



Aspo's Q2

August 18, 2014

CEO Aki Ojanen

CFO Arto Meitsalo

Group Treasurer Harri Seppälä



Aspo's strategy

- Aspo is a conglomerate that owns and continually develops its business operations and structure without predefined schedules.
- Business operations focusing on B-to-B customers.
- Business operations in northern Europe and growth markets.
- Company brands: ESL Shipping, Leipurin, Telko and Kaukomarkkinat.
- Focus on trade and logistics.
- The structure generates Aspo's goodwill.



Initial public offering on Leipurin

- Aspo is reviewing the preconditions for initial public offering of Leipurin Ltd as a separate company on the NASDAQ OMX Helsinki official list.
- Aspo would remain as minority owner of the company.
- A preliminary IPO readiness assessment has been made and the listing is being prepared.
- Aspo's aim is the listing of Leipurin Ltd during the fourth quarter of 2014.



Aspo Q2/2014

- Operating profit grew significantly to EUR 6.3 million (1.5).
- The operating profit percentage was 5.1% (1.2).
- Aspo Group's net sales fell slightly to EUR 122.7 million (123.6).
- Earnings per share grew significantly to EUR 0.17 (0.02).
- Aspo amended its guidance on August 4, 2014
- New guidance: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 17–20 million (operating profit for 2013: EUR 10.8 million)
- Previous guidance: Aspo will improve its operating profit.

Key reasons for the profit improvement

- ESL Shipping's result improved due to new customers and loading and unloading functions at sea.
- Telko's result has remained good in the Russian, Ukrainian and other CIS countries. Sales margins have improved.
- Leipurin's result developed as expected. In the East, growth has continued and profitability has remained good.
- Kaukomarkkinat has stabilized its operations as expected, and the loss-making streak has been halted.
- In addition to increased operating profit, ESL Shipping being included in the tonnage taxation increases Aspo's earnings per share.

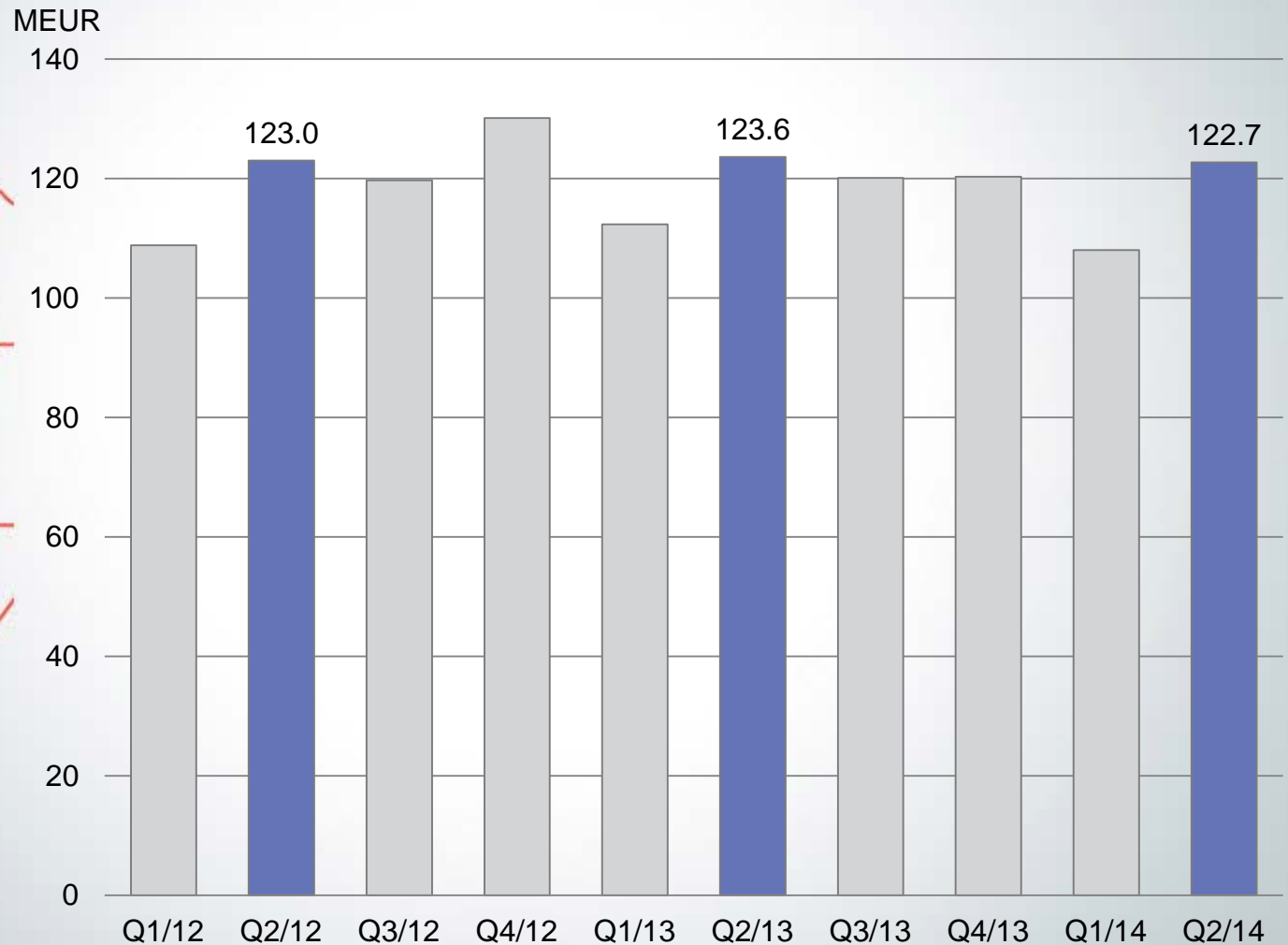


Russia, Ukraine, and other CIS countries 1–6/2014



- Aspo had already decreased Telko's currency and operational risk in Ukraine in fall 2013 due to the weak situation of Ukrainian state finances.
- The crisis between Ukraine and Russia has weakened the region's currencies and reduced economic growth.
- The sanctions imposed by the EU and the USA and Russia's ban on food imports will not have significant effects on Aspo, or on Aspo's individual business operations.
- Euro-denominated net sales in the market area remained unchanged year-on-year and totaled EUR 72.8 million (72.7).
- Profitability improved in the region, with operating profit exceeding 5%.

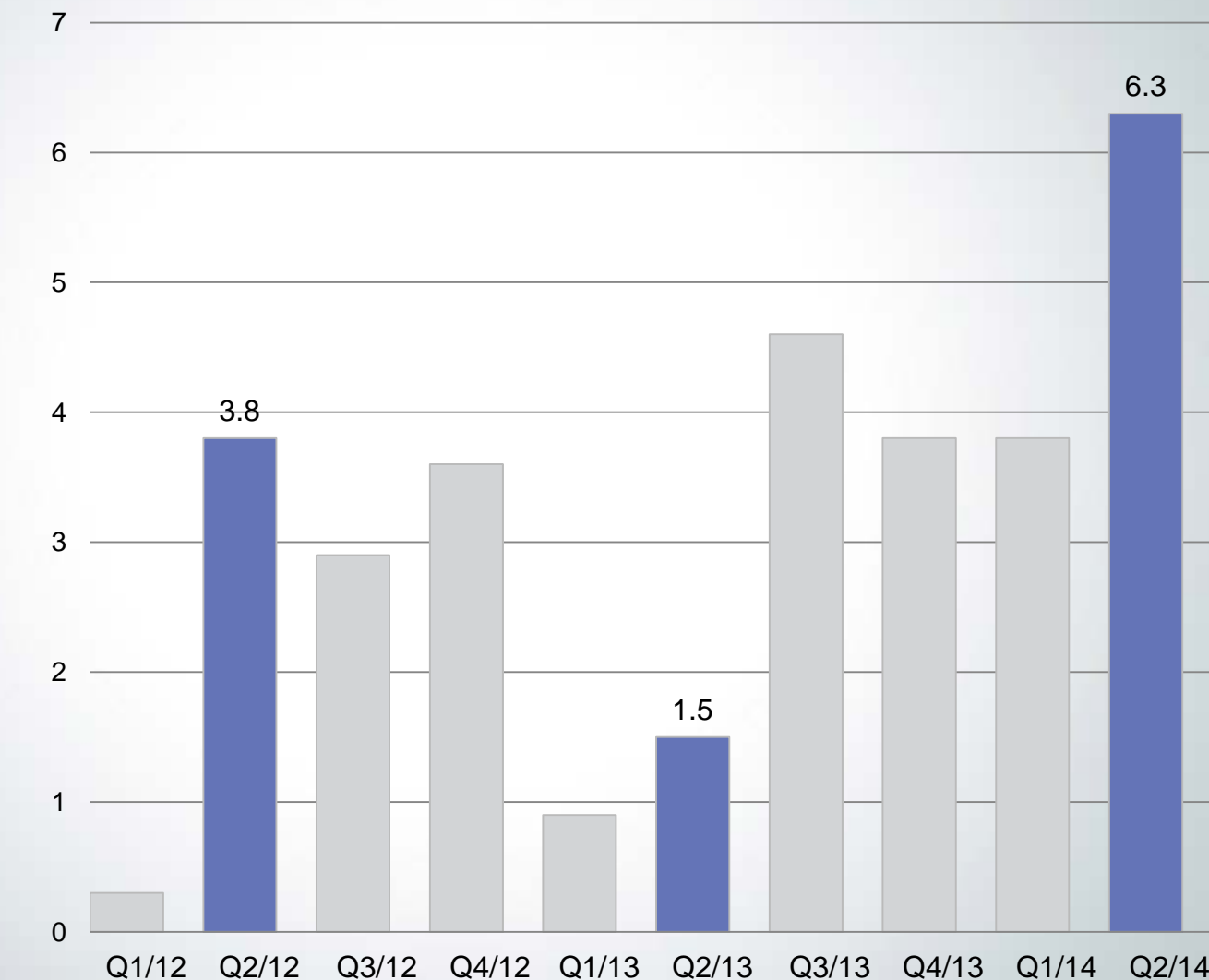
Group net sales, quarterly





Group operating profit, quarterly

MEUR



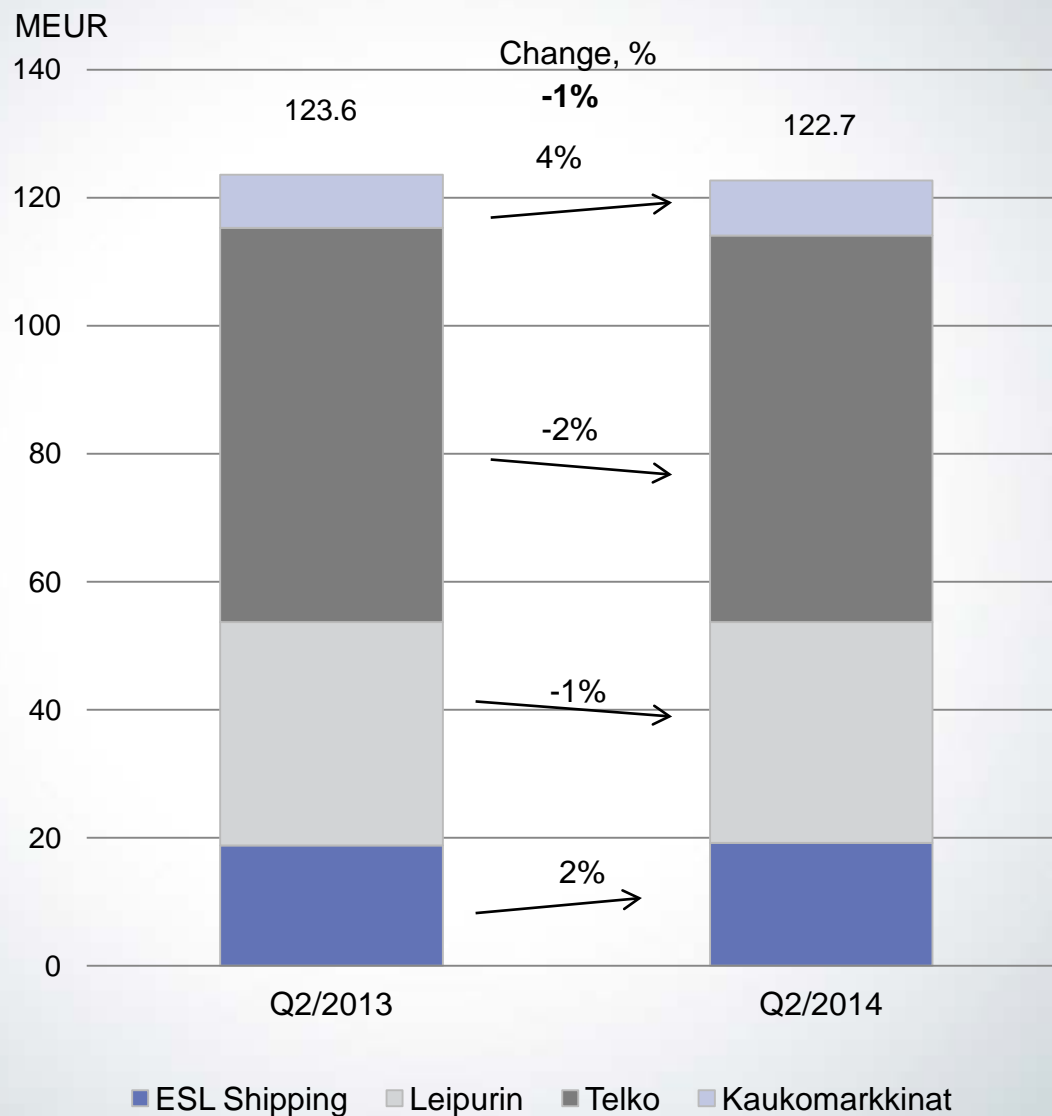
Net sales and operating profit Q2

2013/2014	Q1	Q2	Q3	Q4	Cum.
Net sales	108.0	122.7			230.7
MEUR	112.3	123.6	120.1	120.3	476.3
Operating profit	3.8	6.3			10.1
MEUR	0.9	1.5	4.6	3.8	10.8





Net sales / segment Q2



Operating profit / segment Q2

MEUR	Q2/14	Q2/13	Change, %
ESL Shipping	2.7	1.2	125
Leipurin	1.9	1.2	58
Telko	3.2	1.6	100
Kaukomarkkinat	0.0	-1.1	100
Other operations	-1.5	-1.4	-7
Total	6.3	1.5	320

Net sales / market area Q2

MEUR	Q2/14	Q2/13	Change, %
Finland	38.3	36.1	6
Scandinavia	12.0	11.0	9
Baltic countries	14.7	13.0	13
Russia, Ukraine + other CIS	41.7	41.6	0
Other countries	16.0	21.9	-27
Total	122.7	123.6	-1

Aspo's countries of operation





Net sales, quarterly

Russia, Ukraine + other CIS countries

MEUR



Market situation

MICEX Index and EUR/RUB development



Source: Factset



Aspo business operations



ESL Shipping

**Integral part of
Finnish security
of supply**

ESL Shipping Q2/2014

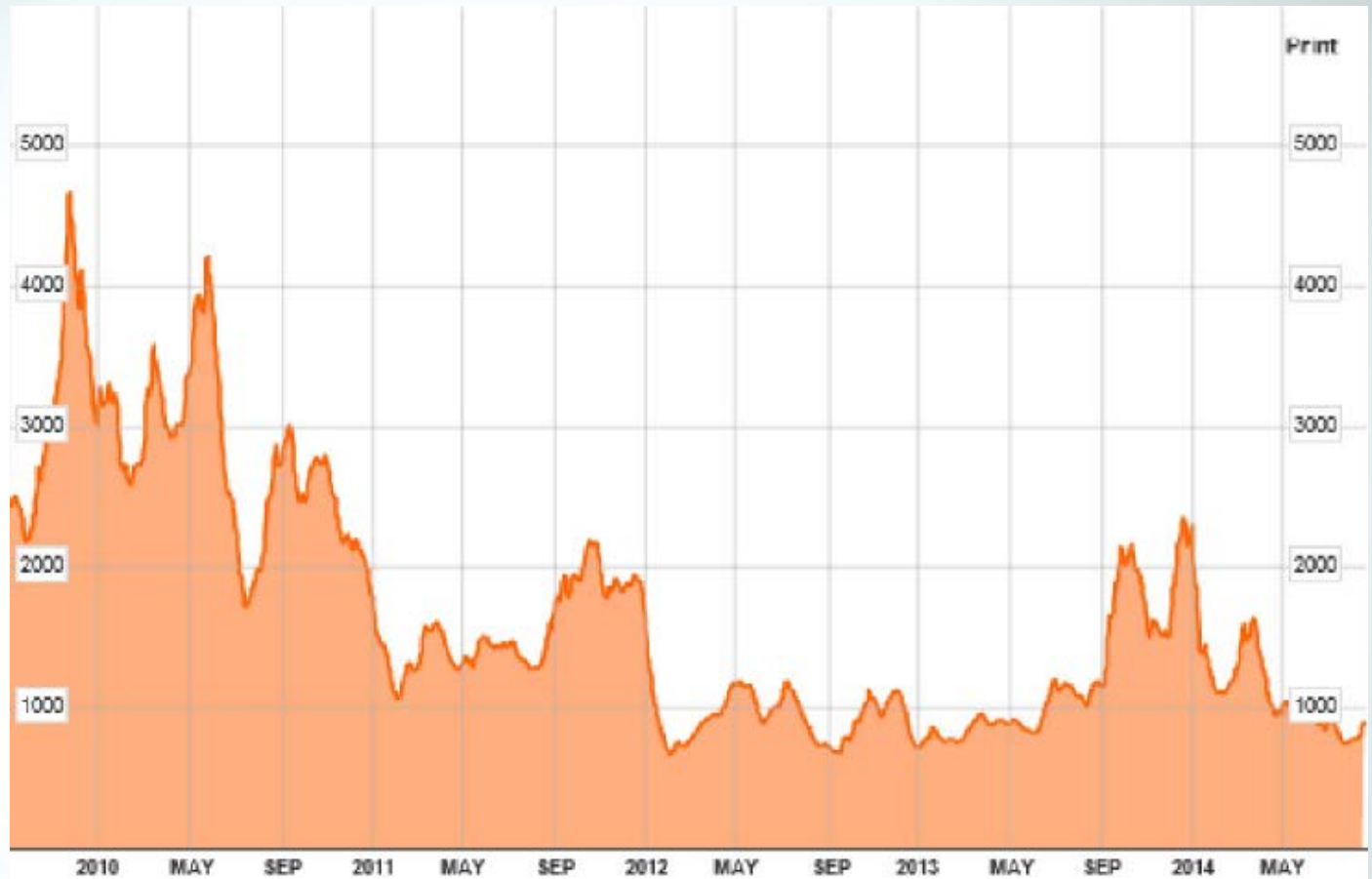
- The freight rate index of dry bulk cargo continued to fall from the previous quarter and is at a very low level.
- During the review period, the vessels mainly operated in the Baltic Sea, the North Sea, and in North America.
- Loading and unloading at sea increased year-on-year.
- Net sales amounted to EUR 19.2 million (18.8).
- Profitability improved significantly, as operating profit was EUR 2.7 million (1.2).
- The cargo volume carried by ESL Shipping amounted to 2.7 million tons (2.9).
- The capacity of Supramax vessels was employed well.
- The first agreements concerning Russia's Arctic areas were signed after the review period.



ESL Shipping key figures Q2

	Q2/14	Q2/13	Change, %
Net sales, MEUR	19.2	18.8	2
Operating profit, MEUR	2.7	1.2	125
Personnel	218	202	8

Baltic Dry Index 2010–2014



Source: Bloomberg



The bakery specialist

Leipurin Q2/2014

- Prices of raw materials sold were below the comparison period.
- Net sales stood at EUR 34.5 million (34.9), i.e. at the level of the comparison period.
- Operating profit increased to EUR 1.9 million (1.2).
- Due to the periodization of the sales projects for bakery machines, the result of the machinery unit increased significantly from the comparison period.
- The net sales and operating profit of bakery raw materials developed normally in Russia, Ukraine, and other CIS countries. Euro-denominated net sales increased by 6%. Operating profit improved and remained above 5%.
- The volume of industrially baked bread has decreased in Finland. Leipurin has increased its sales to Out of Home sector customers and in-shop bakeries in the retail sector.



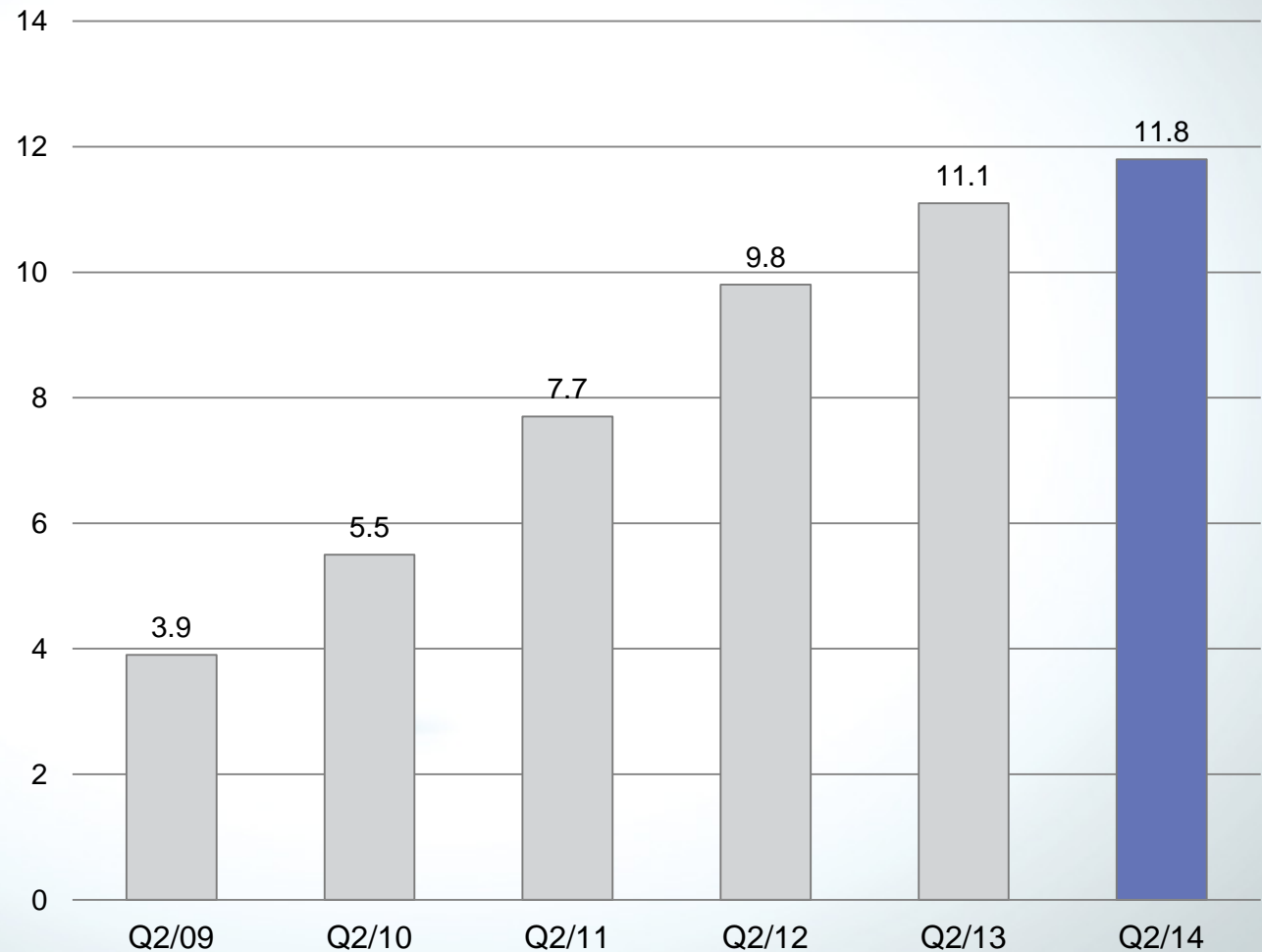
Leipurin key figures Q2

	Q2/14	Q2/13	Change, %
Net sales, MEUR	34.5	34.9	-1
Operating profit, MEUR	1.9	1.2	58
Personnel	290	277	5



Net sales in Russia, Ukraine + other CIS countries Q2

MEUR





**Leading expert in
plastic raw materials
and chemicals**

Telko Q2/2014

- The prices of raw materials sold by Telko increased slightly compared to the previous quarter.
- Net sales amounted to EUR 60.4 million (61.6).
- Operating profit improved to EUR 3.2 million (1.6).
- In Telko's operating area, the overall economic situation was mainly weak.
- Indicators describing the Russian and Ukrainian economies developed unfavorably.
- The prolonged crisis between Ukraine and Russia has decreased sales volumes in Ukraine. In Russia, sales to resellers have decreased in industrial chemicals. This has decreased Telko's net sales but improved its profitability, as the share of direct sales has increased.
- Operating profit in Russia, Ukraine and other CIS countries was above 5%.



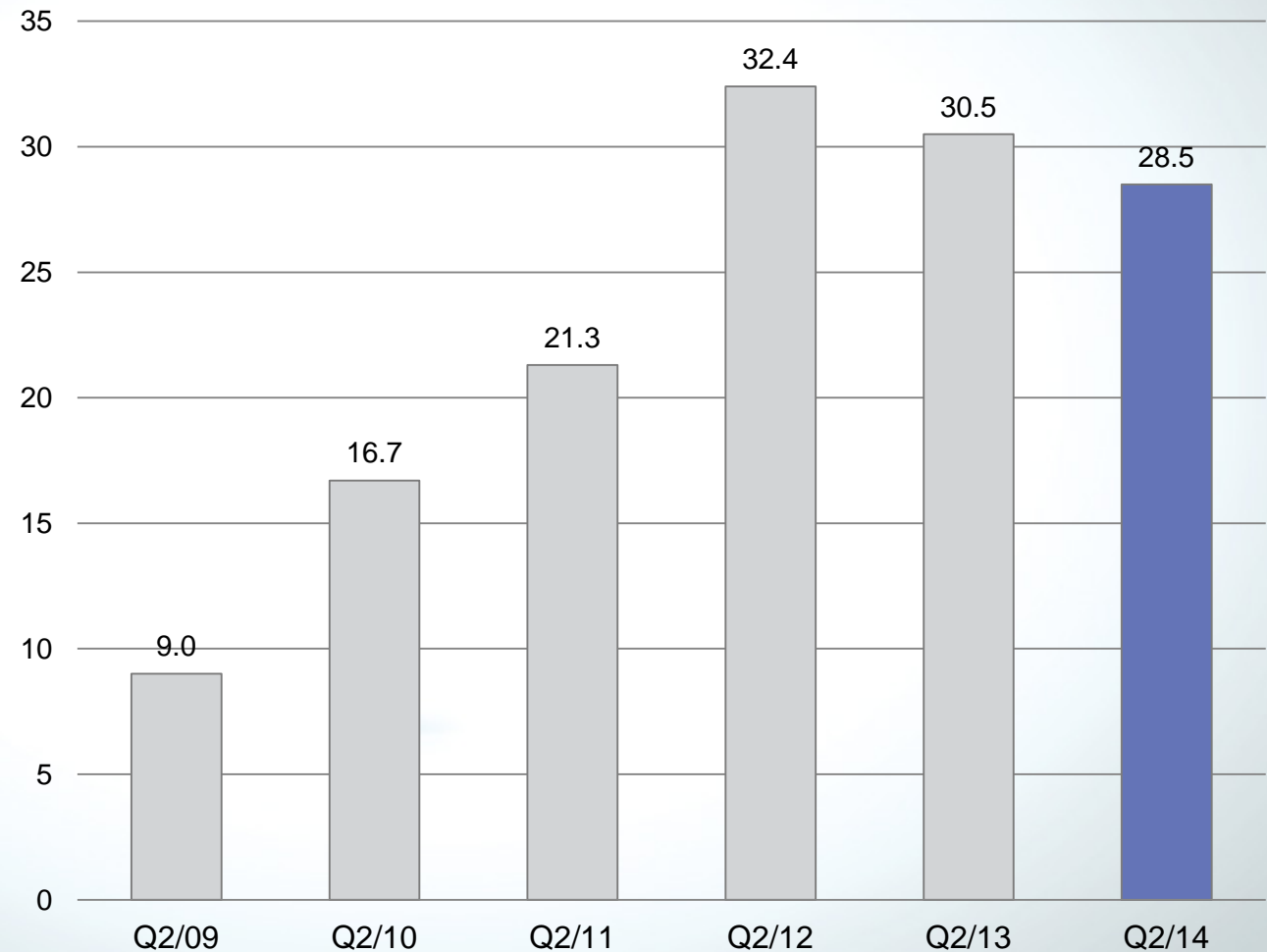
Telko key figures Q2

	Q2/14	Q2/13	Change, %
Net sales, MEUR	60.4	61.6	-2
Operating profit, MEUR	3.2	1.6	100
Personnel	248	251	-1



Net sales in Russia, Ukraine + other CIS countries Q2

MEUR





**Expert in energy
efficiency**

Kaukomarkkinat Q2/2014

- Net sales amounted to EUR 8.6 million (8.3).
- Operating profit improved significantly to EUR 0.0 million (-1.1).
- Efficiency improvement measures were taken in Finland during the comparison period. The annual effect of the measures is approximately EUR 1 million. The lowered costs have their full impact as of Q1/2014.
- In Finland, sales of energy-efficiency products developed positively despite the weak economic situation in the new and repair construction markets.
- Sales of tablet computers developed very positively, and the order book is good.
- Sales of machinery and equipment for the paper industry fell from the comparison period, resulting in losses in operations in China and Russia.
- The Polish frequency converter business was sold to Vacon after the review period.

Kaukomarkkinat key figures Q2

	Q2/14	Q2/13	Change, %
Net sales, MEUR	8.6	8.3	4
Operating profit, MEUR	0.0	-1.1	100
Personnel	80	87	-8

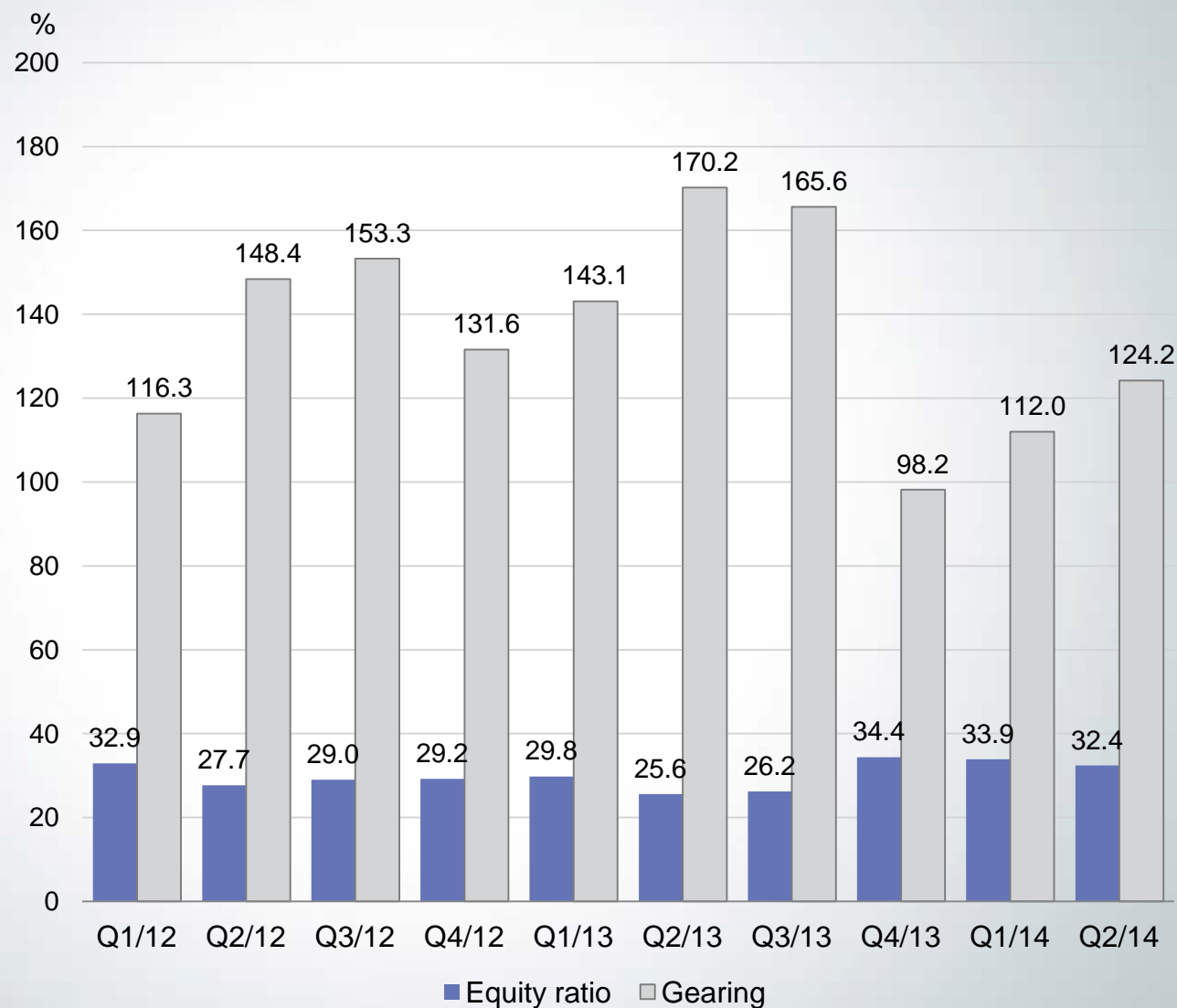


Financing

Harri Seppälä

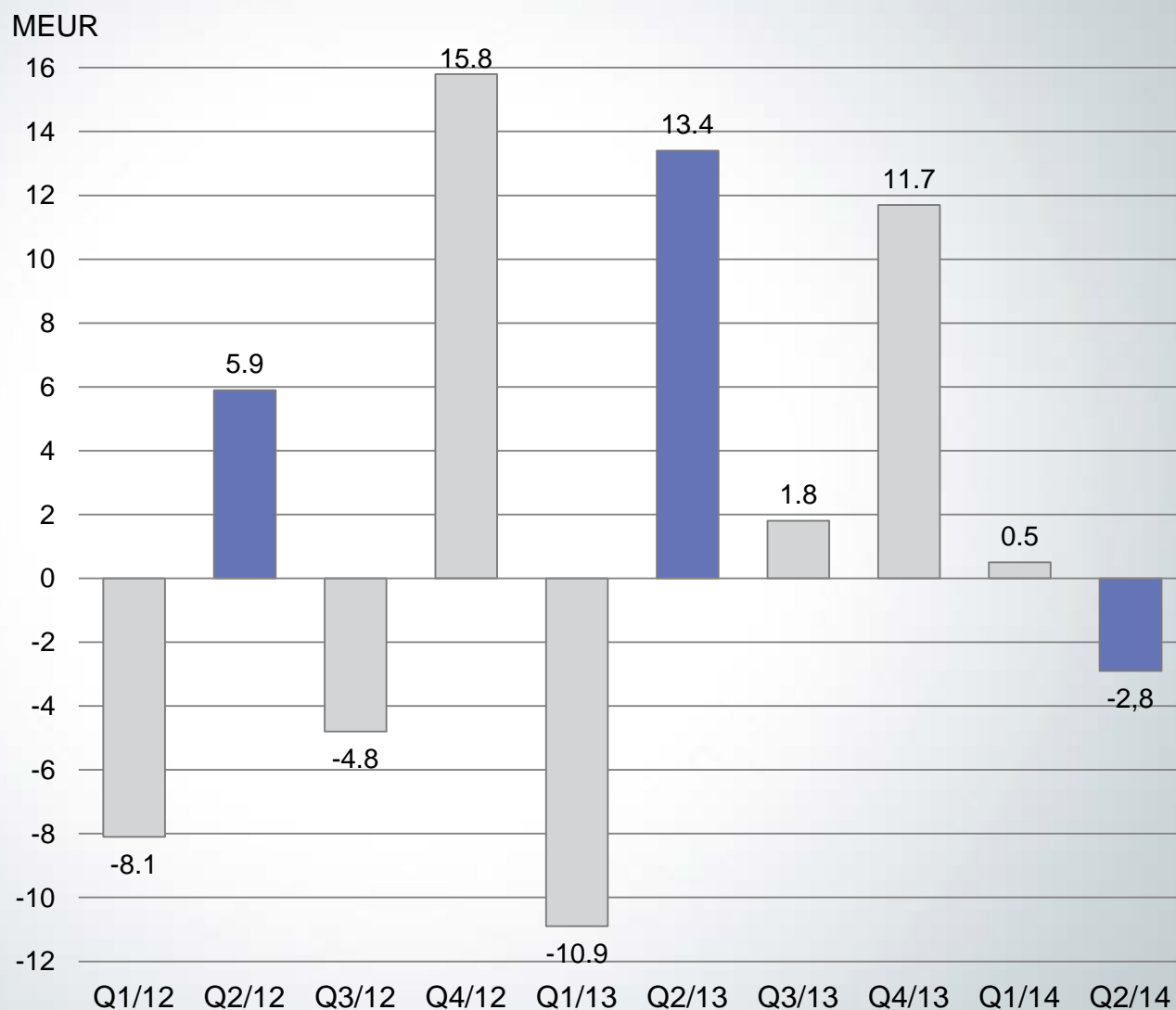


Equity ratio and gearing





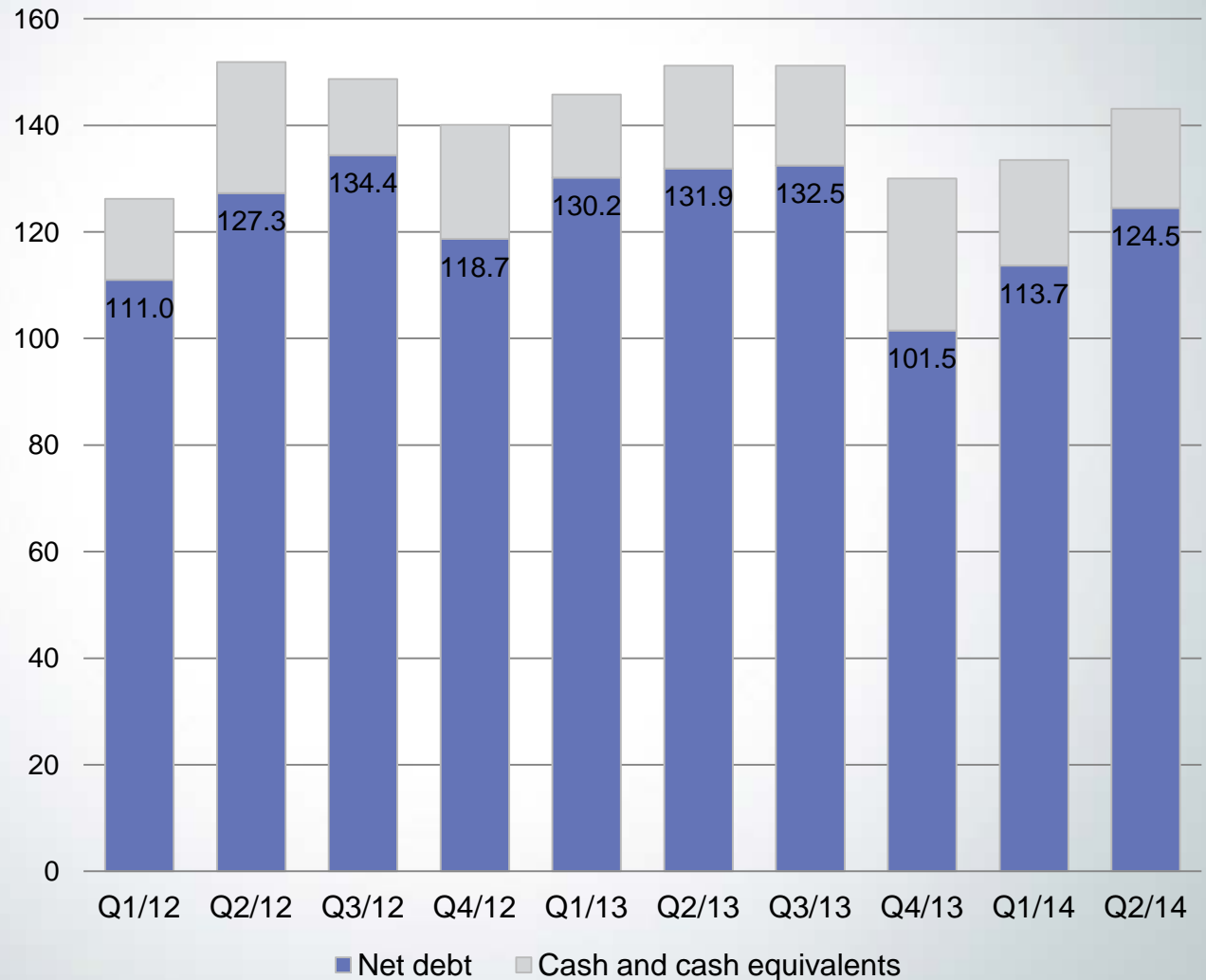
Operational cash flow



Interest bearing liabilities and net debt

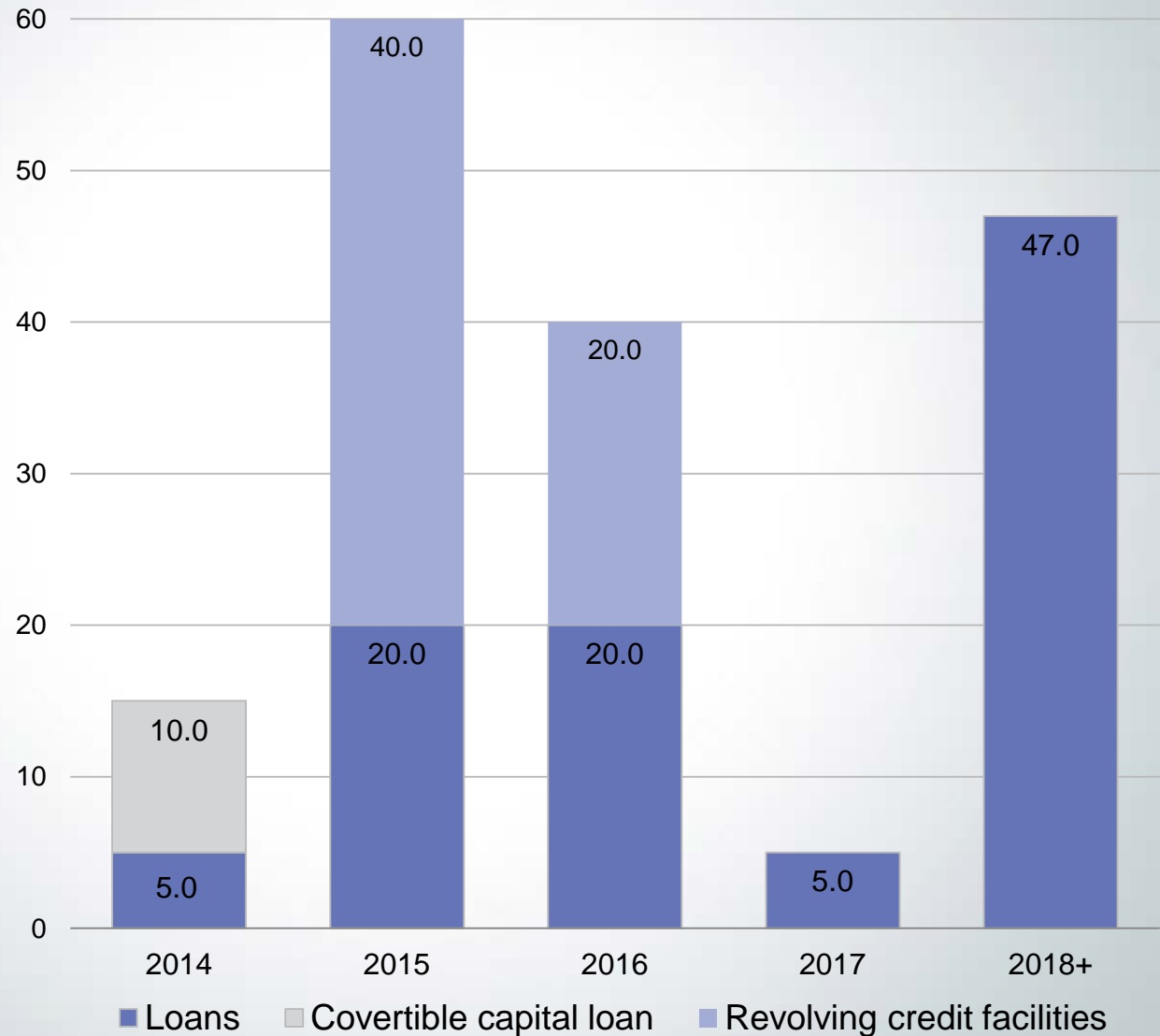


MEUR



Maturity of significant loan agreements

MEUR



Commercial papers, overdraft facilities and financial leasing agreements not included





Liquidity Q2/2014

MEUR	Total	In use
Revolving credit facilities	60.0	17.0
Commercial paper program	80.0	27.0
Cash and cash equivalents	18.6	

- Interest-bearing liabilities which will mature within one (1) year total EUR 62.5 million.
- Cash + binding unutilized revolving credit facilities total EUR 61.6 million.
- During Q2/2014 the EUR 10.3 million convertible capital loan matured.
- The EUR 15.0 million term loan and the EUR 40.0 million revolving credit facility agreement will mature within one (1) year.



Financials

Arto Meitsalo

Income statement and key figures Q2



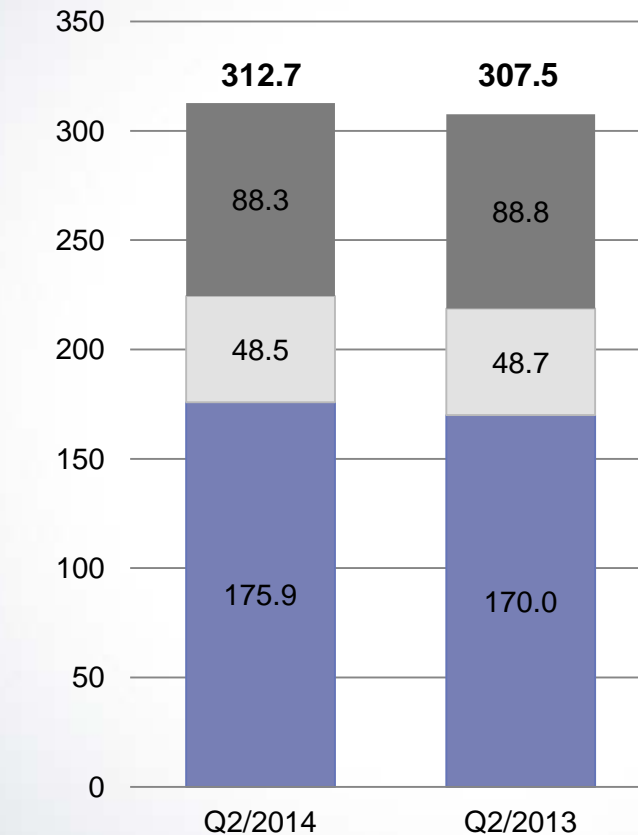
MEUR	2014	2013
Net sales	230.7	235.9
Depreciations	-5.6	-5.6
Operating profit	10.1	2.4
Net financial expenses	-2.5	-1.9
Profit before taxes	7.6	0.5
Profit for the period	7.9	0.9
	2014	2013
Earnings/share, EUR	0.24	0.03
Equity ratio, %	32.4	25.6
Equity/share, EUR	3.28	2.54

Balance sheet



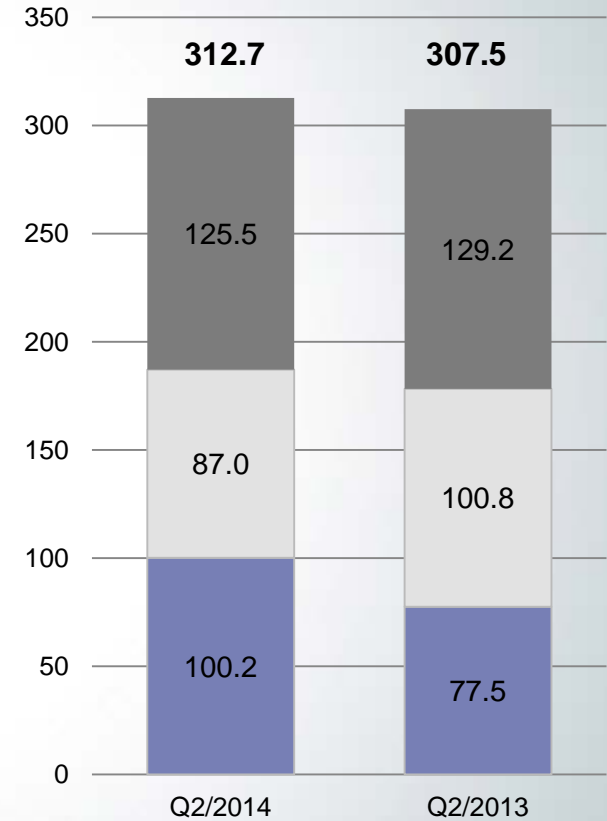
MEUR

Assets



- Non-current assets
- Inventories
- Cash and receivables

Shareholder's equity and liabilities



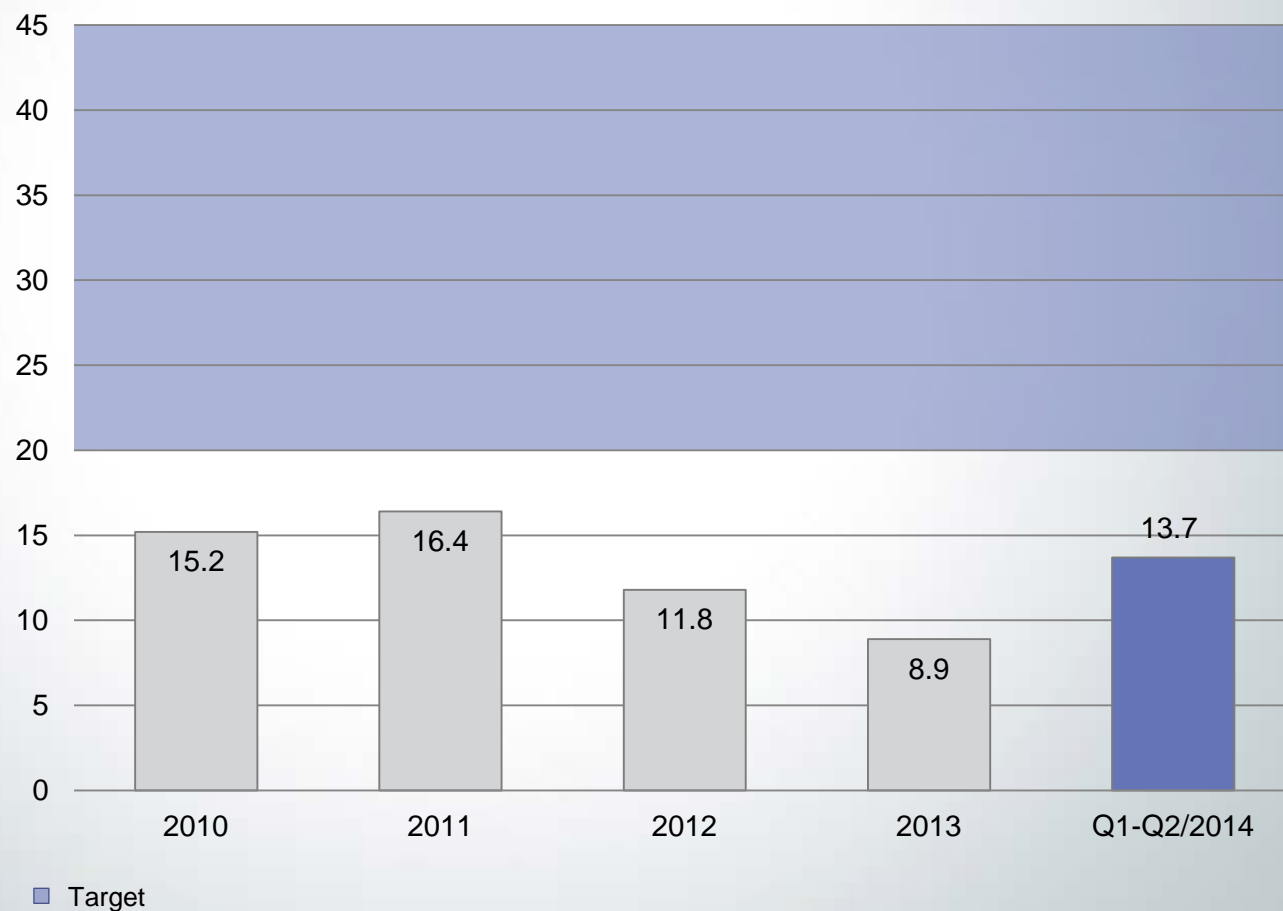
- Shareholder's equity
- Long-term liabilities
- Short-term liabilities



Financial target

Return on equity

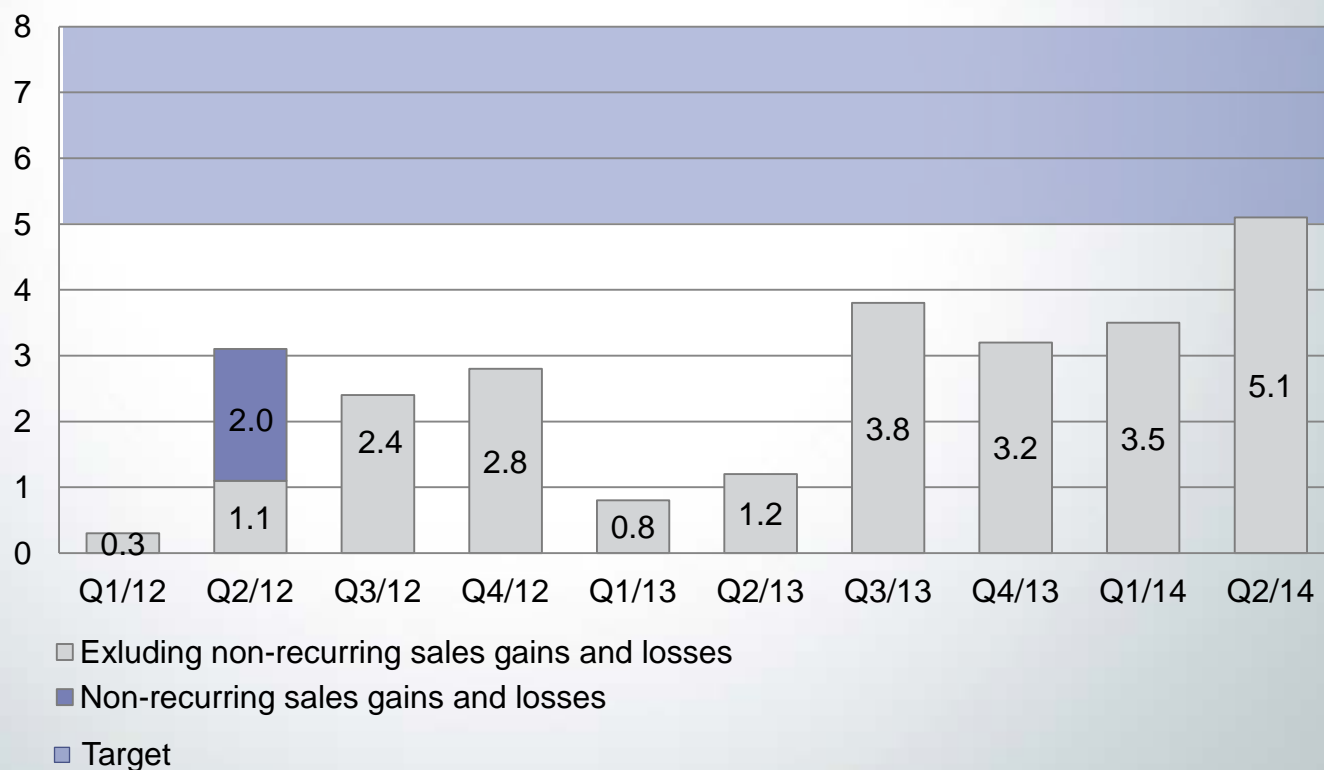
ROE, %





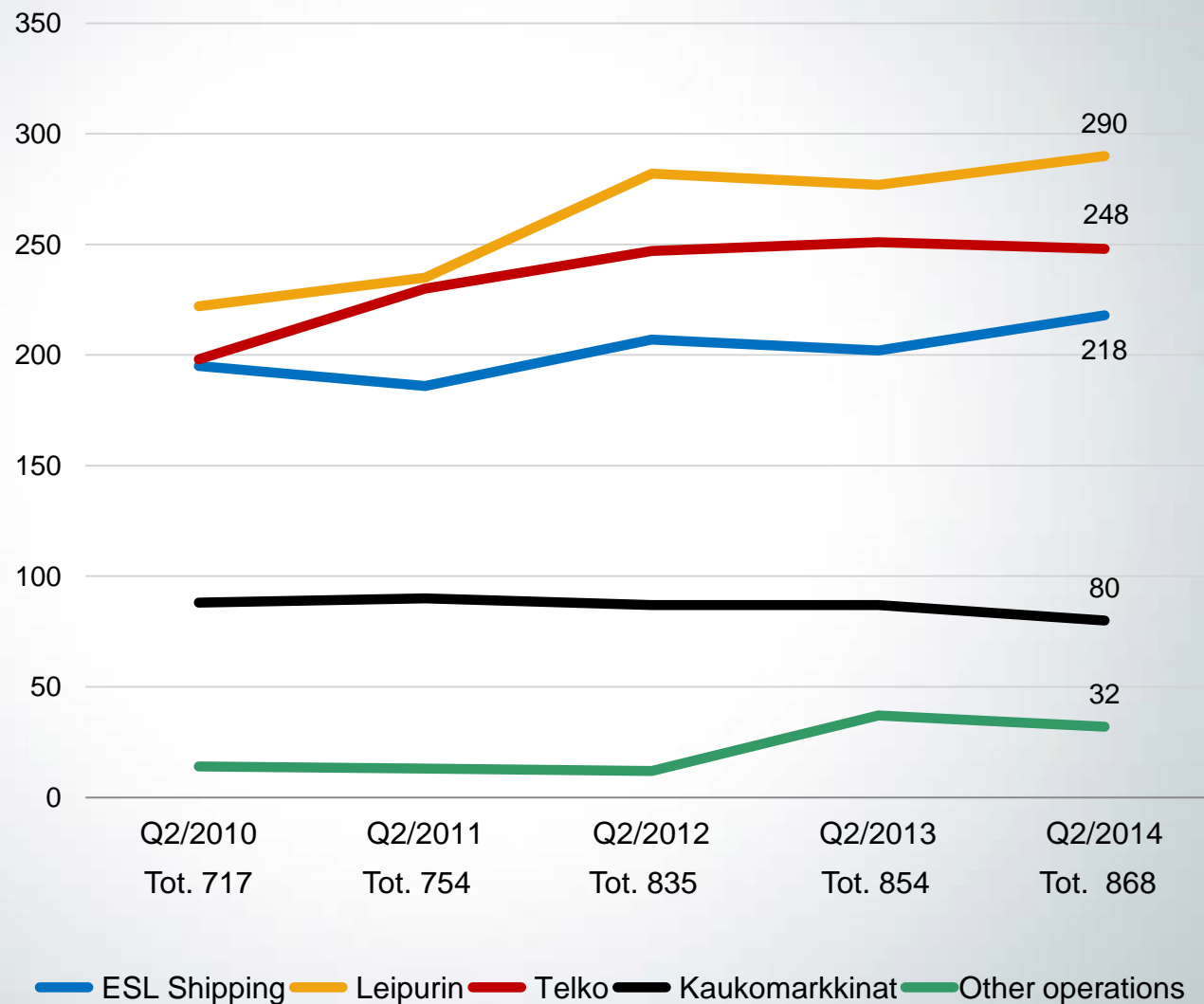
Financial target

Operating profit, %



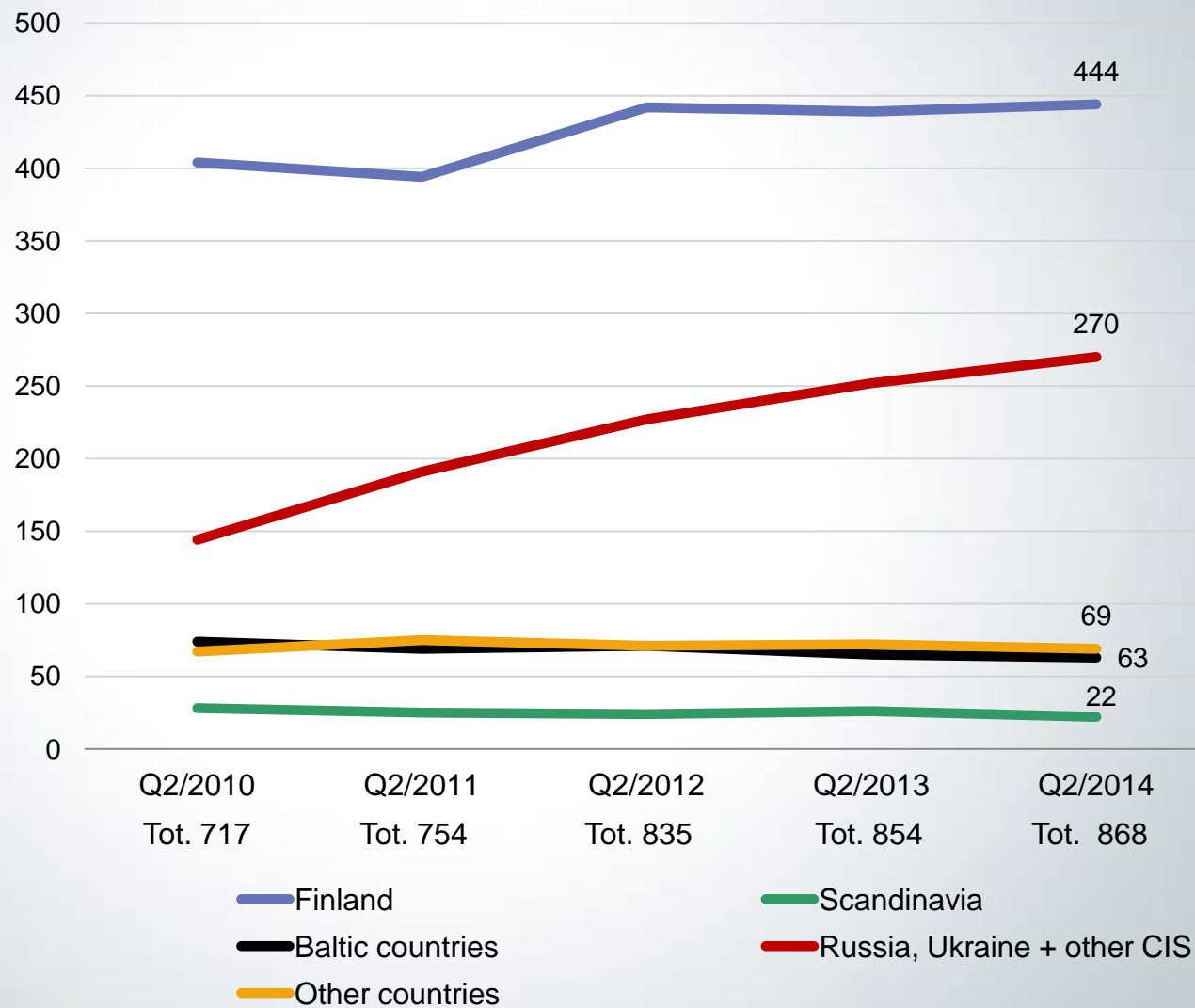


Personnel / segment Q2



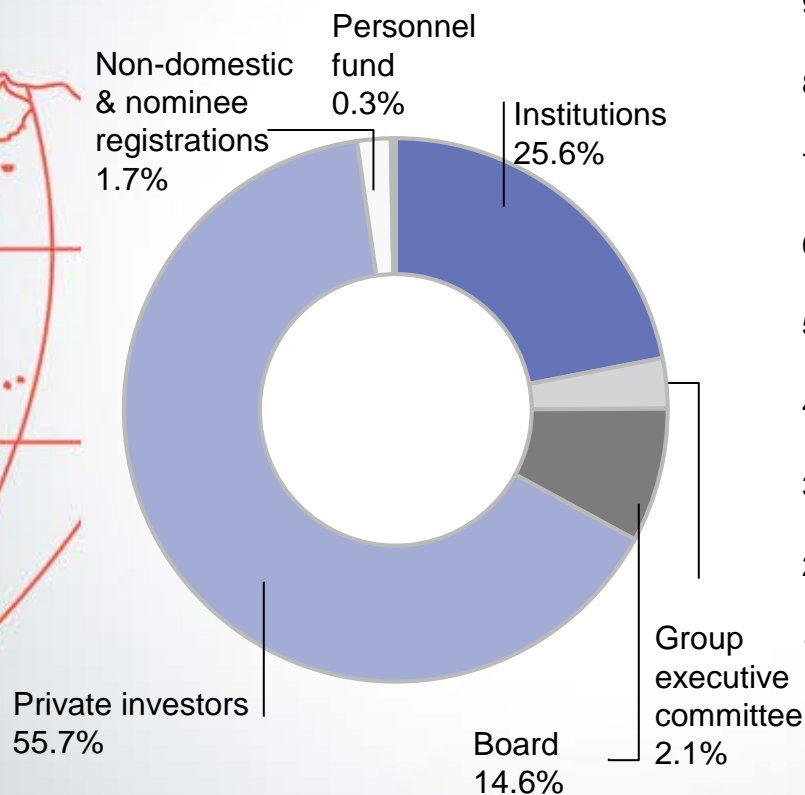


Personnel / market area Q2

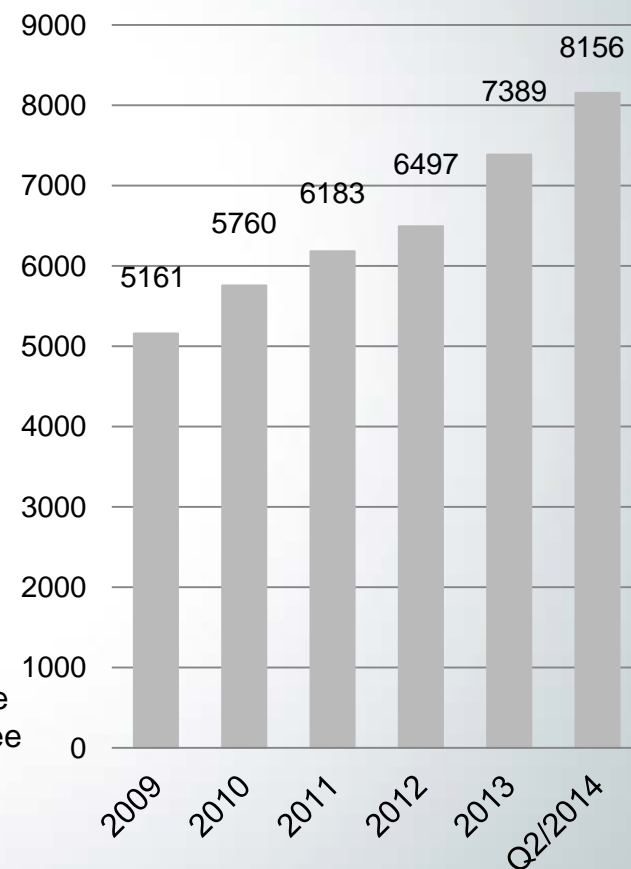


Shareholders / allocation

Share Q2/2014



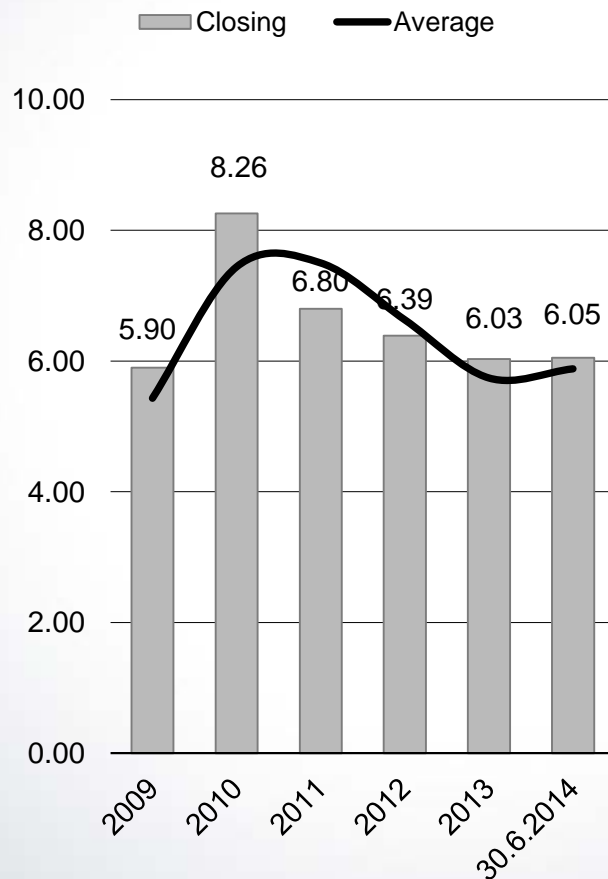
Number of shareholders



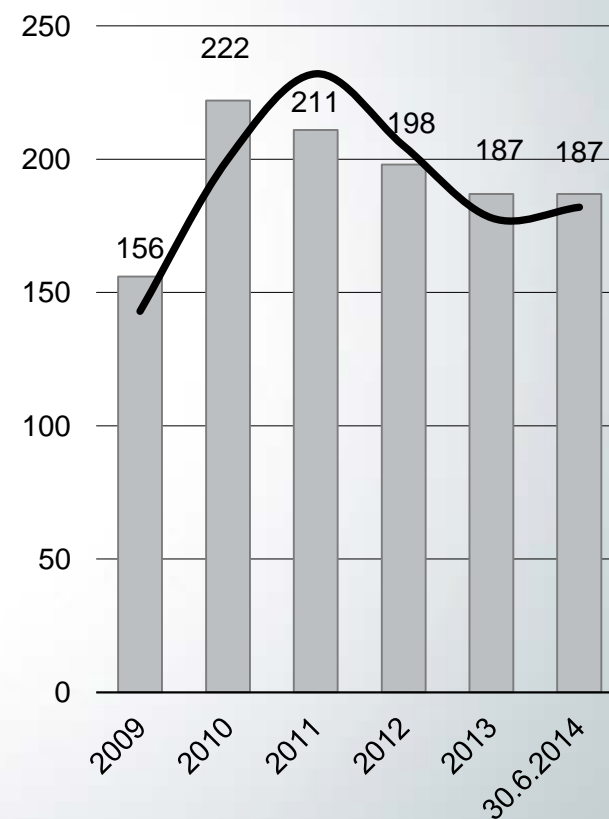


Market value

Share price, EUR



Market value, MEUR
(incl. own shares)



Aspo started its right issue on April 6, 2011. Share prices before this date are historical prices (not adjusted).



Outlook for 2014



Expectations for Aspo Group in 2014

- Aspo's goal is to list Leipurin Ltd on the stock exchange during the last quarter.
- Known sanctions and import bans related to the crisis between Russia and Ukraine will not have a significant effect on the behavior or operating conditions of the customer companies of Aspo's business functions.
- The preparation of ESL Shipping's vessels for the sulfur directive, which comes into force on 1 January 2015, will cause additional service days.
- The volumes of Leipurin's bakery raw materials will increase and profitability will improve. The order book for bakery machines is normal for the period.
- Kaukomarkkinat will focus on strategic operations and improving its profitability.
- Telko will continue to invest in increasing its efficiency and, in the east, increasing the share of direct sales.



Guidance for 2014

The guidance remains unchanged:

- Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 17-20 million (operating profit for 2013: EUR 10.8 million)
- Guidance does not include any positive non-recurring items.



**Next interim report Q3 on
October 28, 2014**



Thank you!