBIT                       | 0.7%   | 0.7%   | 1.0%   | 2.2%   | 1.1%   | 1.0%   |
| Preferred Stock % of EDITDA                     | 0.5%   | 0.5%   | 0.6%   | 1.0%   | 0.6%   | 0.6%   |
| Preferred Stock % of Total Assets               | 0.1%   | 0.1%   | 0.1%   | 0.1%   | 0.1%   | 0.1%   |
| Preferred Stock % of Total Capital              | 0.1%   | 0.1%   | 0.1%   | 0.1%   | 0.1%   | 0.1%   |
| Preferred Stock % of Total Equity               | 0.1%   | 0.1%   | 0.1%   | 0.2%   | 0.1%   | 0.1%   |
| Common Equity % of Total Assets                 | 43.9%  | 43.4%  | 41.6%  | 41.5%  | 42.0%  | 43.0%  |
| Common Equity % of Total Capital                | 65.5%  | 65.1%  | 62.0%  | 61.9%  | 62.7%  | 63.6%  |
| Total Capital % of Total Assets                 | 67.0%  | 66.7%  | 67.0%  | 67.0%  | 66.9%  | 67.5%  |
| Capital Expenditure % of Sales                  | 6.5%   | 6.2%   | 6.8%   | 7.9%   | 8.0%   | 9.2%   |
| Fixed Assets % of Common Equity                 | 95.6%  | 100.0% | 110.1% | 112.5% | 112.9% | 109.0% |
| Working Capital % of Total Capital              | 16.2%  | 15.0%  | 13.4%  | 12.0%  | 13.3%  | 13.7%  |
| Dividend Payout                                 | 49.0%  | 45.1%  | 67.5%  | 201.4% | 75.0%  | 95.8%  |
| Funds From Operations % of Total Debt           | 32.5%  | 30.8%  | 24.5%  | 22.8%  | 25.8%  | 25.1%  |

## Per Share Data: Materials Industry Averages (Global)

*Figures are expressed as per unit of respective shares.*

*Figures are in U.S. Dollars.*

| Fiscal Year                           | 2018 | 2017 | 2016 | 2015  | 2014 | 2013  |
|---------------------------------------|------|------|------|-------|------|-------|
| Sales                                 | 1.48 | 1.48 | 1.33 | 1.40  | 1.64 | 2.00  |
| Operating Income                      | 0.16 | 0.15 | 0.11 | 0.10  | 0.14 | 0.17  |
| Pre-tax Income                        | 0.14 | 0.13 | 0.08 | 0.04  | 0.10 | 0.10  |
| Net Income (Continuing Operations)    | 0.12 | 0.11 | 0.06 | 0.03  | 0.08 | 0.08  |
| Net Income Before Extra Items         | 0.10 | 0.09 | 0.05 | 0.02  | 0.06 | 0.06  |
| Extraordinary Items                   | 0.00 | 0.00 | 0.00 | -0.00 | 0.00 | -0.00 |
| Net Income After Extraordinary Items  | 0.10 | 0.09 | 0.05 | 0.02  | 0.06 | 0.06  |
| Net Income Available to Common Shares | 0.10 | 0.09 | 0.05 | 0.02  | 0.06 | 0.06  |
| Fully Diluted Earnings                | 0.10 | 0.09 | 0.05 | 0.02  | 0.06 | 0.05  |
| Common Dividends                      | 0.05 | 0.04 | 0.04 | 0.04  | 0.05 | 0.05  |
| Cash Earnings                         | 0.20 | 0.20 | 0.16 | 0.16  | 0.19 | 0.21  |
| Book Value                            | 0.91 | 0.92 | 0.83 | 0.86  | 0.95 | 1.16  |
| Retained Earnings                     | 0.52 | 0.50 | 0.45 | 0.47  | 0.55 | 0.67  |
| Assets                                | 2.08 | 2.13 | 2.00 | 2.08  | 2.26 | 2.69  |



## Profitability Analysis: Materials Industry Averages (Global)

Currency figures are in U.S. Dollars.

| Fiscal Year   | 2018       | 2017       | 2016       | 2015       | 2014       | 2013       |
|---|------------|------------|------------|------------|------------|------------|
| Gross Income Margin                                   | 21.4%      | 21.4%      | 20.2%      | 18.8%      | 19.2%      | 18.8%      |
| Operating Income Margin                               | 10.6%      | 10.2%      | 8.5%       | 7.4%       | 8.5%       | 8.3%       |
| Pretax Income Margin                                  | 9.1%       | 8.7%       | 6.1%       | 3.1%       | 5.9%       | 4.9%       |
| EBIT Margin   | 10.8%      | 10.4%      | 8.0%       | 5.1%       | 7.6%       | 6.6%       |
| Net Income Margin                                     | 6.6%       | 6.4%       | 4.0%       | 1.5%       | 3.7%       | 2.8%       |
| Return on Equity - Total                              | 11.6%      | 11.9%      | 6.3%       | 2.2%       | 6.0%       | 4.7%       |
| Return on Invested Capital                            | 7.5%       | 7.4%       | 3.9%       | 1.4%       | 3.8%       | 3.0%       |
| Return on Assets                                      | 5.0%       | 5.0%       | 2.6%       | 0.9%       | 2.6%       | 2.0%       |
| Asset Turnover  | 0.7        | 0.7        | 0.7        | 0.7        | 0.7        | 0.7        |
| Financial Leverage                                    | 67.0%      | 69.6%      | 77.7%      | 78.8%      | 75.9%      | 73.9%      |
| Interest Expense on Debt                              | 24,409,676 | 23,692,715 | 22,823,389 | 22,608,250 | 23,165,948 | 24,048,622 |
| Effective Tax Rate                                    | 24.0%      | 25.8%      | 28.8%      | 49.7%      | 31.5%      | 38.4%      |
| Cash Flow % Sales                                     | 13.4%      | 13.4%      | 11.9%      | 11.1%      | 11.3%      | 10.7%      |
| Selling, General & Administrative Expenses % of Sales | 9.2%       | 9.4%       | 10.0%      | 9.7%       | 8.8%       | 8.9%       |
| Research & Development Expense % of Sales             | 2.1%       | 1.0%       | 1.0%       | 1.0%       | 0.8%       | 0.8%       |
| Operating Income Return On Total Capital              | 6.7%       | 11.4%      | 0.2%       | -3.4%      | -3.1%      | -0.1%      |

# Wright Quality Rating®

Since 1970, Wright Investors' Service has rated all of the companies in its database (when there is sufficient information available). The Wright Quality Rating, measures the overall investment quality of a company.

Wright Quality Ratings are based on numerous individual measures of quality, grouped into four principal components: (1) Investment Acceptance (i.e. stock liquidity), (2) Financial Strength, (3) Profitability & Stability, and (4) Growth. The ratings are based on established principles using 5-6 years of corporate record and other investment data.

The ratings consist of three letters and a number. Each letter reflects a composite qualitative measurement of numerous individual standards which may be summarized as follows:

**A** = Outstanding; **B** = Excellent; **C** = Good; **D** = Fair; **L** = Limited; **N** = Not Rated.

The number component of the Quality Rating is also a composite measurement of the annual corporate growth, based on earnings and modified by growth rates of equity, dividends, and sales per common share. The Growth rating may vary from 0 (lowest) to 20 (highest). (See sample Quality Rating below.)

## Example:

### Wright Quality Rating: **BAC8**

|                           |          |             |
|---------------------------|----------|-------------|
| Investment Acceptance     | <b>B</b> | Excellent   |
| Financial Strength        | <b>A</b> | Outstanding |
| Profitability & Stability | <b>C</b> | Good        |
| Growth                    | <b>8</b> |             |

The highest quality rating assigned by Wright is AAA20. This rating would be assigned to a company that has a large and broad base of shareholders, an outstanding balance sheet and strong and stable profitability. The company would also have experienced superior growth over the past several years.

The Wright Quality Rating assigned to a company also takes into consideration country and industry variations. If there is not sufficient information available, the quality rating will not be assigned or an "N" (not-rated) will be applied for that particular quality criteria.

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