



Aspo Q2

August 17, 2016

CEO Aki Ojanen
Group Treasurer Harri Seppälä

Net sales and operating profit increased in Q2

Net sales increased to EUR 116.2 (110.2) million.

Operating profit improved to EUR 4.8 (4.1) million.

Earnings per share were EUR 0.09 (0.10).

Net cash from operating activities was poor.

In particular, the growth of Telko tied up working capital.

Strong growth of 18% in eastern markets and profitability at a good level. Operating profit in eastern markets at approximately 5%.

A new hybrid bond of EUR 25 million and voluntary tender offer for the previous hybrid bond issued in 2013.

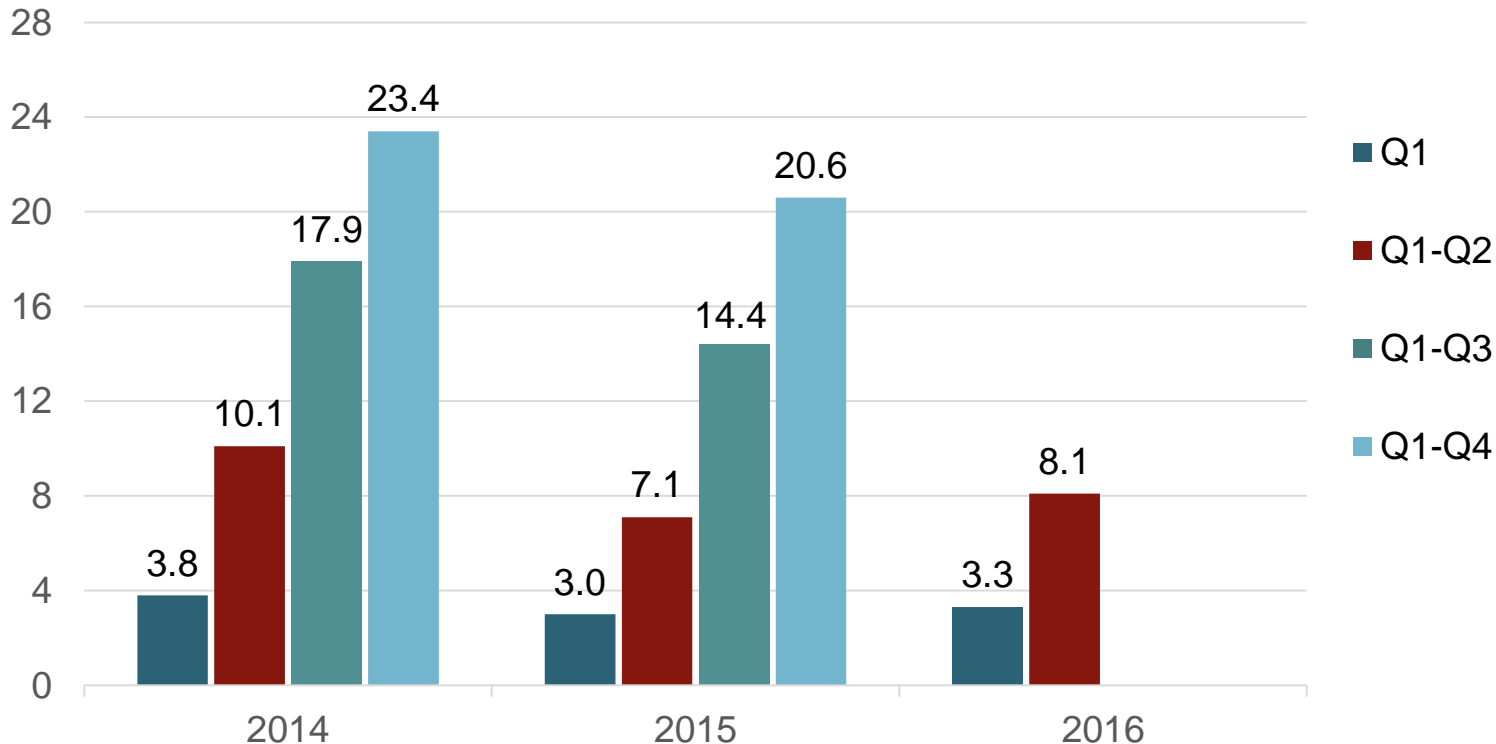
Guidance will remain unchanged.

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

Operating profit improved

Operating profit

MEUR



Operating profit H1 improved by 14%.

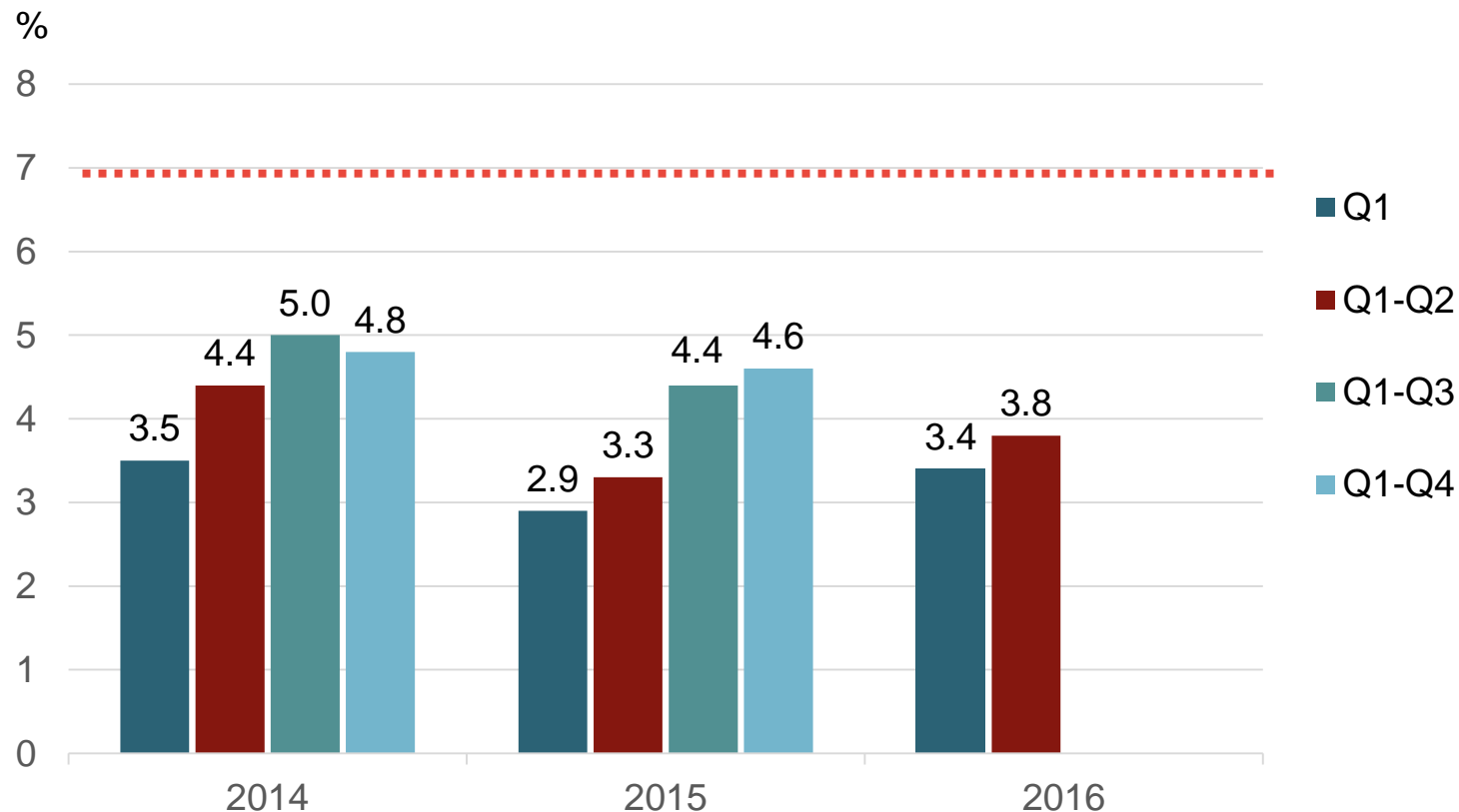
Operating profit Q2 improved by 17%.

Operating profit H1 was EUR 8.1 (7,1) million.

Operating profit Q2 was EUR 4.8 (4.1) million.

Long-term financial targets

Operating profit, %

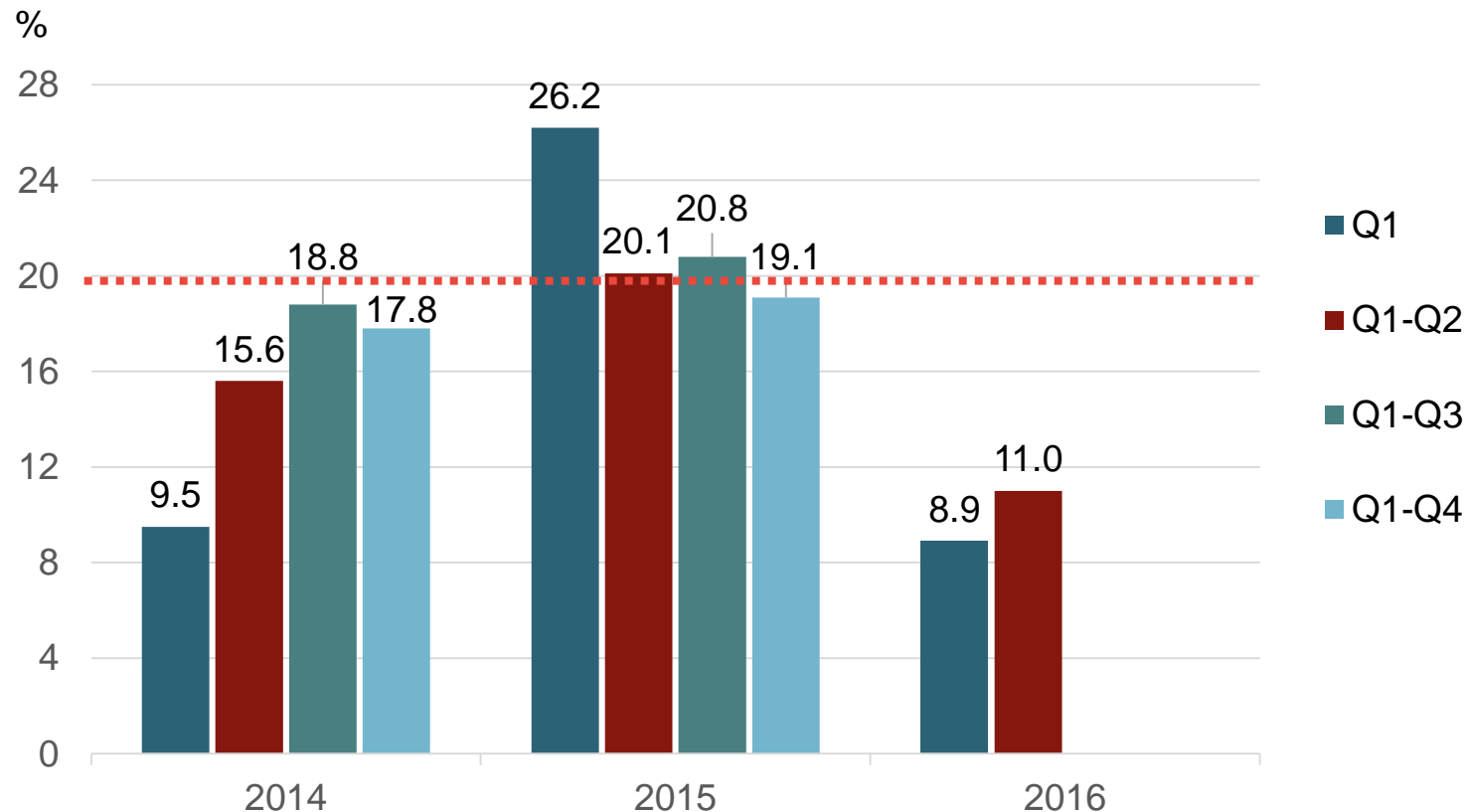


H1 usually weaker than H2.

H1 operating profit rate increased from the comparative period. Improvement in ESL Shipping and Telko.

Long-term financial targets

Return on equity (ROE)

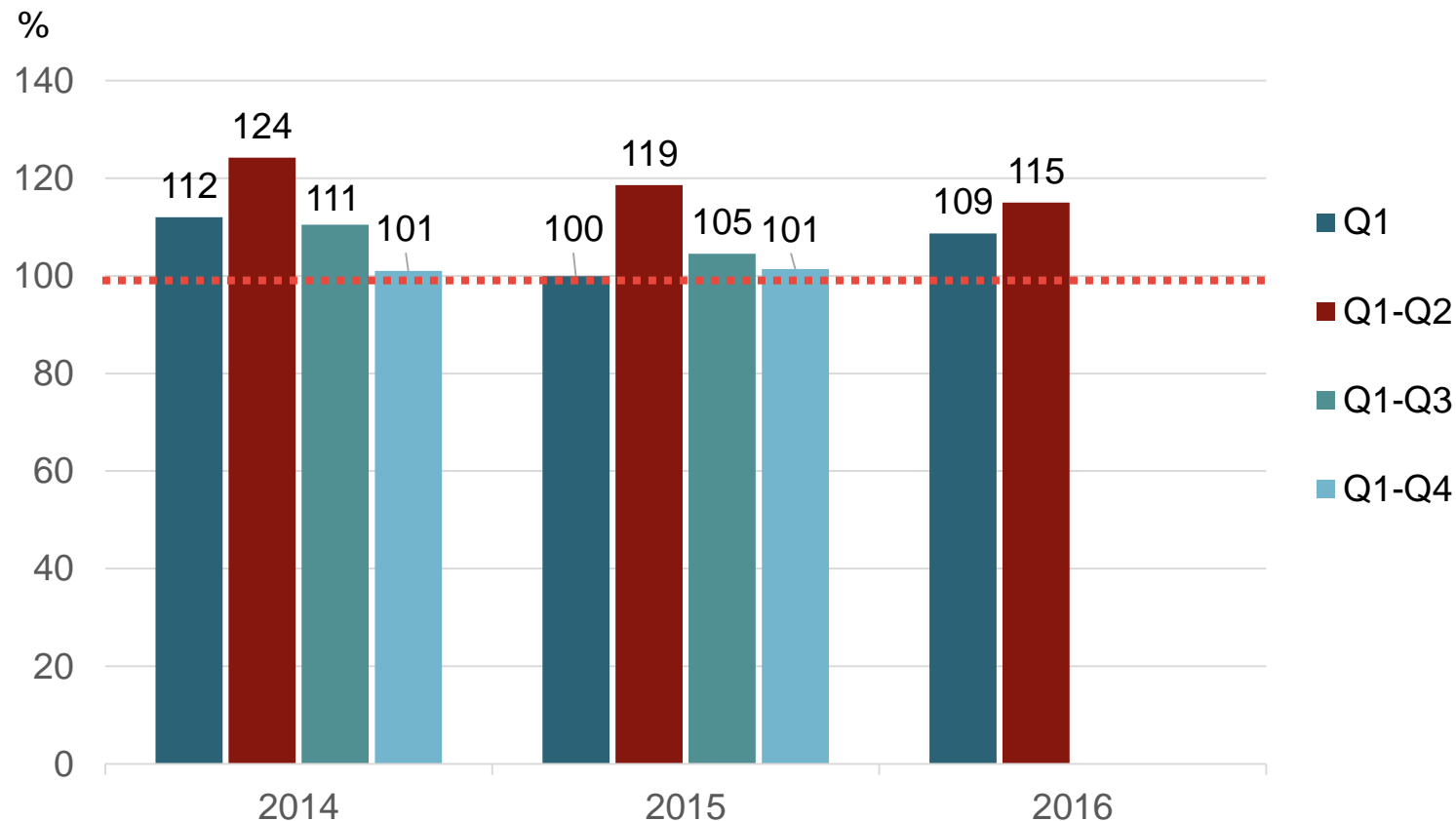


ROE was 11%.

In the comparative period a sales gain from shares increased the return on equity starting from Q1.

Long-term financial targets

Gearing



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Gearing was 115%.

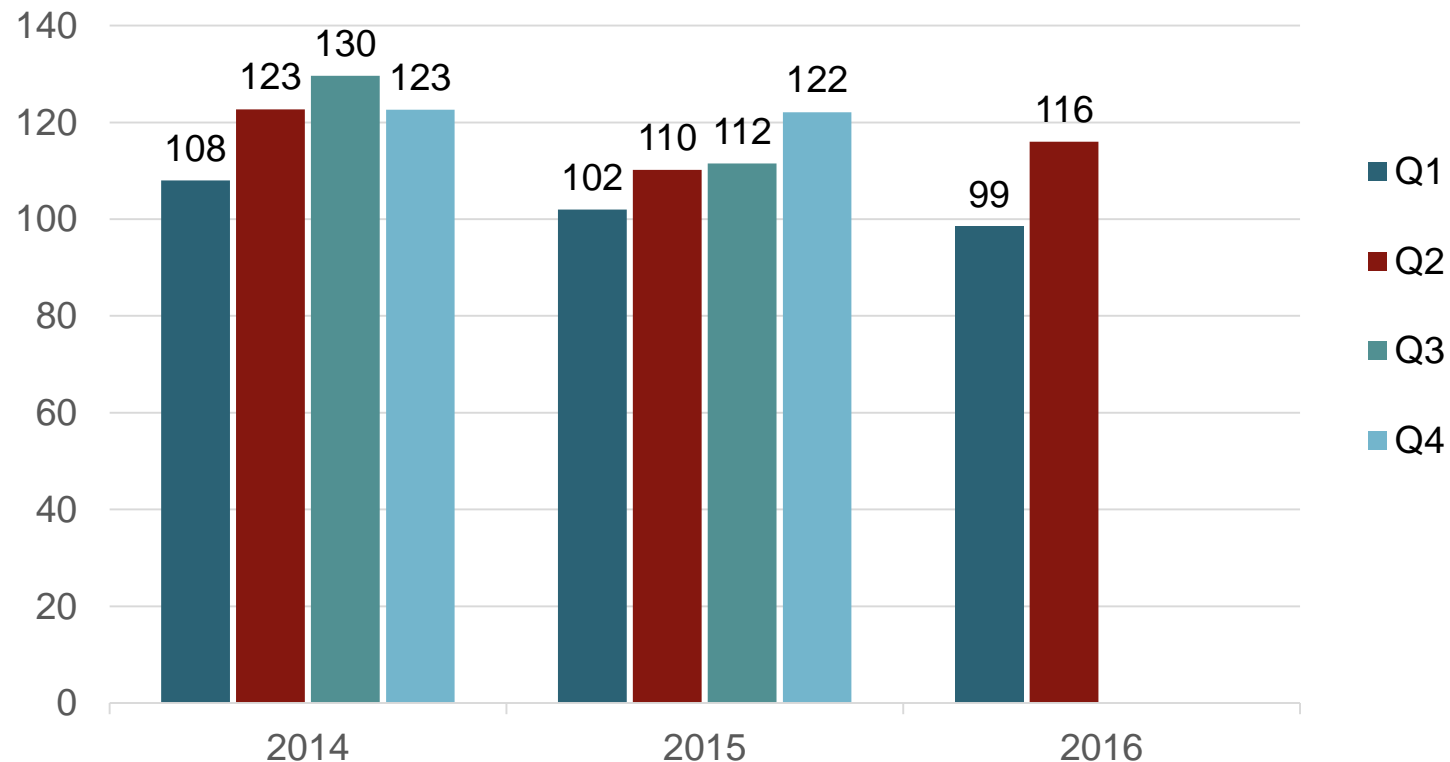
In H1, gearing was affected by the payment of dividends and the low net cash from operating activities.

The target level is indicated by the dashed line.

Net sales

Net sales by quarter

MEUR

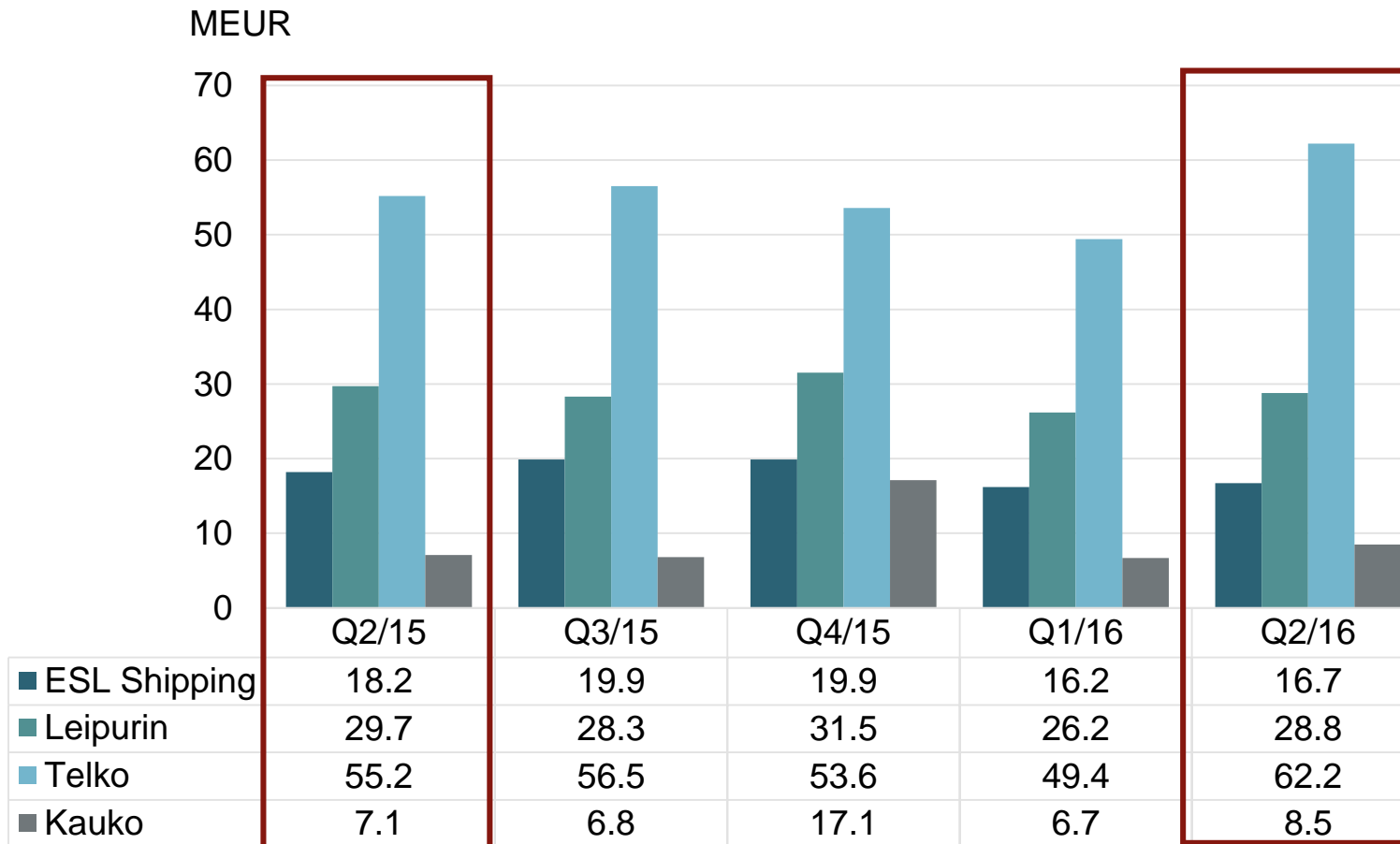


Net sales increased by 5%.

**Increase 18% in Russia,
Ukraine and other CIS
countries.**

**Telko ja Kauko were
growing.**

Net sales by segment

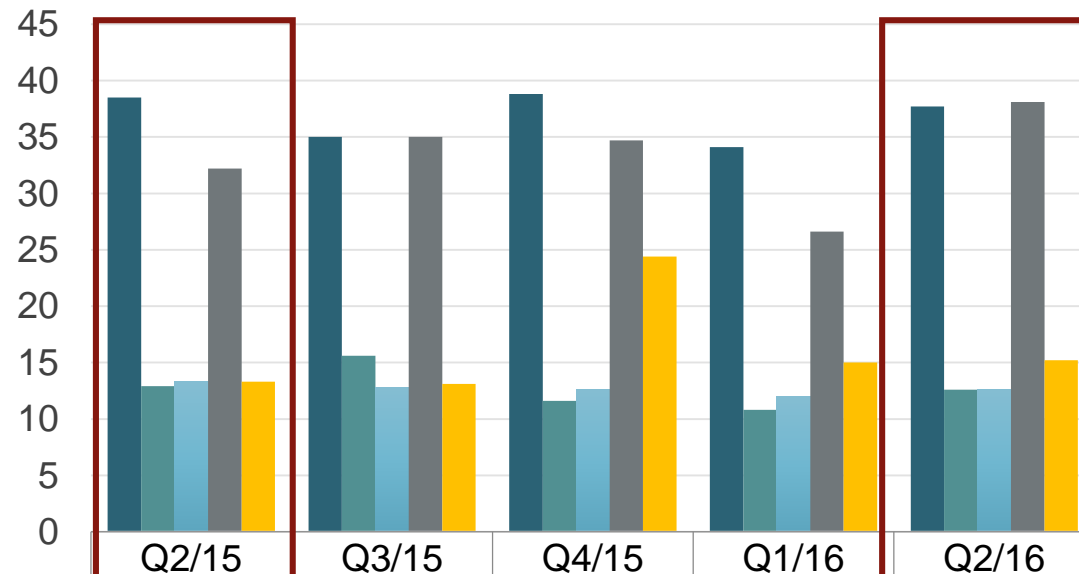


Distribution of net sales, Q2/2016

ESL Shipping	14%
Leipurin	25%
Telko	54%
Kauko	7%

Net sales by market area

MEUR



Finland	38.5	35.0	38.8	34.1	37.7
Scandinavia	12.9	15.6	11.6	10.8	12.6
Baltic countries	13.3	12.8	12.6	12.0	12.6
Russia, Ukraine + other CIS	32.2	35.0	34.7	26.6	38.1
Other countries	13.3	13.1	24.4	15.0	15.2

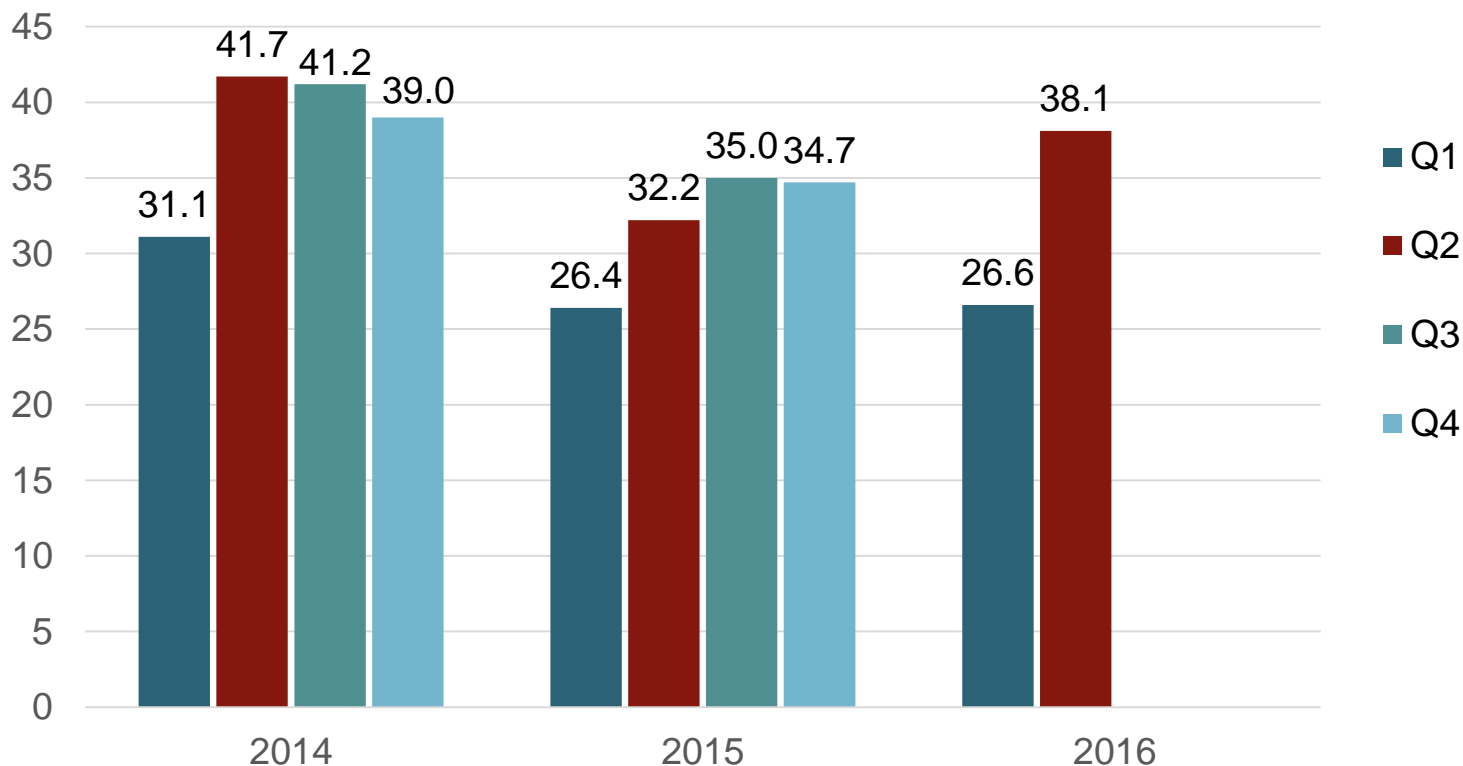
**Distribution of net sales,
Q2/2016**

Finland	32%
Scandinavia	11%
Baltic countries	11%
Russia, Ukraine and other CIS countries	33%
Other countries	13%

Russia, Ukraine and other CIS countries

Net sales

MEUR



Net sales in eastern markets increased by 18% to EUR 38.1 (32.2) million.

RUB was approximately 25% weaker than in the comparative period.

The largest market area. Euro-denominated net sales are approaching the level preceding the 2014 crisis.



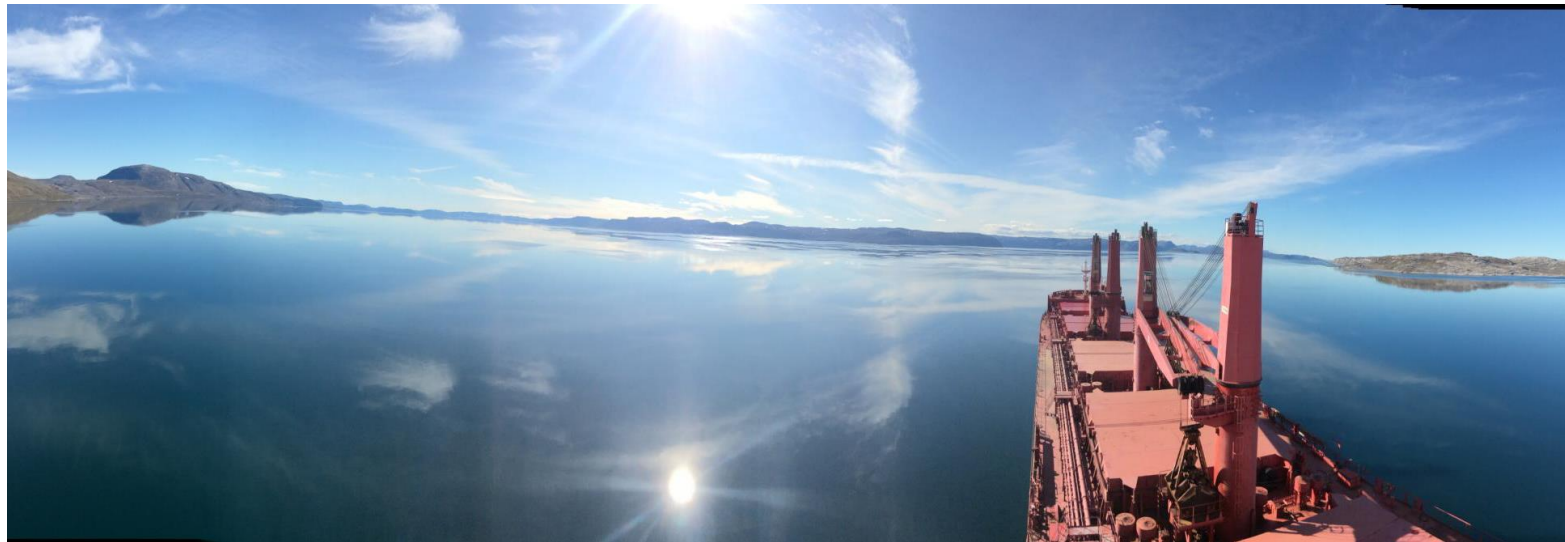
Aspo's businesses

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ESL Shipping

**Leading marine logistics
provider for bulk cargo**



ESL Shipping

Quarter in brief and outlook for 2016

International cargo prices are low.

Profitability is based on special expertise and unique services.

In Q2, operations expanded to include transportation of project cargo in the Russian arctic.

In Q3, the transportation of raw materials from the Canadian arctic to Europe will begin.

Operating profit increased clearly in Q2.

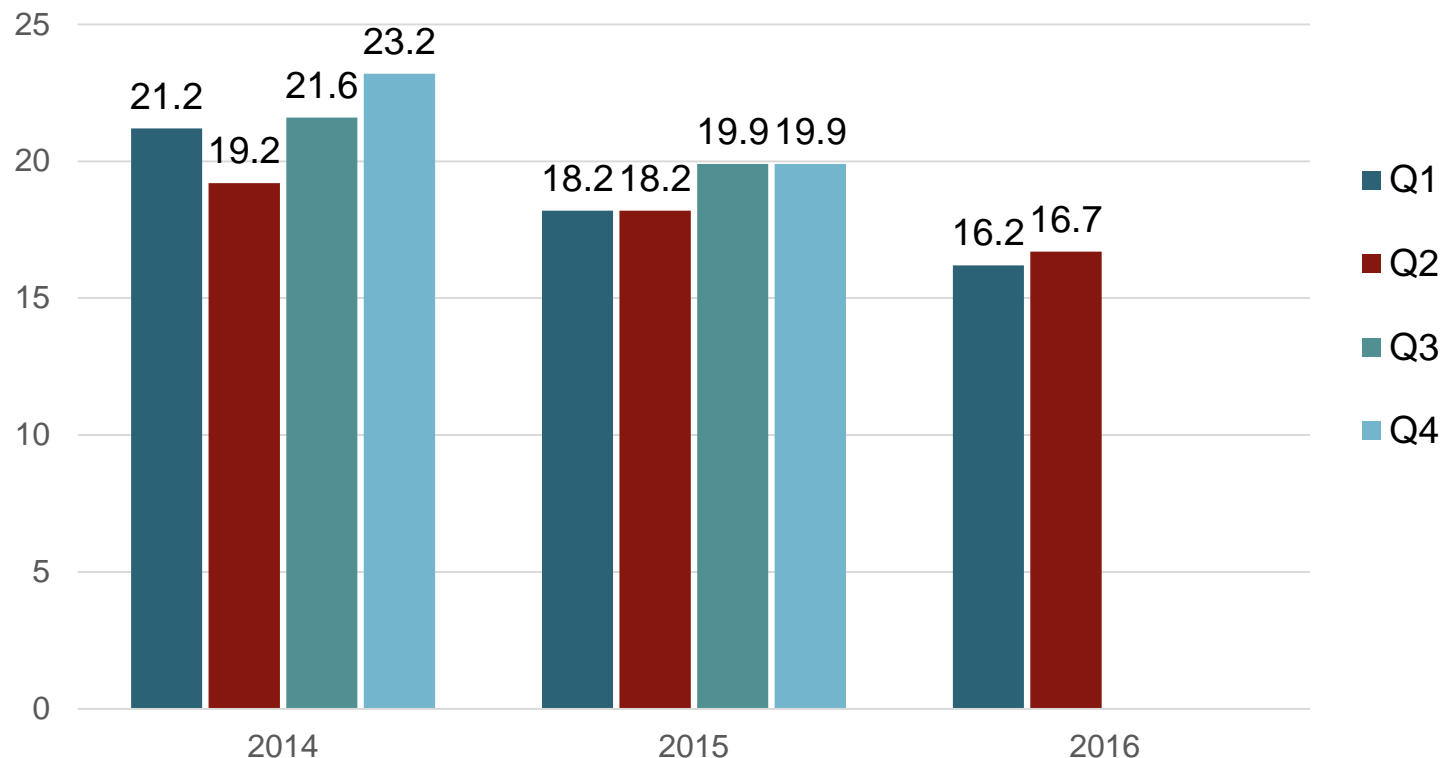
The operating profit rate improved to 17%.

Most of the transportation capacity has been secured in the Baltic Sea and Northern Europe through long-term agreements.

ESL Shipping, key figures

Net sales

MEUR



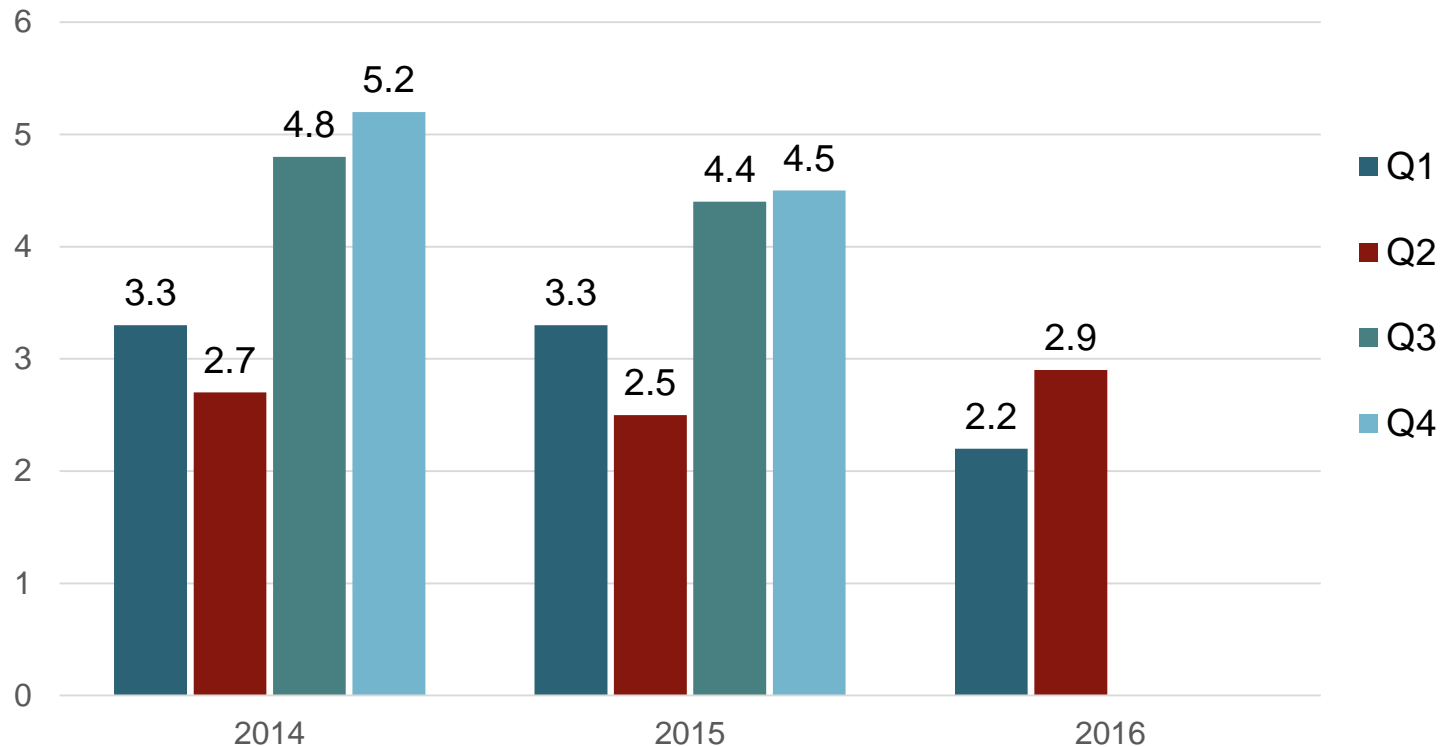
Net sales decreased by 8% due to the weak market situation of Supramax vessels and lower fuel prices.

Freight volumes remained at the comparative period's level i.e. 2.4 (2.4) million tons.

ESL Shipping key figures

Operating profit

MEUR



Operating profit improved by 16% and was EUR 2.9 (2.5) million.

Supramax vessels produced a loss.

Baltic Dry Index 2011–2016



Source: Lloyds/BDI

ESL Shipping in the arctic in 2016



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.

The consolidation of bakeries is continuing in Finland.

Net sales of bakery raw materials remained unchanged in the EU area and increased by approximately 8% in the east.

The operating profit rate in eastern markets, including machinery sales, was approximately 6%.

Net sales decreased to EUR 28.8 (29.7) million.

Operating profit was low at EUR 0.4 (0.7) million.

Machinery operations still produced a loss.

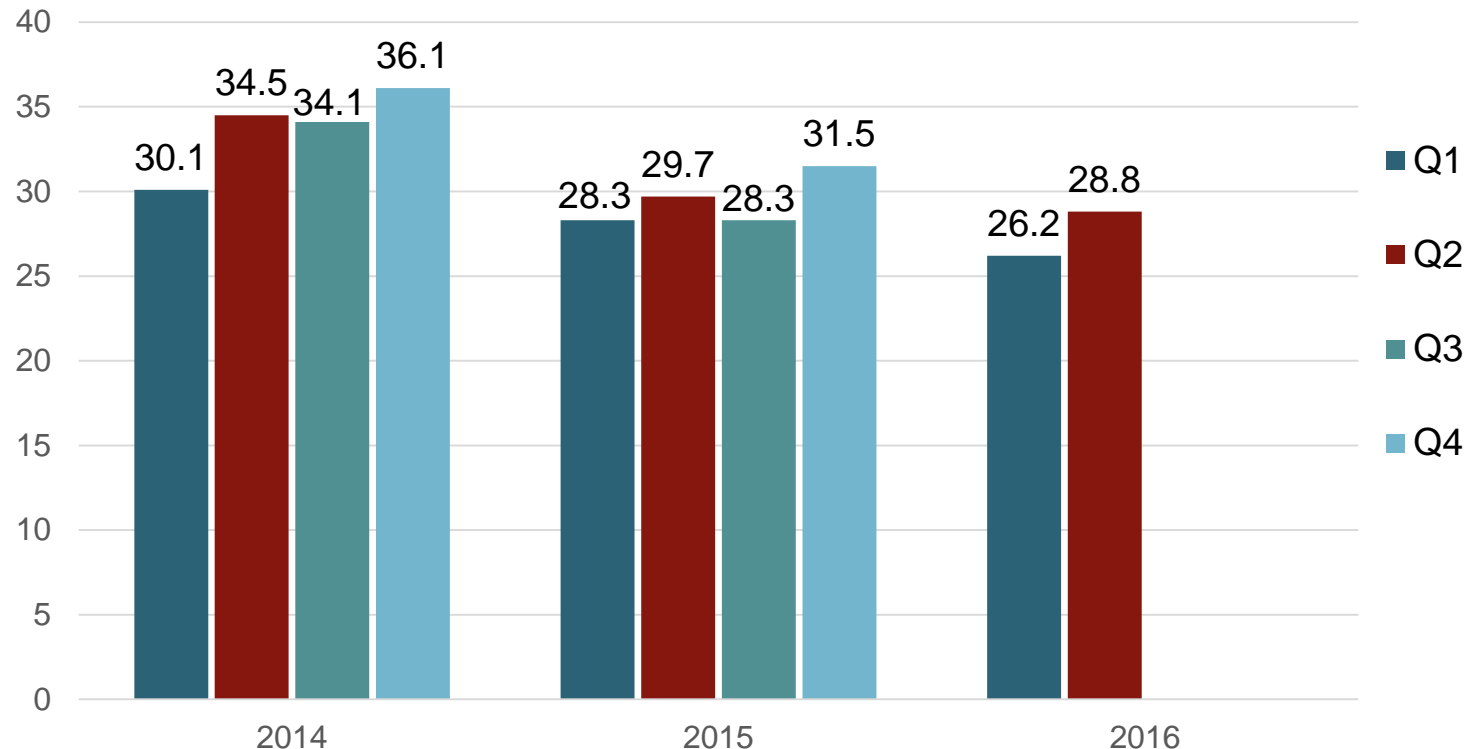
The market situation will continue to be challenging.

Leipurin is looking for growth by expanding into the OOH market.

Leipurin, key figures

Net sales

MEUR



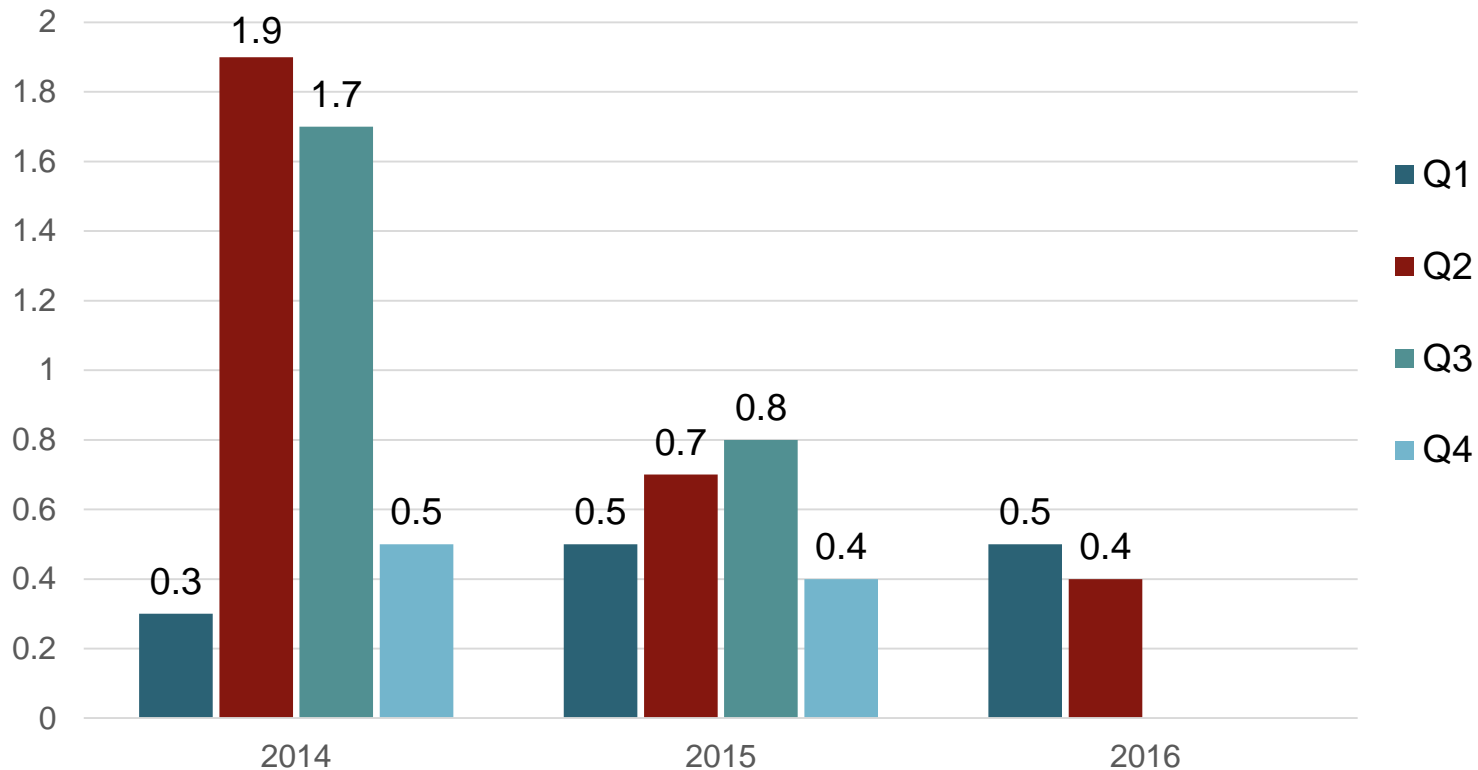
Net sales continued to decrease and amounted to EUR 28.8 (29.7) million.

In the eastern markets net sales of bakery raw materials increased by 8%. Net sales in the western markets remained at the comparative period's level.

Leipurin, key figures

Operating profit

MEUR



Operating profit decreased to EUR 0.4 (0.7) million.

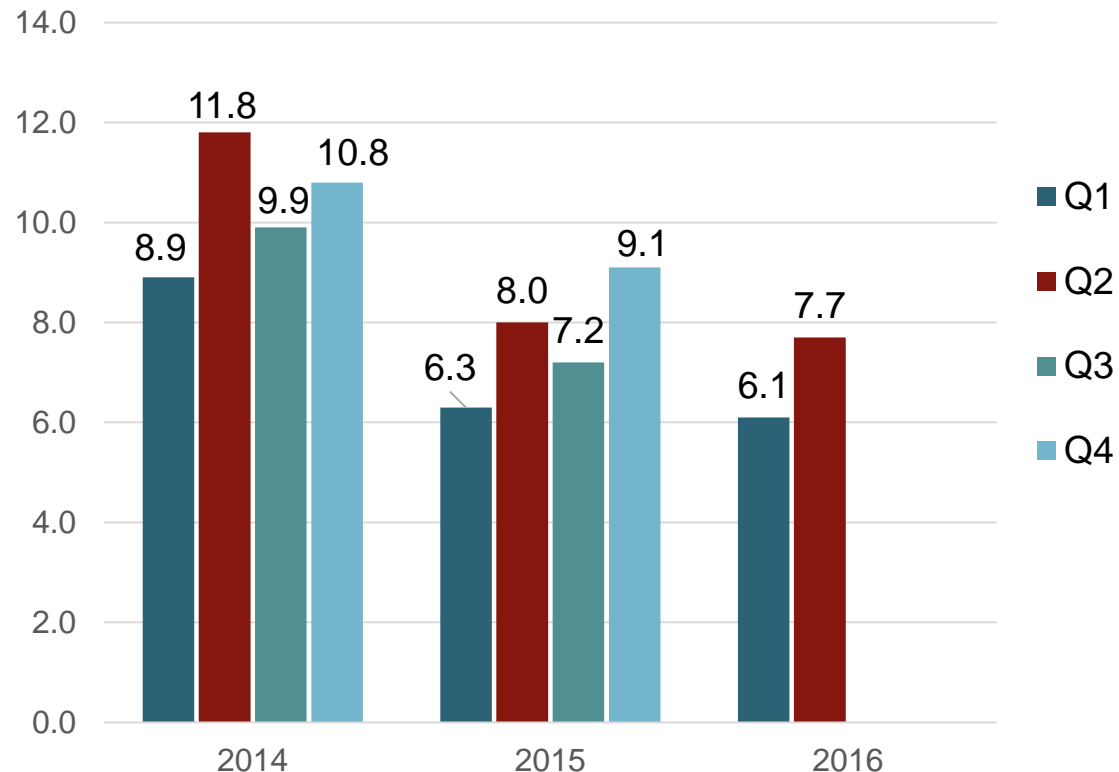
Operating profit rate of raw materials in Russia was good, about 8%.

Low level of machinery and equipment investments decreases profitability and machinery operations produced a loss.

Net sales in Russia, Ukraine and other CIS countries

Net sales in the market area

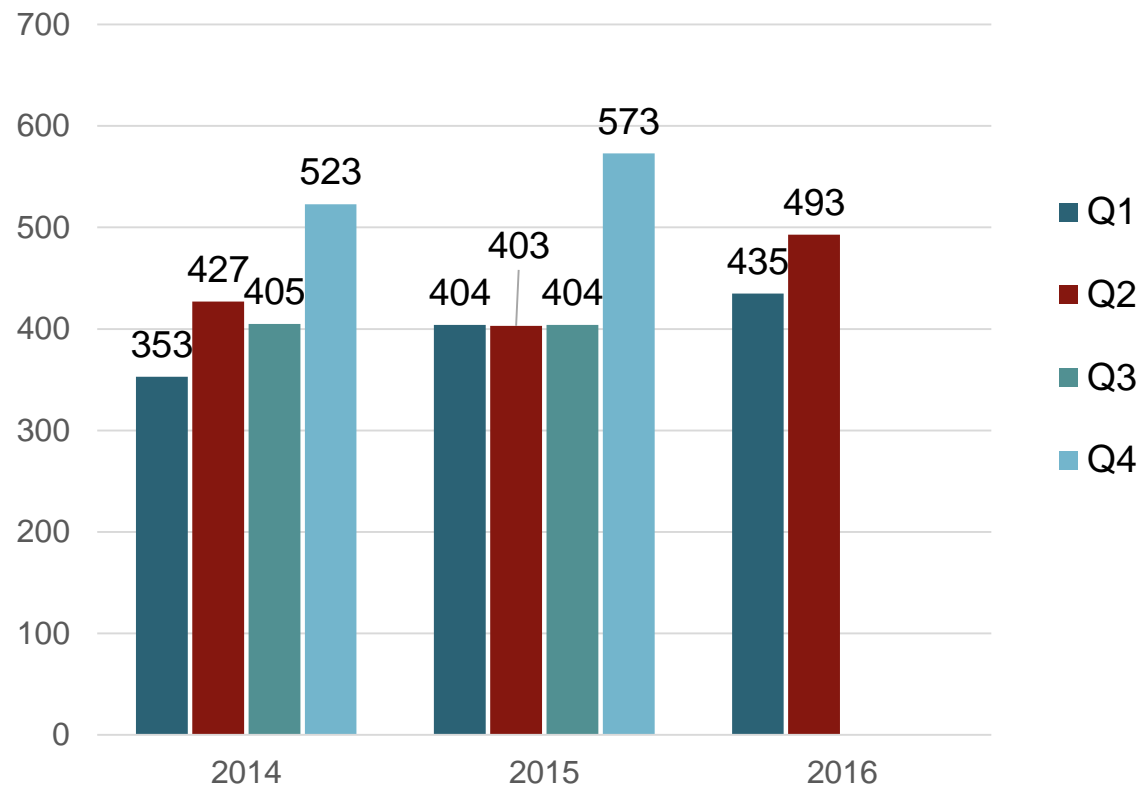
MEUR



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Net sales of the Russian company

MRUB



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Telko

Raw material solutions for the industry

Telko

Quarter in brief and outlook for 2016

Prices of plastic raw materials increased from the first quarter. The price level of industrial chemicals remains low.

Industrial demand remained unchanged.

Despite the challenging conditions, eastern markets' relative share of net sales increased. Profitability was satisfactory at less than 5%.

Net sales increased significantly.

The highest growth came from the eastern markets.

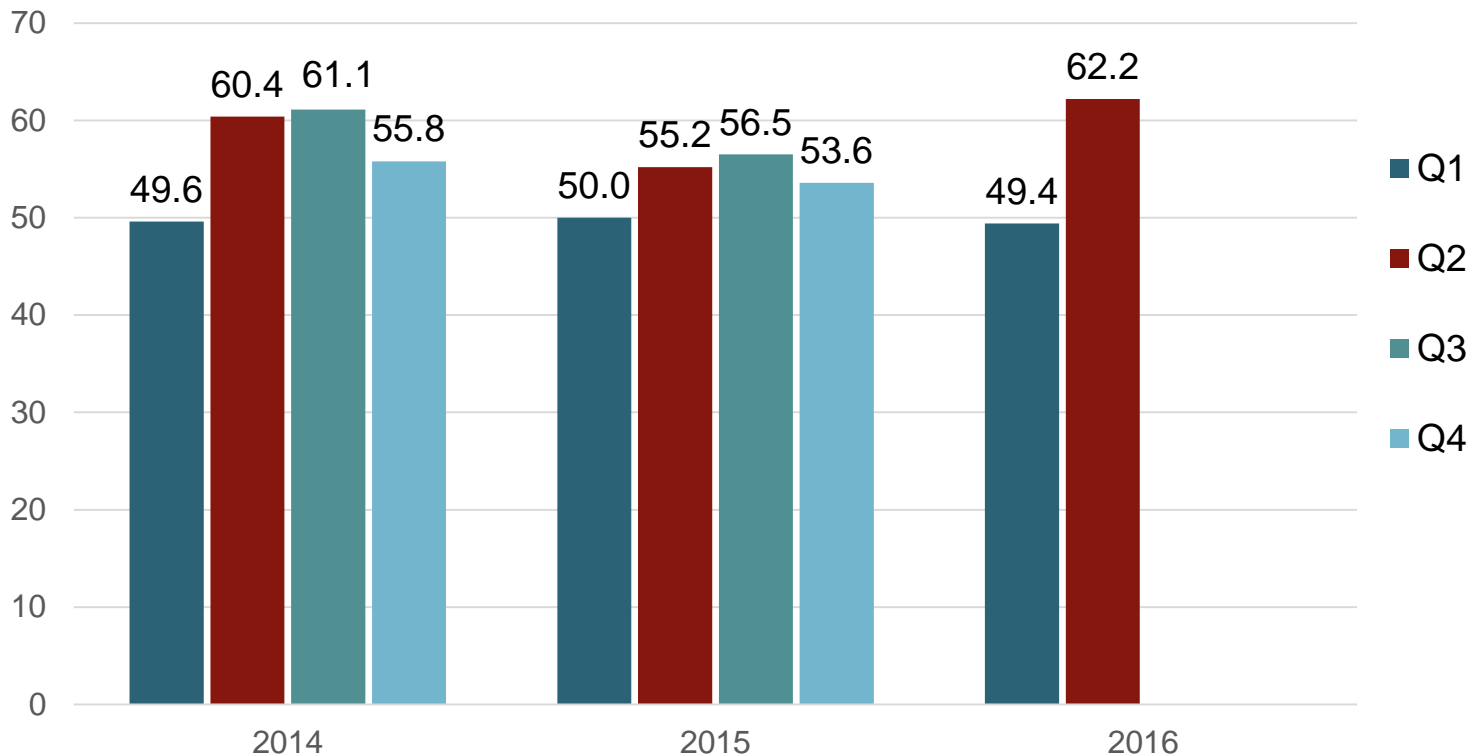
Prices are expected to remain low.

The market will continue to be challenging despite the positive development in the east.

Telko, key figures

Net sales

MEUR



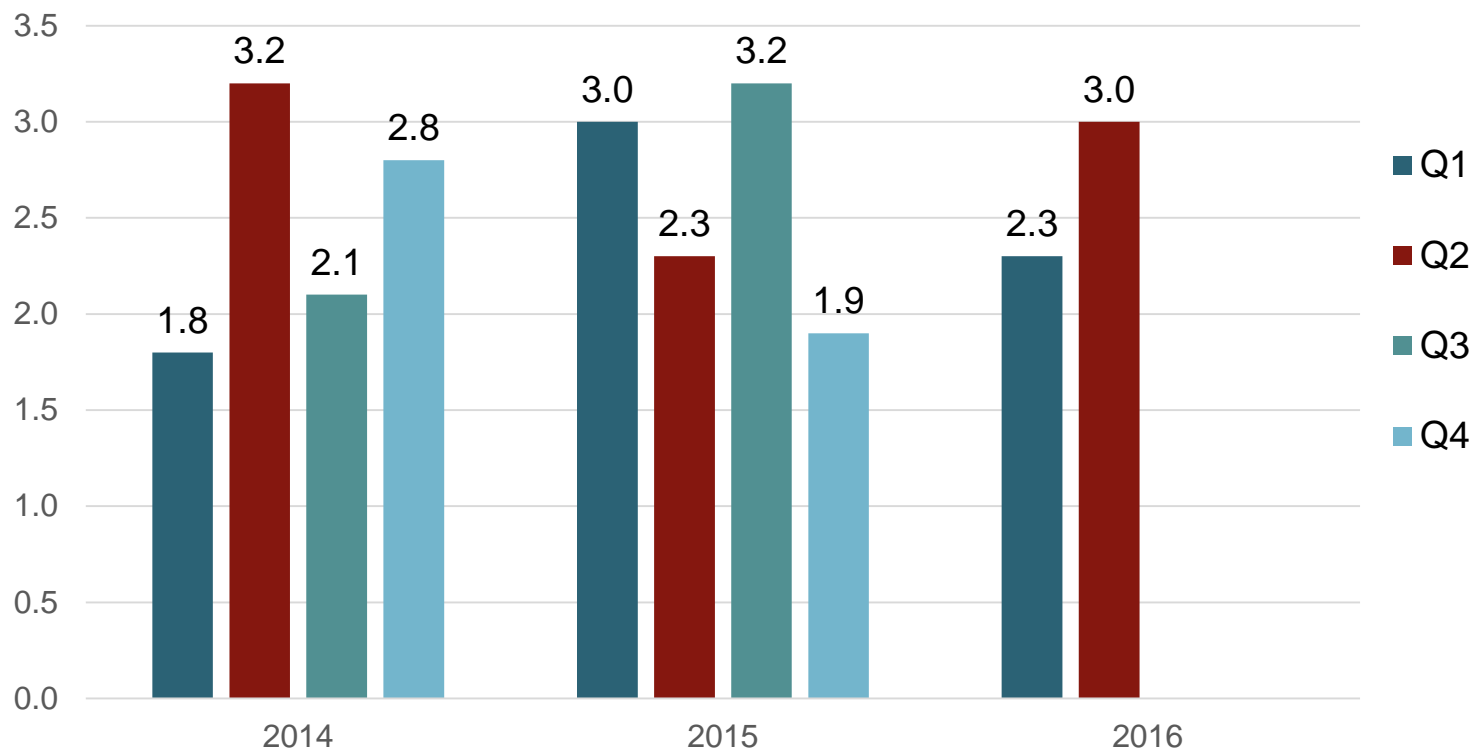
Net sales increased by 13% and amounted to EUR 62.2 (55.2) million.

Euro-denominated growth in Russia, Ukraine and other CIS countries 18%. Net sales exceeded the level preceeding the 2014 crisis.

Telko, key figures

Operating profit

MEUR



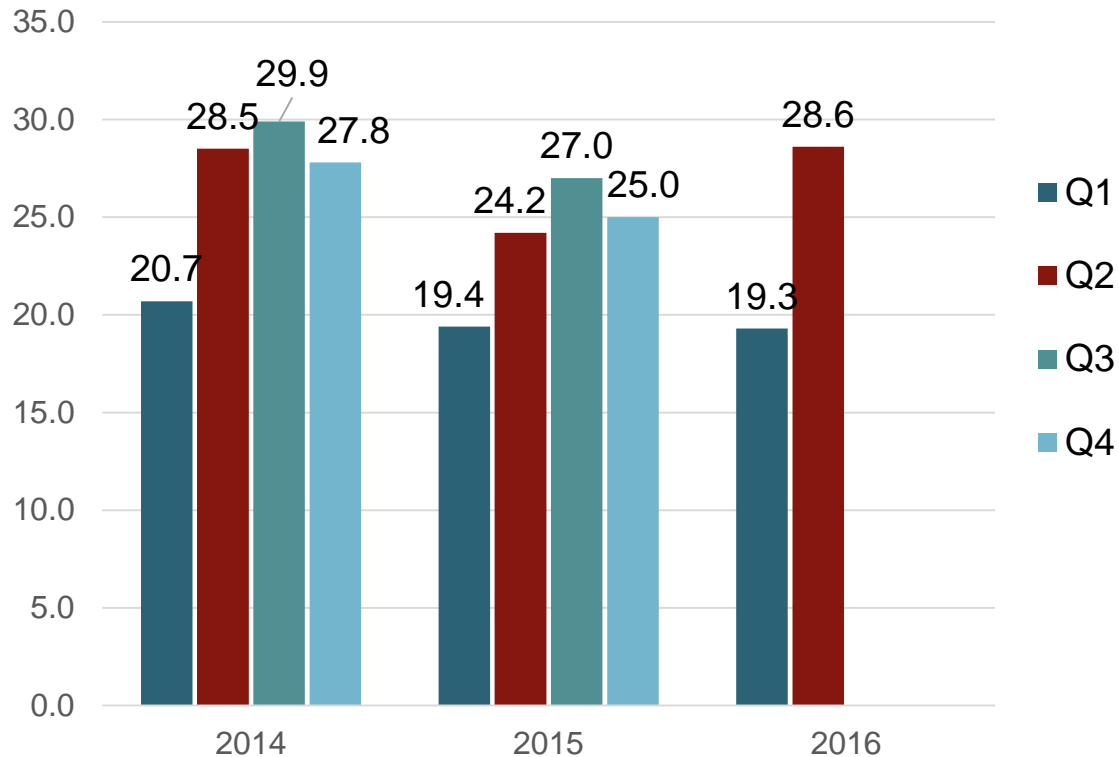
Operating profit rate improved to 4.8% (4.2) although the relative profitability decreased in the east.

Operating profit rate in the eastern markets was less than 5%.

Net sales in Russia, Ukraine and other CIS countries

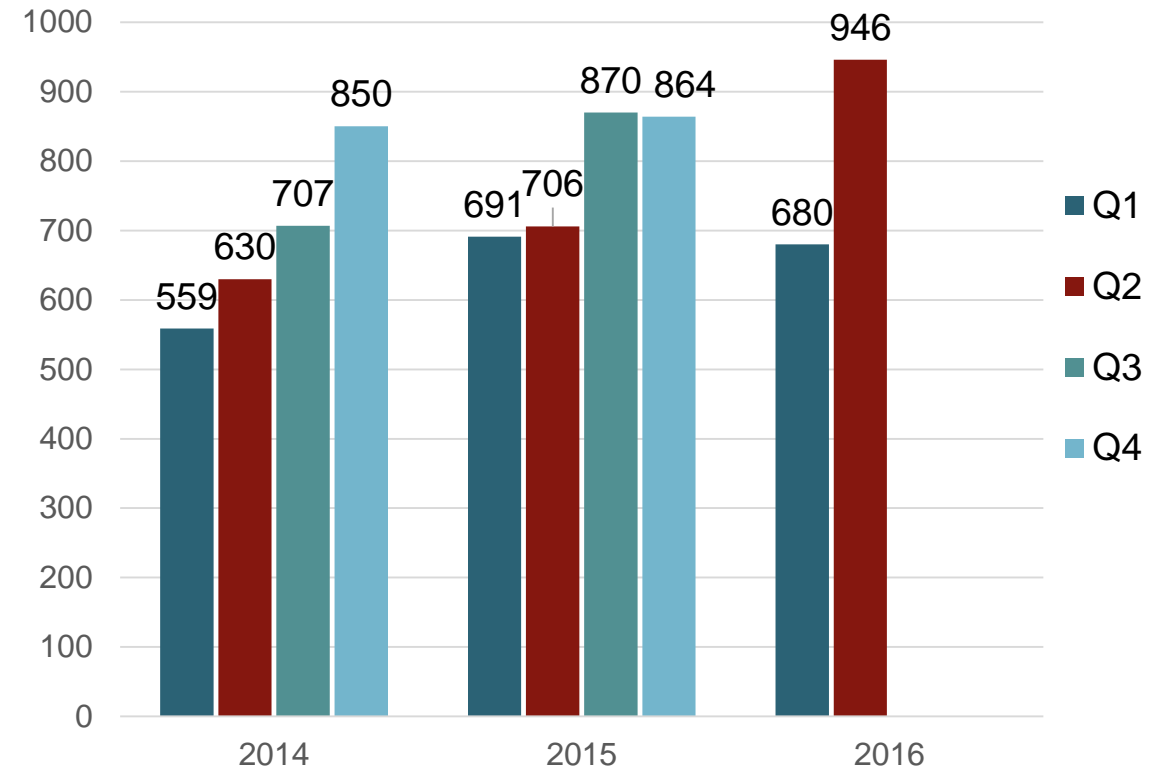
Net sales in the market area

MEUR



Net sales of the Russian company

MRUB





Kauko

The best tools for mobile knowledge work

Kauko

Quarter in brief and outlook for 2016

Net sales increased by 20% to EUR 8.5 (7.1) million. Operating profit decreased to EUR -0.3 (0.1) million.

During the review period, there were many investments that increased costs.

Operations started in Germany, requiring initial investments.

In Finland, new employees were recruited in total solutions for mobile knowledge work.

Net sales of mobile knowledge work were at the level of the comparative period. A significant agreement was signed in Finland, and the related income will realize in Q3 and Q4.

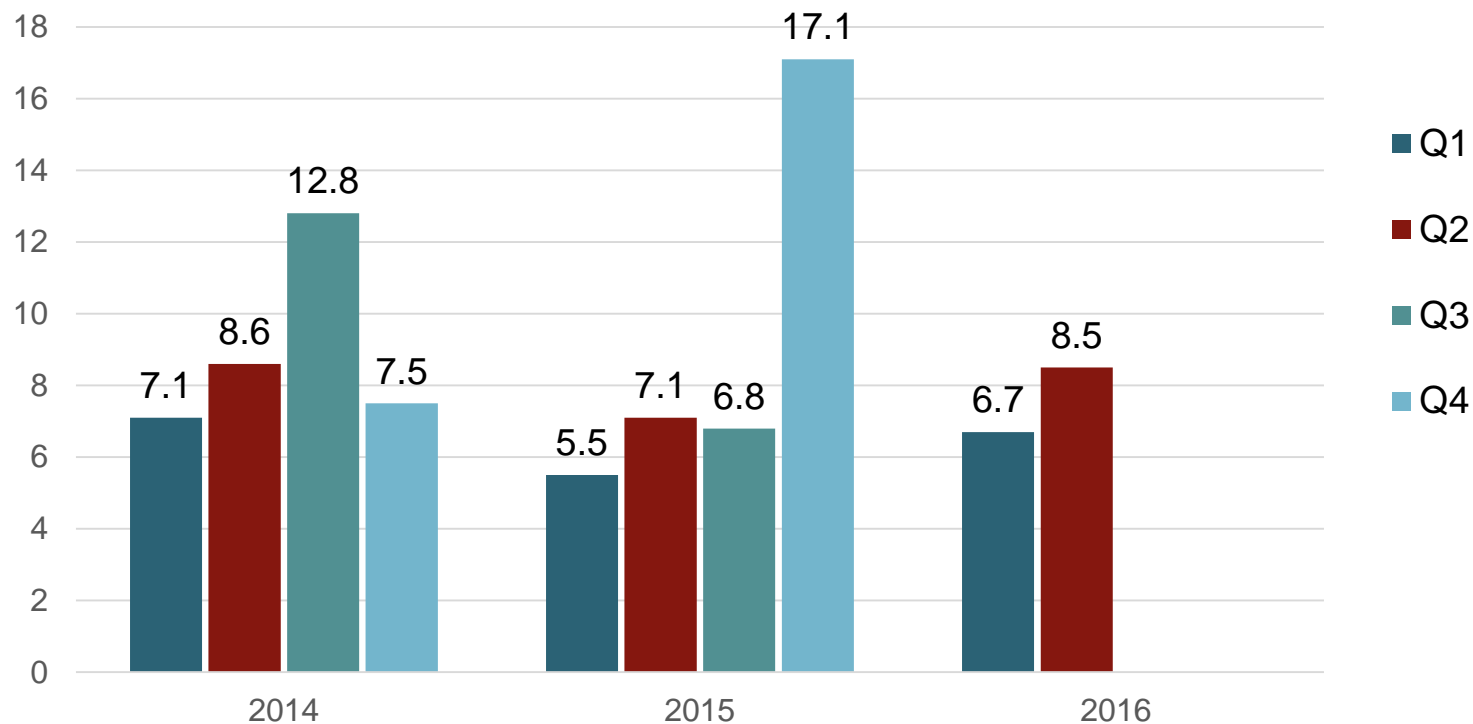
Kaukomarkkinat Ltd changed its name to Kauko Ltd.

The share of net sales that comes from total solutions for mobile knowledge work and maintenance agreements will increase.

Kauko, key figures

Net sales

MEUR



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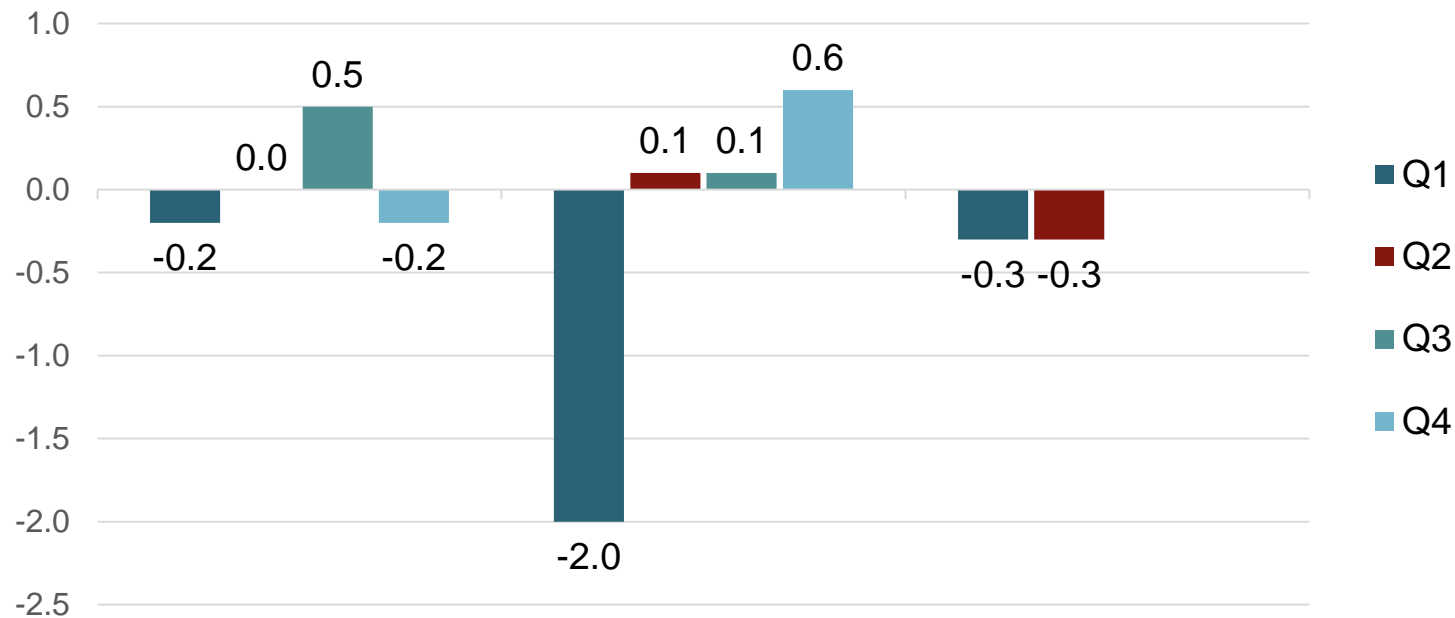
Net sales of mobile knowledge work and energy efficiency are increasing.

Net sales grew by 21% in H1 and by 20% in Q2.

Kauko, key figures

Operating profit

MEUR



Operating profit showed a loss in H1 and Q2.

Kauko has invested significantly in competence development, recruited key personnel and started operations in Germany.



Financials and Financing

Harri Seppälä

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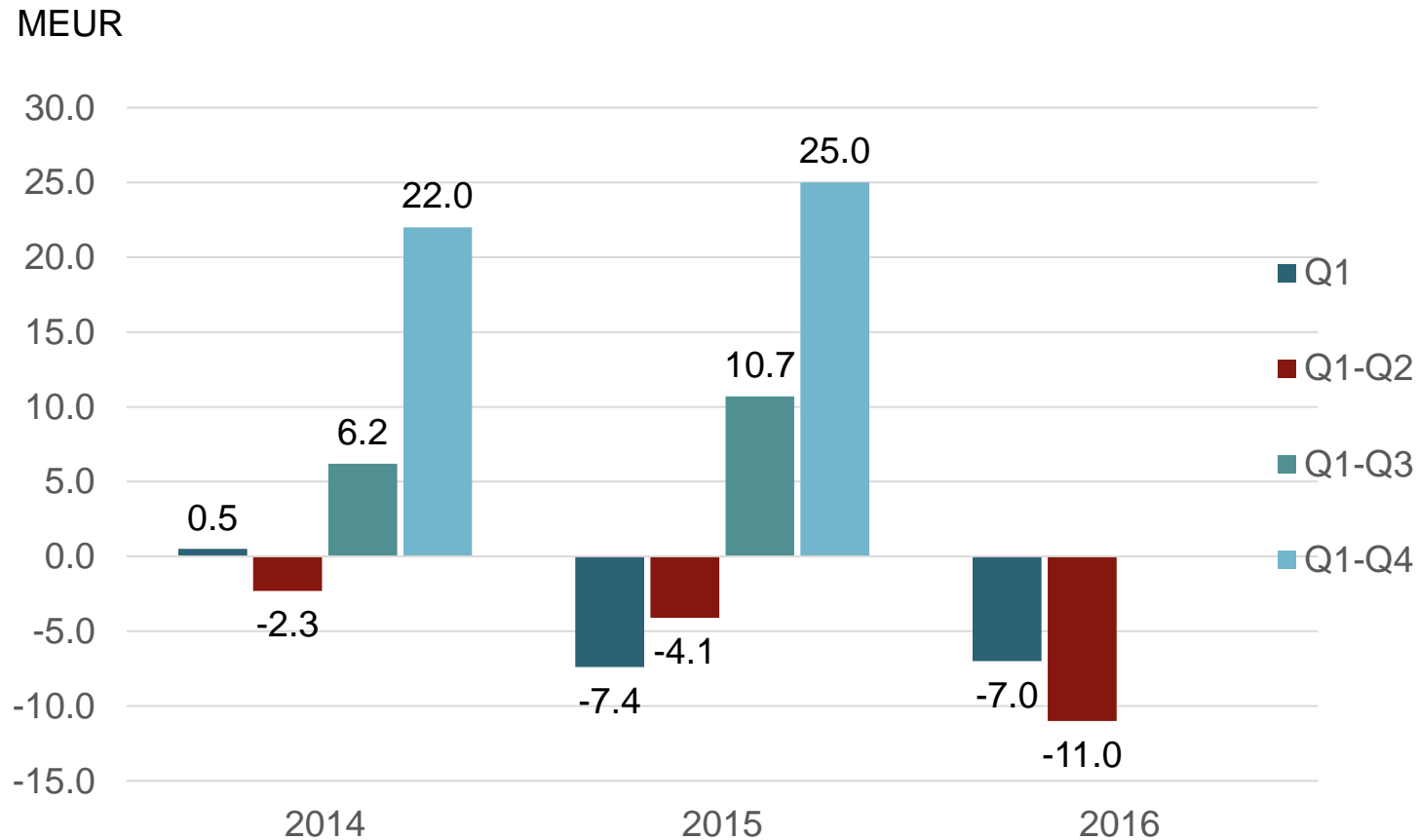
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Income statement

MEUR	Q1-Q2/2016	Q1-Q2/2015
Net sales	214.7	212.2
Ebitda	13.8	13.8
Depreciation, amortization and impairment losses	-5.7	-6.7
Operating profit	8.1	7.1
Financial income and expenses	-1.6	4.0
Profit before taxes	6.5	11.1
Income taxes	-0.8	-0.8
Profit for the period	5.7	10.3
Earnings per share, EUR	0.16	0.32

Ebitda rate nearly unchanged. Operating profit rate increased to 3.8% (3.3) in H1 and to 4.1% (3.7) in Q2. In 2015 financial items include a sales gain from the sale of shares.

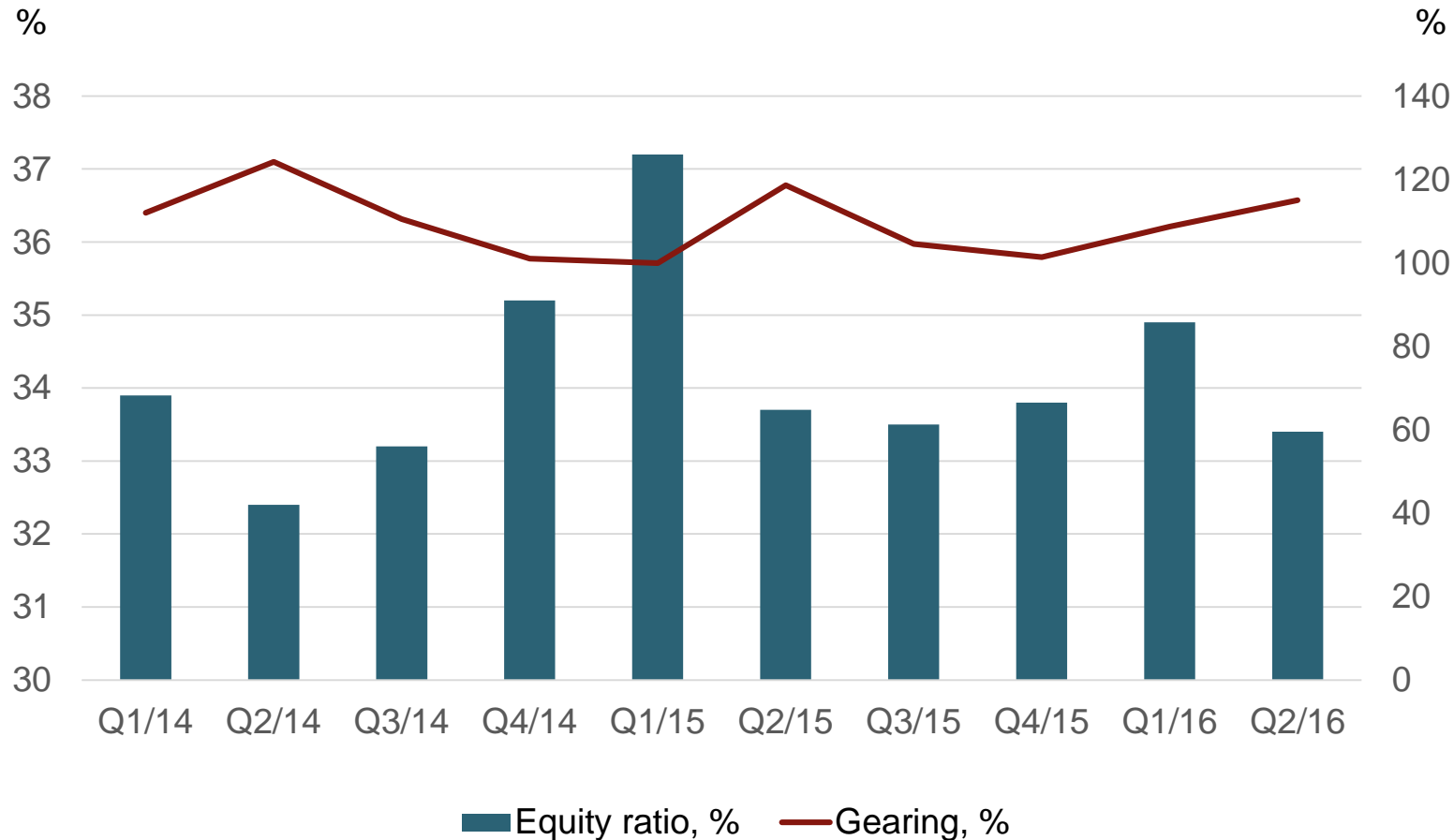
Net cash from operating activities



Net cash from operating activities weakened and was EUR -11.0 (-4.1) million.

Change in working capital was EUR -22.7 (-16.2) million, tied mainly to the strong growth of Telko.

Equity ratio and gearing



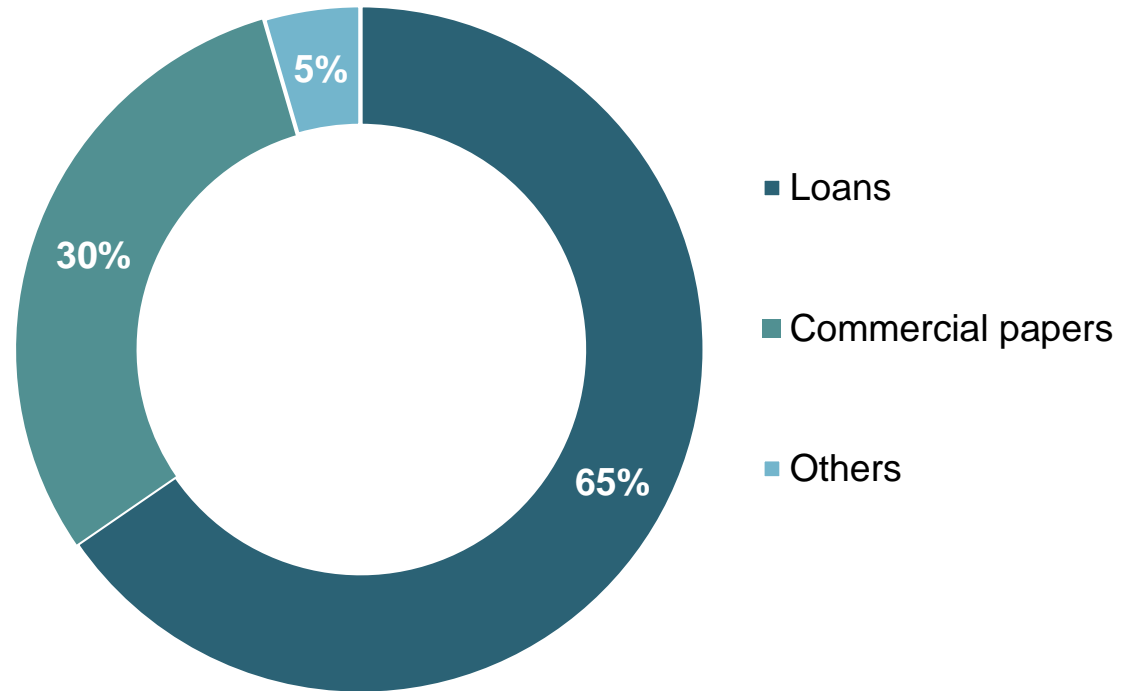
Gearing 115%.

During the quarter a dividend of EUR 12.5 million was paid and a hybrid bond was issued.

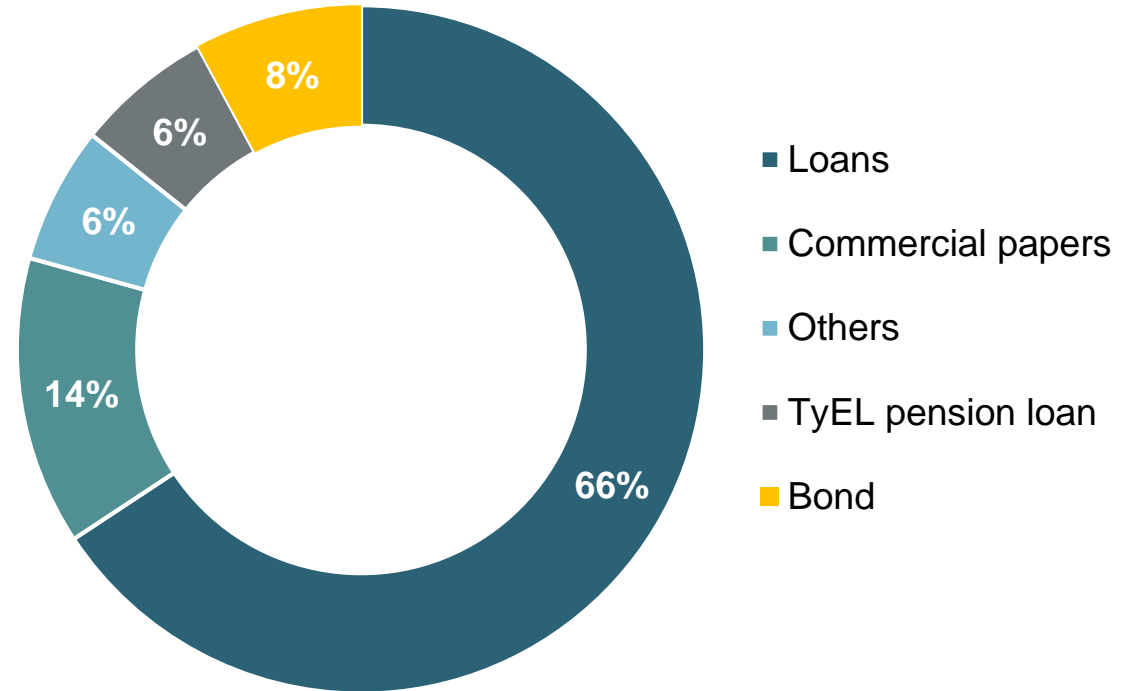
Payments related to vessel investments will total EUR 5 million in the second half of 2016.

Structure of liabilities

Interest bearing liabilities on
June 30, 2015: EUR 133 million

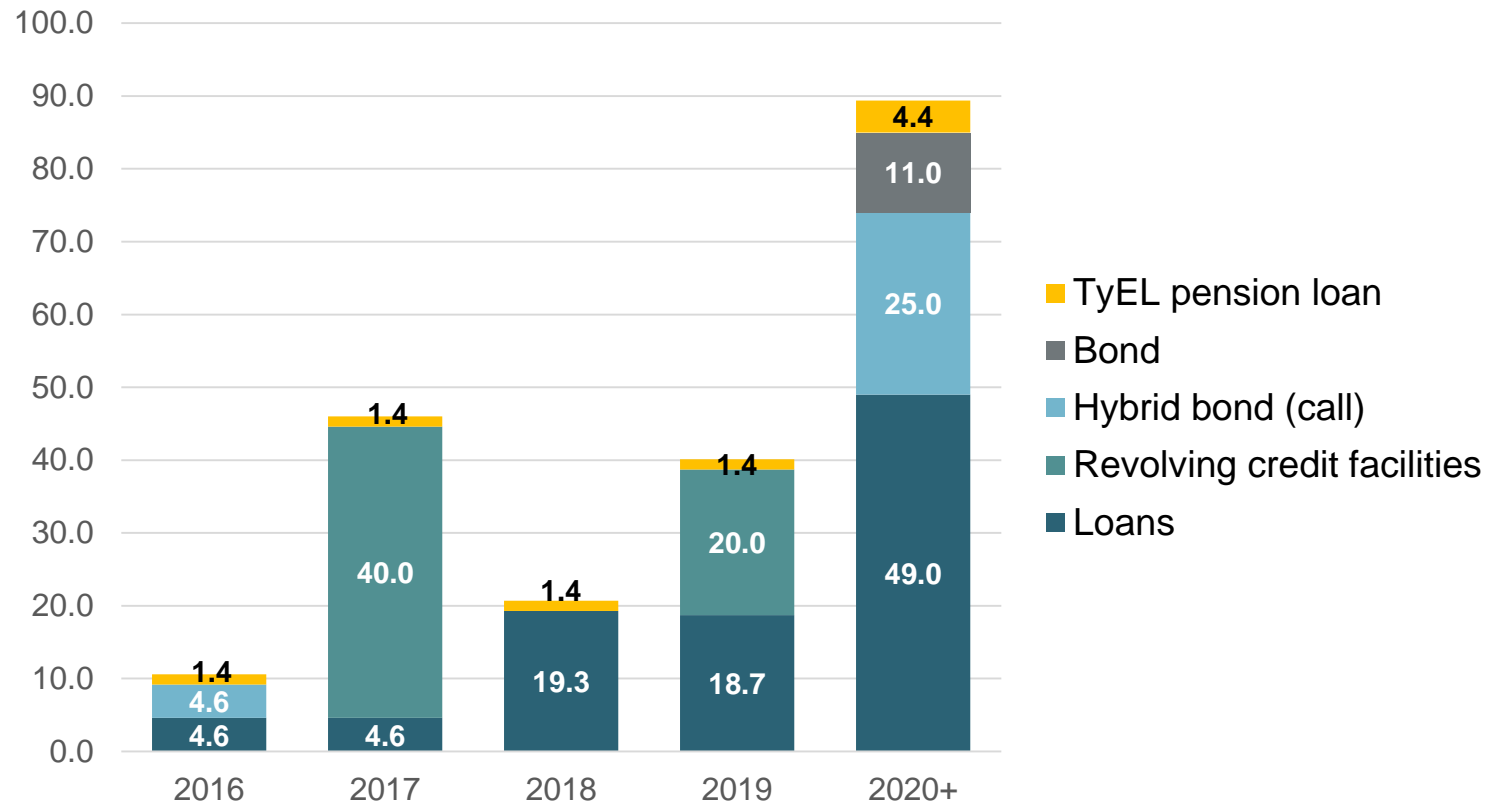


Interest bearing liabilities on
June 30, 2016: EUR 140 million



Maturity of significant loan agreements

MEUR



Possibility to call the remaining hybrid bond of appr. EUR 5 million in November 2016. New hybrid bond of EUR 25 million. Possibility to call after four years.

A new three-year revolving credit facility of EUR 20 million was signed to replace the facility of the same amount that will expire in 2016.

General market outlook for 2016

- Market uncertainty will continue in the EU and eastern markets.
- The prices of the raw materials important to Aspo and international dry bulk freight rates are expected to remain at a historically low level.
- Russian economy is expected to stabilize and possibly turn to an increase.
- Interest rates will remain low.

Uncertainty in the eastern markets may strongly influence to the currency rates.

Spot market for dry bulk vessels will remain low.

Guidance for 2016

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