



Aspo Q1

April 28, 2016

CEO Aki Ojanen
Group Treasurer Harri Seppälä

Challenging environment, improved operating profit

Operating profit improved to EUR 3.3 million.

Items affecting comparability EUR -1.3 million during Q1/2015.

Earnings per share were EUR 0.07.

Items affecting comparability EUR 0.16 during Q1/2015.

Cash flow from operating activities was poor due to the seasonal cycle, being at the comparative period's level, EUR -7.0 million.

The profitability of the eastern markets was good, with the operating profit rate being about 6%.

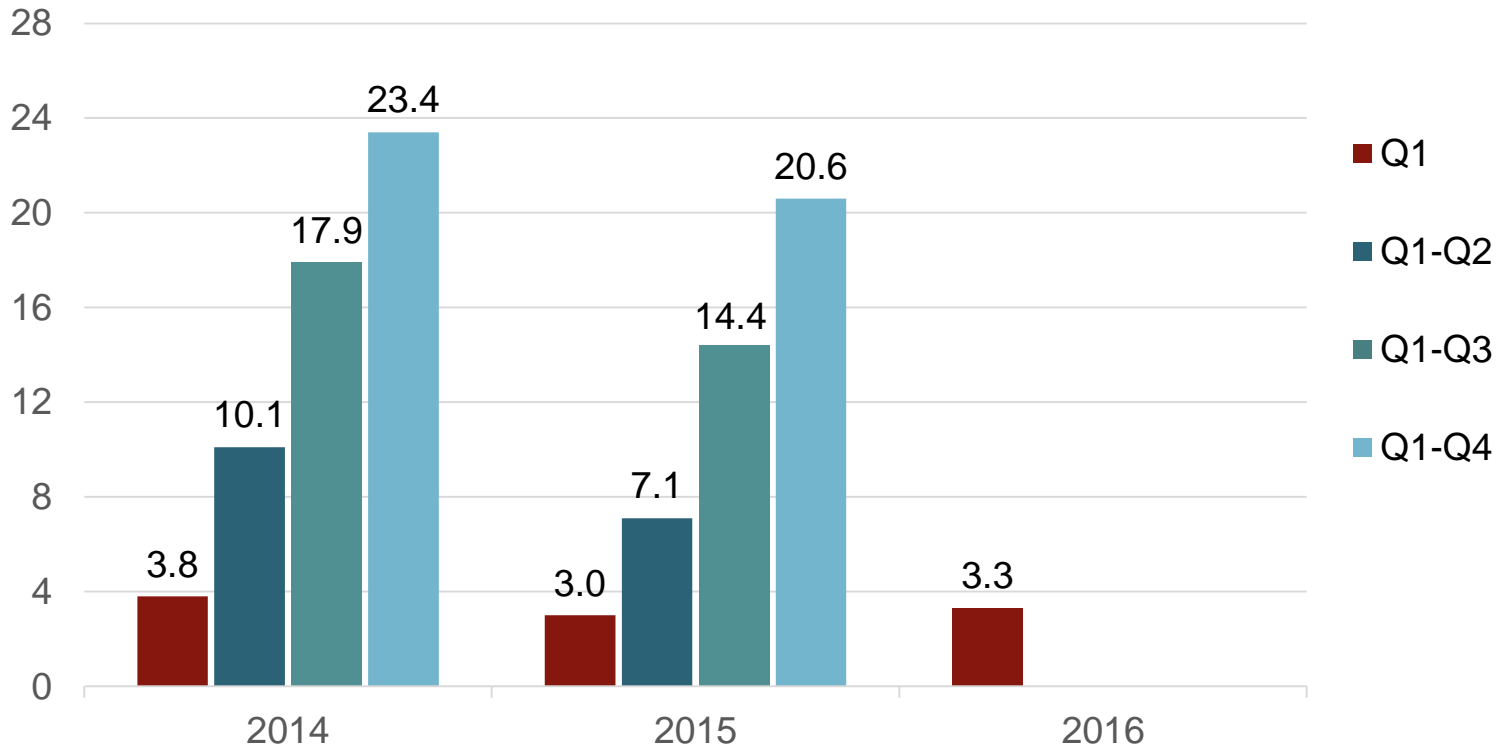
Supramax vessels of ESL Shipping operated exceptionally in spot traffic and made a loss.

Guidance will remain unchanged.
Aspo's operating profit will be EUR 17–24 (20.6) million in 2016.

Satisfactory operating profit

Operating profit

MEUR



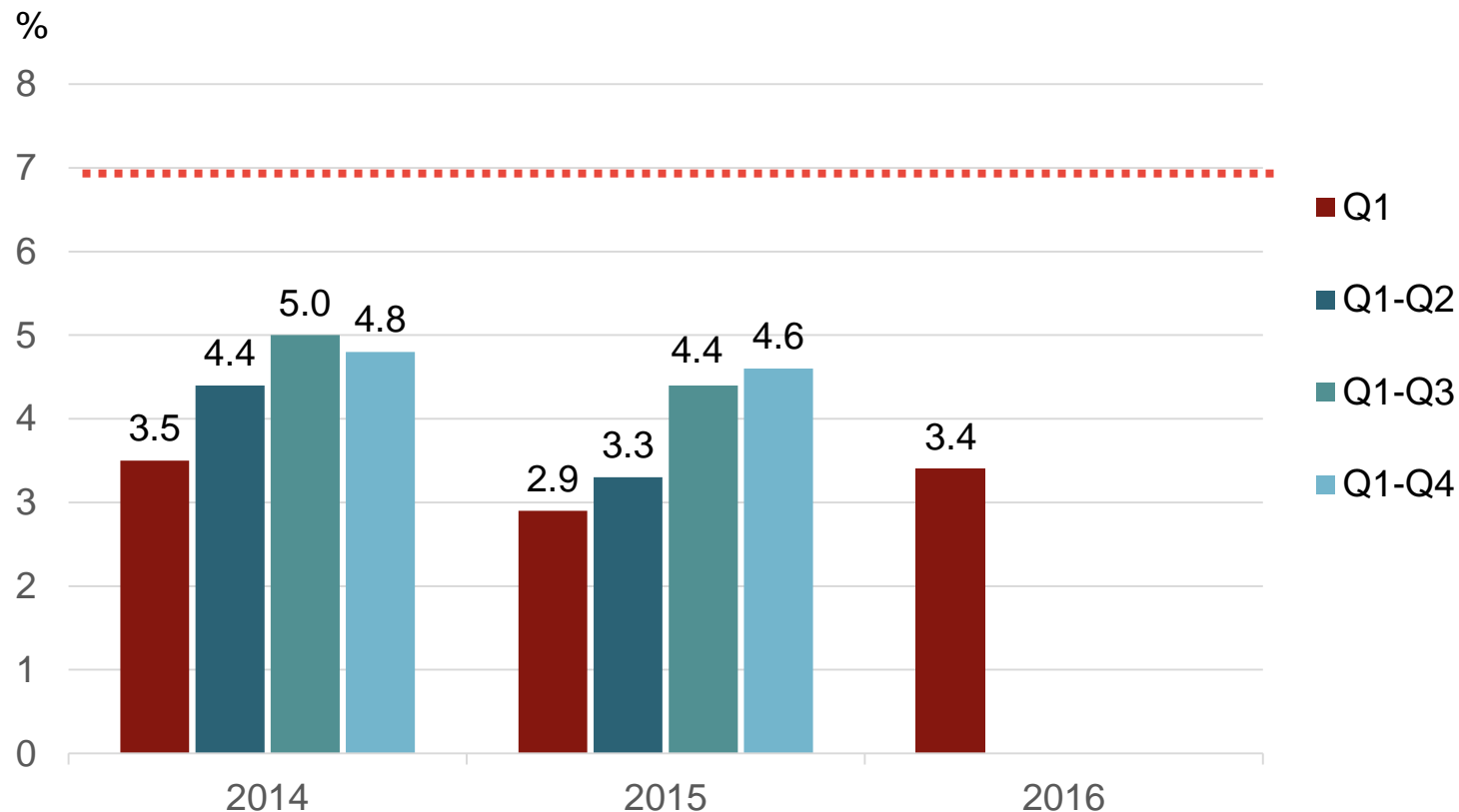
Operating profit improved from the comparative period to EUR 3.3 million. Comparable operating profit decreased and was EUR 3.3 (4.3) million.

Poor profitability in Supramax vessels.

Good profitability in eastern markets, approximately 6%.

Long-term financial targets

Operating profit, %

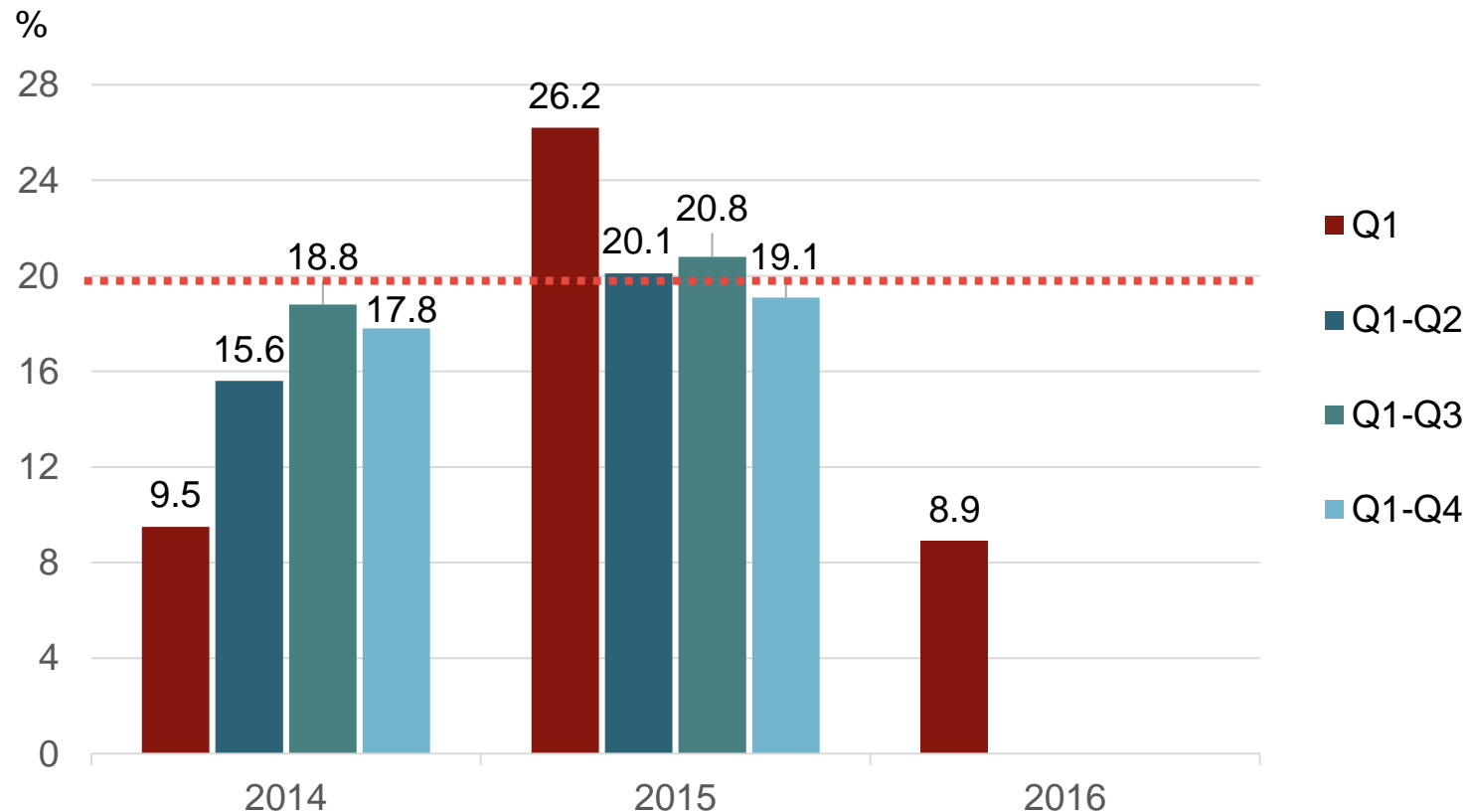


The first quarter is usually the weakest of the year, and H1 is weaker than H2.

The operating profit rate increased from the comparative period.

Long-term financial targets

Return on equity (ROE)



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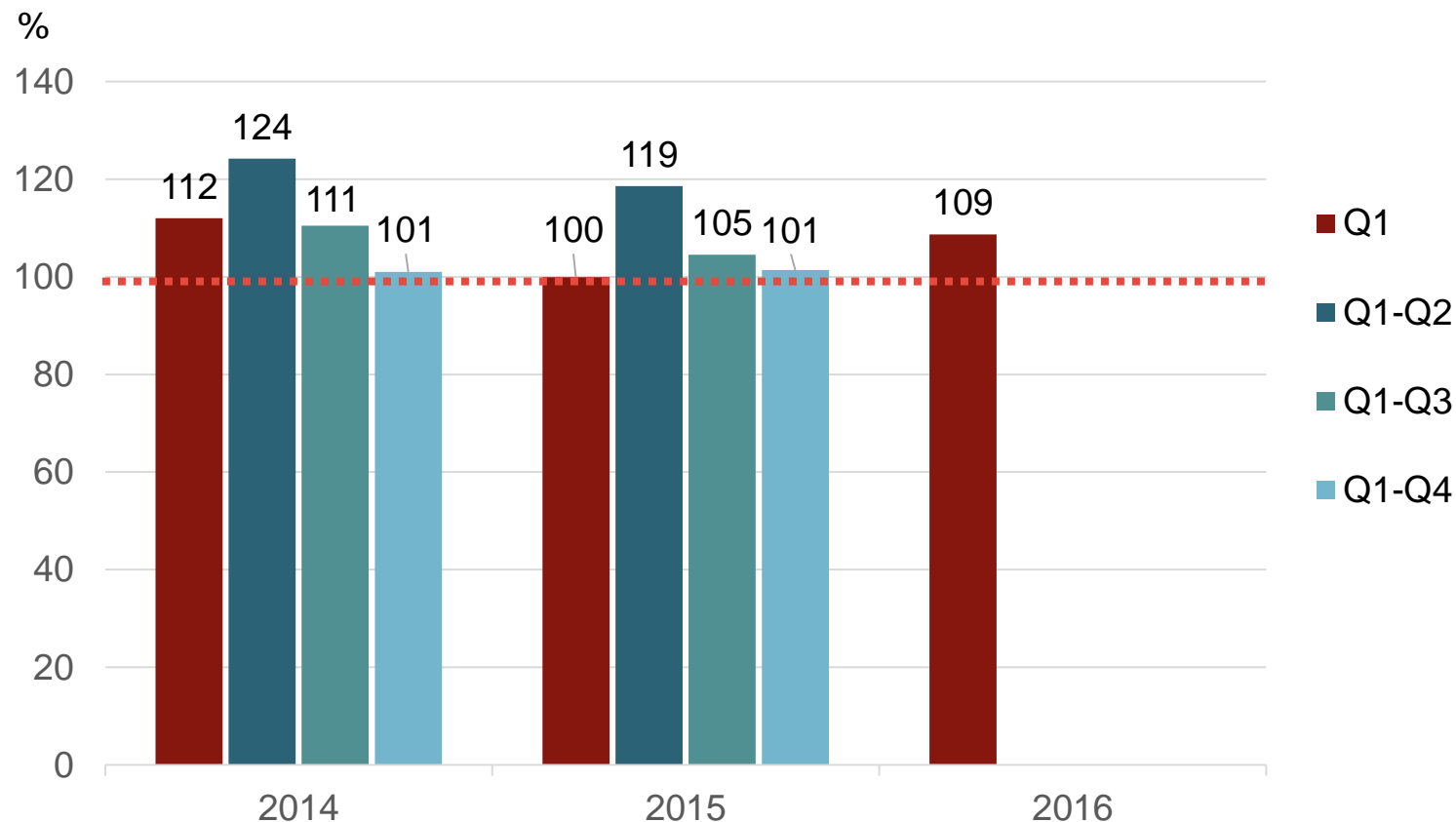
ROE was 9%.

The comparative period included gain from the sale of shares.

The target level is indicated by the dashed line.

Long-term financial targets

Gearing



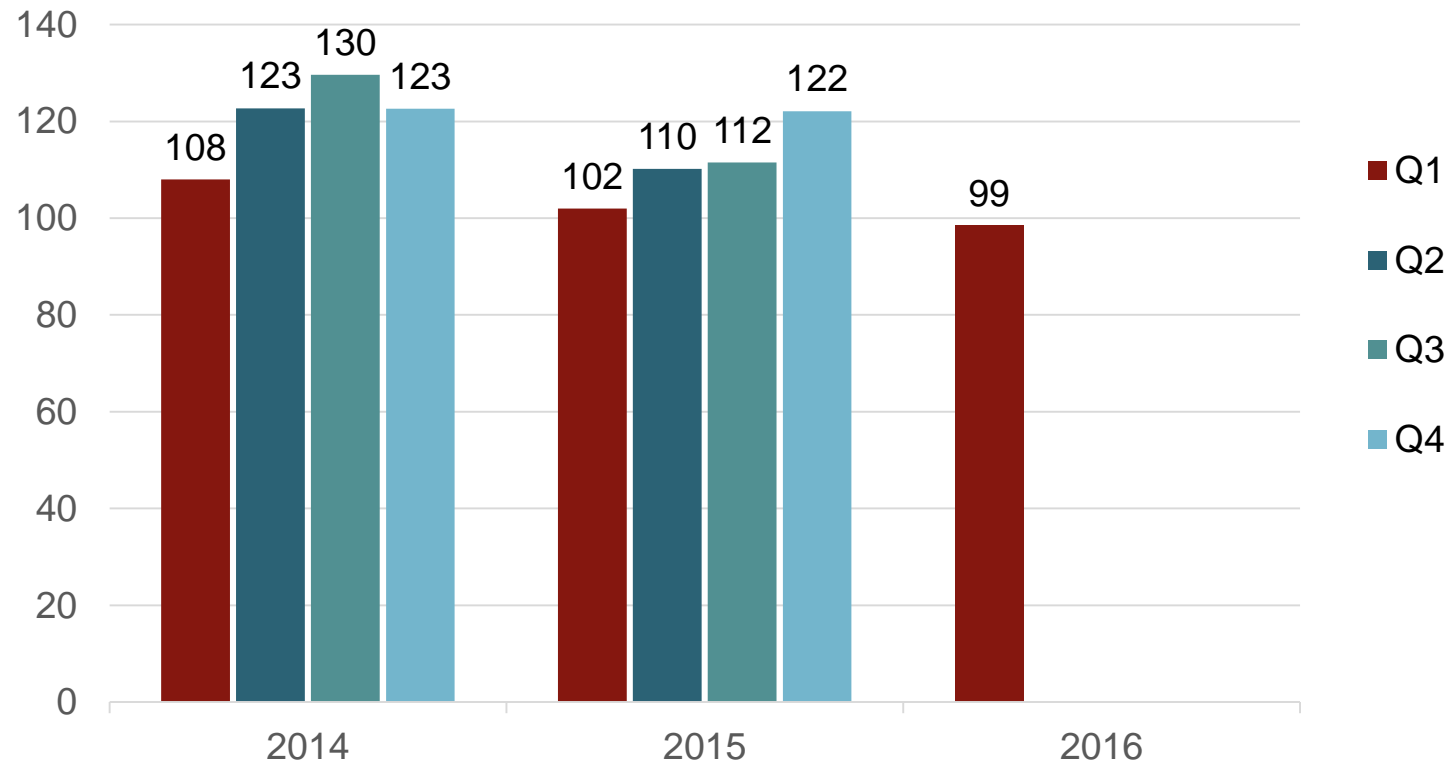
Gearing was 109%.

Remained nearly at the target level.
The increase was mainly caused by translation differences compared with Q1 2015.

Net sales

Net sales by quarter

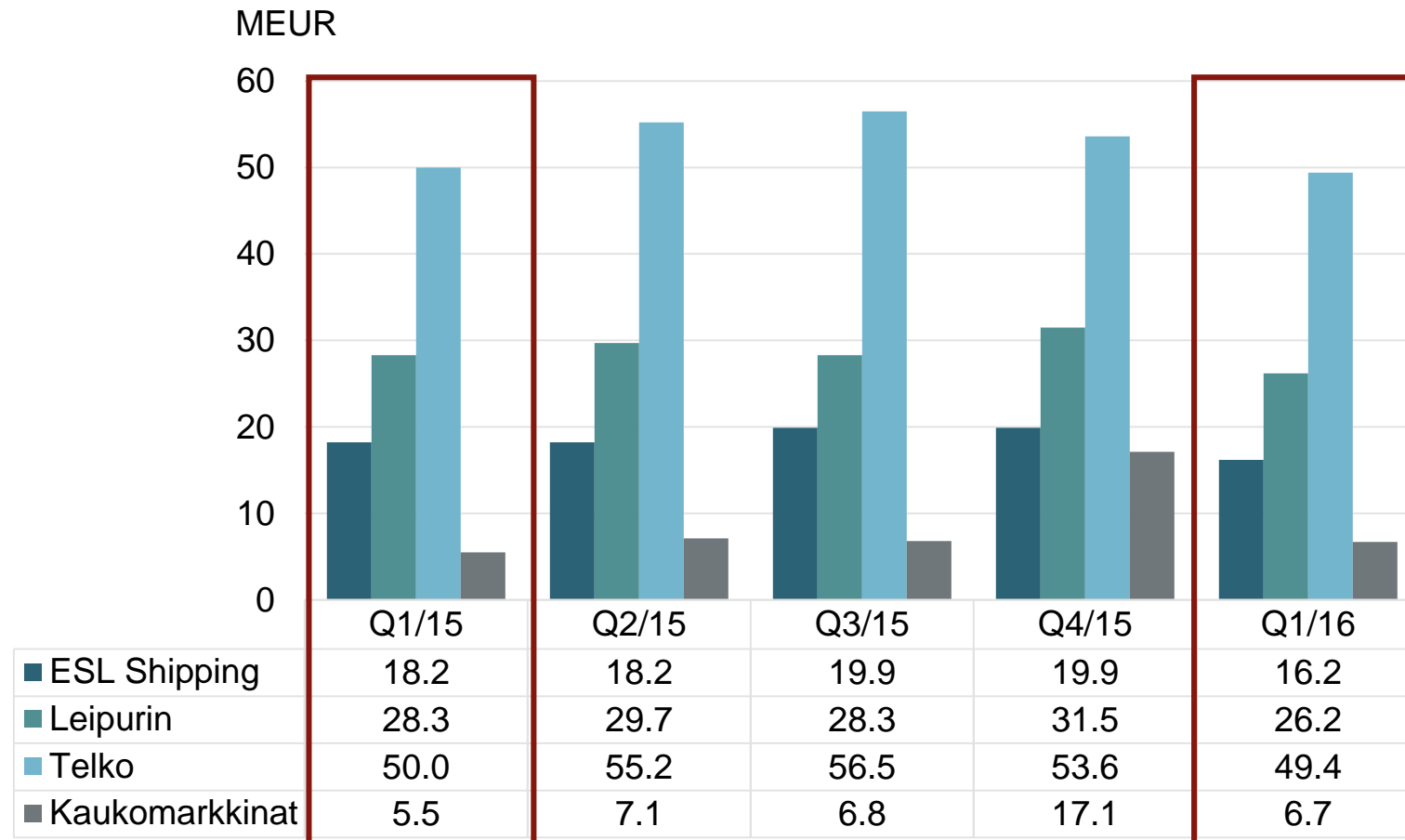
MEUR



Net sales decreased by
EUR 3.5 million, or 3.4%.

Euro-denominated
decrease stopped in the
eastern markets.

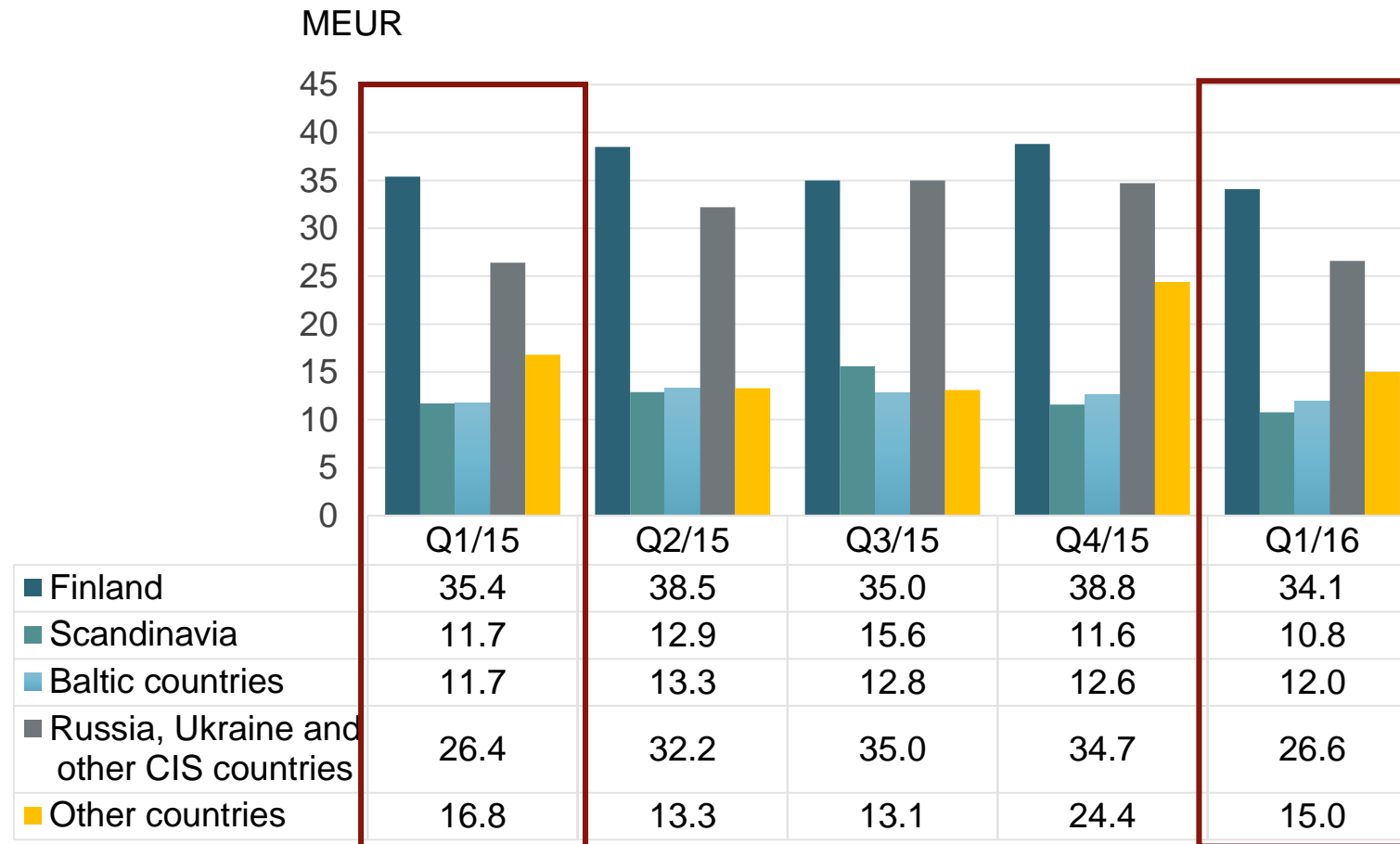
Net sales by segment



Distribution of net sales, Q1/16

ESL Shipping	16%
Leipurin	27%
Telko	50%
Kaukomarkkinat	7%

Net sales by market area



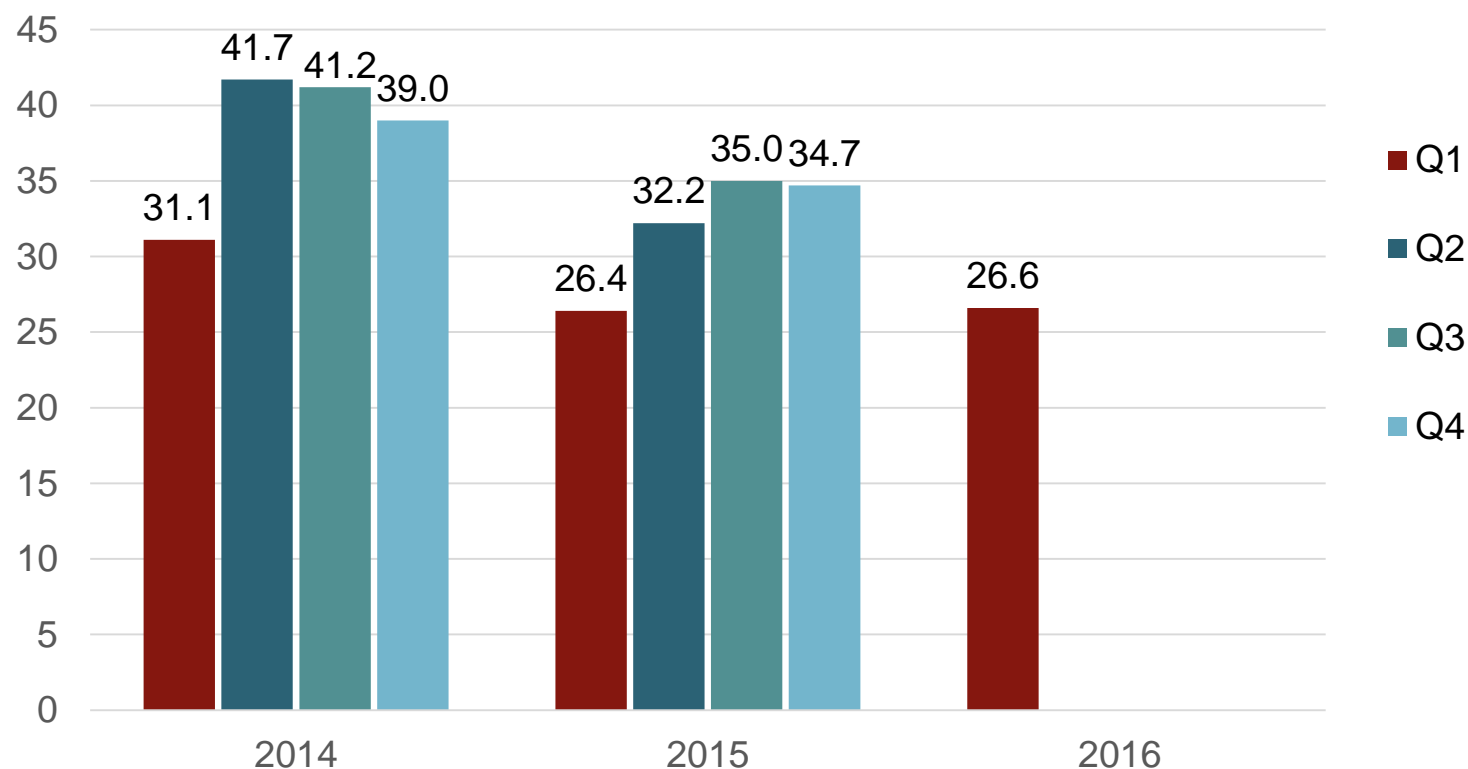
Distribution of net sales, Q1/16

Finland	35%
Scandinavia	11%
Baltic countries	12%
Russia, Ukraine and other CIS countries	27%
Other countries	15%

Russia, Ukraine and other CIS countries

Net sales

MEUR



Net sales were EUR 26.6 million, i.e. at the level of the comparative period.

The Russian ruble fell by approximately 14% and the Ukrainian hryvnia by 23% based on Q1 average rates.



Aspo's businesses

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ESL Shipping

Leading marine logistics provider for bulk cargo

ESL Shipping

Quarter in brief and outlook for 2016

International freight rates were at a record low in February. Freight rate levels have turned to an increase.

Outlook for ESL Shipping for 2016

- Most of the transportation capacity has been secured through long-term agreements.
- Transportation volumes from Russia are expected to grow.

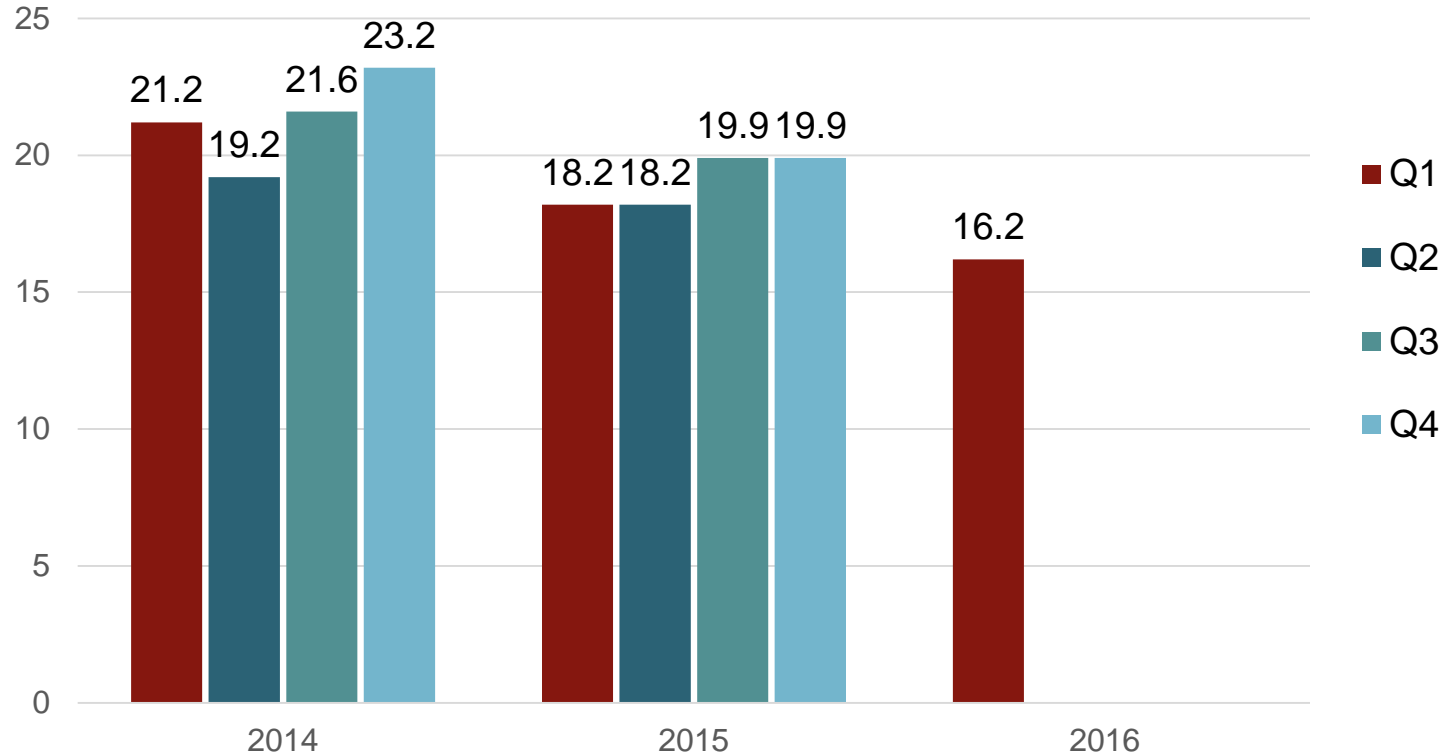
Supramax vessels operated in international spot traffic during the first quarter.

The newbuilding project of LNG-fueled vessels has proceeded as planned.

ESL Shipping, key figures

Net sales

MEUR



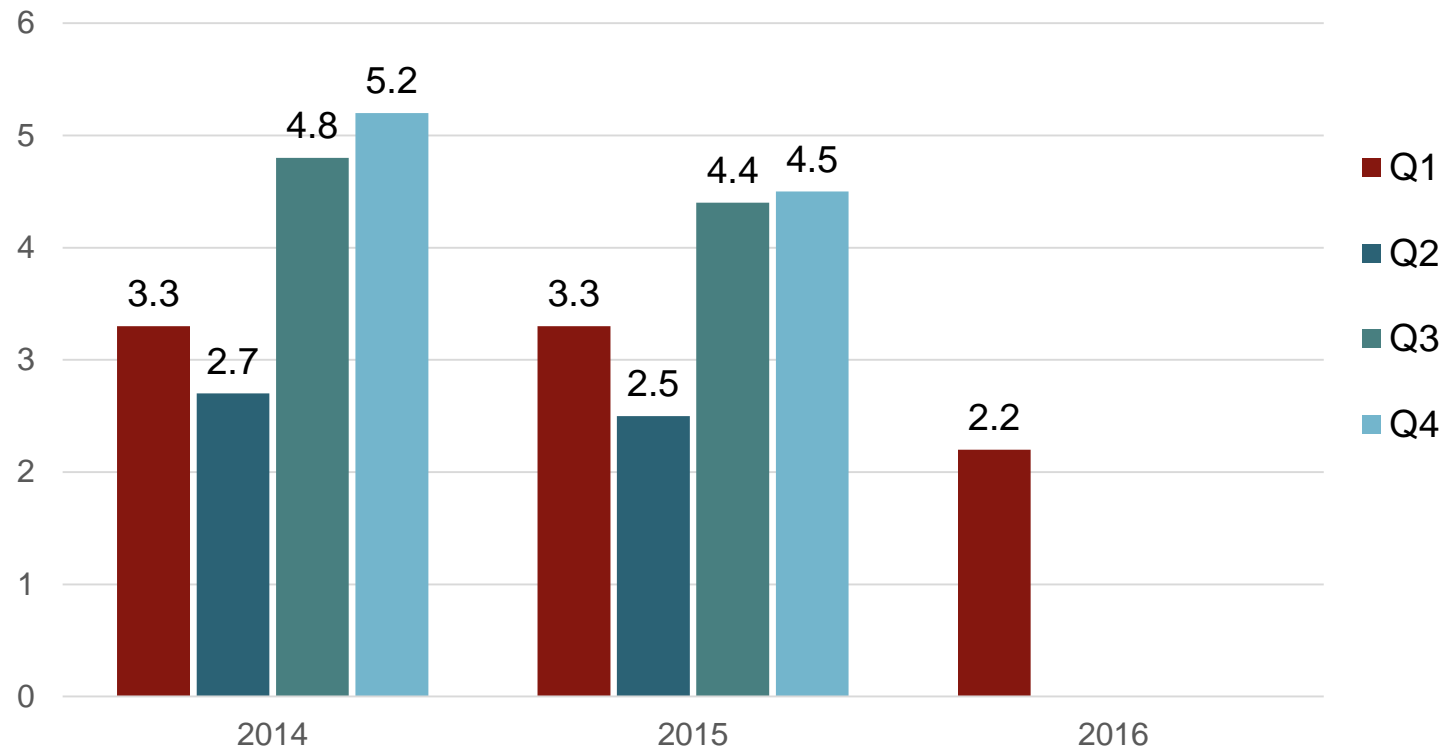
Net sales decreased
by 11%.

The decrease was caused
by the market situation of
Supramax vessels and
lower fuel prices.

ESL Shipping, key figures

Operating profit

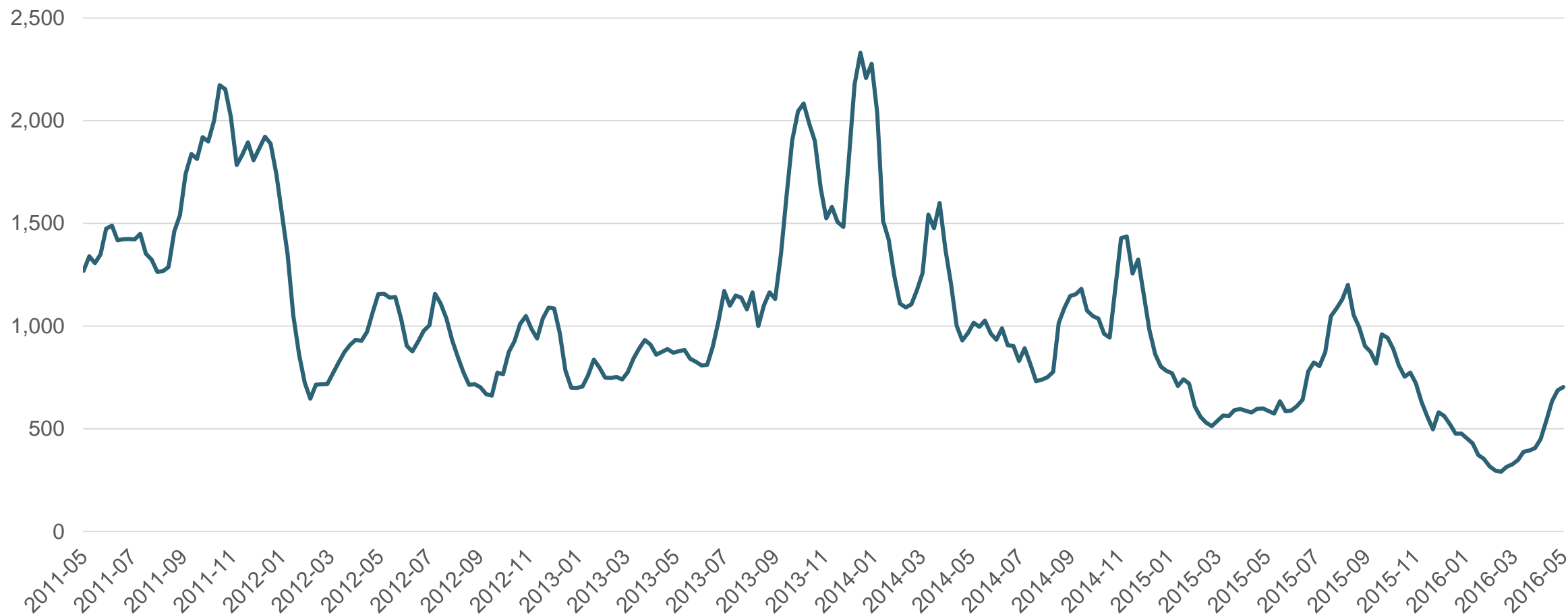
MEUR



Operating profit decreased by 33%.

Supramax vessels made a loss.

Baltic Dry Index 2011–2015



Leipurin

From breads and recipes to a comprehensive selection

Leipurin

Quarter in brief and outlook for 2016

The prices of key raw materials have mainly remained unchanged.

Market of in-store bakeries and bake-off units continue to grow.

Despite the weakened ruble and lower purchasing power, the operating profit remained good in Russia, being about 10% in bakery raw materials.

Outlook for Leipurin for 2016

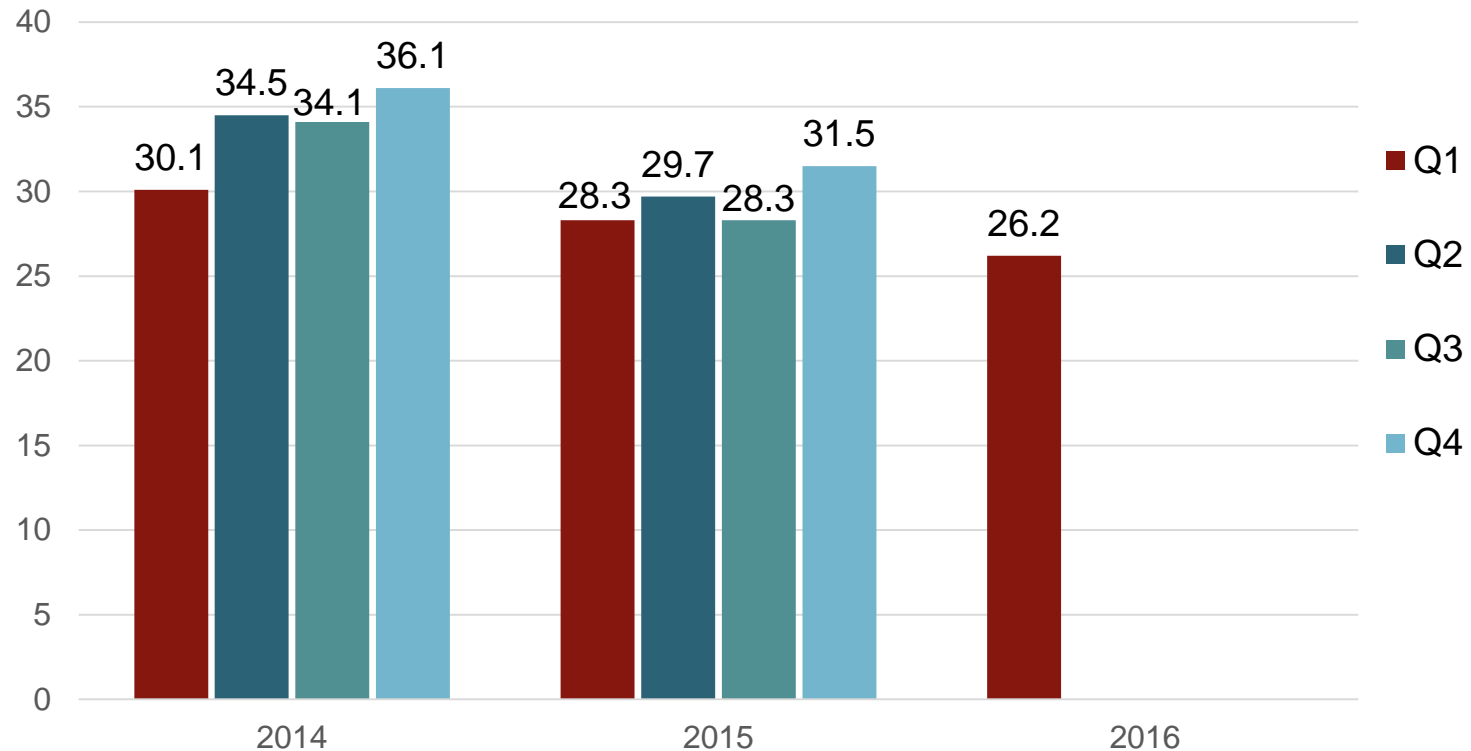
- The market situation will continue to be challenging.
- Investments will be low in Russia.

Mikko Laavainen started as new Managing Director during the review period.

Leipurin, key figures

Net sales

MEUR



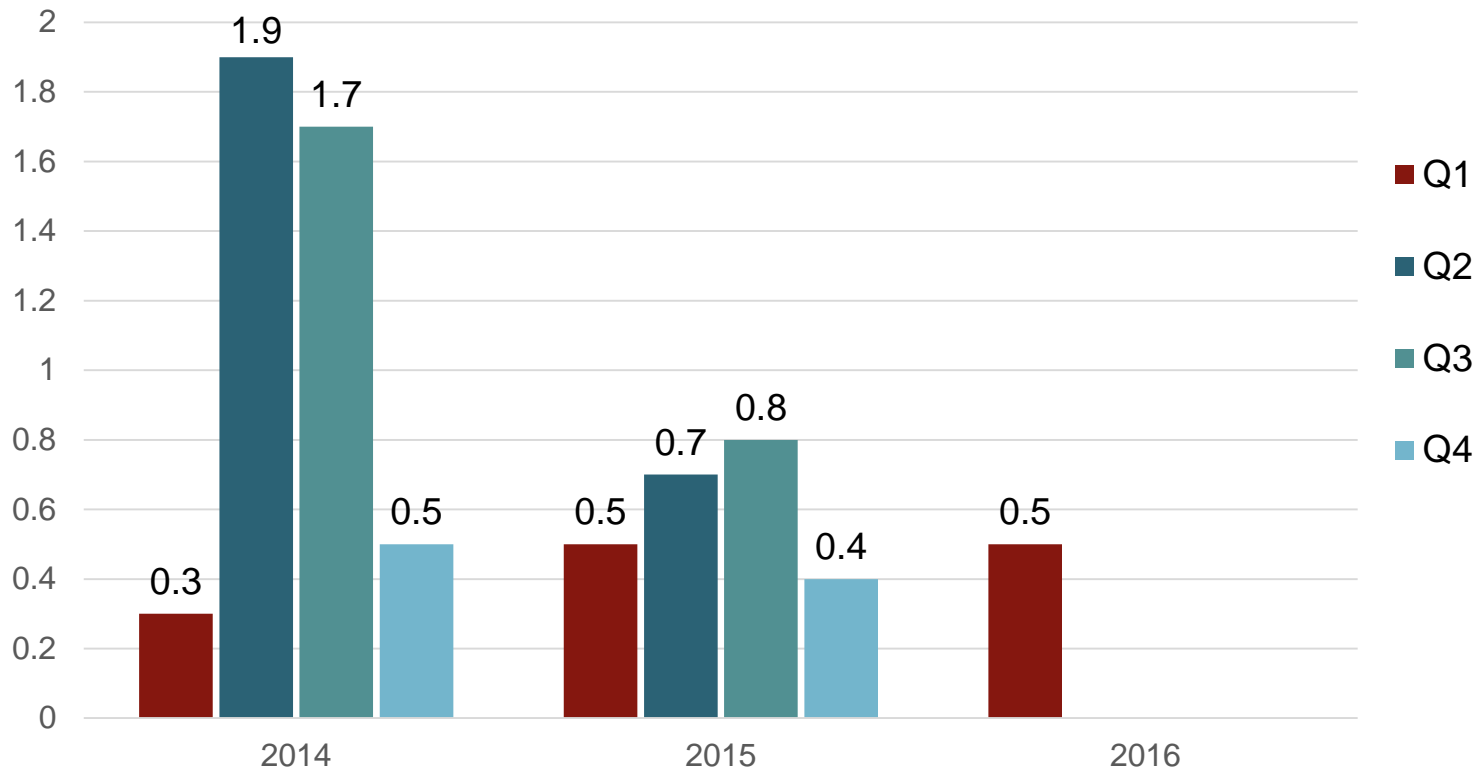
Net sales decreased by 7%.

New customers and product launches increased net sales in Finland. Euro-denominated net sales decreased in Russia.

Leipurin, key figures

Operating profit

MEUR



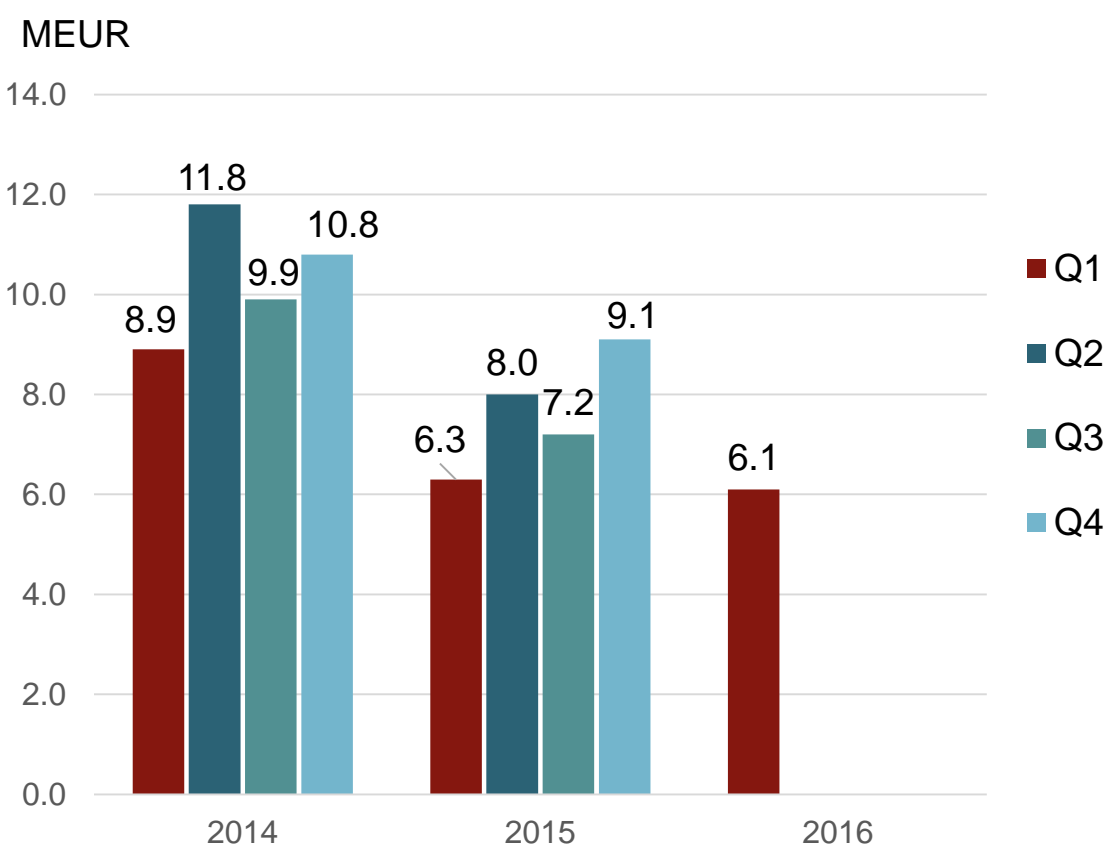
The operating profit and operating profit rate remained unchanged.

The profitability of raw materials in Russia was good at about 10%.

The low level of machinery and equipment investments reduces profitability.

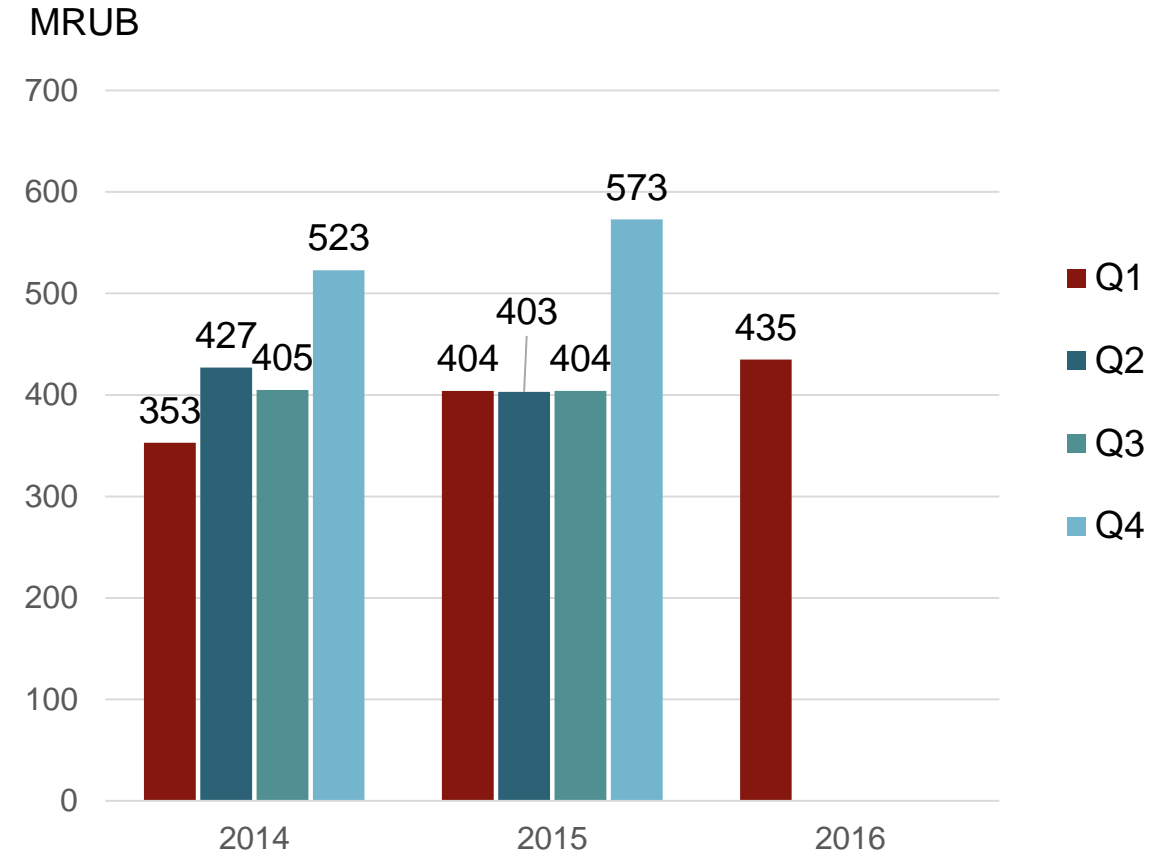
Net sales in Russia, Ukraine and other CIS countries

Net sales in the market area



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Net sales of the Russian company





Telko

Raw material solutions for the industry

Telko

Quarter in brief and outlook for 2016

The outlook of customer companies continued to be poor in key markets.

The prices of plastics and chemicals are low but have turned to an increase.

Outlook for Telko for 2016

- The prices of chemicals are low, but those of plastics are showing signs of an increase.
- The Castrol motor oils business will increase net sales and operating profit.

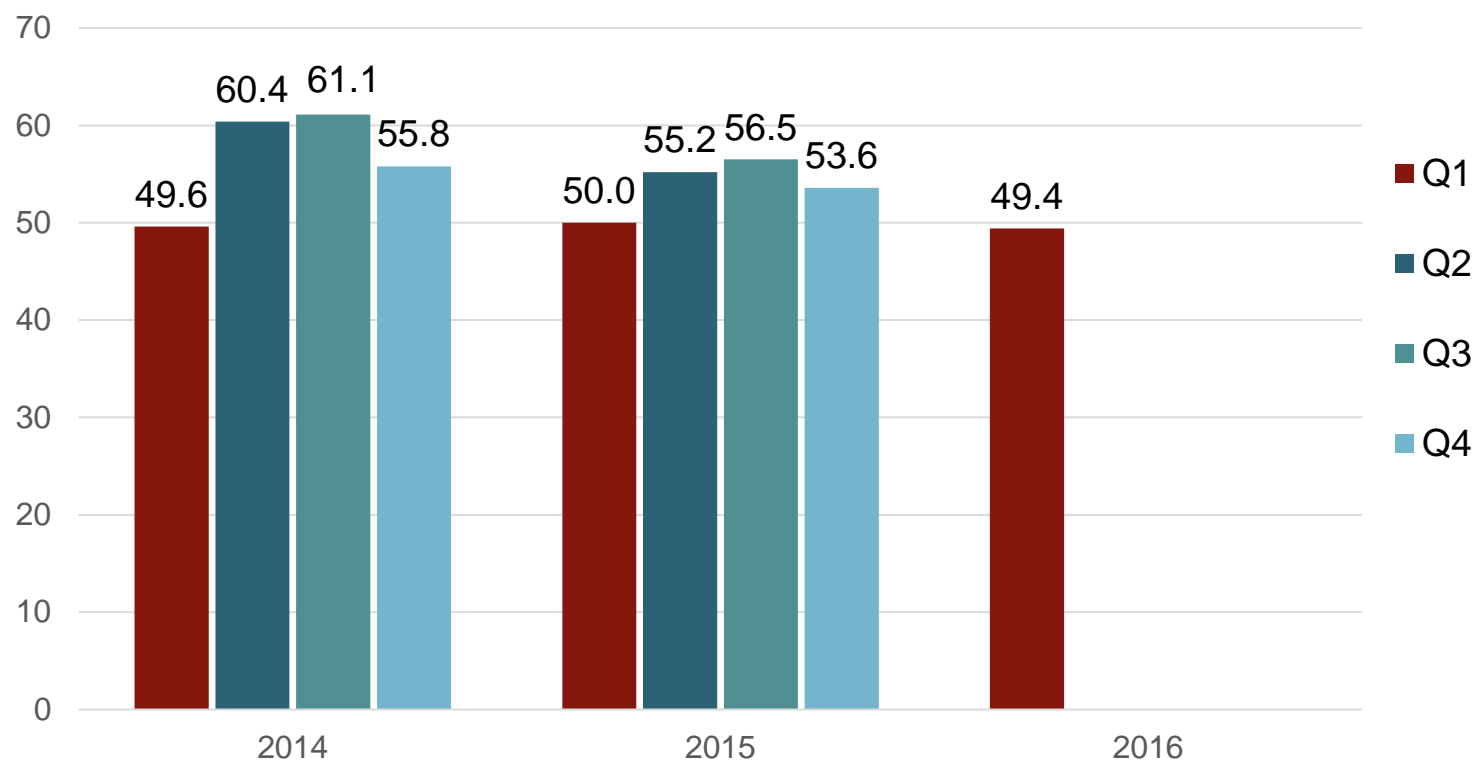
The transfer of the Castrol motor oils business will be completed by the summer.

The terminal investment in St. Petersburg is moving forward. The plot purchase has delayed.

Telko, key figures

Net sales

MEUR



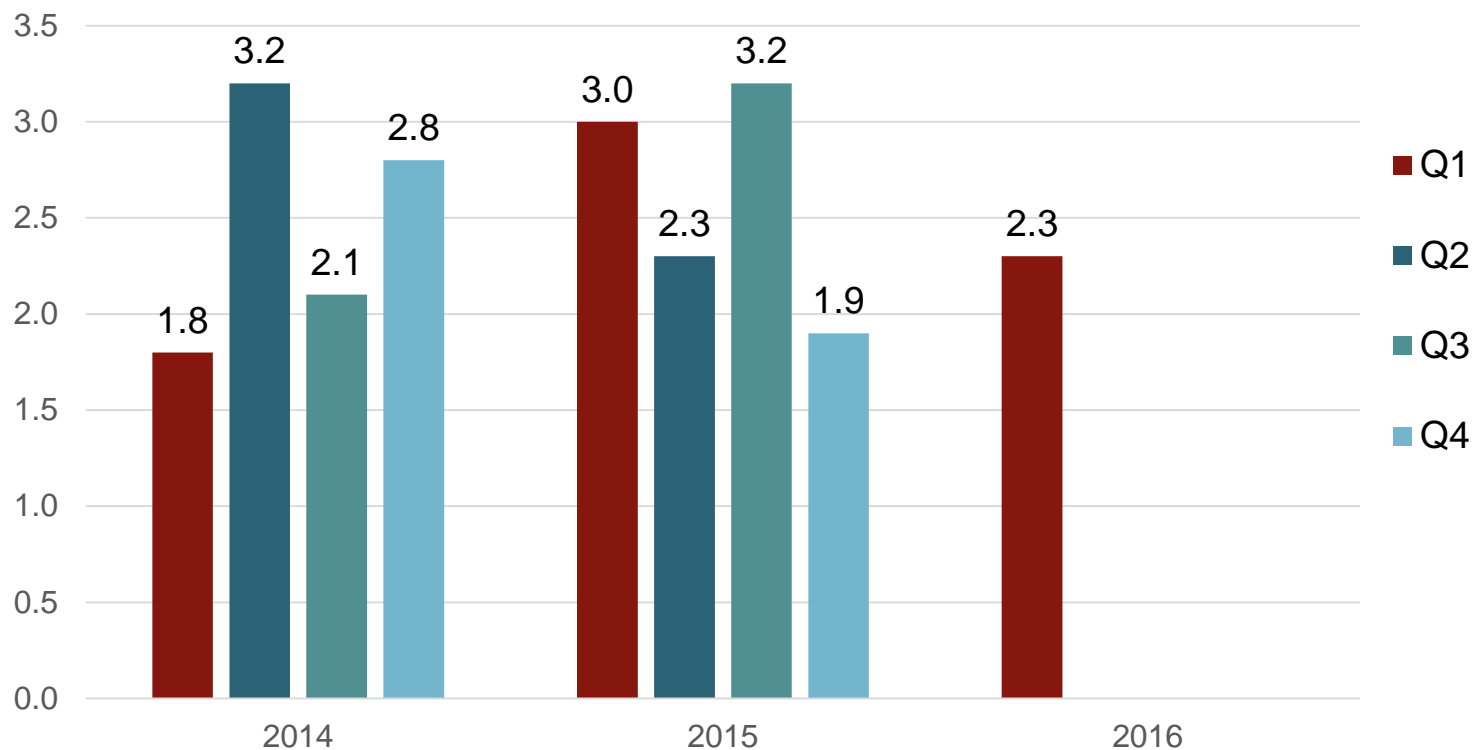
Net sales remained close to the level of the comparative period.

In Russia, Ukraine and other CIS countries, euro-denominated net sales remained unchanged at EUR 19.3 million.

Telko, key figures

Operating profit

MEUR

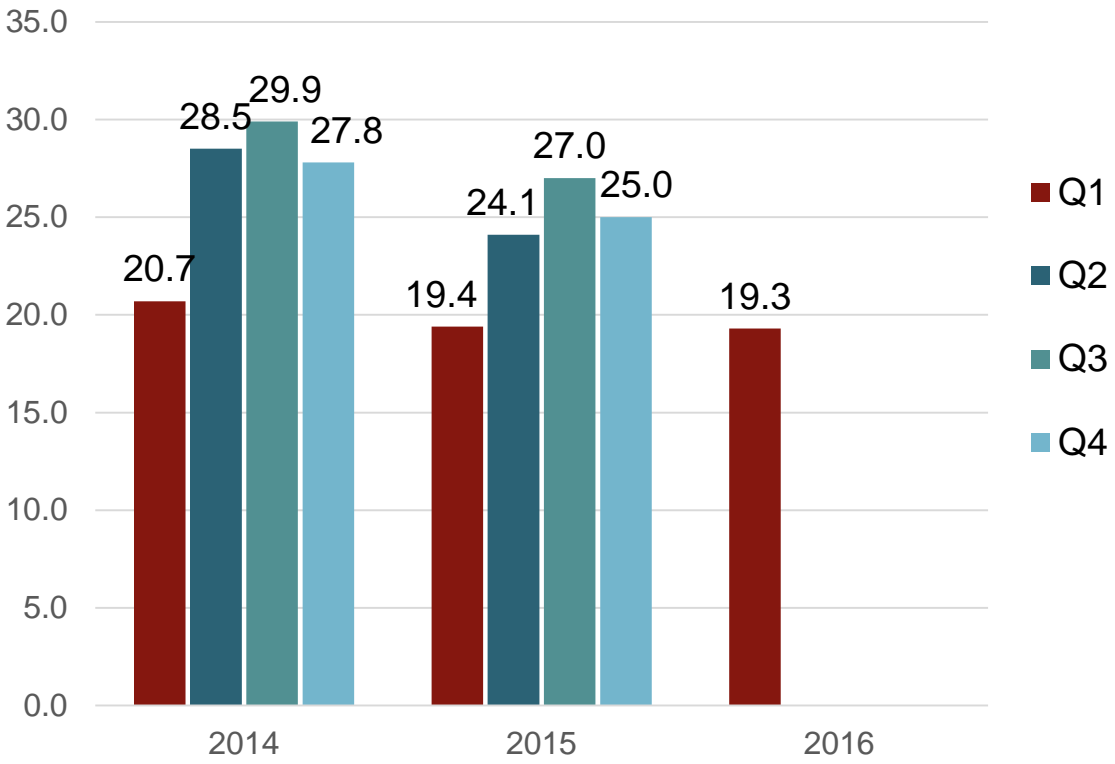


The operating profit rate of 4.7% fell from the comparative period.

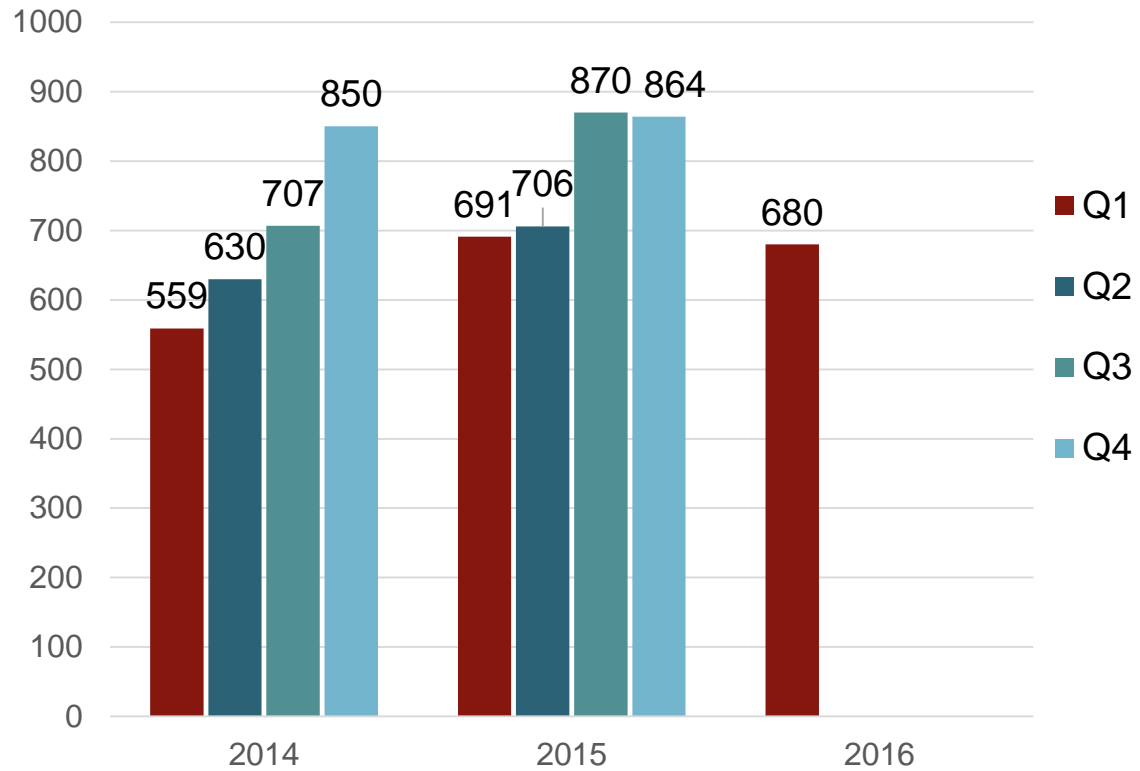
The operating profit rate in the eastern markets was about 6%.

Net sales in Russia, Ukraine and other CIS countries

Net sales in the market area
MEUR



Net sales of the Russian company
MRUB





Kaukomarkkinat

The best tools for mobile knowledge work

Kaukomarkkinat

Quarter in brief and outlook for 2016

Net sales increased and profitability improved.

Outlook for Kaukomarkkinat for 2016

- The service range will be renewed according to the new strategy.
- Focus will first be placed on Finland, followed by other European markets.

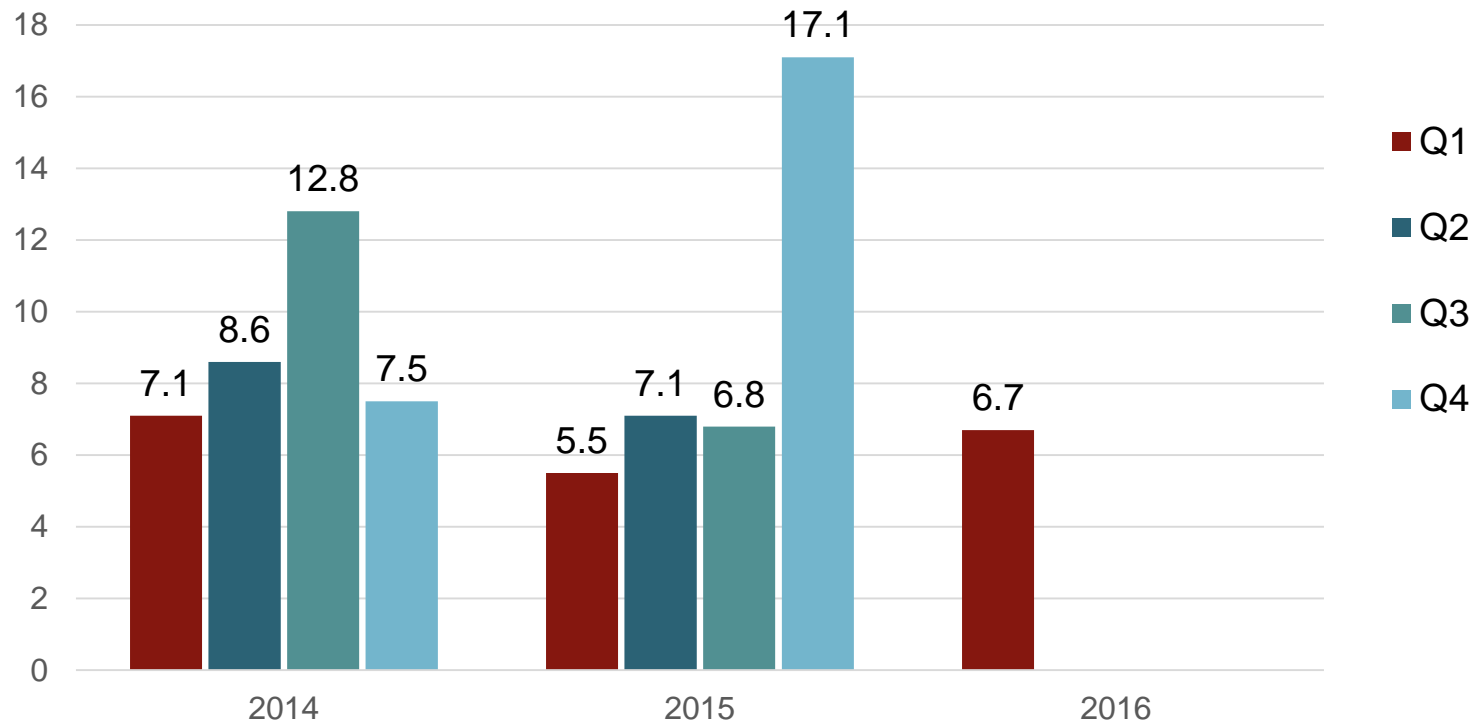
Orders in mobile knowledge work increased.

The volume and profitability of energy-efficiency equipment are expected to increase.

Kaukomarkkinat, key figures

Net sales

MEUR



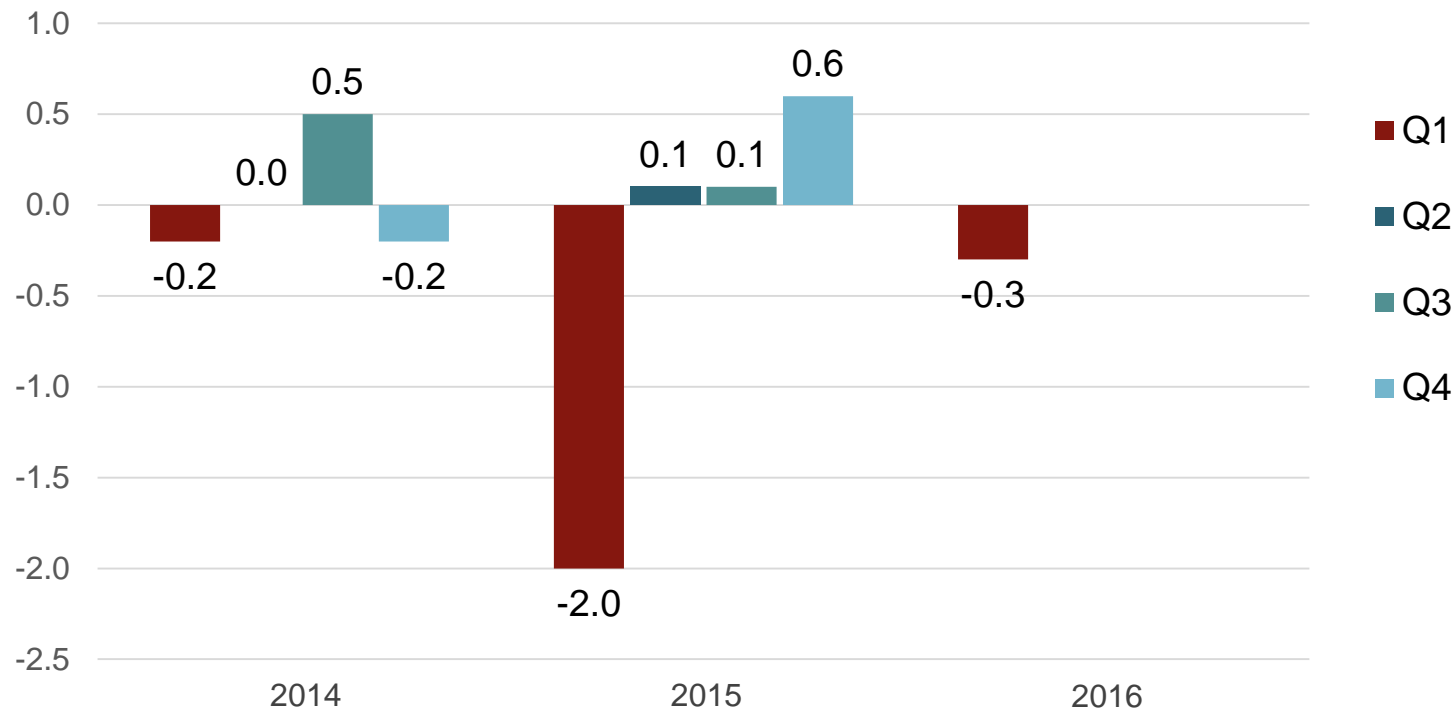
Net sales increased
by 22%.

The project sales in China
and energy-efficiency
equipment sales developed
positively.

Kaukomarkkinat, key figures

Operating profit

MEUR



Operating profit improved from the comparative period.

Operating profit in the comparative period included an impairment loss of EUR -1.3 million.



Financials and Financing

Harri Seppälä

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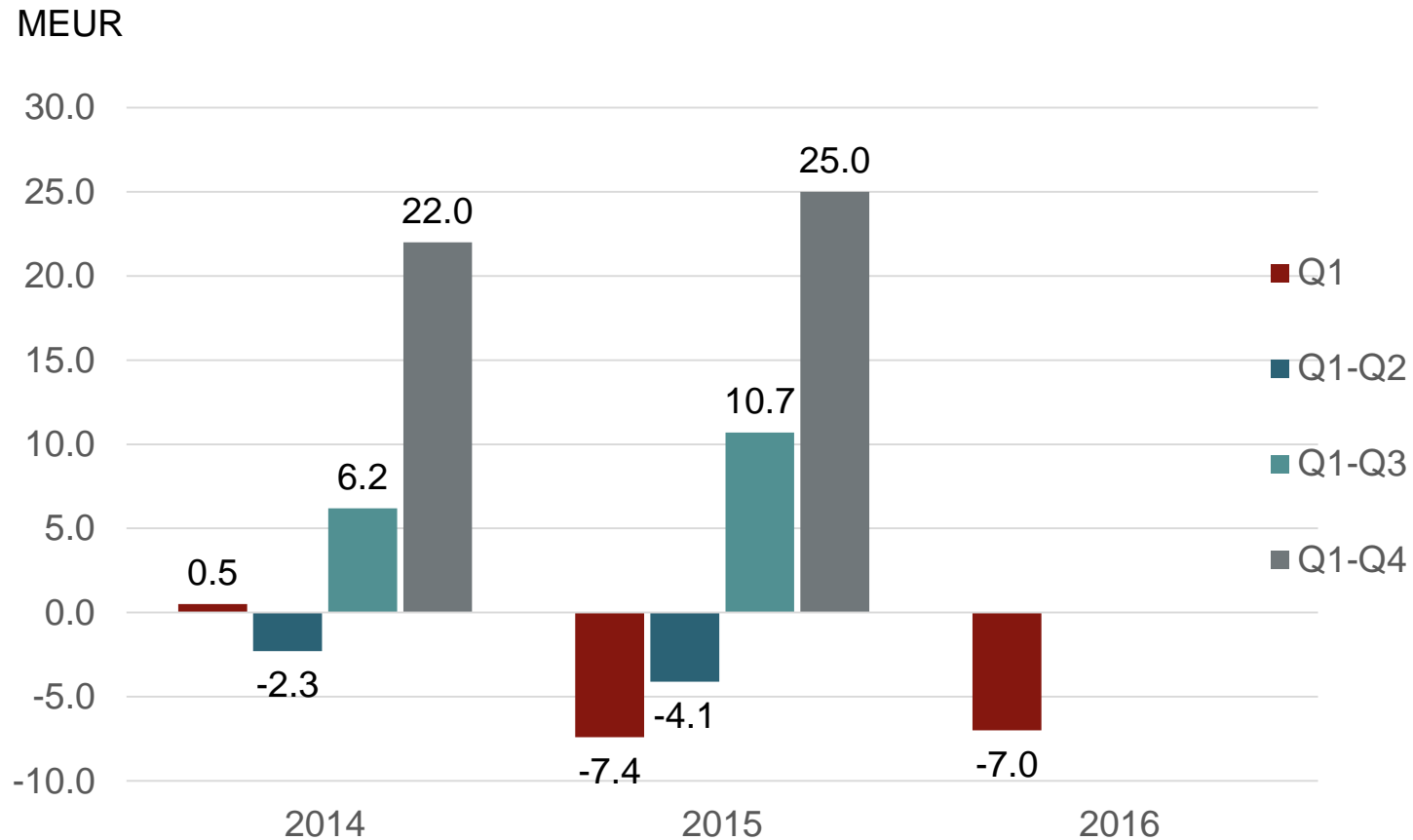
Income statement

MEUR	Q1/2016	Q1/2015
Net sales	98.5	102.0
Ebitda	6.1	7.1
Depreciation, amortization and impairment losses	-2.8	-4.1
Operating profit	3.3	3.0
Financial income and expenses	-0.7	4.5
Profit before taxes	2.6	7.5
Income taxes	-0.3	-0.5
Profit for the period	2.3	7.0
Earnings per share, EUR	0.07	0.22

Ebitda fell to 6.2%.

The comparable operating profit and financial items include significant items affecting comparability.

Cash flow from operating activities

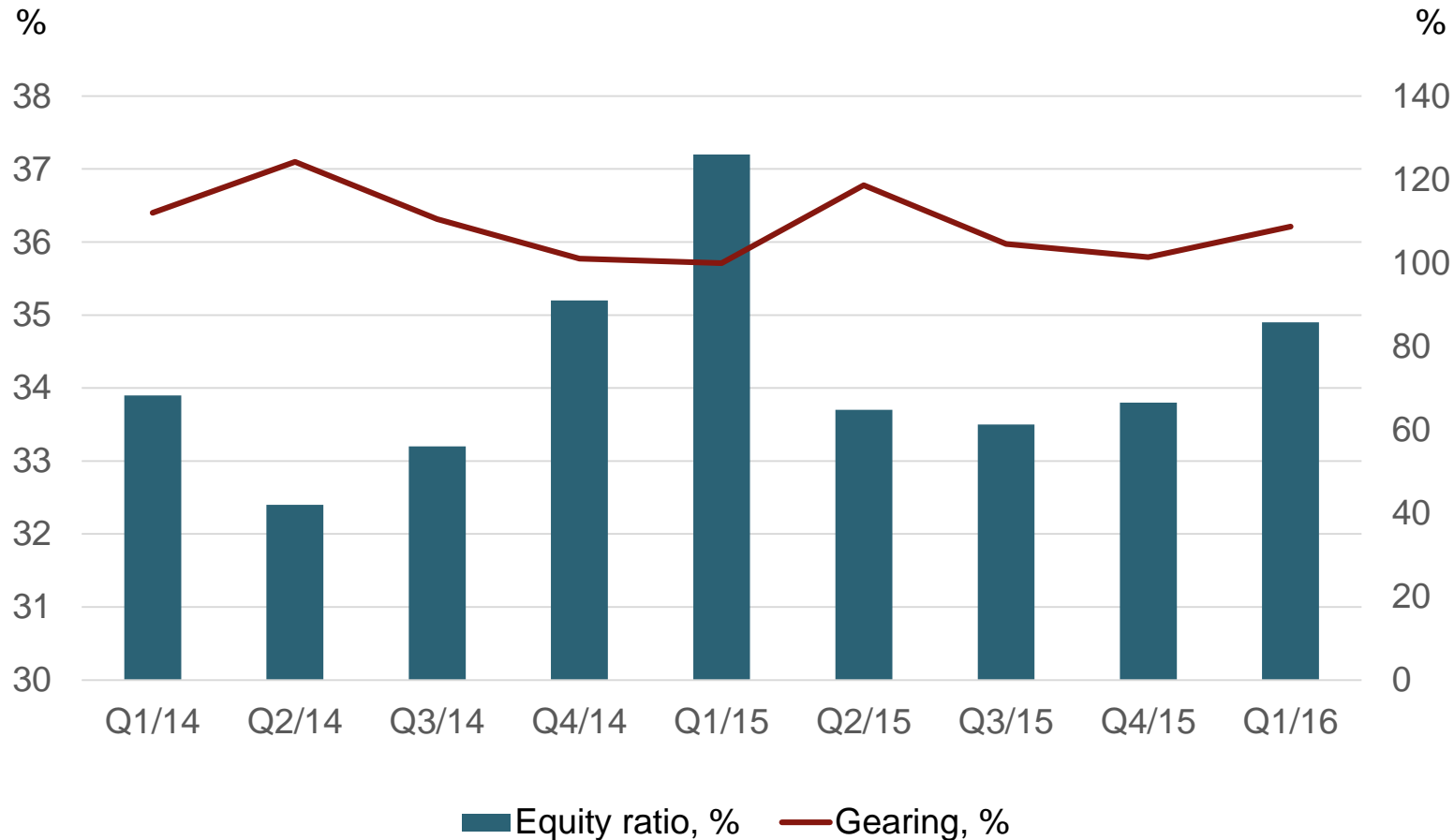


Cash flow typical to the period and stood at EUR - 7.0 million.

At the level of the comparative period.

Change in working capital EUR -12.1 million.

Equity ratio and gearing



Items affecting comparability in Q1/2015 included gain from the sale of shares and impairment loss.

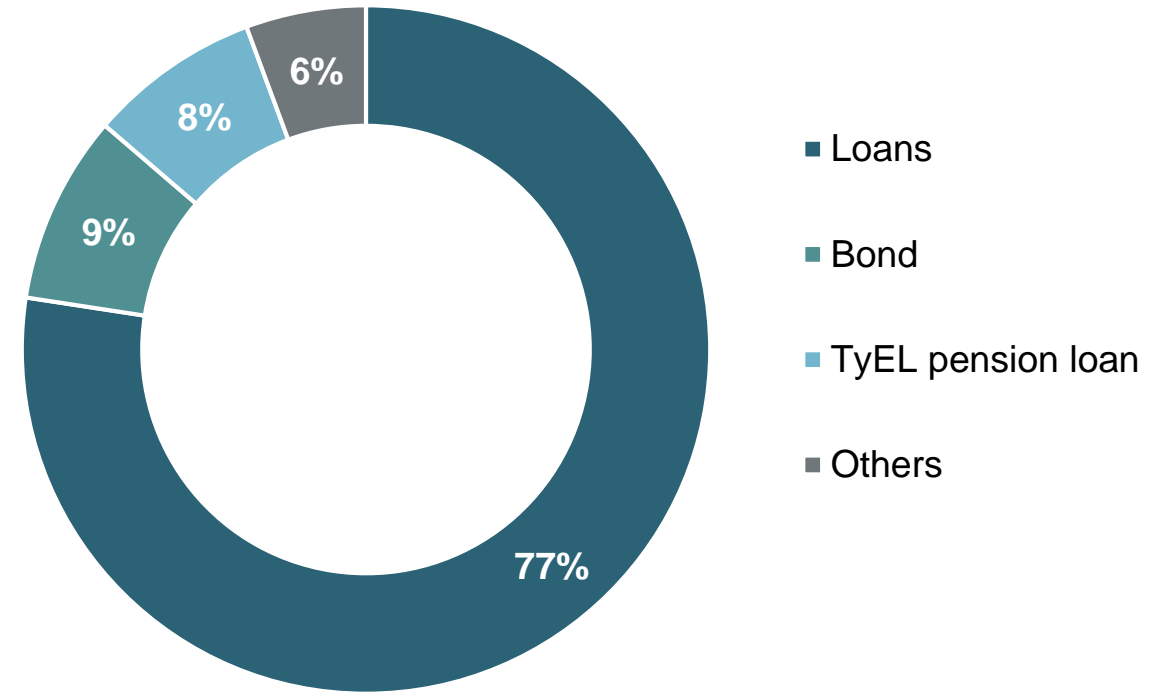
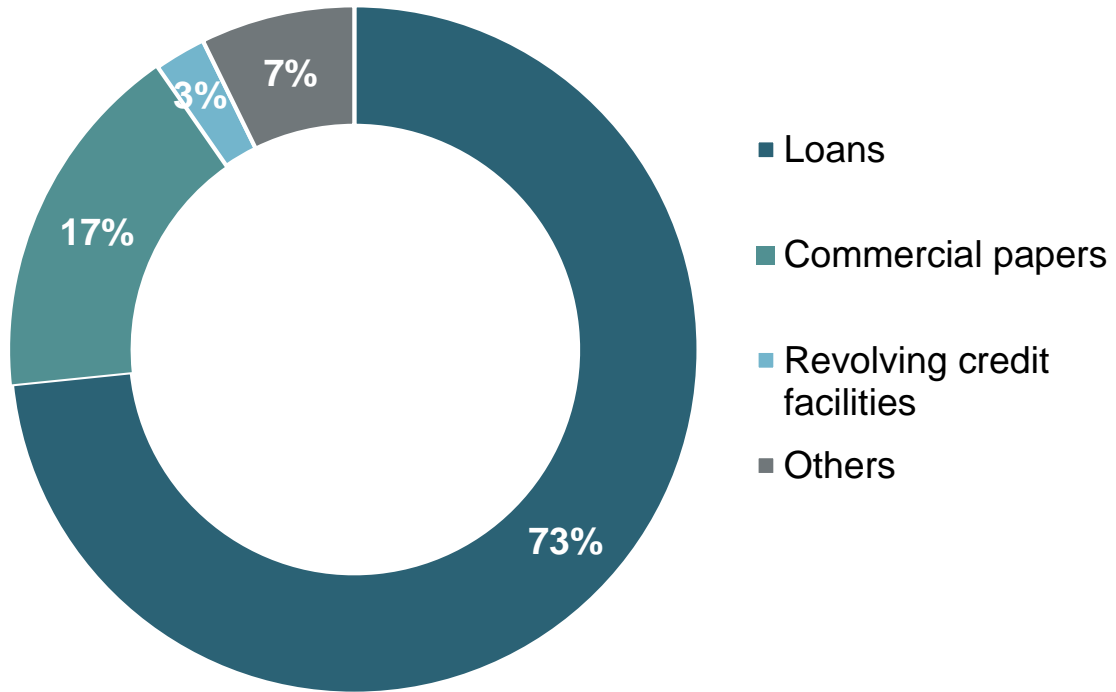
Scheduled payments related to vessel investments total EUR 5 million in the second half of 2016.

Structure of liabilities

Interest bearing liabilities on
March 31, 2015: EUR 124 million

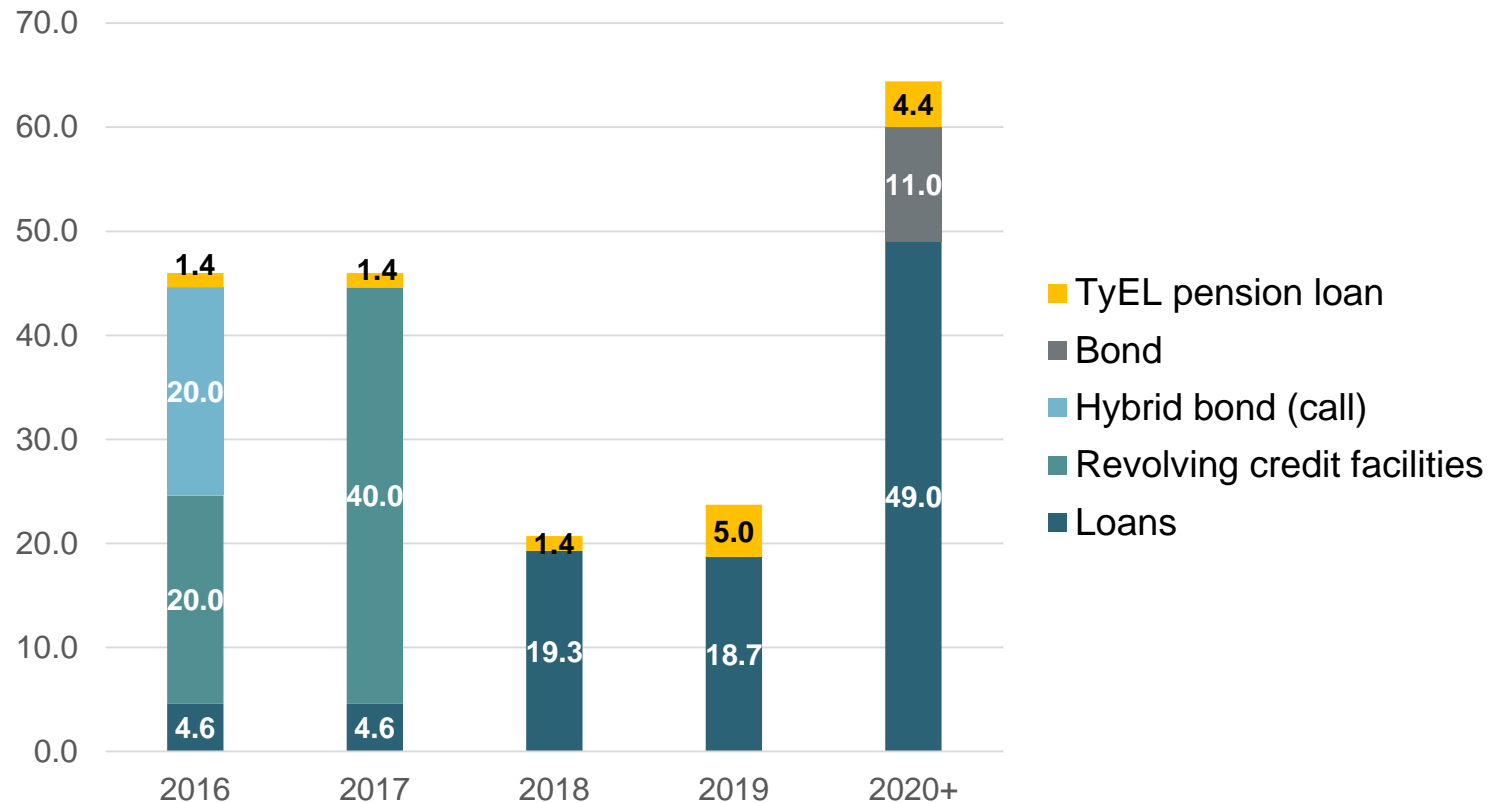


Interest bearing liabilities on
March 31, 2016: EUR 124 million



Maturity of significant loan agreements

MEUR



In 2016, a revolving credit facility of EUR 20 million will fall due.

Possibility to call a hybrid bond.

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

Outlook for 2016

- Market uncertainty will continue.
- Industrial production is not expected to increase in Aspo's main market areas during 2016.
- A slight recovery in the industrial production of Aspo's customer companies operating in EU markets.
- The price of Urals crude oil, which has strengthened after January, has increased the value of the Russian ruble.
- The prices of the raw materials important to Aspo and international dry bulk freight rates are expected to remain at a historically low level.

The increase in the price of oil has strengthened the Russian ruble.

International dry bulk freight rates will remain low.

Industrial production is not expected to increase in Aspo's main market areas.

Guidance for 2016

- Guidance will remain unchanged.
- Aspo's operating profit will be EUR 17–24 (20.6) million.

Thank you!



ESL Shipping



LEIPURIN



TELKO

