



Aspo's Q3 October 28, 2015

CEO Aki Ojanen

Group Treasurer Harri Seppälä





Aspo's strategy

- Aspo is a conglomerate that owns and continually develops its business operations and structure without predefined schedules.
- The structure generates Aspo's goodwill.
- 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.



Aspo's financial targets Q1-Q3

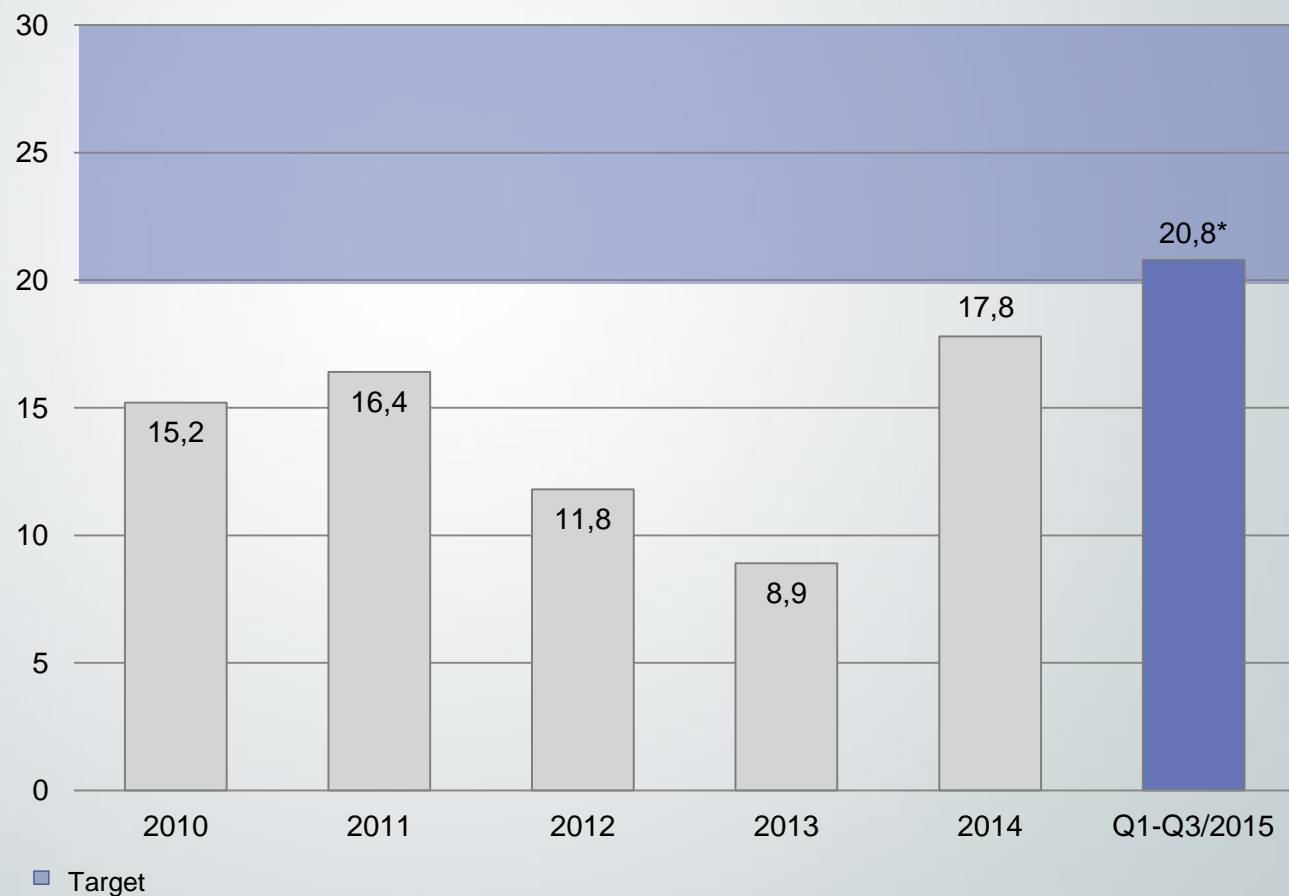
- **Operating profit closer to 10% than 5%**
 - Comparable operating profit for the first three quarters stood at 4.9%. Operating profit rate for the first three quarters was 4.4 %.
- **ROE over 20% on average**
 - At the end of Q3 ROE was 20.8%.
- **Gearing of up to 100%**
 - At the end of Q3 gearing was 104.5%.
- **Aspo's dividend policy:** Aspo will distribute an annual dividend which is, on average, at least half of the annual profit.
 - Aspo paid a dividend of EUR 0.40/share for 2014, representing 70.3% of the 2014 profit.



Financial targets

Return on equity

ROE, %

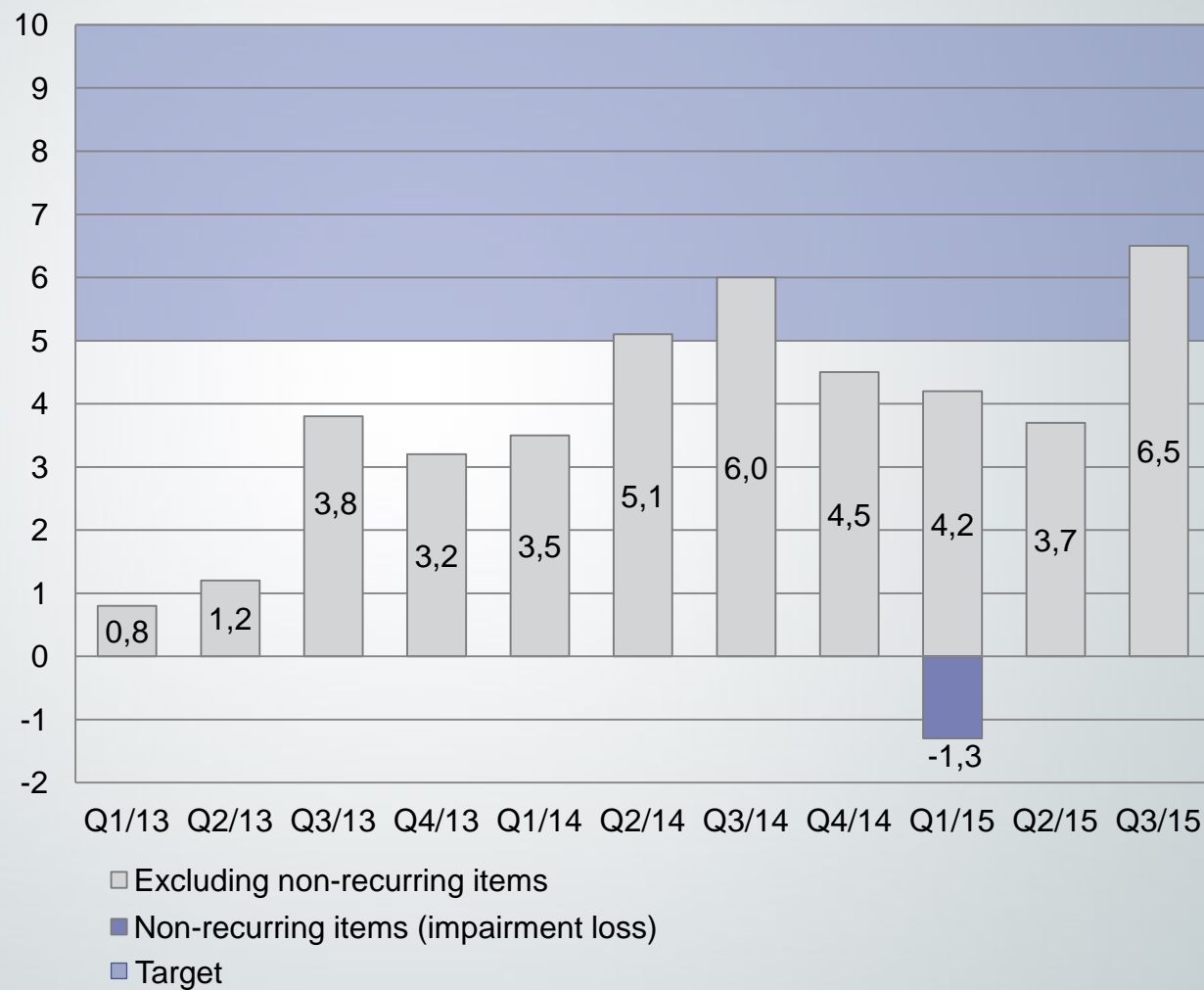


* Sale of Alandia shares' and impairment's impact loss on the annualized ROE is about 7 percentage points



Financial targets

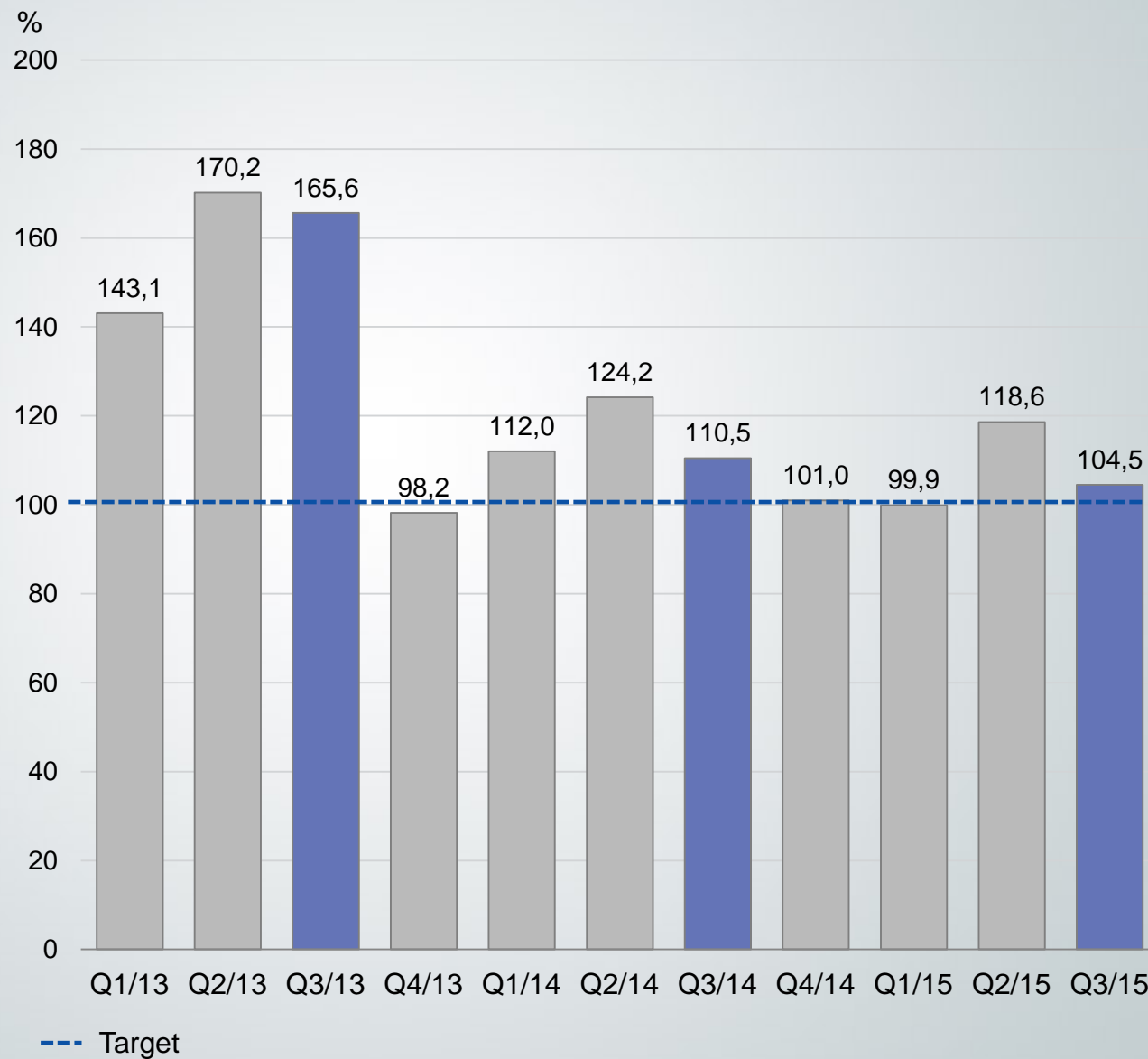
Operating profit, %





Financial targets

Gearing





Aspo Q3/2015

- Operating profit stood at EUR 7.3 (7.8) million, and operating profit rate was 6.5%.
- Cash flow was strong. The maturity of financing has been extended.
- ESL Shipping produced a solid result with its operating profit rate being more than 20%. The result is based on a specialization in demanding services.
- In Russia, the profitability of operations has remained good. The relative profitability of both Telko and Leipurin in eastern markets was approximately 7%.
- Telko produced a good result, while Leipurin's performance was relatively poor.
- Kaukomarkkinat has been able to stabilize its performance level.
- Aspo's guidance will remain unchanged.



General market situation

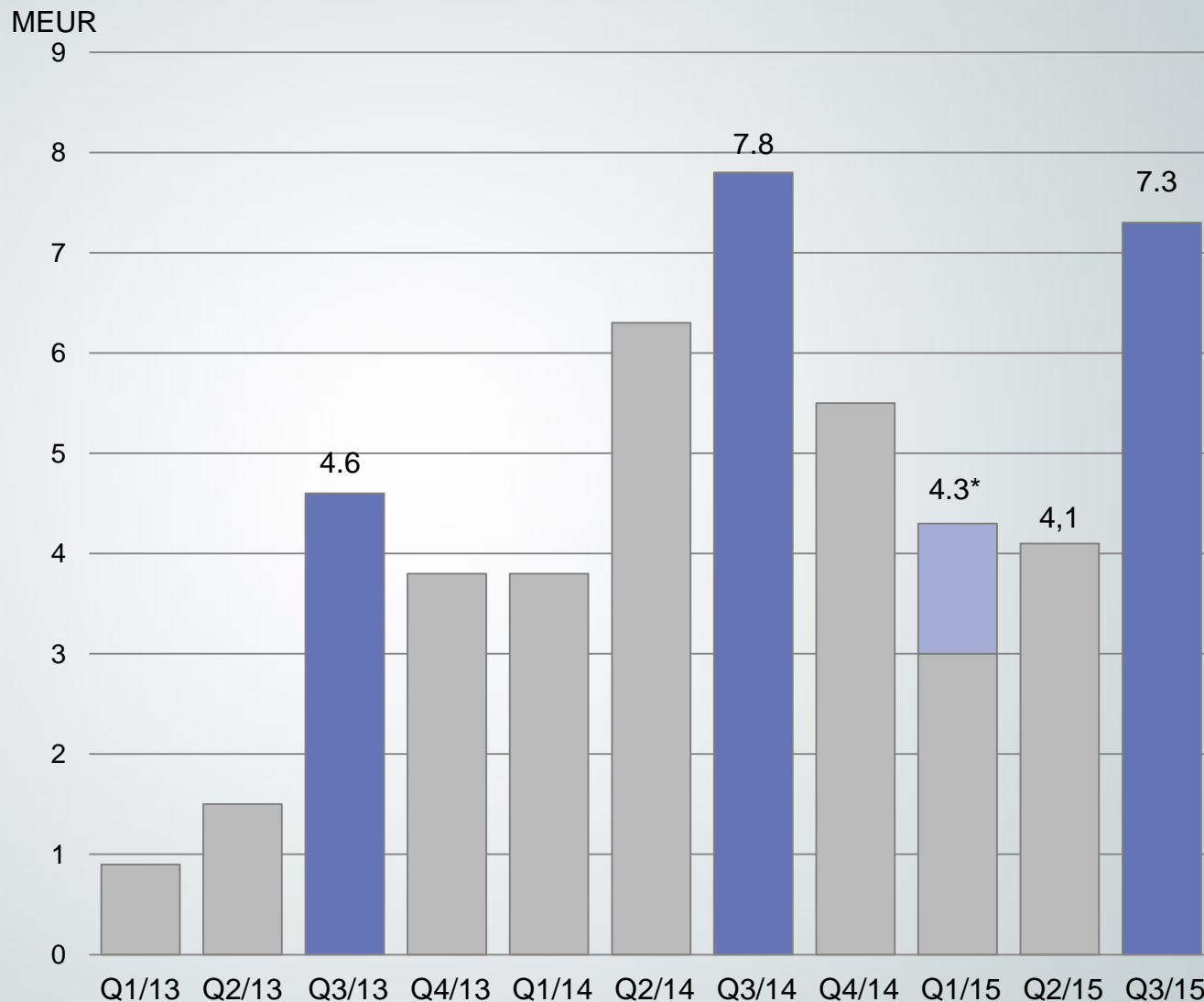
- Industrial production has not grown in the main markets.
- The prices of raw materials important to Aspo's business operations have been and continue to be at a low level. Low price levels have a negative effect on net sales.
- The crisis between Russia and western countries continues. GDP in Russia is expected to decrease by around 4% in 2015. Purchasing power and retail trade volumes are decreasing significantly. The inflation rate is high in Russia, around 15%.
- International dry bulk cargo rates are low.

Operating profit / segment Q3

MEUR	Q3/15	Q3/14	Change, %
ESL Shipping	4.4	4.8	-8
Leipurin	0.8	1.7	-53
Telko	3.2	2.1	52
Kaukomarkkinat	0.1	0.5	-80
Other operations	-1.2	-1.3	8
Total	7.3	7.8	-6



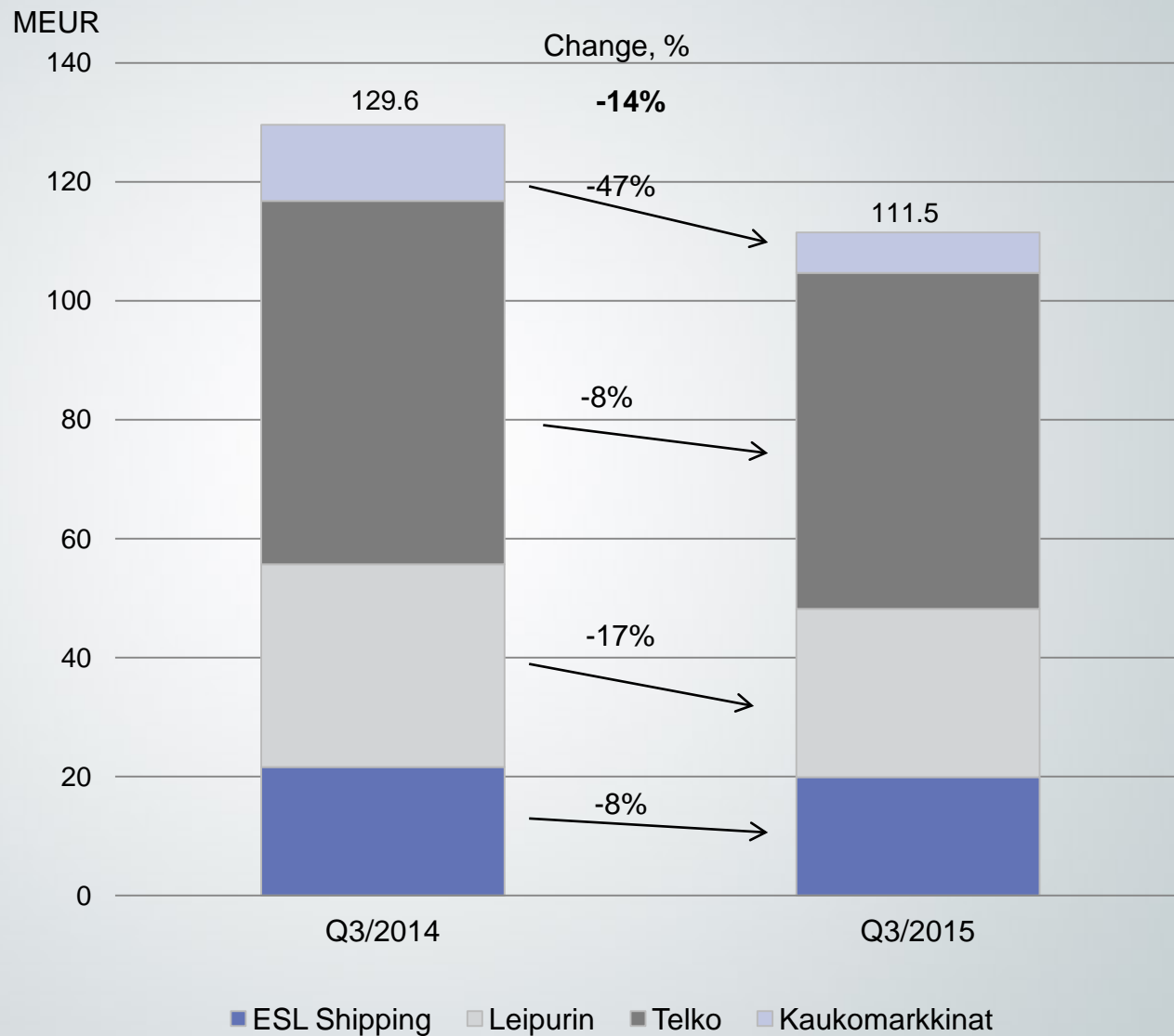
Group operating profit, quarterly



* Excluding a non-recurring impairment loss



Net sales / segment Q3



Net sales / market area Q3

MEUR	Q3/15	Q3/14	Change, %
Finland	35.0	44.3	-21
Scandinavia	15.6	12.1	29
Baltic countries	12.8	13.3	-4
Russia, Ukraine + other CIS	35.0	41.2	-15
Other countries	13.1	18.7	-30
Total	111.5	129.6	-14

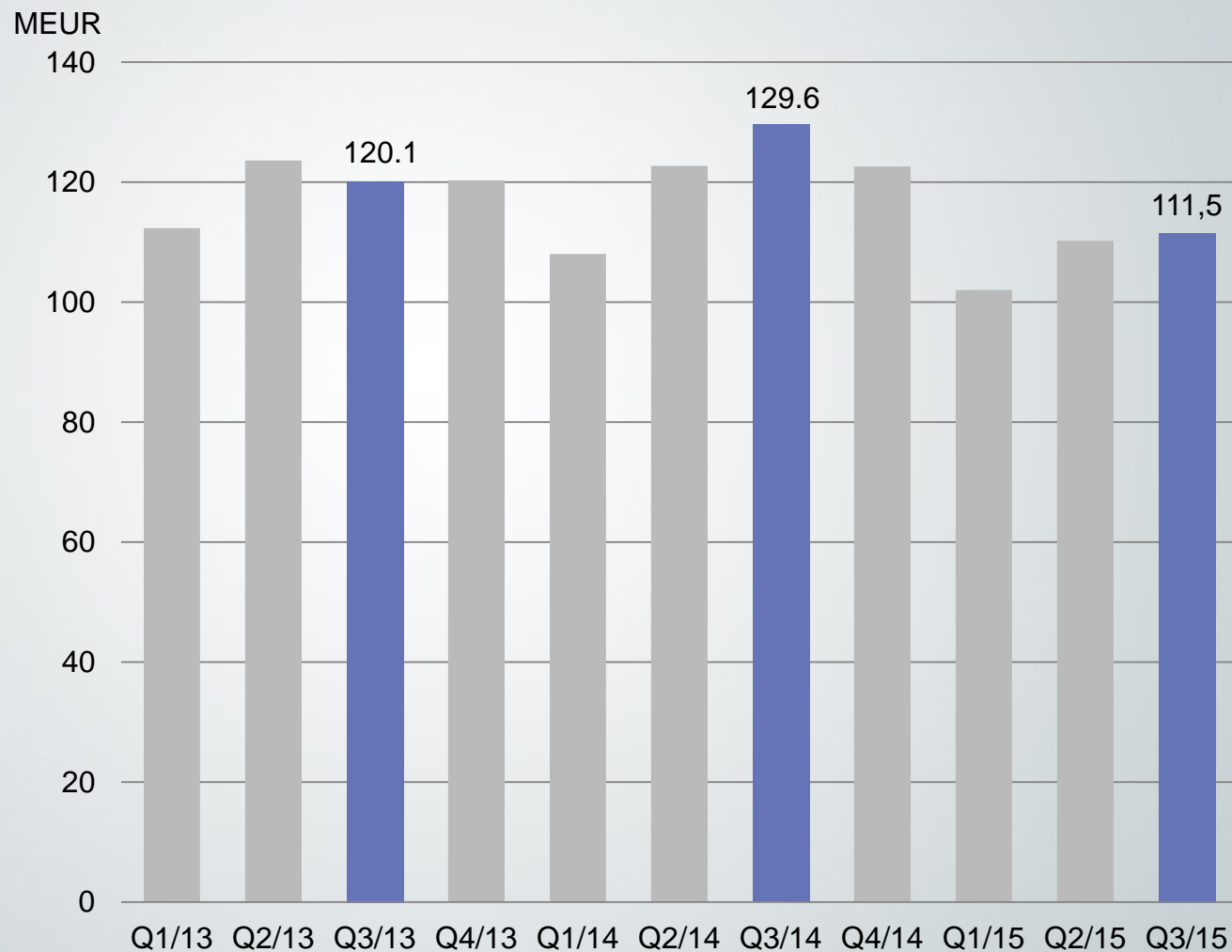
Net sales and operating profit Q3

2014/2015	Q1	Q2	Q3	Q4	Cum.
Net sales	102.0	110.2	111.5		323.7
MEUR	108.0	122.7	129.6	122.6	482.9
Operating profit *)	3.0	4.1	7.3		14.4
MEUR	3.8	6.3	7.8	5.5	23.4

*) Q1/2015 and cumulative operating profit include a MEUR 1.3 million impairment loss of goodwill.



Group net sales, quarterly





Russia, Ukraine and other CIS countries Q3/2015

- The crisis between Russia and Ukraine is ongoing. Economic sanctions and import restrictions are expected to be prolonged.
- The oil price has decreased to a low level, which is further weakening the Russian economy.
- GDP is decreasing in Russia, and the inflation rate is high. Consumer purchasing power has declined, which has had a negative effect on retail sales volumes.
- The relative competitive strength of products and raw materials imported to Russia has decreased. Imports are being replaced with Russian products and raw materials.
- The euro-denominated total net sales of Telko and Leipurin in the market area decreased significantly and totaled EUR 34.1 (39.8) million.
- The relative profitability in the market area was approx. 7% in Telko's and Leipurin's business operations.

Aspo's countries of operation

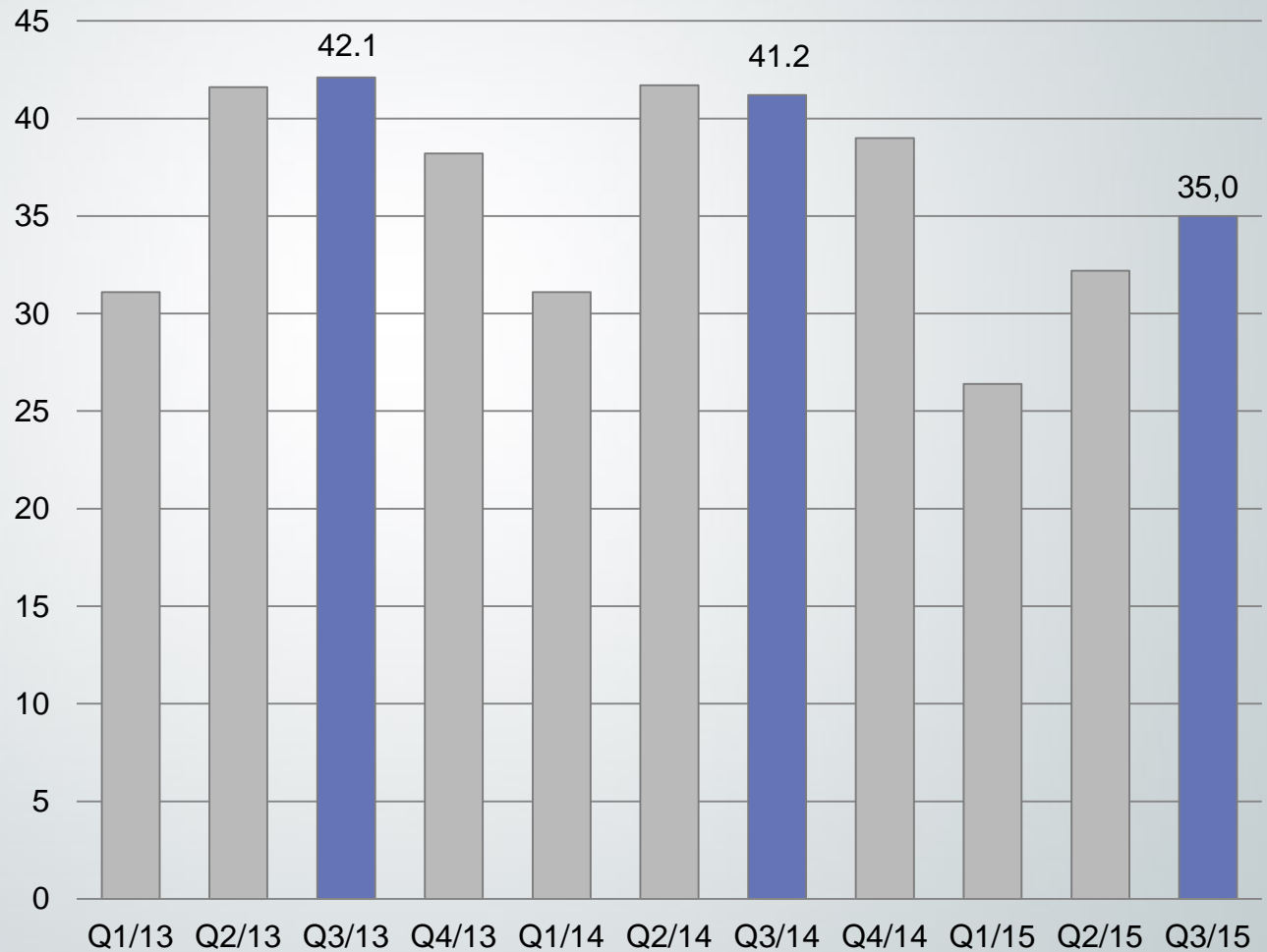




Net sales, quarterly

Russia, Ukraine + other CIS countries

MEUR





Aspo's business operations





ESL Shipping

**Integral part of
Finnish security
of supply**

ESL Shipping Q3/2015

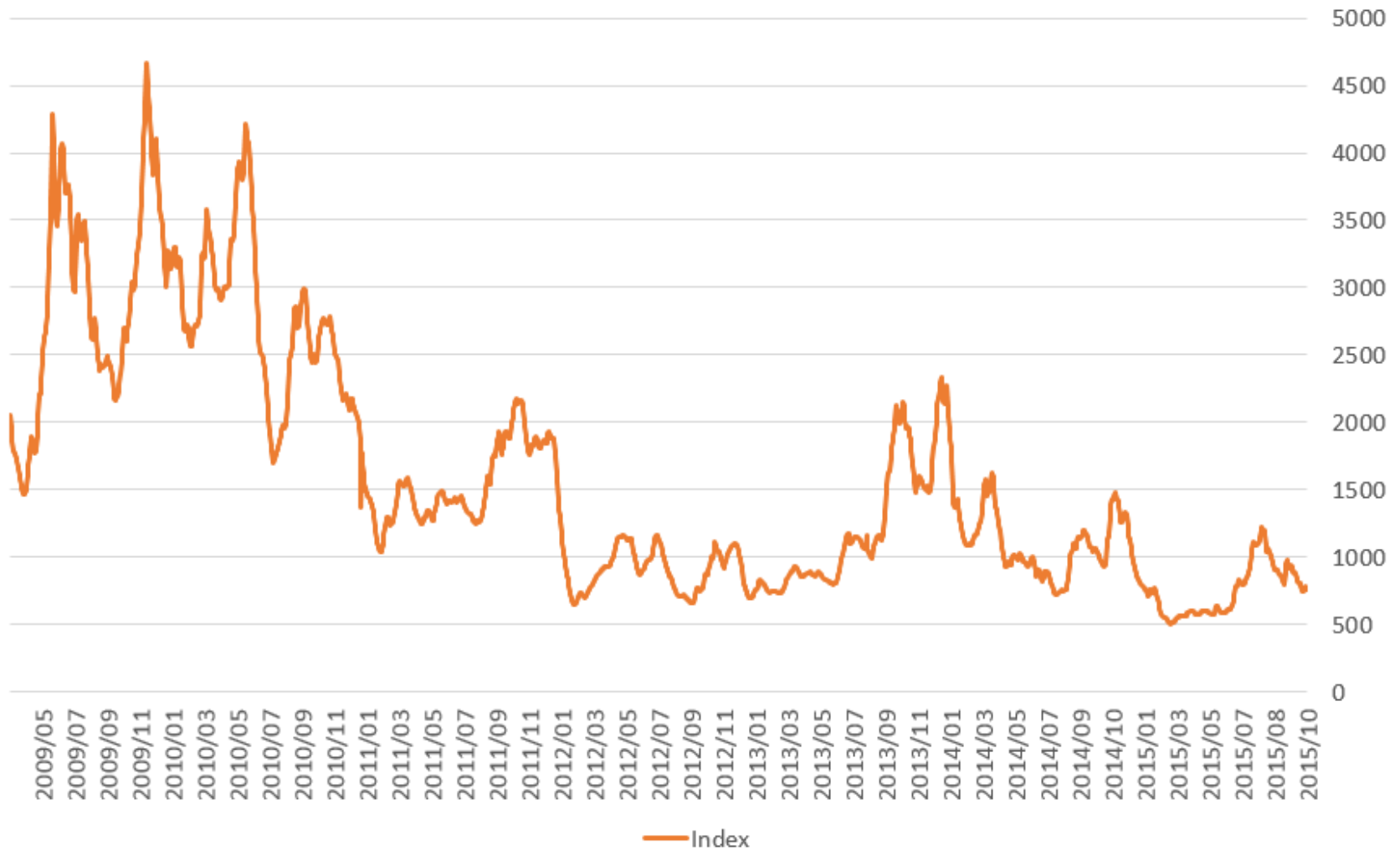
- International dry bulk cargo rates have increased, but continue to be low.
- During the third quarter, vessels mainly operated in the Baltic Sea, the North Sea and the Russian Arctic.
- Net sales were reduced by lower fuel prices and smaller coal transportation volumes.
- Net sales were EUR 19.9 (21.6) million.
- The operating profit was EUR 4.4 (4.8) million—an excellent result, considering the market situation.
- ESL Shipping transported 3.0 (3.1) million tons of cargo.
- Supramax vessels operated in the Russian Arctic, but their operations were interrupted due to licensing requirements governing the transported raw material.



ESL Shipping key figures Q3

	Q3/15	Q3/14	Change, %
Net sales, MEUR	19.9	21.6	-8
Operating profit, MEUR	4.4	4.8	-8
Operating profit, %	22.1	22.2	

Baltic Dry Index 2009–2015





The bakery specialist

Leipurin Q3/2015

- The prices of raw materials have remained low, but are expected to increase.
- Net sales were EUR 28.3 (34.1) million. Net sales were reduced by the sales volume of raw materials, which fell from the comparative period, fewer machine deliveries in Russia, and the devaluation of the Russian ruble.
- Operating profit stood at EUR 0.8 (1.7) million.
- Operating profit decreased mainly as a result of the poor delivery volume of bakery machines and a significant decrease in net sales in Russia. The relative profitability in eastern markets was approximately 7%.
- We estimate that the effect of canceled bakery machine orders caused by the Russian economic situation was at its strongest during the first half of the year.
- In Russia Leipurin aims to replace imported raw materials with locally produced ones.



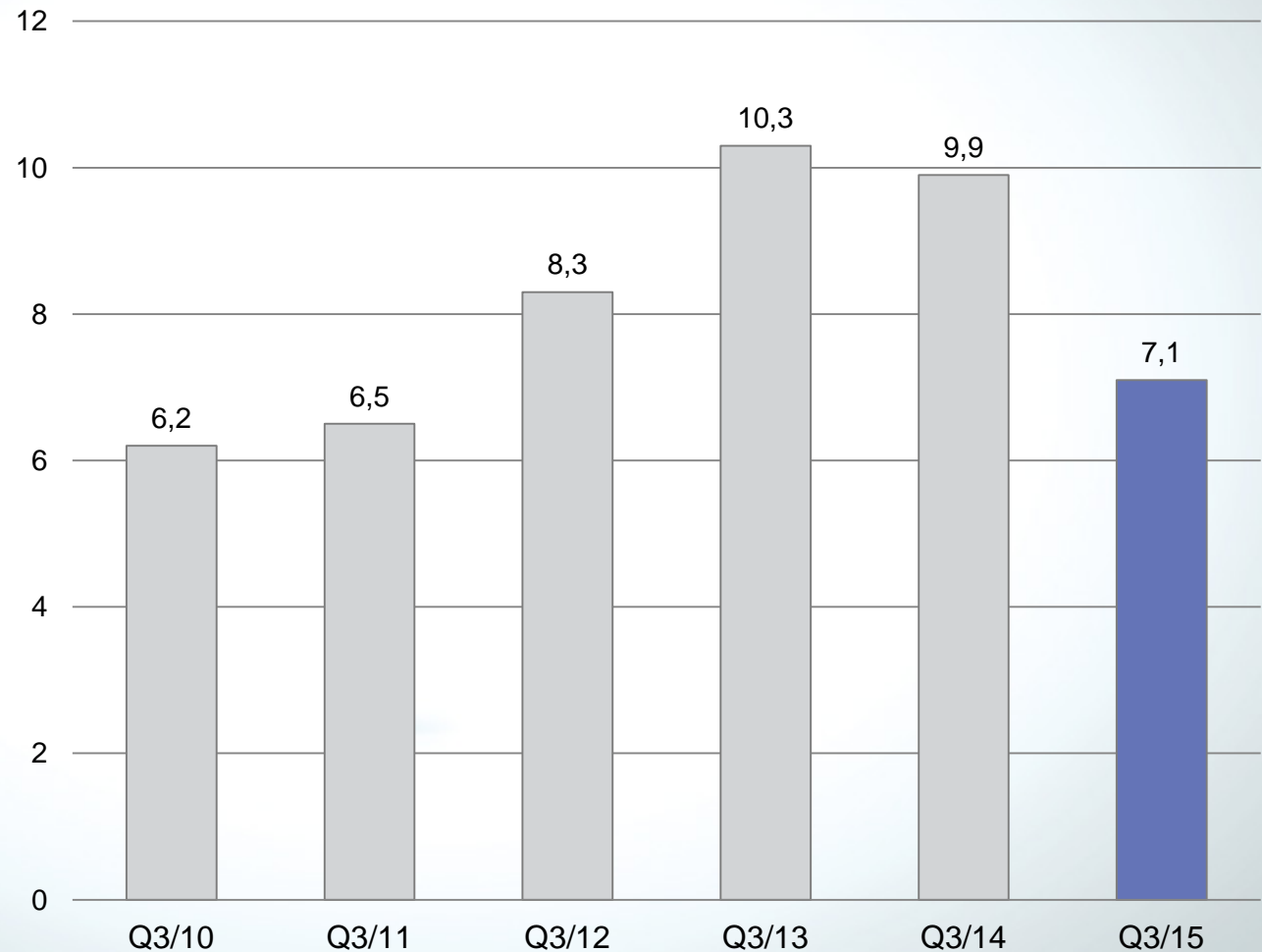
Leipurin key figures Q3

	Q3/15	Q3/14	Change, %
Net sales, MEUR	28.3	34.1	-17
Operating profit, MEUR	0.8	1.7	-53
Operating profit, %	2.8	5.0	



Russia, Ukraine + other CIS countries net sales Q3

MEUR





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

Telko Q3/2015

- The prices of raw materials sold by Telko continued to decrease.
- Net sales were EUR 56.5 (61.1) million.
- Net sales grew in Scandinavia and remained unchanged in Poland and in the Baltics, but decreased in eastern markets.
- The operating profit was at a good level: EUR 3.2 (2.1) million.
- Net sales in Russia, Ukraine and other CIS countries decreased to EUR 27.0 (29.9) million. Operating profit rate in the area improved to approximately 7%.
- The share of plastic raw materials increased to 65% of net sales, and their profitability improved.



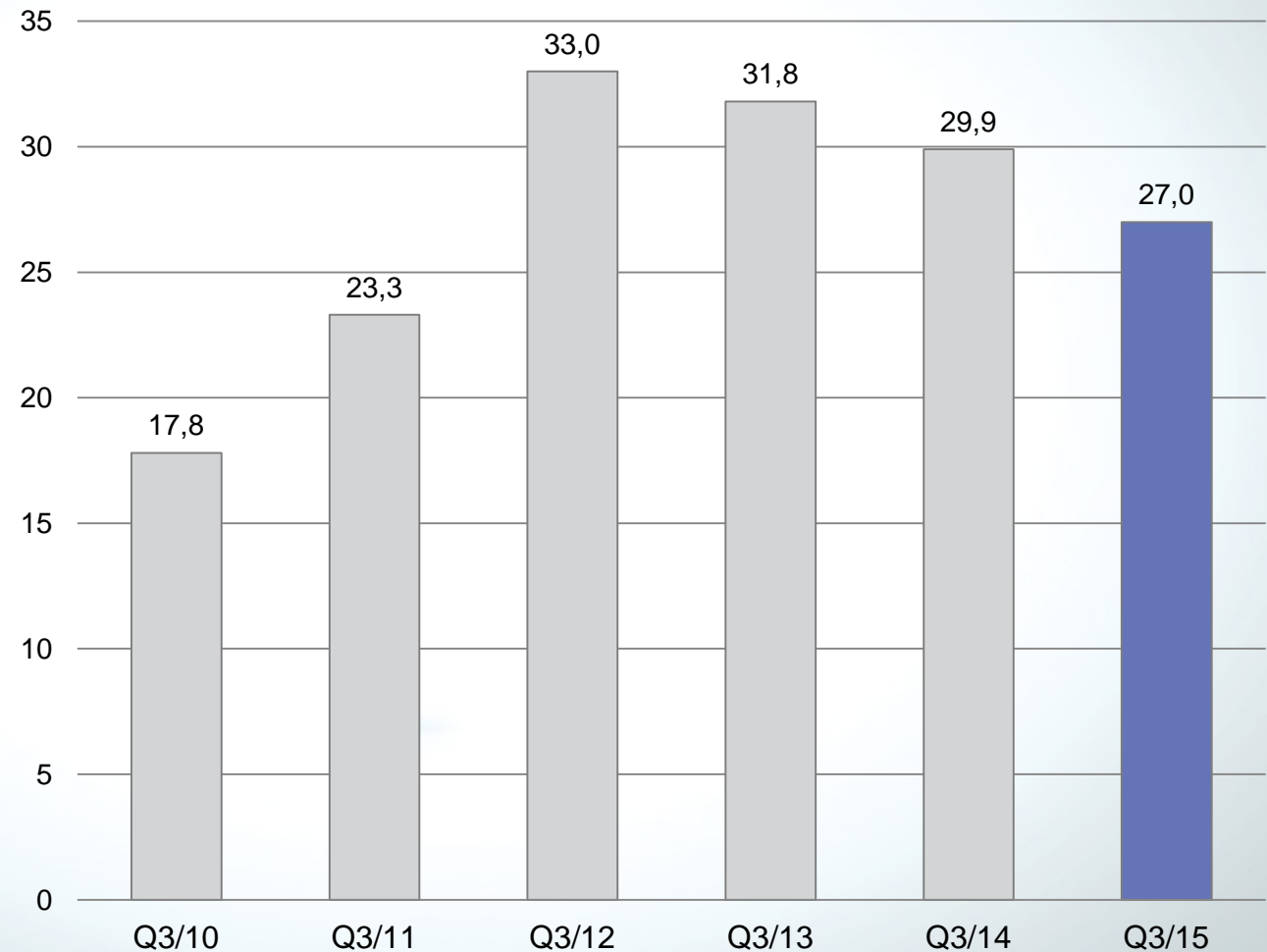
Telko key figures Q3

	Q3/15	Q3/14	Change, %
Net sales, MEUR	56.5	61.1	-8
Operating profit, MEUR	3.2	2.1	52
Operating profit, %	5.7	3.4	



Russia, Ukraine + other CIS countries net sales Q3

MEUR





**Expert in energy
efficiency**

Kaukomarkkinat Q3/2015

- Net sales decreased to EUR 6.8 (12.8) million. The decrease mainly resulted from the sale of Industrial business.
- Operating profit stood at EUR 0.1 (0.5) million.
- Sales of special IT equipment to the healthcare sector developed well. The sale of rugged computers and tablets was at a good level.
- New products were launched in the healthcare sector, resulting in the positive development of operations.
- In Finland, demand for energy efficiency products remained at a satisfactory level.
- Kaukomarkkinat will redefine its business idea and strategy during 2015.

Kaukomarkkinat key figures Q3

	Q3/15	Q3/14	Change, %
Net sales, MEUR	6.8	12.8	-47
Operating profit, MEUR	0.1	0.5	-80
Operating profit, %	1.5	3.9	

Financing and financials

Harri Seppälä



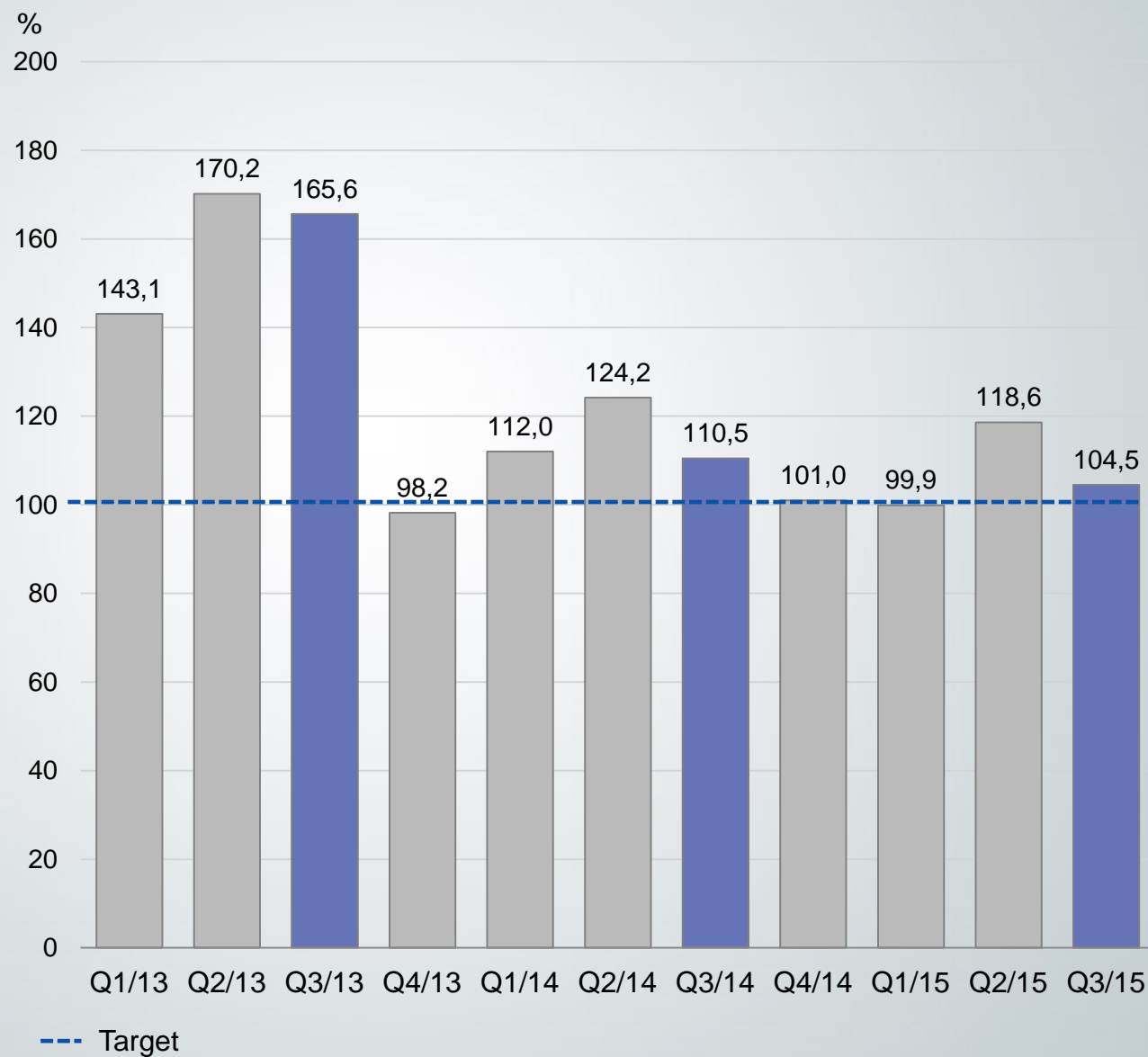


Income statement Q1-Q3

MEUR	2015	2014
Net sales	323.7	360.3
Ebitda	24.0	26.3
Depreciations and impairment	-9.6	-8.4
Operating profit	14.4	17.9
Financial income and expenses	3.0	-2.9
Profit before taxes	17.4	15.0
Income taxes	-1.3	-0.3
Profit for the period	16.1	14.7
Earnings/share, EUR	0.50	0.46



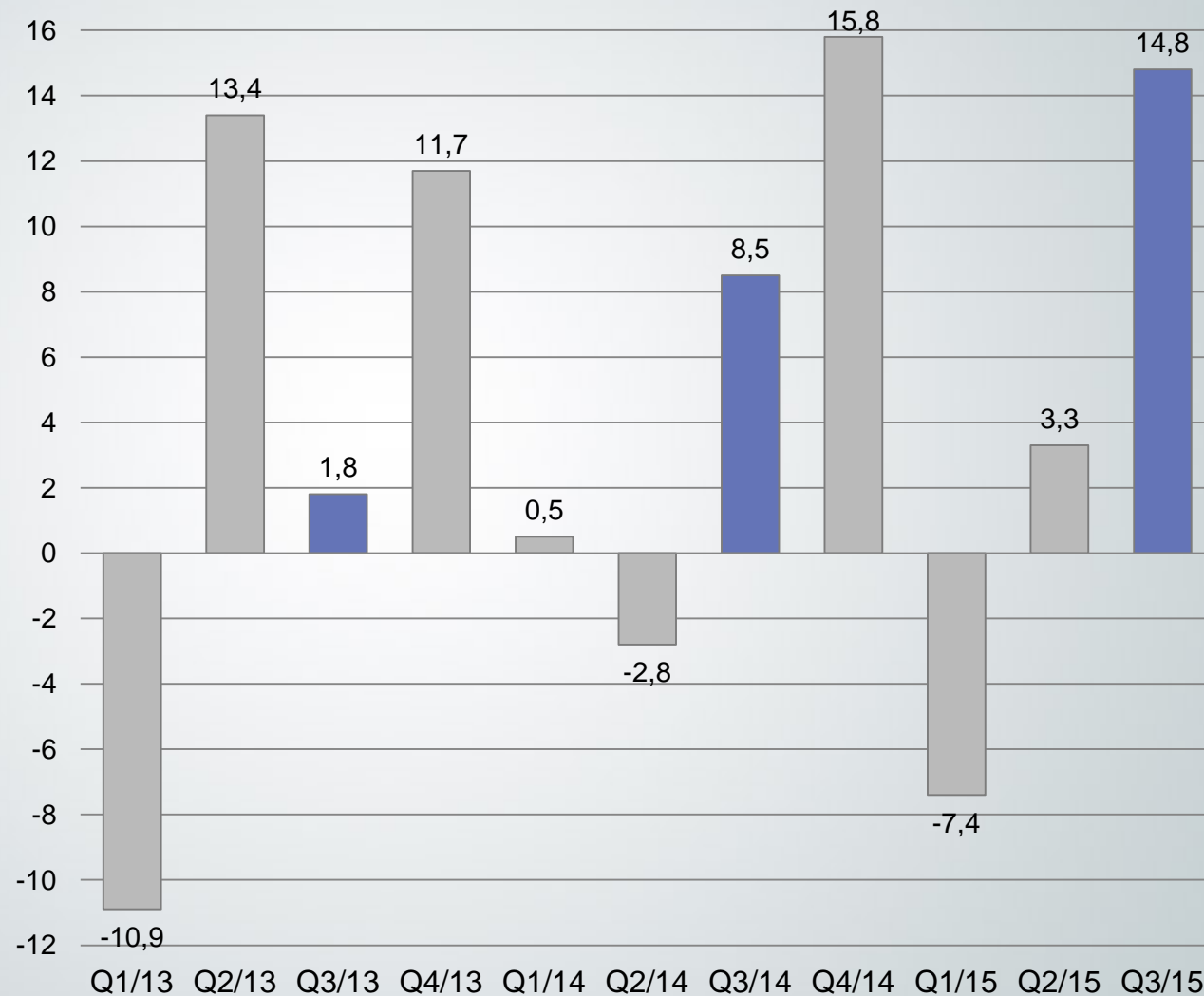
Gearing



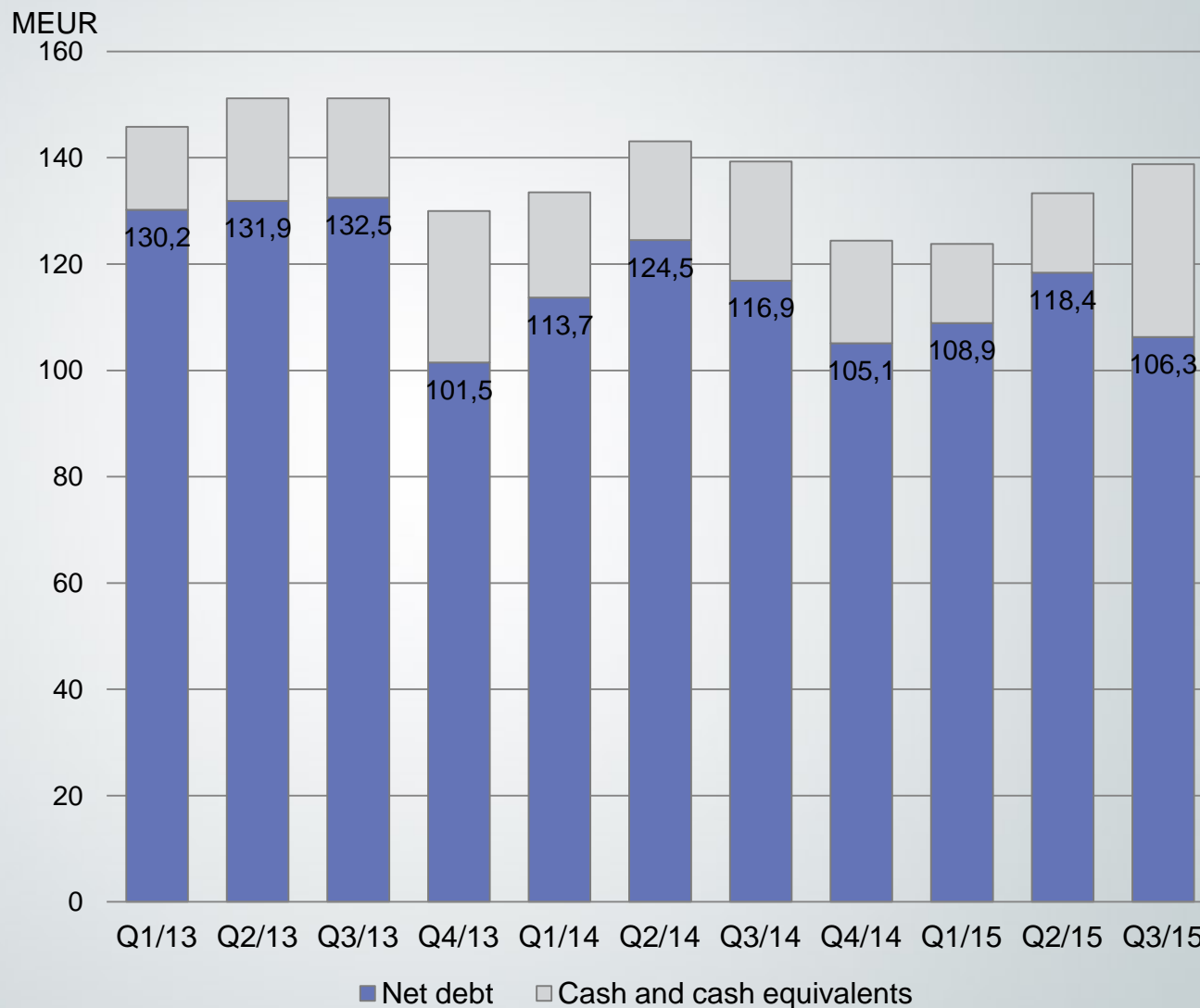


Operational cash flow

MEUR



Interest bearing liabilities and net debt



Maturity of significant loan agreements

MEUR

70

60

50

40

30

20

10

0

2015

2016

2017

2018

2019+

■ Loans ■ Revolv. credit facility ■ Hybrid bond (call) ■ Bond loan ■ TyEL

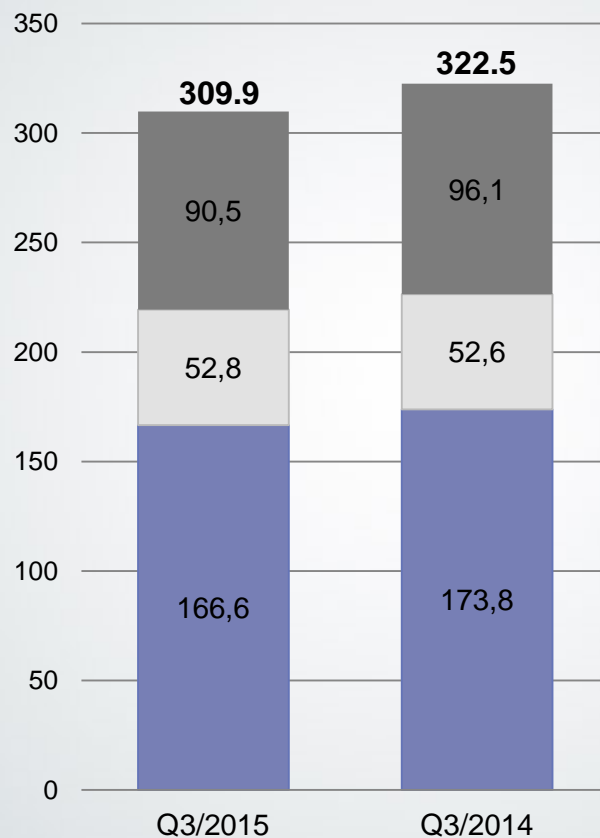
Commercial papers, overdraft facilities and financial leasing agreements not included.



Balance sheet

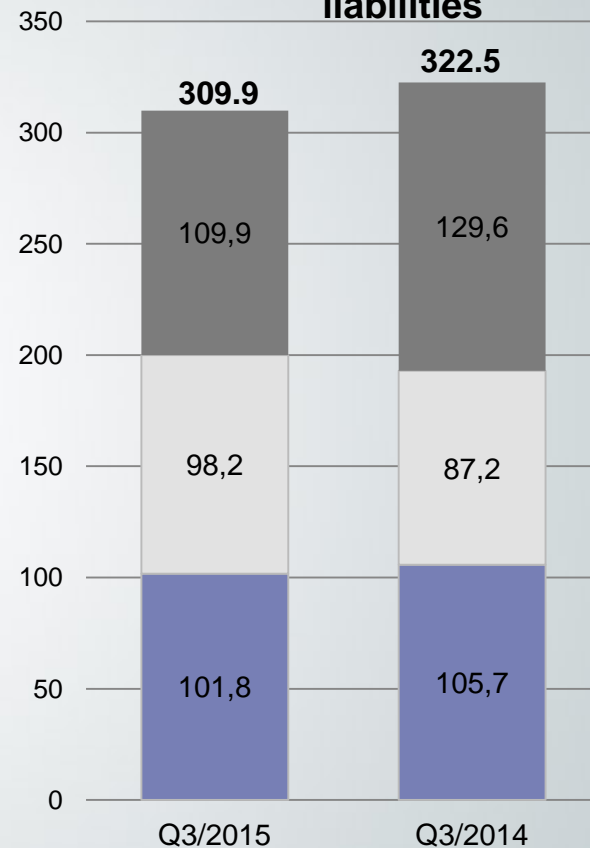
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Assets



- Non-current assets
- Inventories
- Cash and receivables

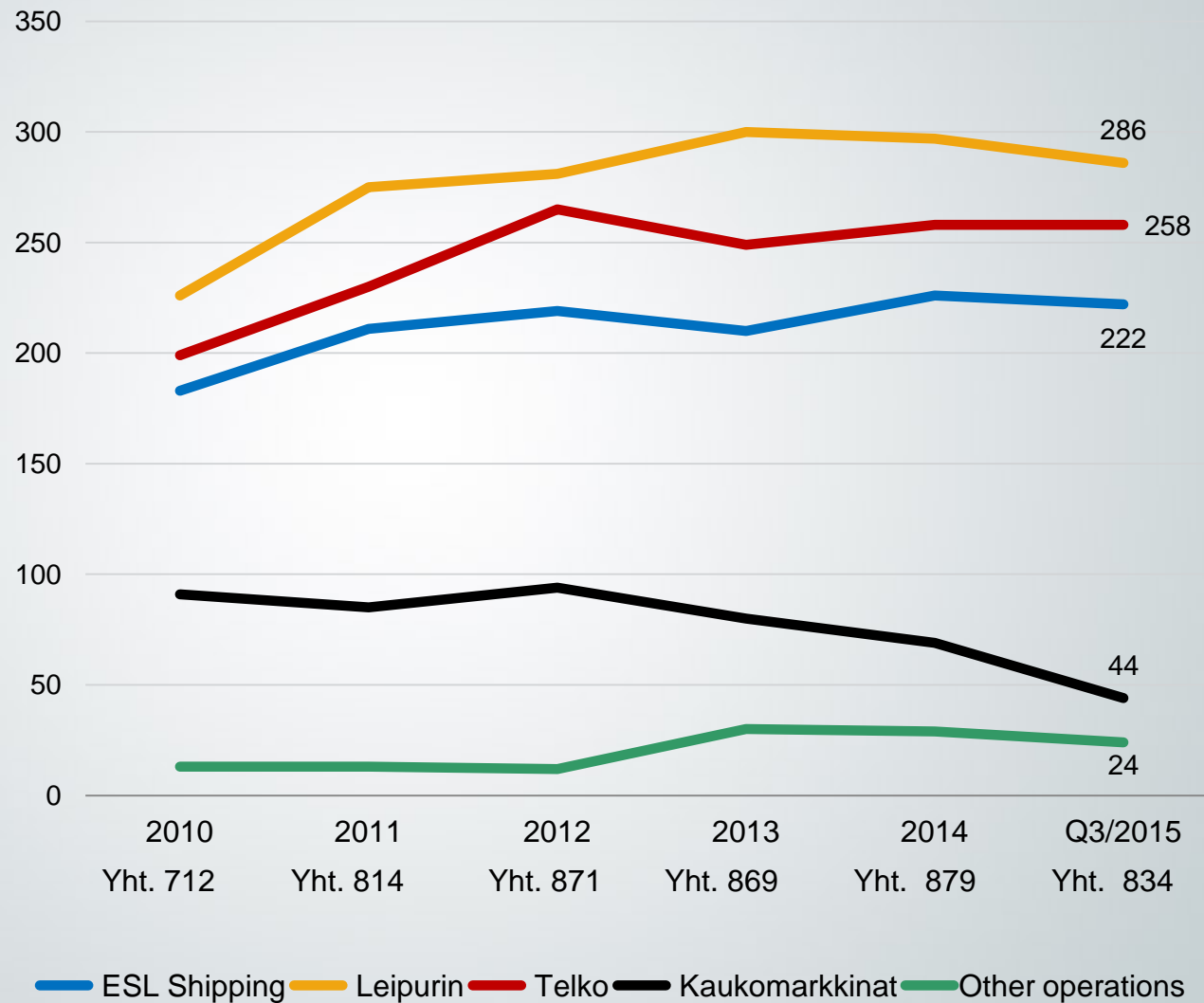
Shareholders' equity and liabilities



- Shareholders' equity
- Long-term liabilities
- Short-term liabilities

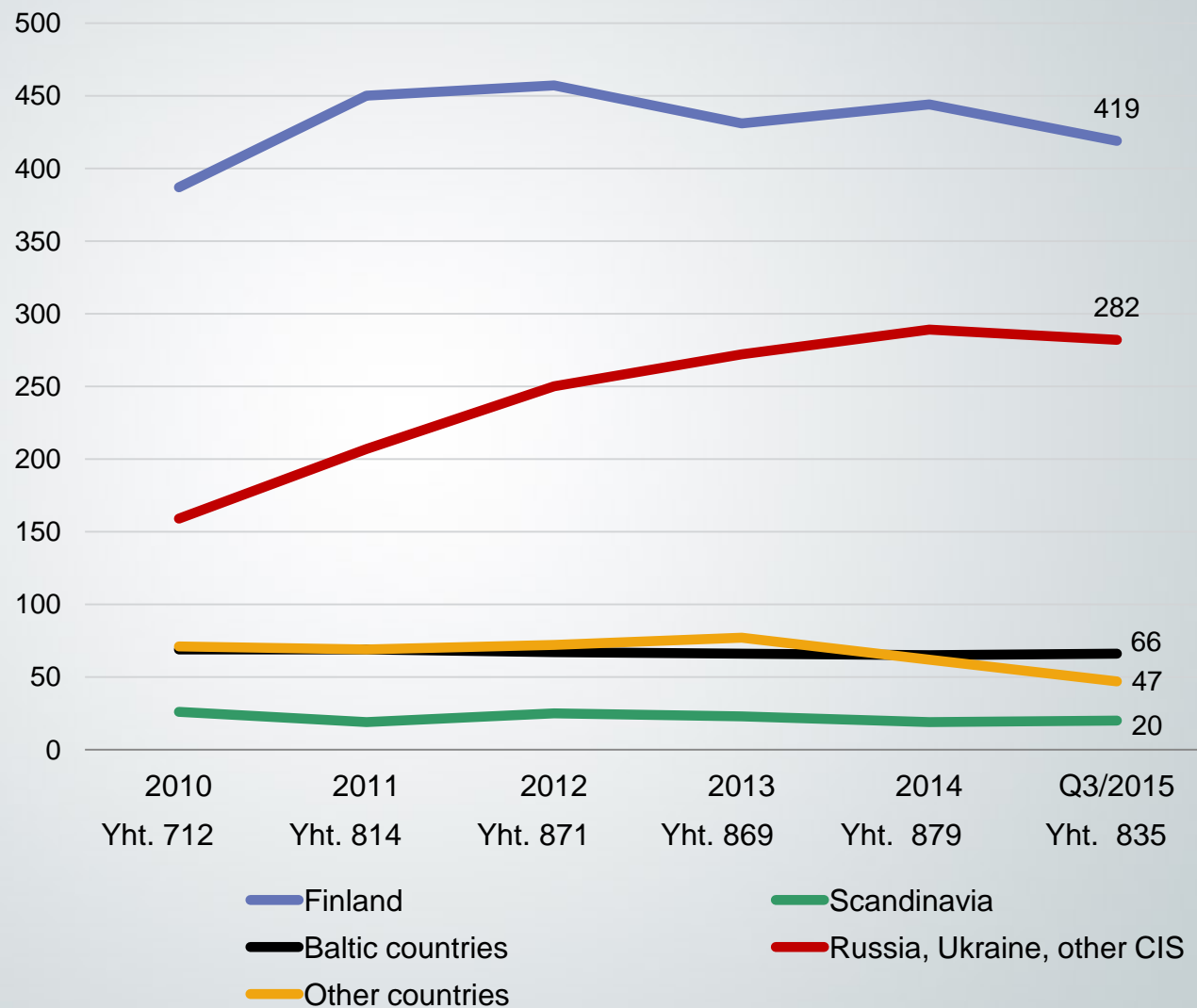


Personnel / segment



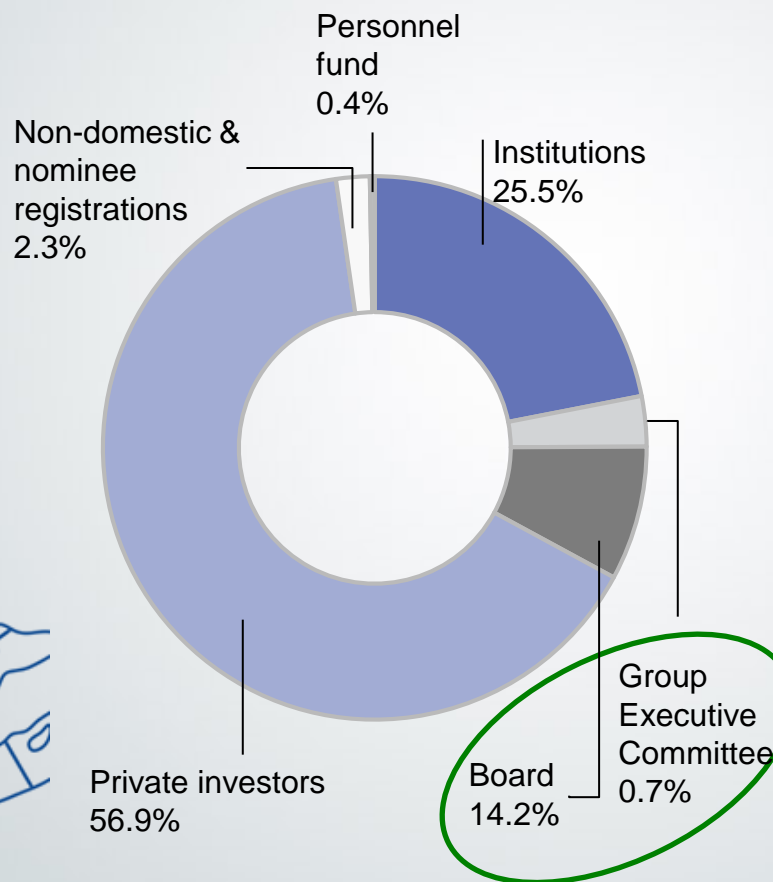


Personnel / market area

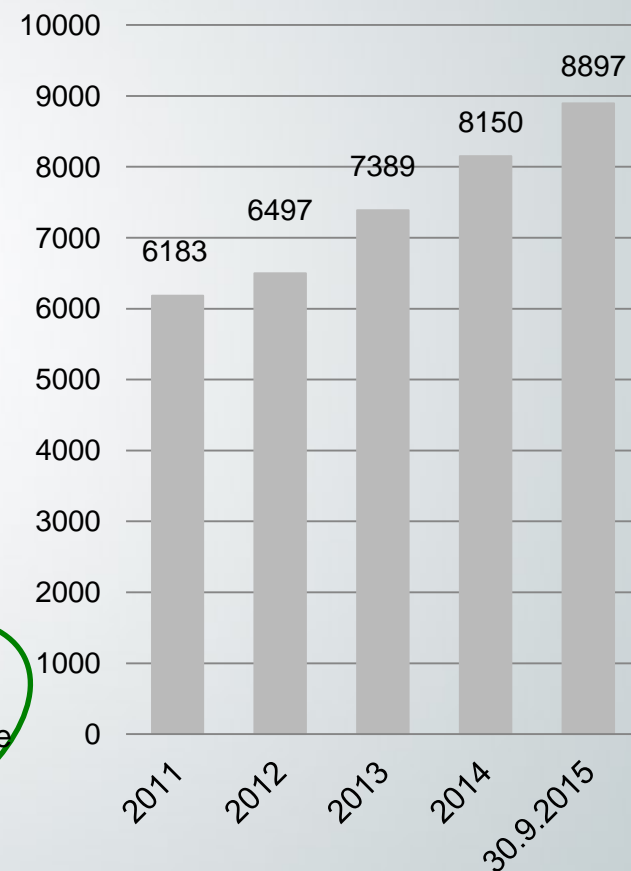


Shareholders / allocation

Share Q3/2015



Number of shareholders





Outlook for 2015





Aspo's market environment 2015

- The period of low growth in the international economy and in industry in the EU will continue.
- The crisis between Russia and Ukraine is expected to continue. The economic sanctions imposed by the West on Russia, as well as the counter-sanctions imposed by Russia, are not expected to be lifted.
- The national economies of Russia, Ukraine and other CIS countries will contract during 2015. Eastern currencies will remain volatile, and the inflation rate in Russia is expected to remain high.
- International shipping freight rates will remain low.
- Prices in the international raw-material markets are expected to remain at a low level.



Outlook for 2015

- ESL Shipping is focusing on operations requiring special expertise and equipment, which enables it to reach a level of profitability higher than the market level. Capacity utilization for the rest of the year has been ensured to a significant degree through long-term contracts.
- Leipurin's production of bakery machinery reached a low point during Q2. The target is to increase the share of local raw materials in Russia. Western markets are expected to be stable. Leipurin will specify its strategy.
- The prices of the raw materials sold by Telko are expected to decrease as a result of the decline in the price of oil. Western markets are expected to remain stable, but assessing eastern markets is challenging.
- Kaukomarkkinat will redefine its business idea and strategy during 2015.



Guidance for 2015

- Aspo's guidance will remain unchanged.
- Aspo's profit will increase compared to 2014 or remain at the same level.



Thank you!

