

Growth Markets for Composites Post-Covid

Wind power and electric vehicles

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October 7, 2020

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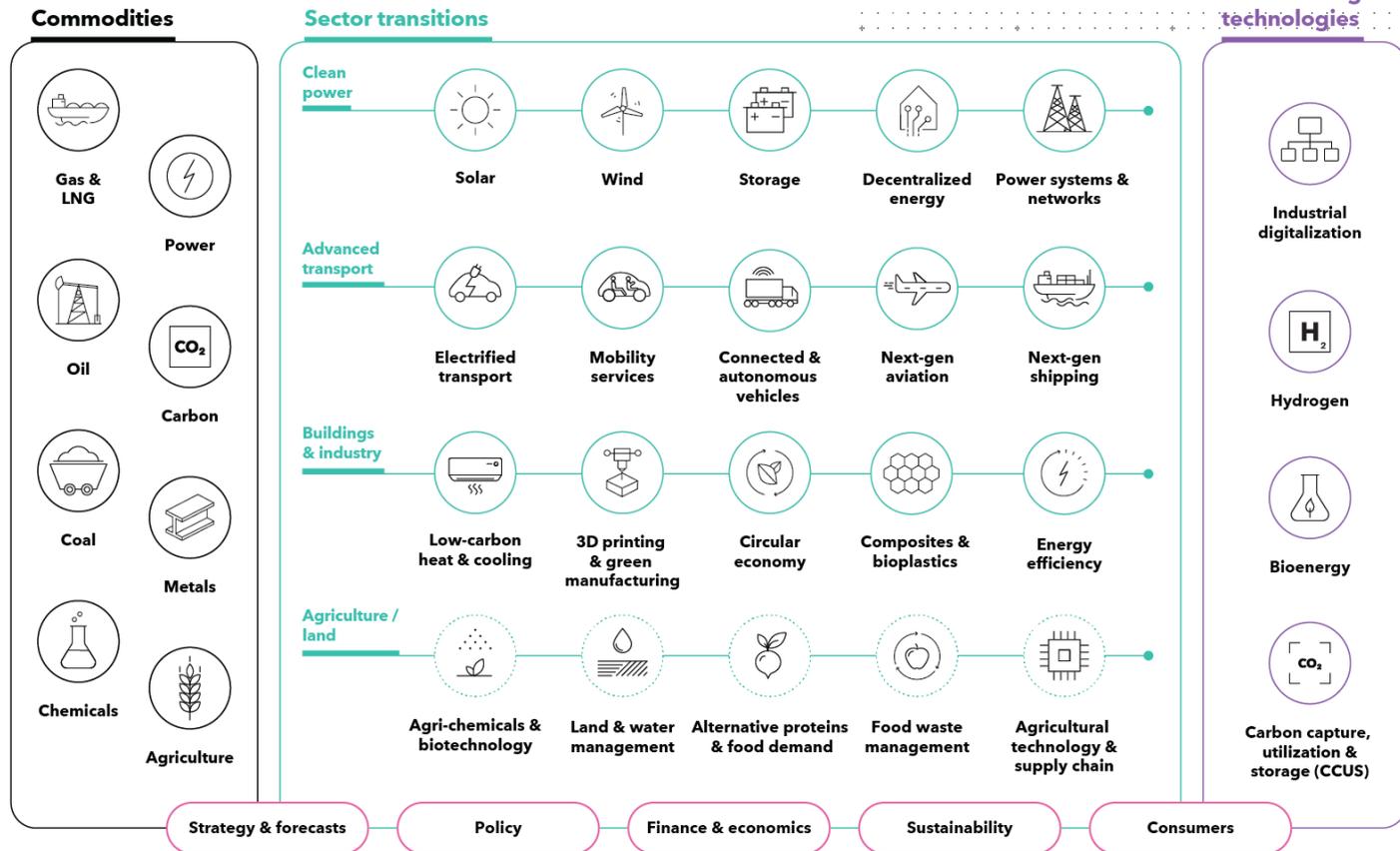
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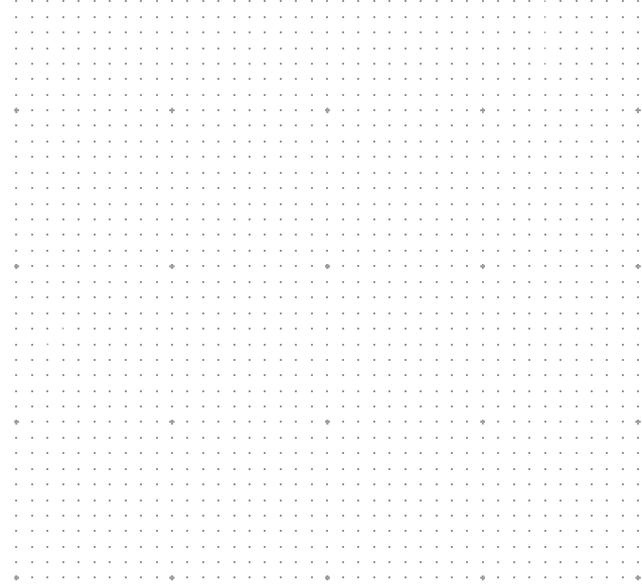
BNEF coverage

Strategies for a cleaner, more competitive future



Impacts of Covid-19

Scenarios for the pandemic



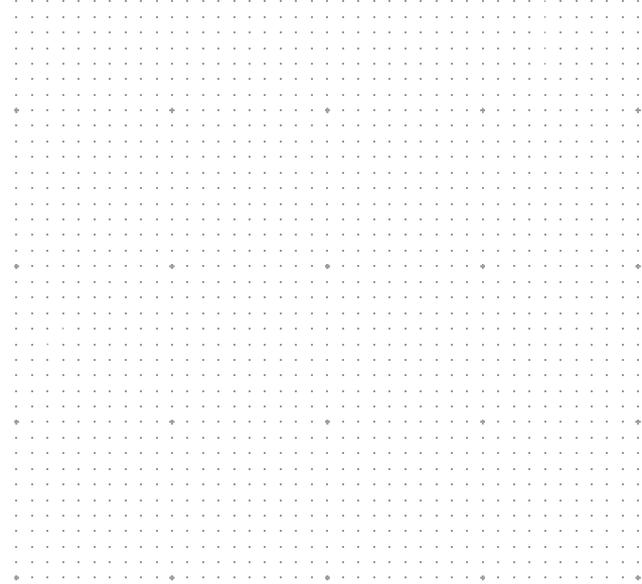
Composite makers expecting a bad year

Company	Notable operational changes	Notable announcements (May/June)	Share price (May/June)	Financial impact
Toray	Korea plant converted to produce filters for face masks	Suspension of operations at its South Carolina fiber plant, and reduce capacity at its Washington prepreg facility. Will lay off 25% of its US composites workforce.	Level 	2Q estimated revenue down 18.9% y/y
Mitsubishi Chemical	No notable changes	No notable announcements	Up 1% 	2Q estimated revenue down 19.6% y/y
Teijin	No notable changes	Increasing production of short carbon fiber in Germany for medical device and electronics applications.	Up 2% 	2Q estimated revenue down 18.5% y/y
SGL Carbon	Working hours reduced Capital expenditures postponed	No notable announcements	Up 9% 	No estimate for 2Q
Hexcel	Instituted hiring freeze Capital expenditures curtailed	No notable announcements	Up 39% 	2Q estimated revenue down 38.3% y/y
Solvay	Restricted access to plants in some regions to critical employees only	Set a target to earn 15% of its revenue from bio-based or recycled materials by 2030	Up 7% 	No estimate for 2Q

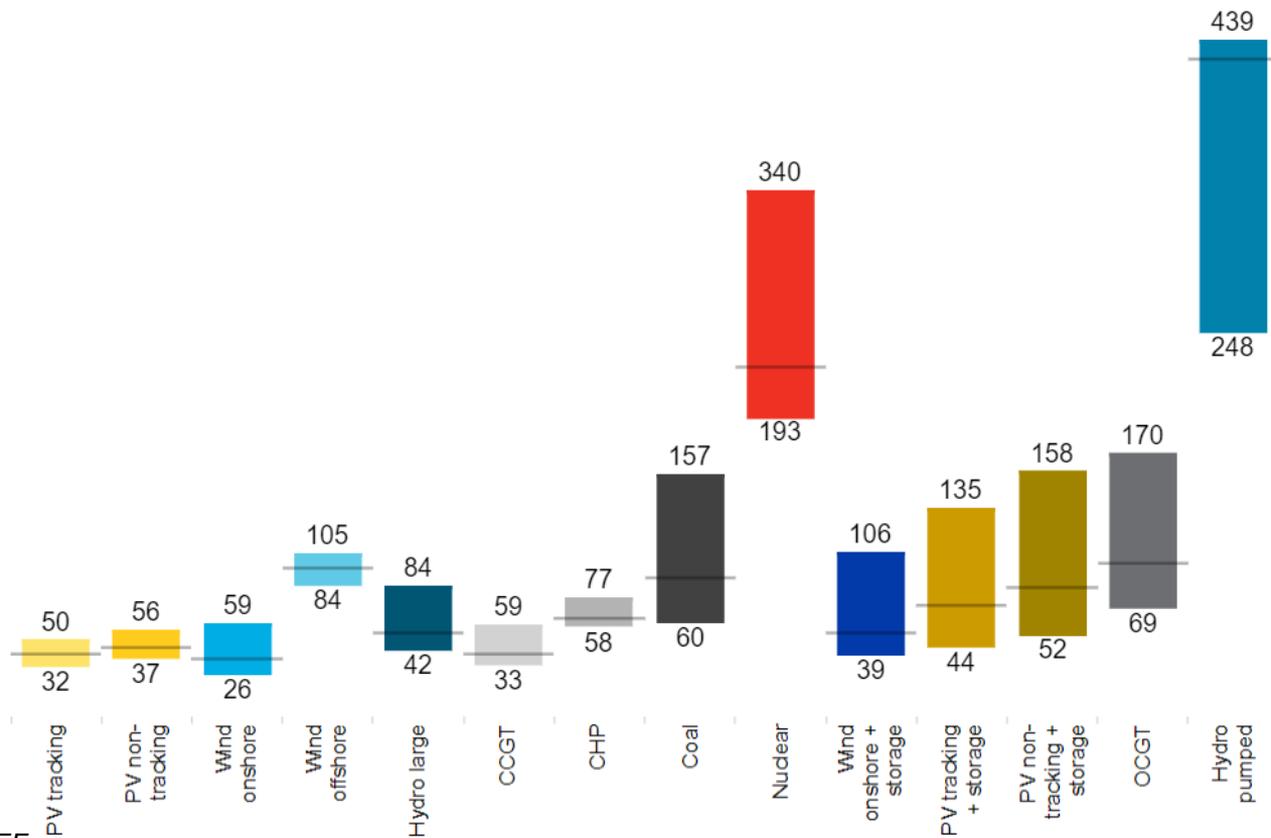
Source: Bloomberg Terminal, company announcements

Wind energy

Projects not slowing down



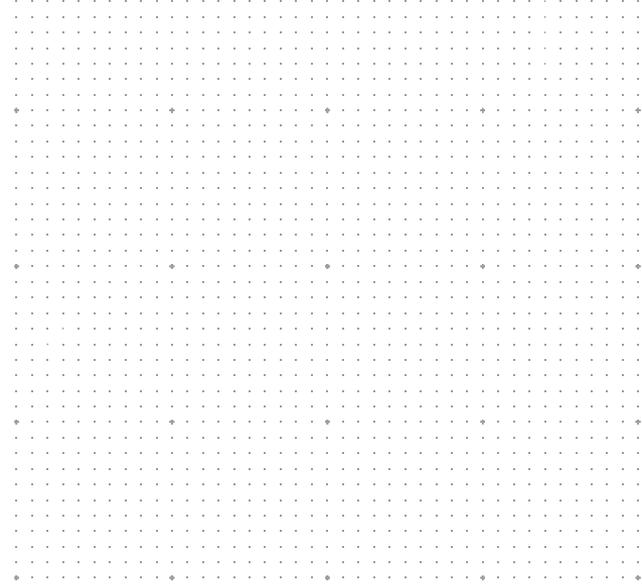
Cheapest forms of electricity in the U.S.



Source: BloombergNEF

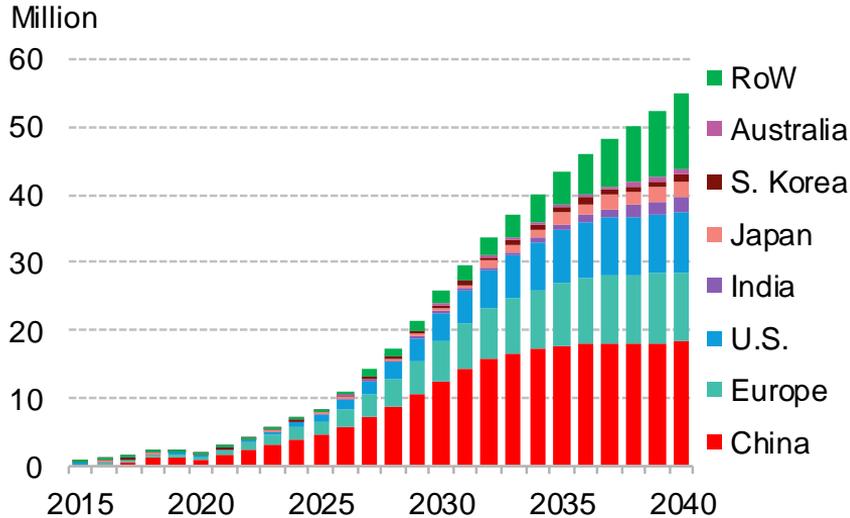
Electrified transport

Not just confined to the road

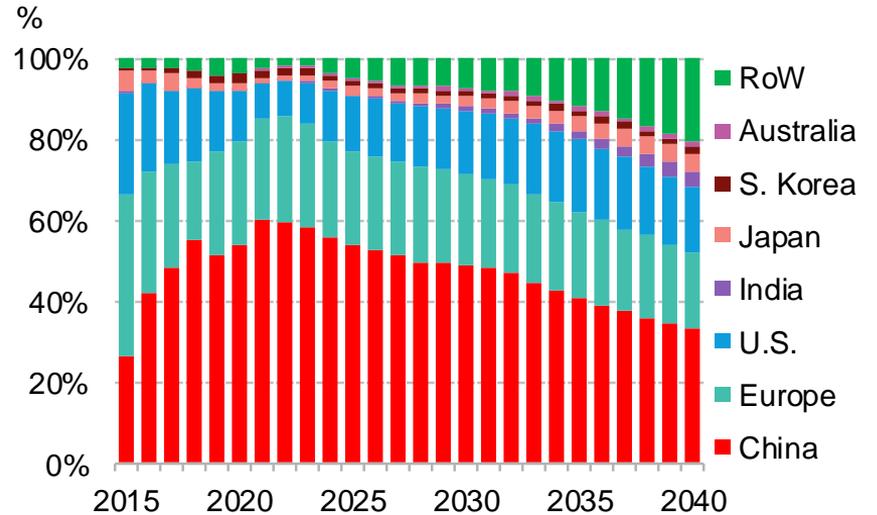


EV sales grow dramatically

Annual passenger EV sales by region



Regional shares of annual passenger EV sales

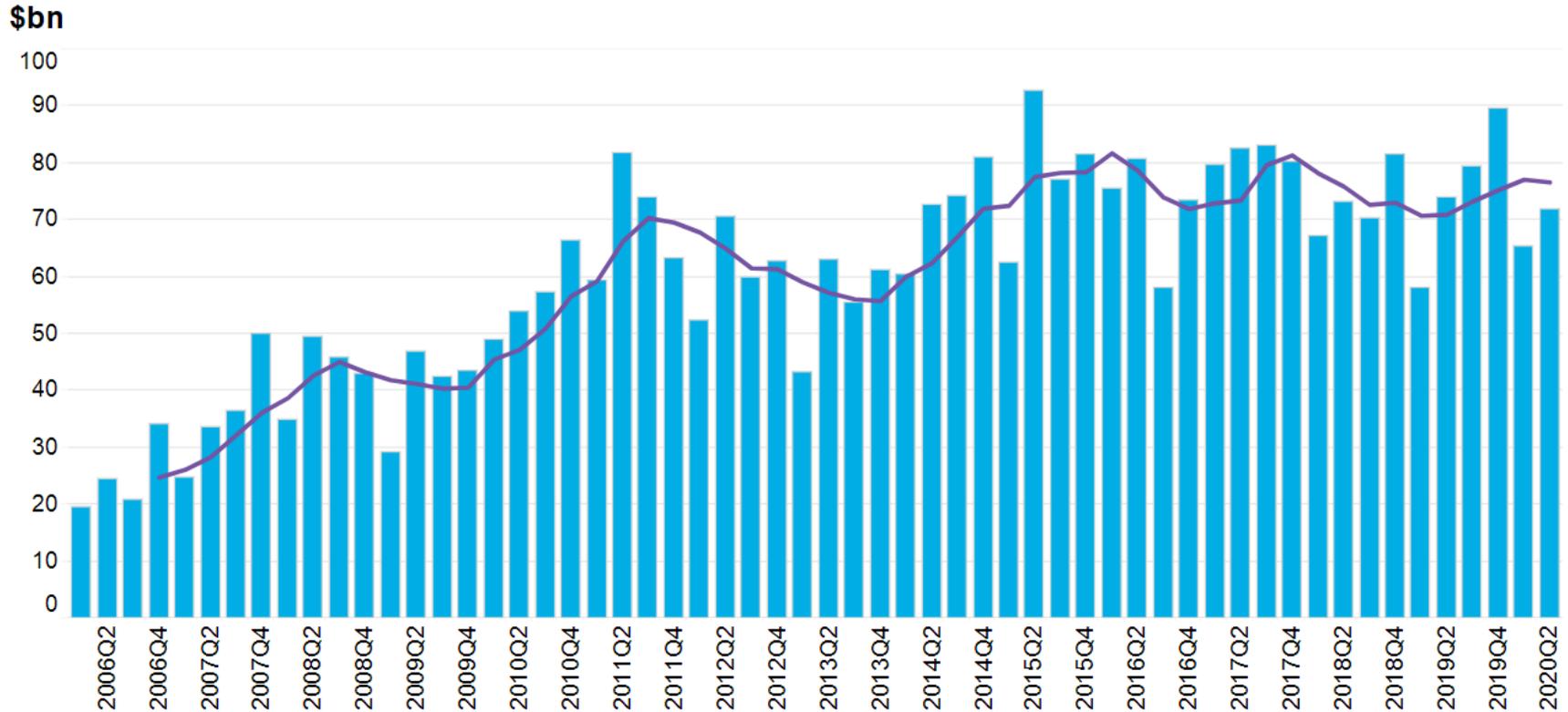


Source: BNEF. Note: Europe includes EU, U.K. and EFTA.

Investment trends

Where is the money going?

Investment in clean energy keeps rising



Source: BloombergNEF

Public funding

\$80m

Expanding the Spirit Aerosystems plant in Wichita

\$22m

Gurit opening new plant in India for wind industry

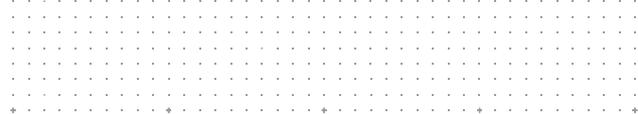
\$15m

DOE funding to Ford and GM for auto applications

\$10m

Coal to carbon fiber at ORNL and Kentucky

Source: Public announcements



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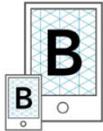
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