



# Aspo's Q1 6.5.2015

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

- **Operating profit closer to 10% than 5%**
  - Q1 comparable operating profit stood at 4.2%. Operating profit was 2.9%.
- **ROE over 20% on average**
  - At the end of Q1 ROE was 26.2%.
- **Gearing of up to 100%**
  - At the end of Q1 gearing was 99.9%.
- **Aspo's dividend policy:** Aspo will distribute an annual dividend which is, on average, at least half of the annual profit.
  - The Annual Shareholders' Meeting approved a dividend of EUR 0.40/share for 2014 representing 70.3% of the 2014 profit.



# Financial target

## Return on equity

ROE, %



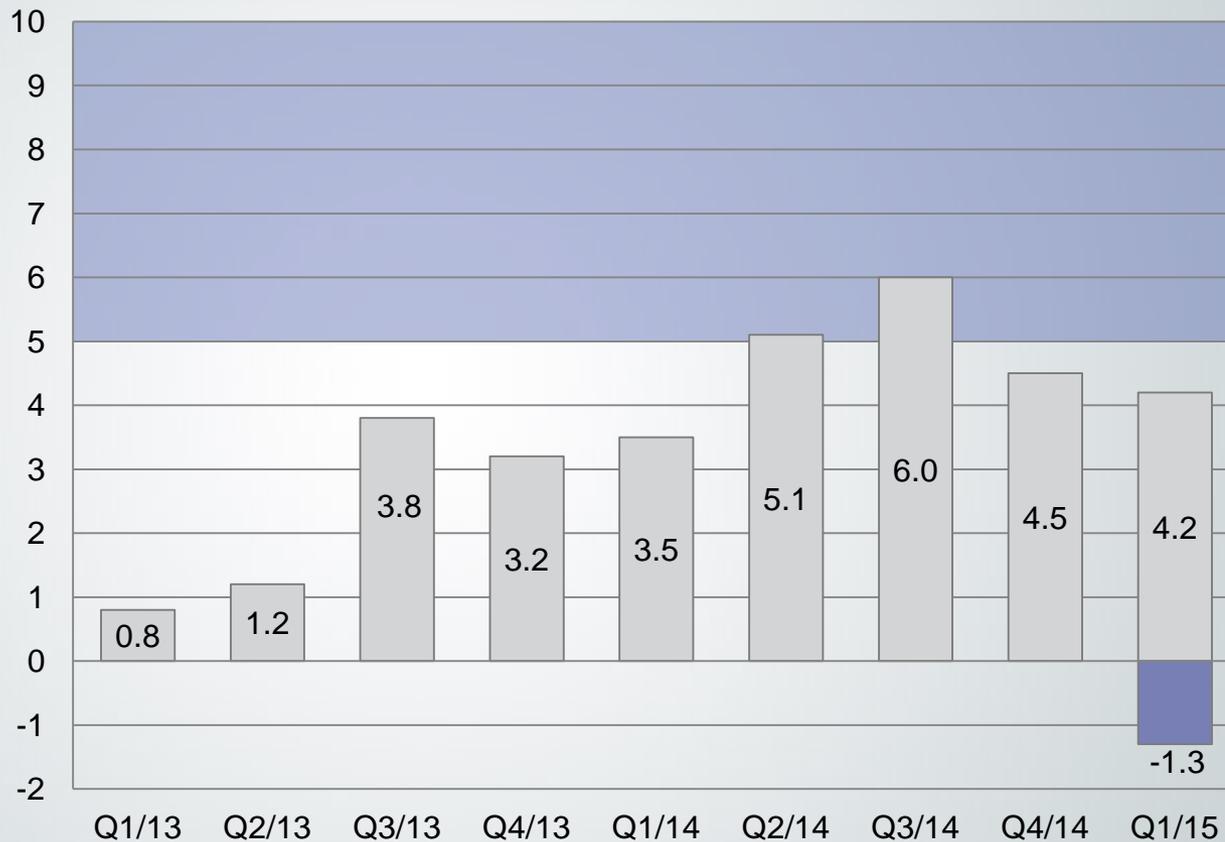
■ Target

\* The Alandia shares' and impairment's impact on the annualized ROE is about 13 percentage points.



# Financial target

## Operating profit, %



- Excluding non-recurring impairment
- Non-recurring items (impairment)
- Target



## Aspo Q1/2015

- Earnings per share stood at EUR 0.22 (0.07).
- Profit for the period increased and was EUR 7.0 million (2.4).
- The comparable operating profit increased significantly and was EUR 4.3 million (3.8).
- In the review period, Aspo reduced the goodwill of the Kaukomarkkinat segment by EUR -1,3 million. ESL Shipping sold shares in Alandia Insurance, recording a sales gain of EUR 4.9 million in financial items.
- Operating profit for the review period was EUR 3.0 million (3.8).
- Net sales decreased and stood at EUR 102.0 million (108.0).
- Aspo's guidance remains unchanged:  
"Aspo expects to reach a good result."



## Key factors for the Q1 result

- Telko's operating profit grew significantly to a record-breaking level of 6%. Operating profit in Russia, Ukraine and other CIS countries increased, despite the challenging market situation. Growth has also continued in Poland and Scandinavia.
- Leipurin increased its operating profit. Bakery raw materials improved their profitability. The result of bakery machinery decreased as customers postponed their orders in Russia.
- The operating profit of ESL Shipping remained at the previous year's good level and stood at EUR 3.3 (3.3) million.
- Kaukomarkkinat sold its loss-making international operations and Aspo recognized an impairment of Kaukomarkkinat's goodwill.
- A sales gain of EUR 4.9 million was recognized in financial items from the sale of shares in Alandia Insurance.

# Russia, Ukraine and other CIS countries Q1/2015

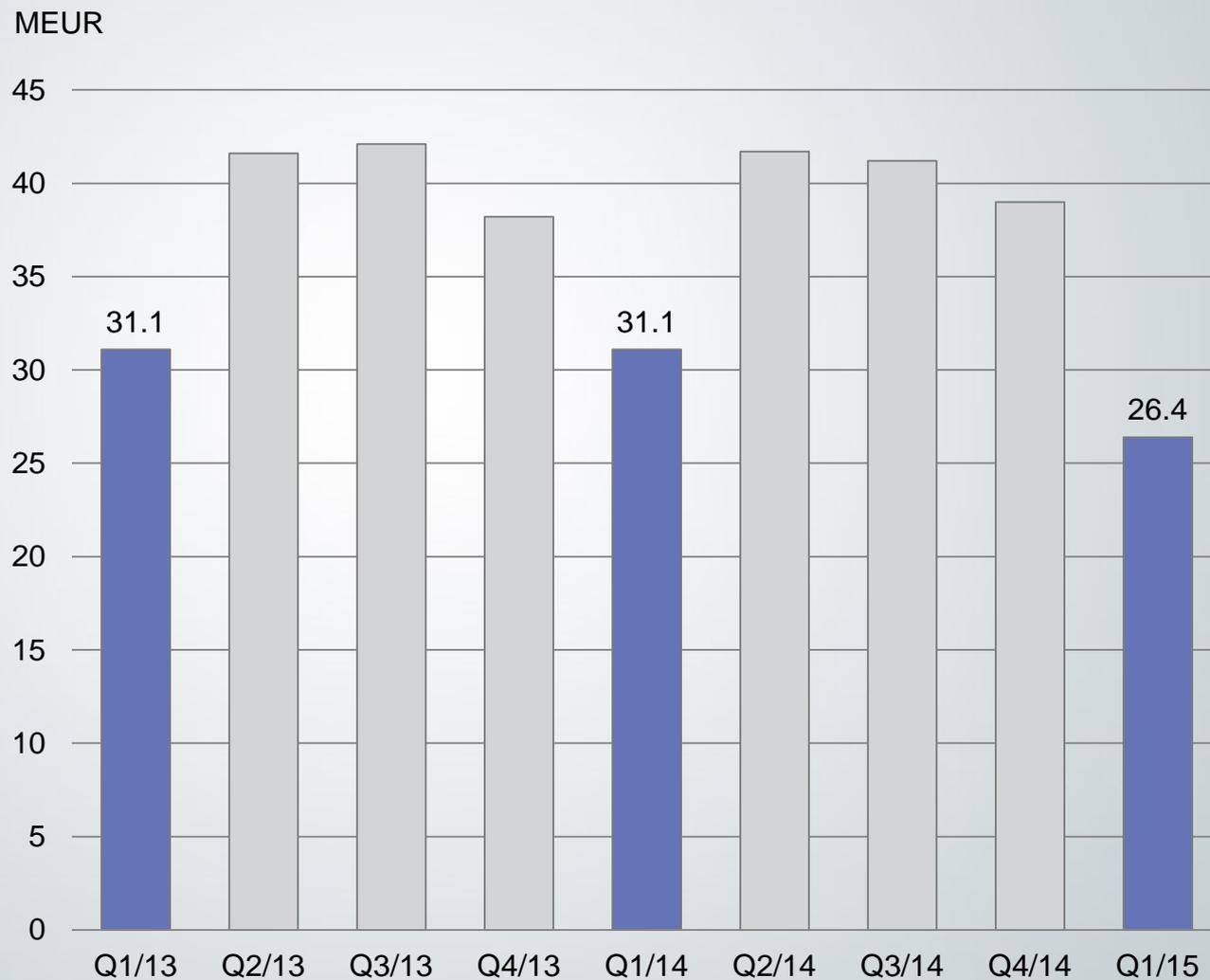
- The crisis between Russia and Ukraine continued.
- The currencies of Russia and Ukraine were devalued heavily in 2014. During Q1, the ruble strengthened in relation to euro by about 20%.
- The price of oil increased slightly in Q1.
- The crisis between Russia and Ukraine has slowed down economic growth.
- The sanctions imposed by the EU and USA, together with the import bans declared by Russia, remain in force but have not had any significant impact on Aspo or its single businesses.
- The euro-denominated total net sales of Telko and Leipurin in the market area fell significantly from the reference period to EUR 25.7 (29.6) million.
- Profitability improved in the market area: The operating profit of Telko was about 10%, and that of bakery raw materials of Leipurin was more than 5%.





# Net sales, quarterly

Russia, Ukraine + other CIS countries



# Net sales / market area Q1

MEUR	Q1/15	Q1/14	Change, %
Finland	35.4	38.9	-9
Scandinavia	11.7	11.1	5
Baltic countries	11.7	12.0	-3
Russia, Ukraine + other CIS	26.4	31.1	-15
Other countries	16.8	14.9	13
Total	102.0	108.0	-6



# Aspo's business operations







ESL Shipping

**Integral part of  
Finnish security  
of supply**

# ESL Shipping Q1/2015

- International dry bulk freight rates are at a low level.
- During the review period, ships mainly operated in the Baltic Sea, North Sea and on international routes.
- Lower fuel prices and the reduced capacity decreased net sales.
- Net sales stood at EUR 18.2 (21.2) million.
- Operating profit remained at the good level of the reference period, being EUR 3.3 (3.3) million.
- The volume of cargo carried by ESL Shipping amounted to 2.6 (2.7) million tons.
- All ships were fully employed, which enabled effective operations.
- ESL Shipping sold its shares in Alandia Insurance and recognized a sales gain of EUR 4.9 million in financial items.

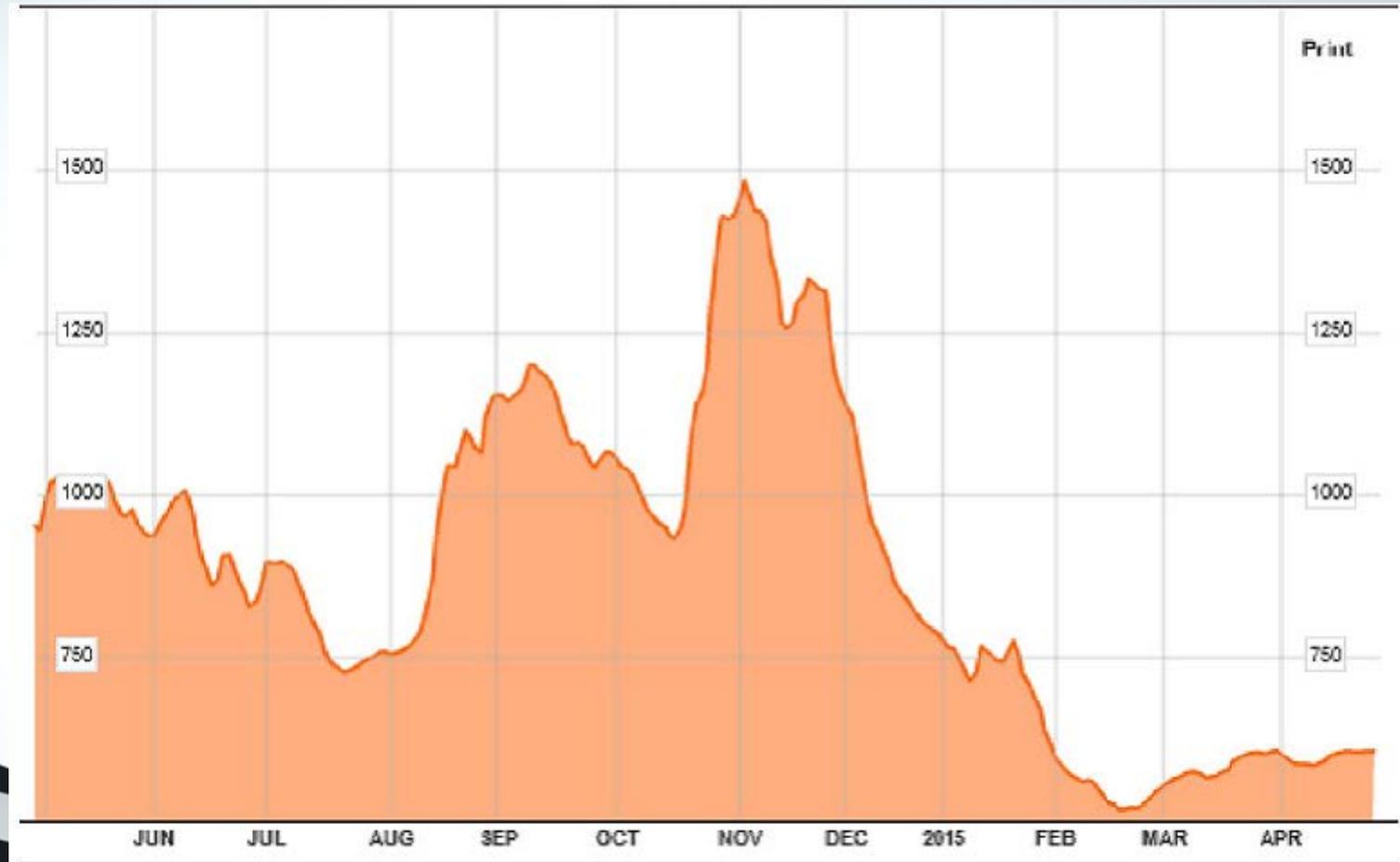


# ESL Shipping key figures Q1

	Q1/15	Q1/14	Change, %
Net sales, MEUR	18.2	21.2	-14
Operating profit, MEUR	3.3	3.3	0
Operating profit, %	18.1	15.6	



# Baltic Dry Index 2014–2015



Source: Bloomberg



**The bakery specialist**

# Leipurin Q1/2015

- Prices remained at the reference period's low level.
- Net sales stood at EUR 28.3 (30.1) million. Net sales decreased from the reference period because of the declining Russian ruble and a smaller number of machine deliveries.
- Operating profit grew to EUR 0.5 (0.3) million. The profitability of bakery raw materials improved, while the operating profit of bakery machinery fell and showed a loss.
- The net sales and volume of bakery raw materials decreased in Russia. In Ukraine and other CIS countries, net sales grew. Operating profit in eastern markets remained above the level of 5%.
- Leipurin has continued its investments to increase the share of locally produced raw materials in eastern markets. Currently, their share is about 40% of the total volume. In local products, the margin is better than on average.



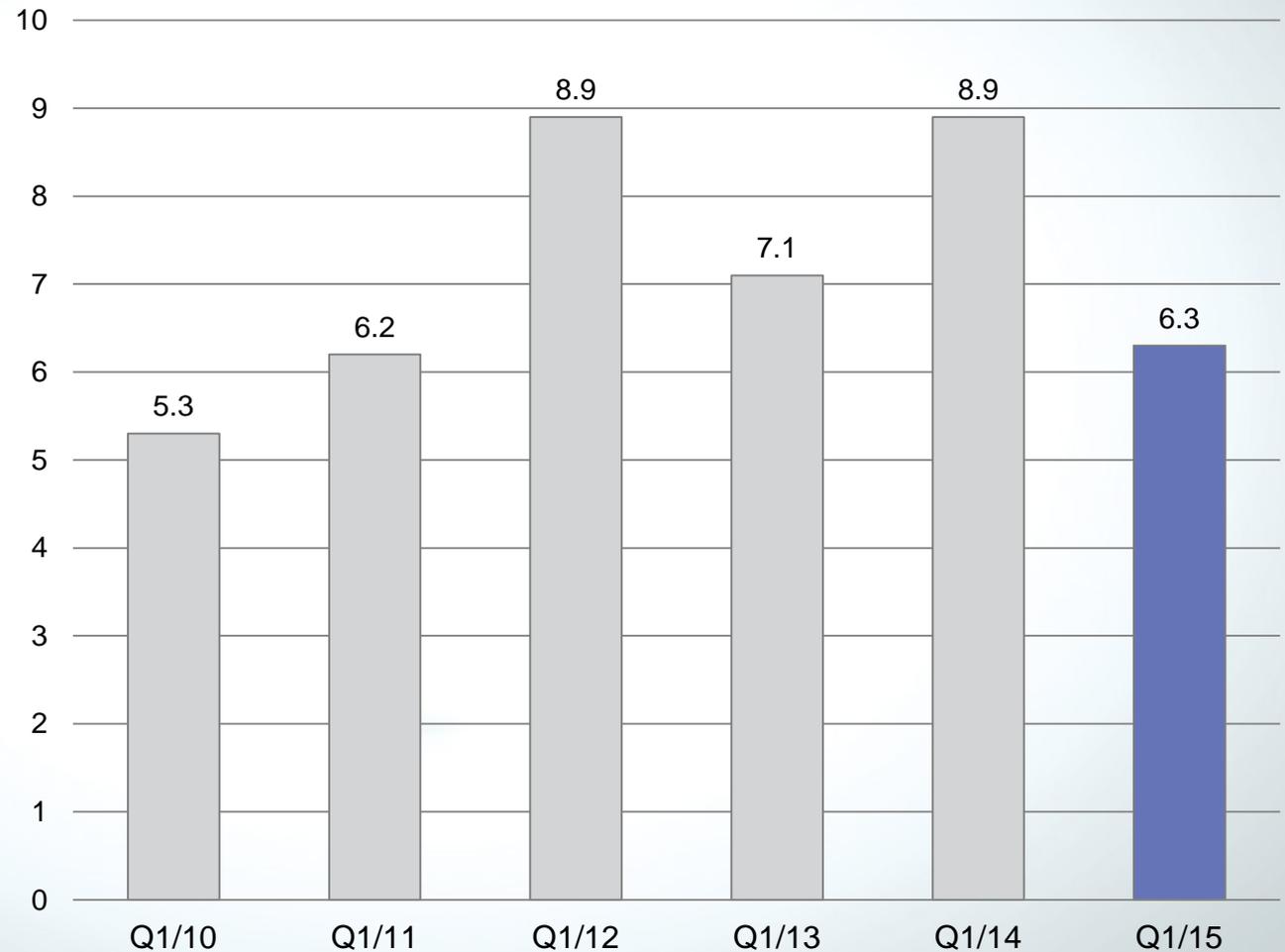
# Leipurin key figures Q1

	Q1/15	Q1/14	Change, %
Net sales, MEUR	28.3	30.1	-6
Operating profit, MEUR	0.5	0.3	67
Operating profit, %	1.8	1.0	



# Russia, Ukraine + other CIS countries net sales Q1

MEUR





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

# Telko Q1/2015

- The prices of raw materials sold by Telko increased from the fourth quarter but remained significantly lower than in the reference period.
- Net sales stood at EUR 50.0 (49.6) million.
- Operating profit was EUR 3.0 (1.8) million.
- Even though the indicators representing the Russian and Ukrainian economy developed unfavorably, Telko's euro-denominated net sales remained nearly unchanged at EUR 19.4 (20.7) million, while growth continued normally in local currencies.
- Operating profit in Russia, Ukraine and other CIS countries improved significantly, being about 10%. Furthermore, Telko's market position has strengthened notably.
- Telko estimates that industrial production in western markets has improved, apart from Finland.



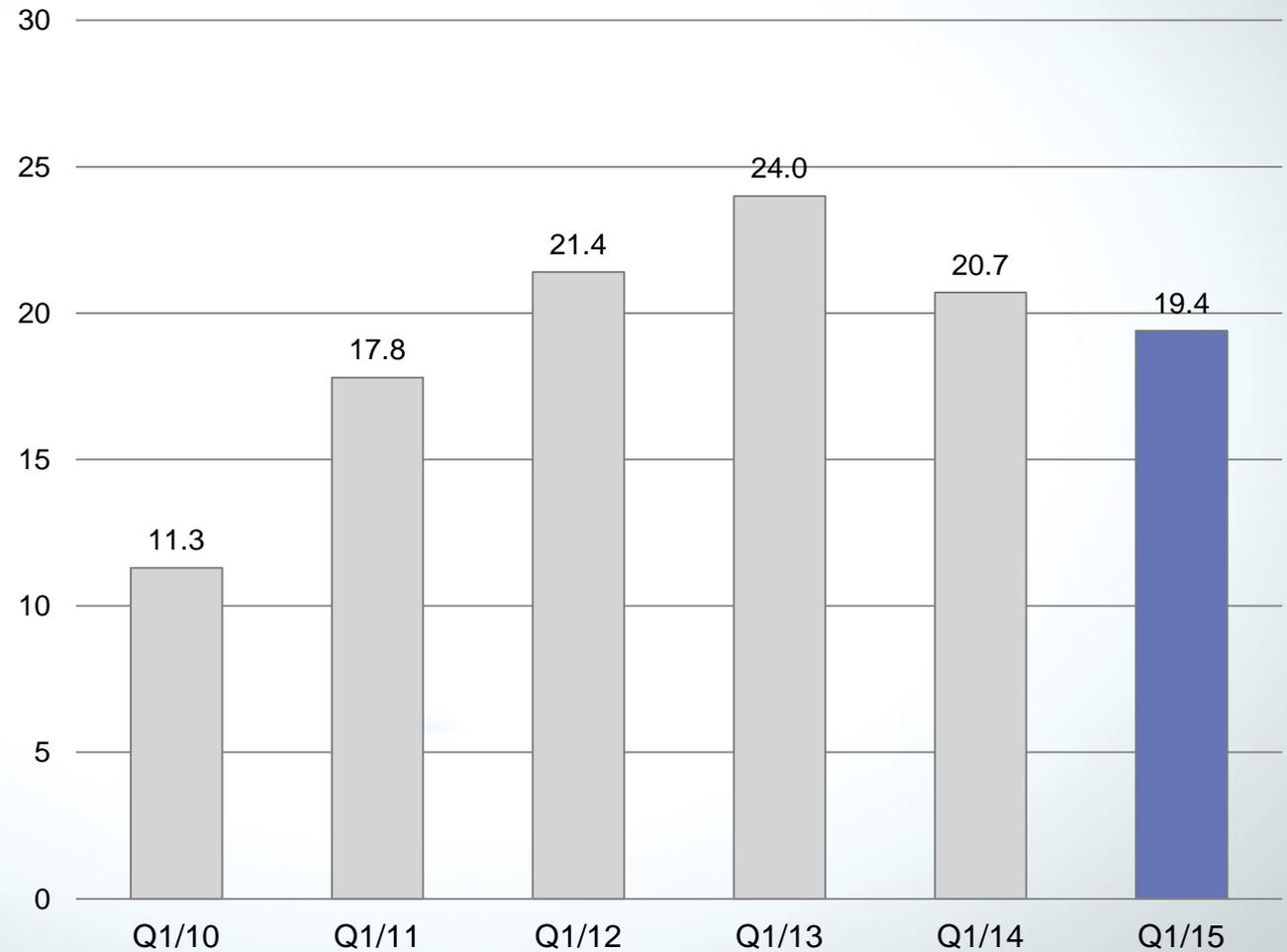
# Telko key figures Q1

	Q1/15	Q1/14	Change, %
Net sales, MEUR	50.0	49.6	1
Operating profit, MEUR	3.0	1.8	67
Operating profit, %	6.0	3.6	



# Russia, Ukraine + other CIS countries net sales Q1

MEUR





**Expert in energy  
efficiency**

# Kaukomarkkinat Q1/2015

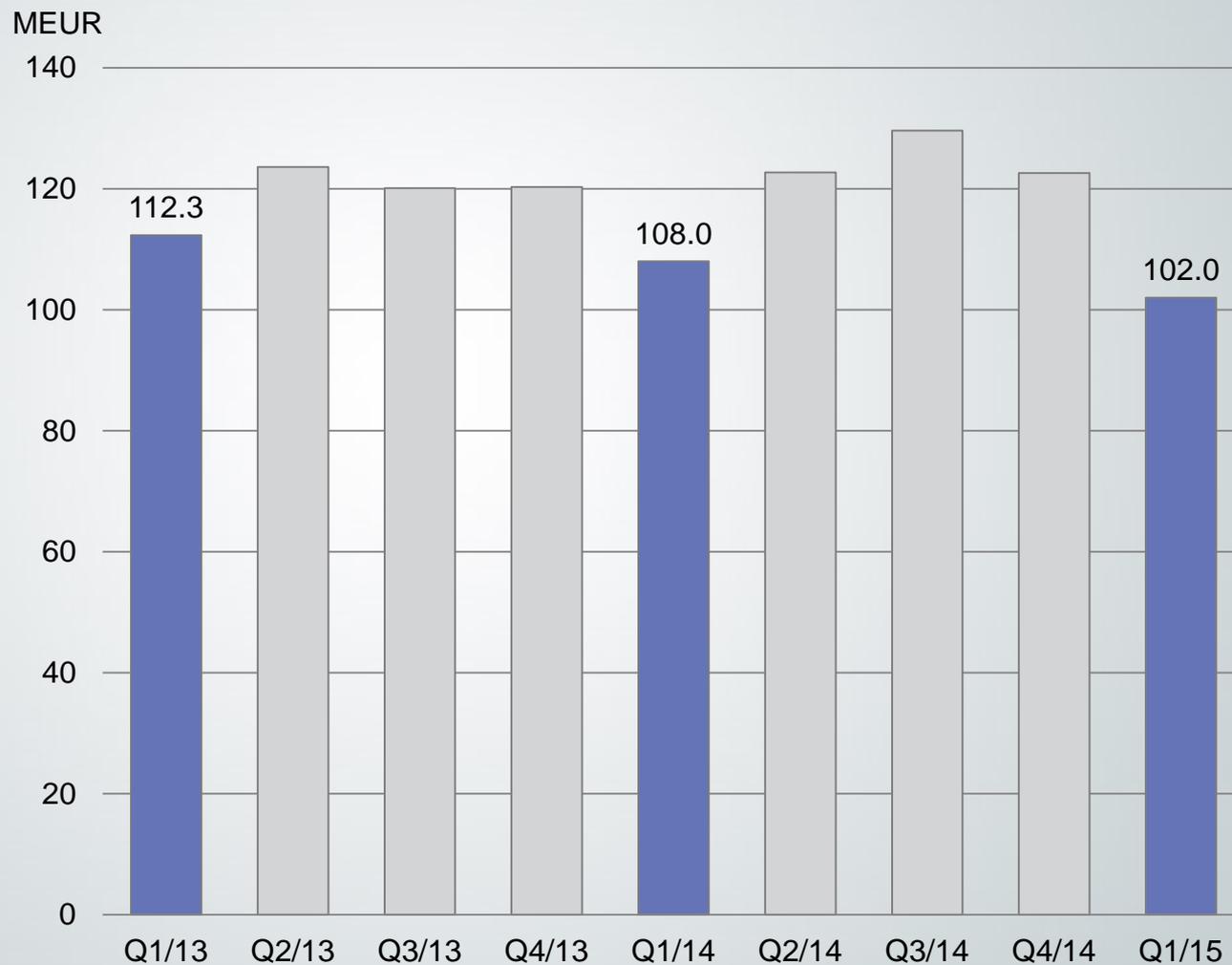
- Net sales stood at EUR 5.5 (7.1) million.
- Kaukomarkkinat sold its loss-making Industrial business operating in Poland, Russia and China.
- Operating profit fell significantly to EUR -2.0 (-0.2) million, including the impairment of goodwill of EUR -1.3 million based on the divestment of the Industrial business.
- In Finland, the sale of energy efficiency products for the winter season continued satisfactorily, regardless of the weak situation in new construction and renovations.
- The sale of special IT equipment for the healthcare sector improved. The sale of rugged computers and tablets remained at a good level, while the result suffered from the timing of customer projects to the following quarters.
- The net sales of other international businesses operating in China fell and operations showed a loss.
- Sami Koskela, M.Sc. (Eng.), started as the new managing director on April 17, 2015.

# Kaukomarkkinat key figures Q1

	Q1/15	Q1/14	Change, %
Net sales, MEUR	5.5	7.1	-23
Operating profit, MEUR	-2.0	-0.2	-900
Operating profit, %	-36.4	-2.8	

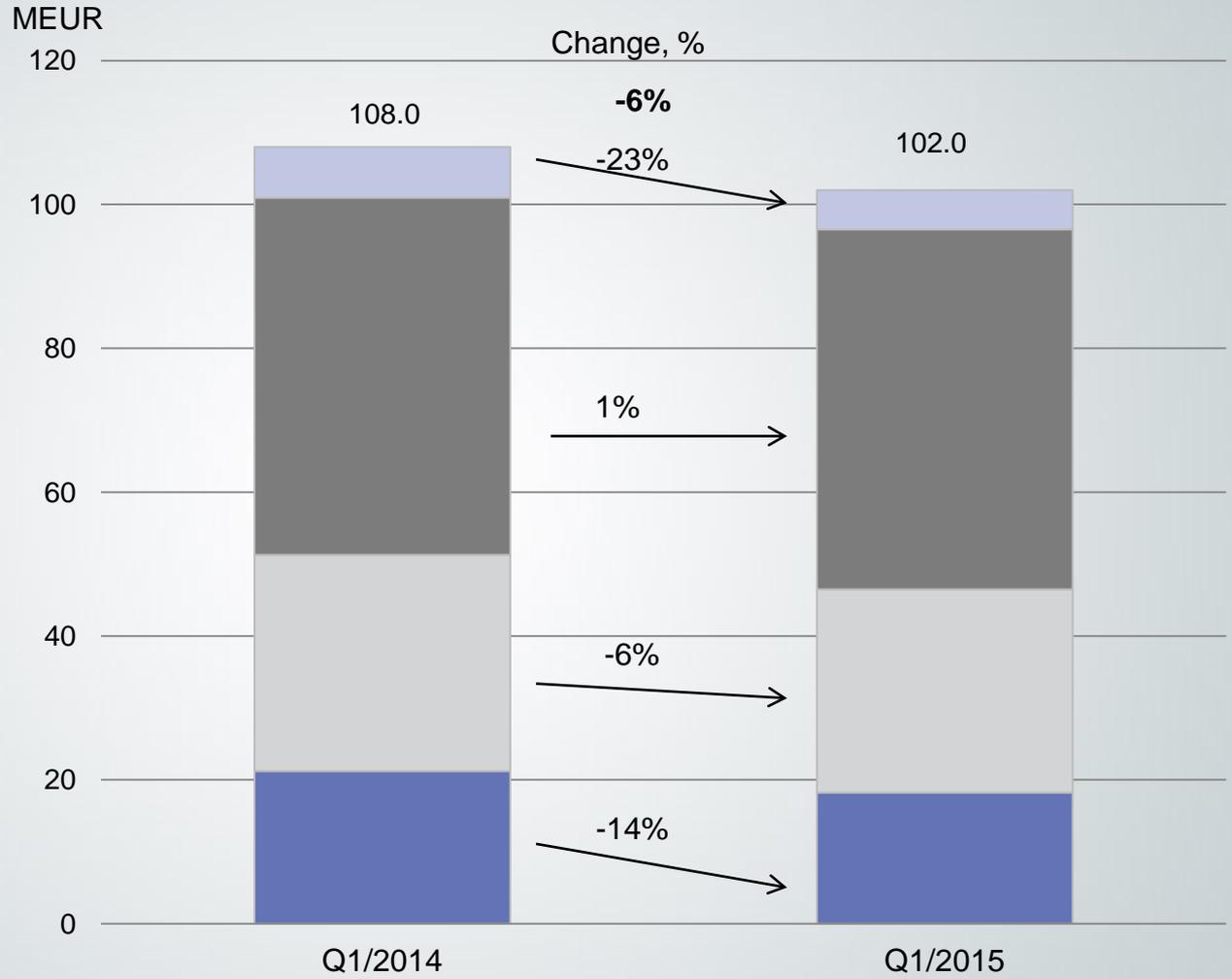


## Group net sales, quarterly



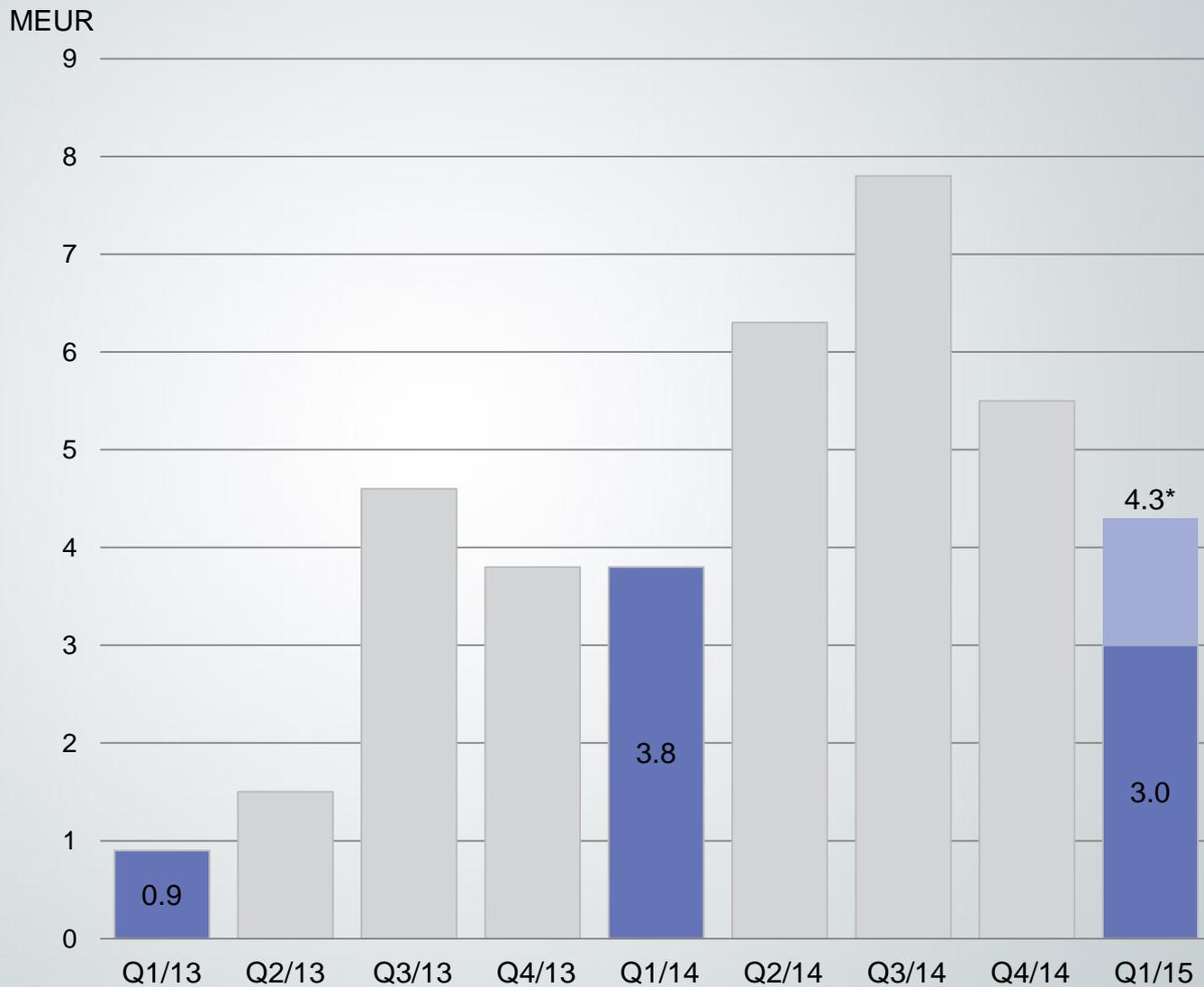


# Net sales / segment Q1





# Group operating profit, quarterly



\* Excluding a non-recurring impairment

# Operating profit / segment Q1

MEUR	Q1/15	Q1/14	Change, %
ESL Shipping	3.3	3.3	0
Leipurin	0.5	0.3	67
Telko	3.0	1.8	67
Kaukomarkkinat	-2.0	-0.2	-900
Other operations	-1.8	-1.4	-29
Total	3.0	3.8	-21

# Net sales and operating profit Q1

<b>2014/2015</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Cum.</b>
Net sales	<b>102.0</b>				<b>102.0</b>
MEUR	<b>108.0</b>	<b>122.7</b>	<b>129.6</b>	<b>122.6</b>	<b>482.9</b>
Operating profit	<b>3.0</b>				<b>3.0</b>
MEUR	<b>3.8</b>	<b>6.3</b>	<b>7.8</b>	<b>5.5</b>	<b>23.4</b>



# Financing and financials

Harri Seppälä

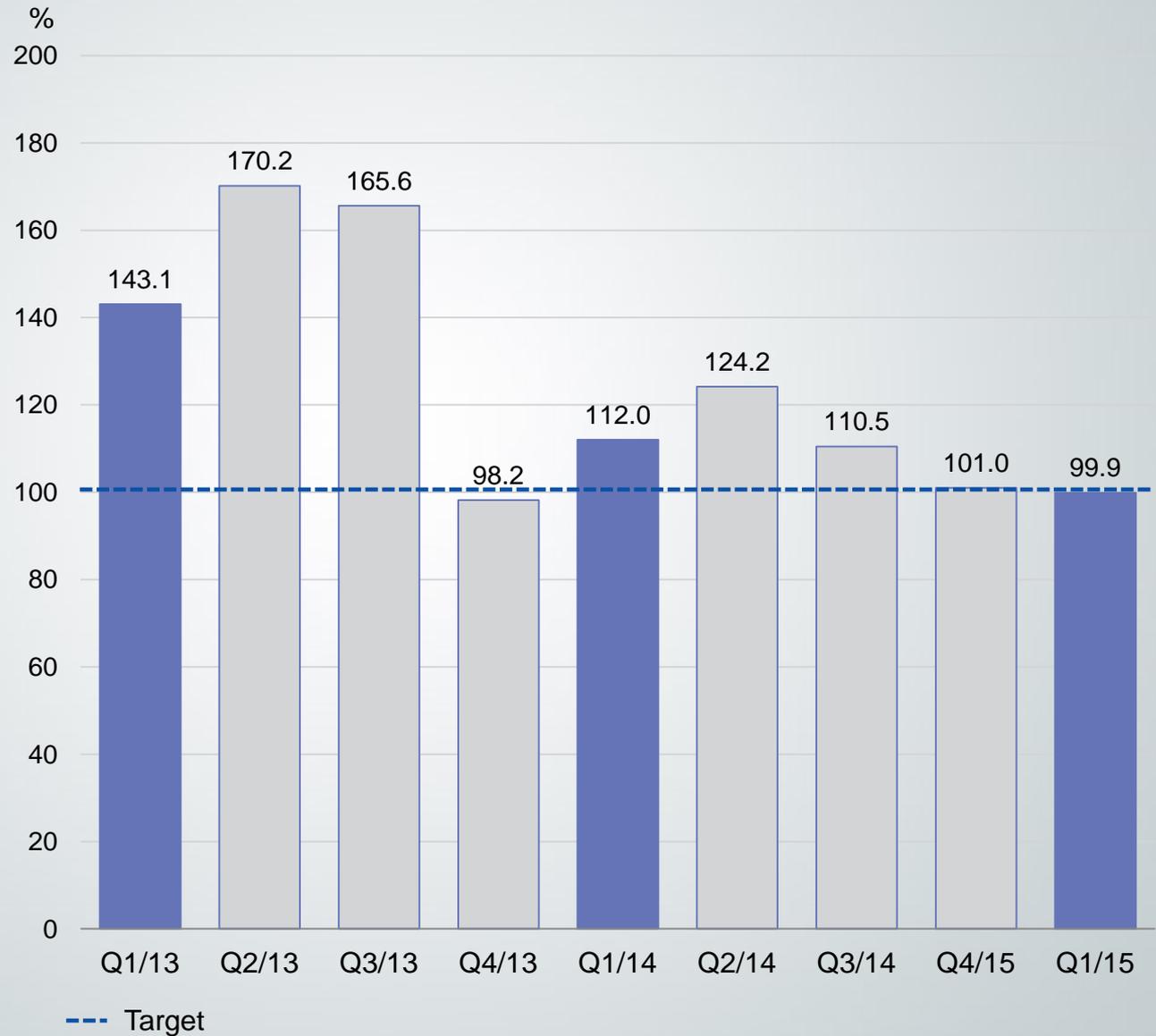


# Income statement Q1

<b>MEUR</b>	<b>2015</b>	<b>2014</b>
Net sales	102.0	108.0
Ebitda	7.1	6.5
Depreciations and impairment	-4.1	-2.7
Operating profit	3.0	3.8
Financial income and expenses	4.5	-1.2
Profit before taxes	7.5	2.6
Income taxes	-0.5	-0.2
Profit for the period	7.0	2.4
Earnings/share, EUR	0.22	0.07

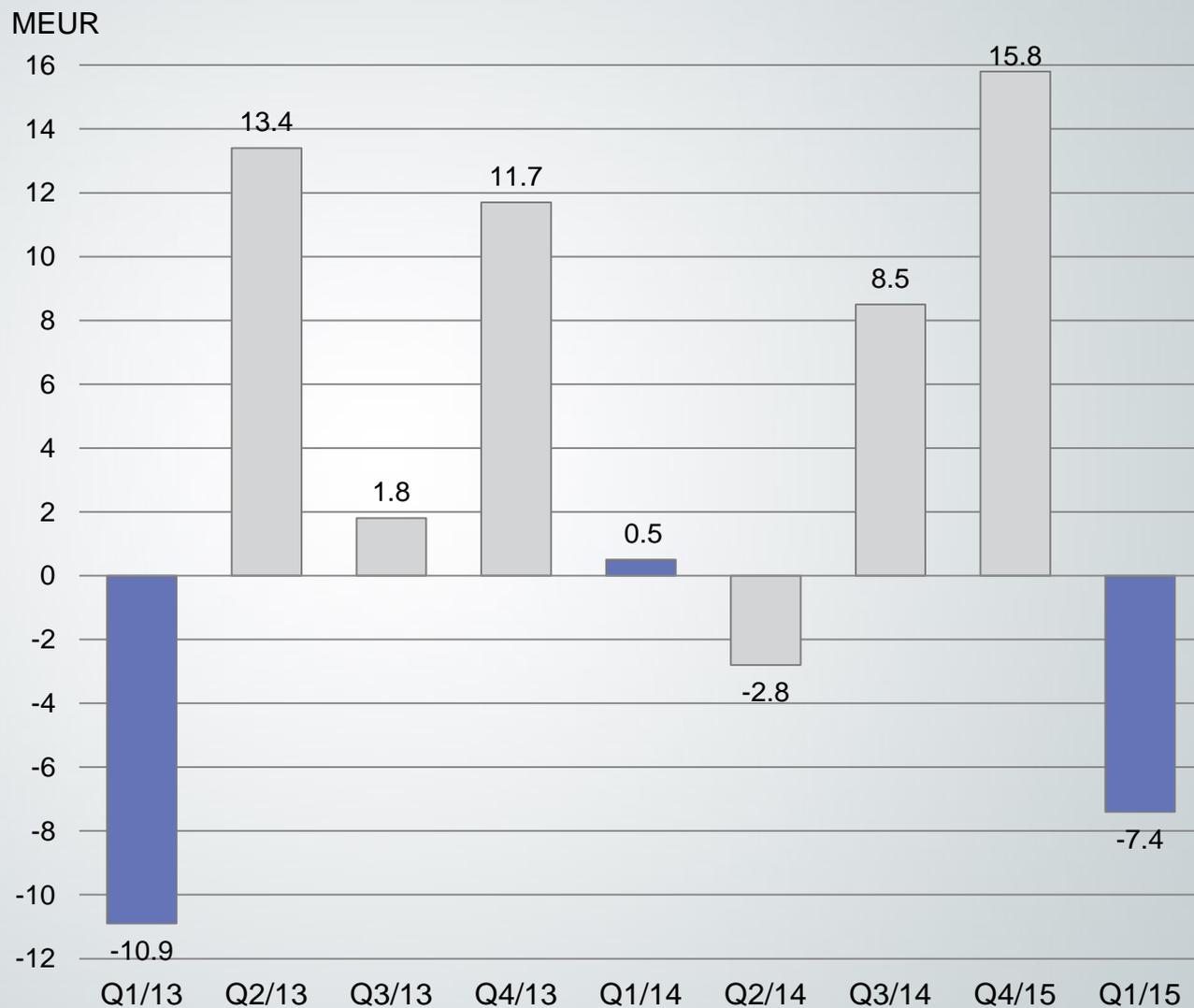


# Gearing

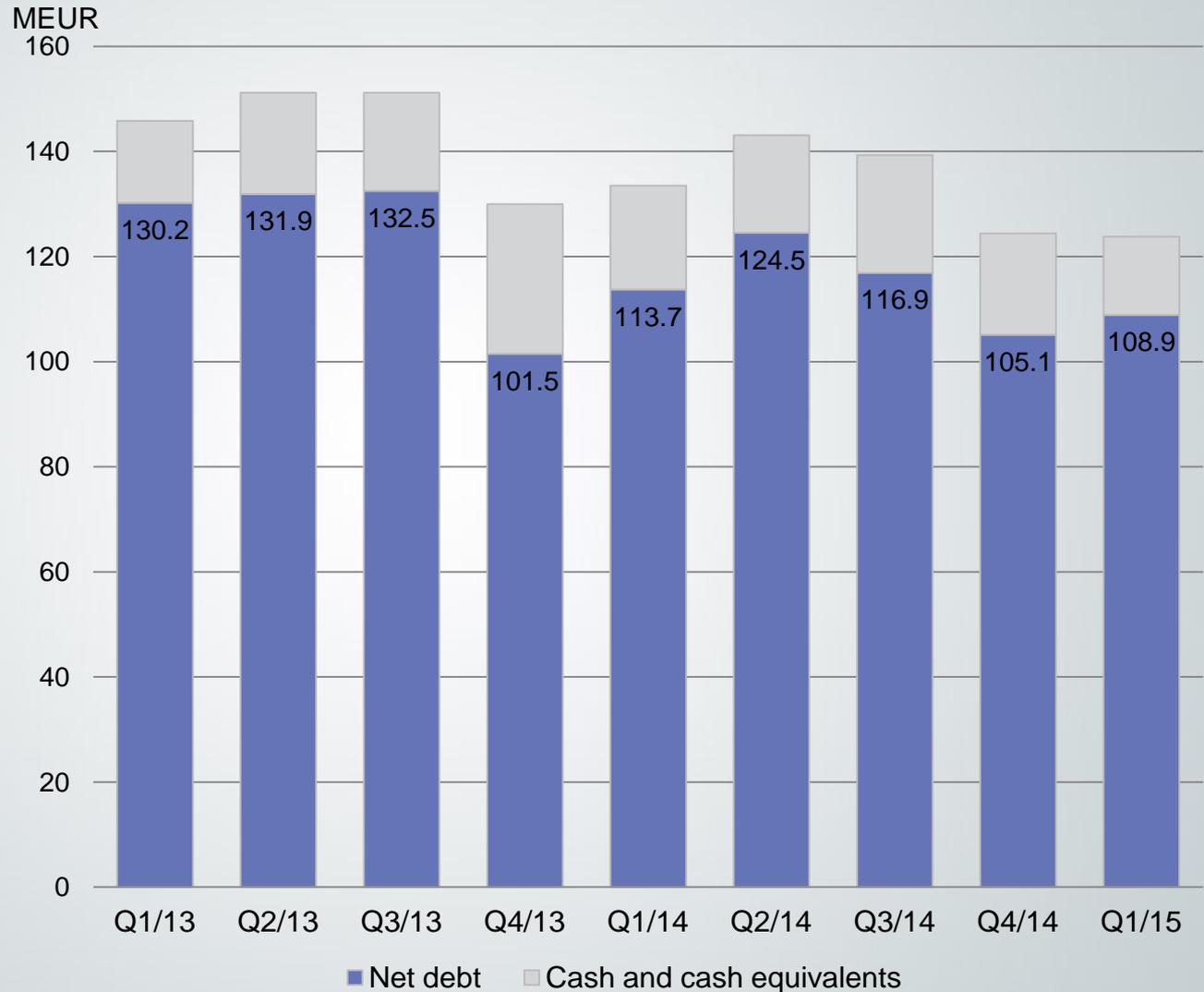




# Operational cash flow

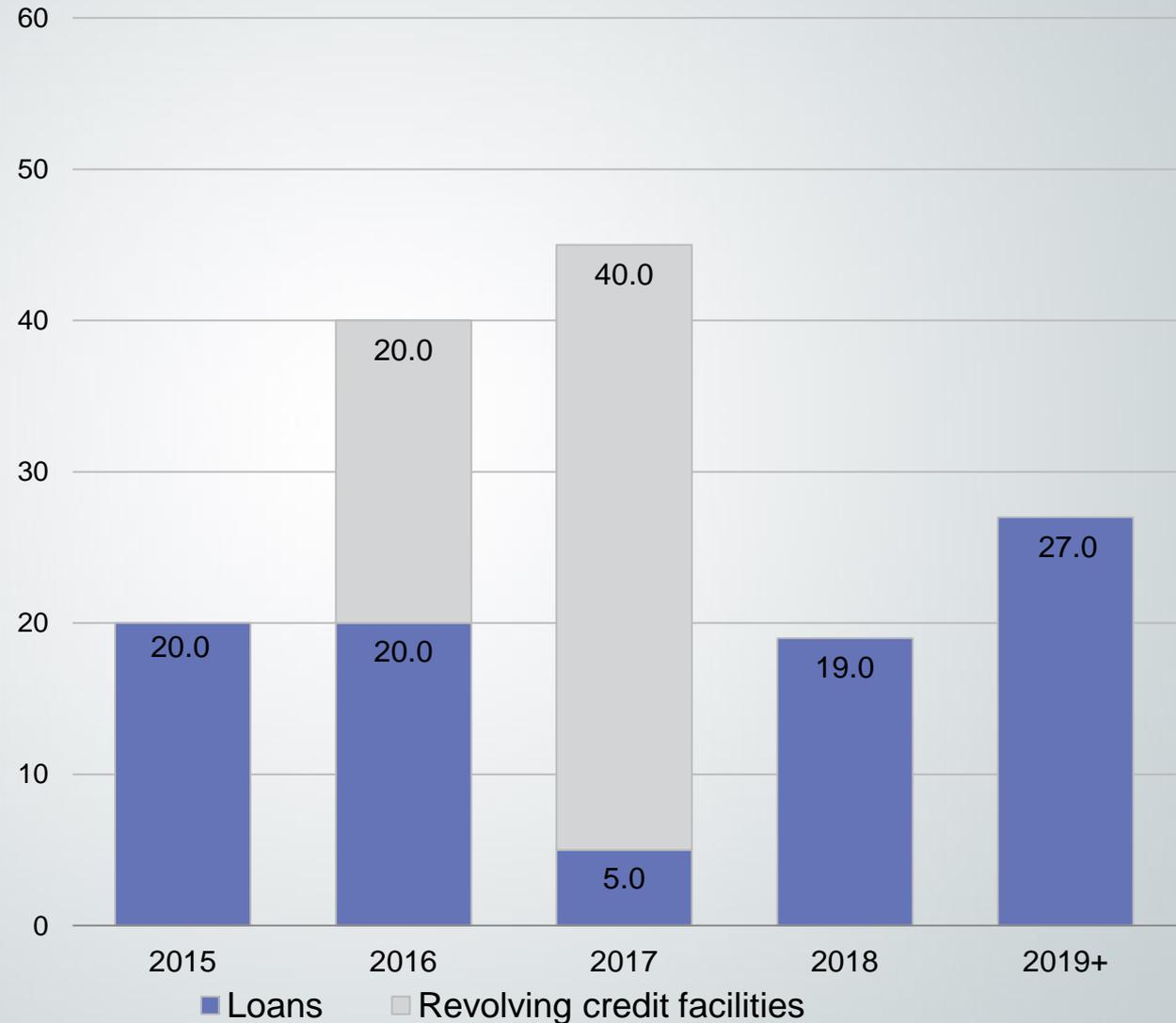


# Interest bearing liabilities and net debt



# Maturity of significant loan agreements

MEUR



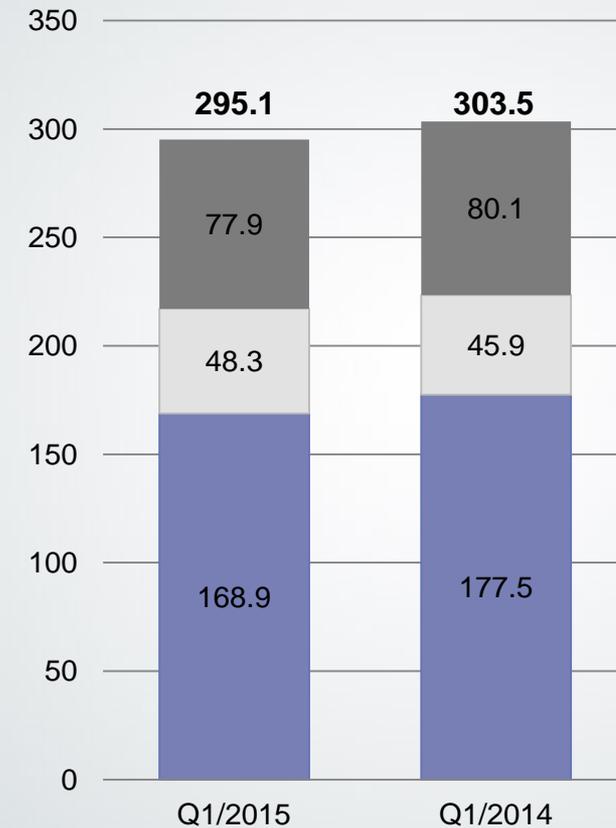
Commercial papers, overdraft facilities and financial leasing agreements not included.

# Balance sheet



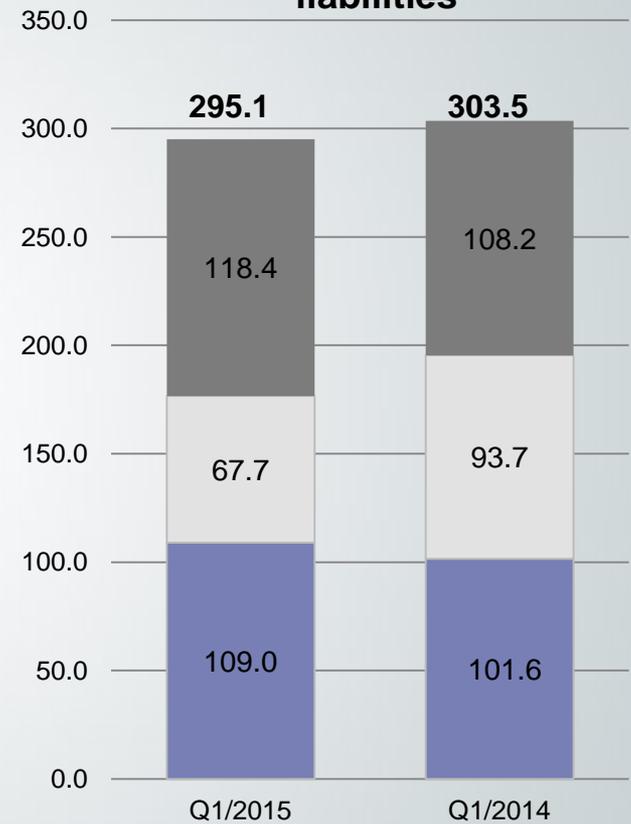
MEUR

## Assets



- Non-current assets
- Inventories
- Cash and receivables

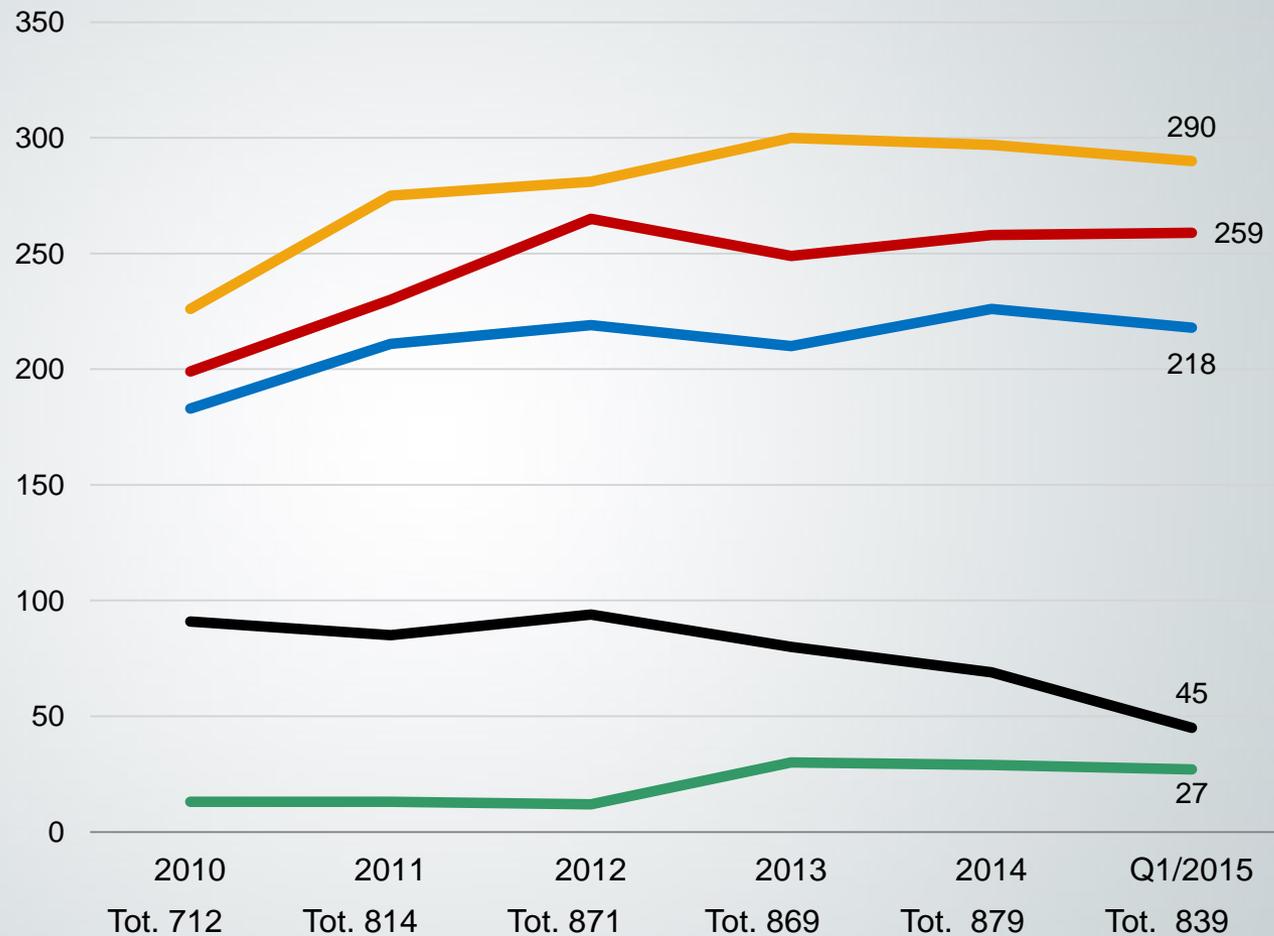
## Shareholders' equity and liabilities



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

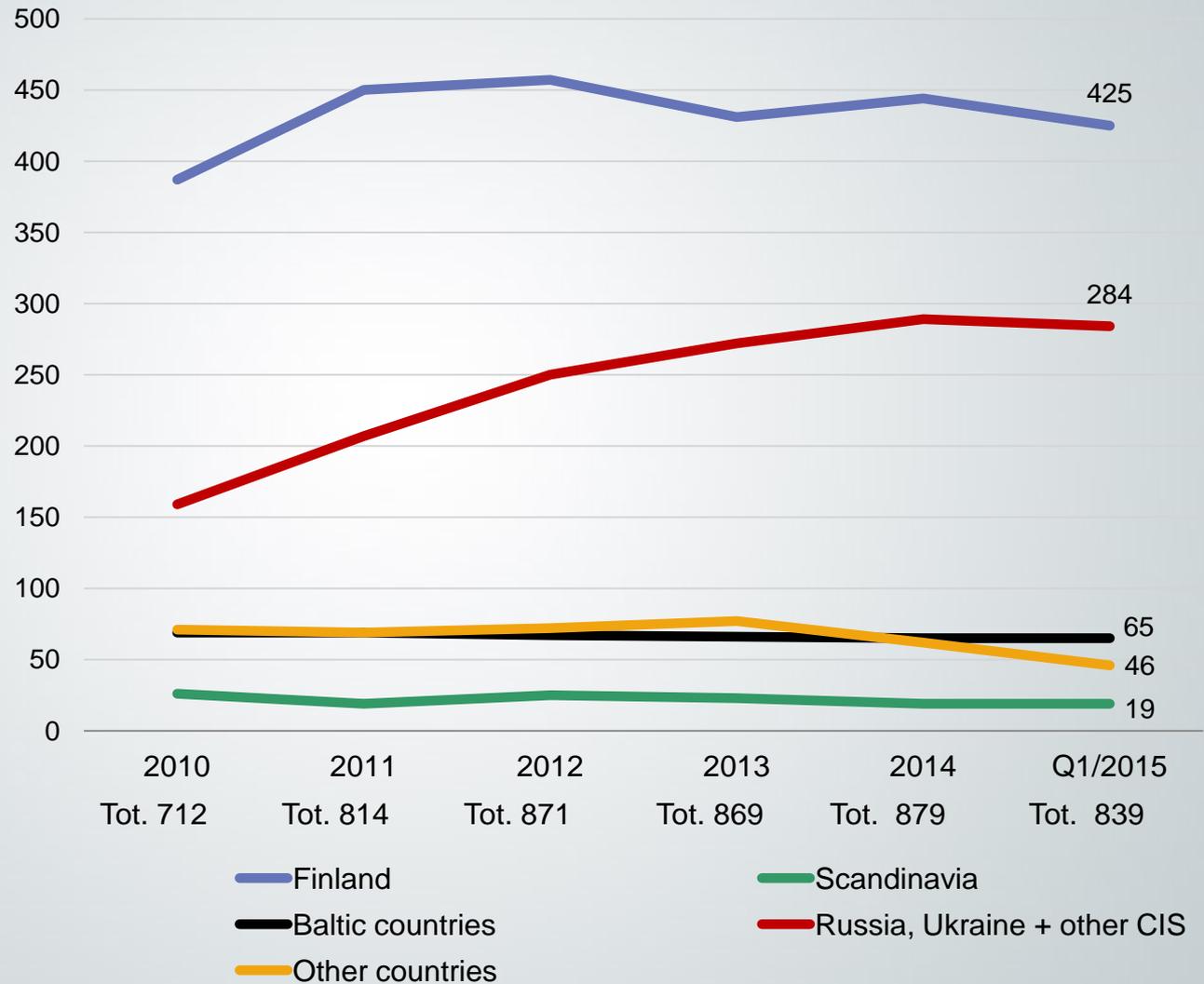


## Personnel / segment Q1



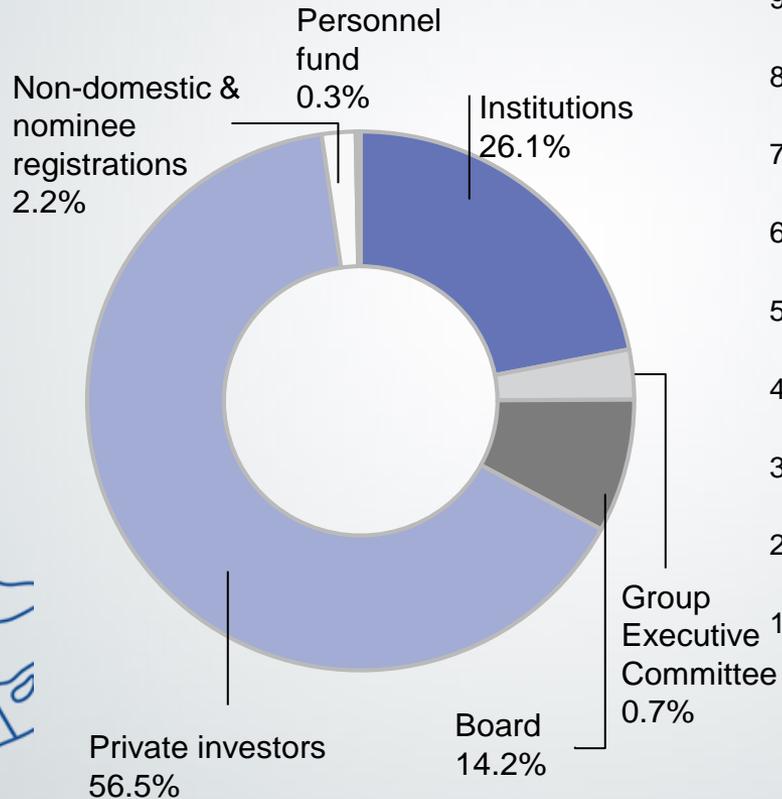


# Personnel / market area Q1

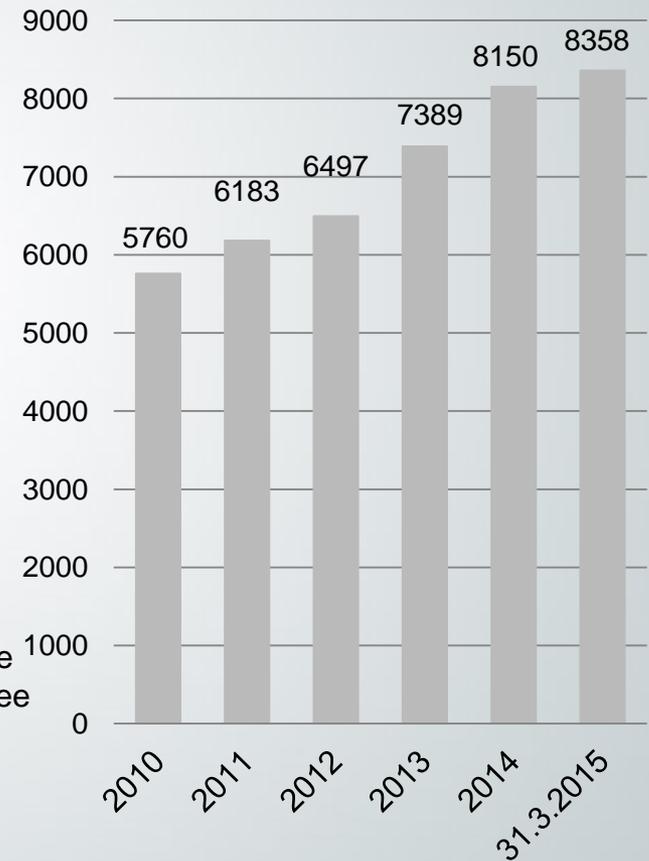


# Shareholders' allocation

Share Q1/2015



Number of shareholders





## Outlook for 2015





## Outlook for Aspo Group in 2015

- The slow growth in global economy and industry within the EU will continue.
- Uncertainty will continue in eastern growth markets that are important to Aspo.
- The market environments of businesses are expected to remain stable.
- A significant part of the ESL Shipping's capacity has been secured through long-term contracts. Loading and unloading operations at sea are expected to remain active.
- Leipurin will continue to develop local sourcing. The aim is to increase the share of local sourcing to 50% by summer 2015.
- According to its strategy, Telko will continue to invest in profitable growth in eastern markets. Prices are expected to rise slowly.



## Guidance for 2015

The guidance remains unchanged:

- Aspo expects to reach a good result.



**Thank you!**

