



Aspo's Q2

August 13, 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.



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.
- "Aspo fared well compared to previous years, considering the market situation."



Aspo's financial targets

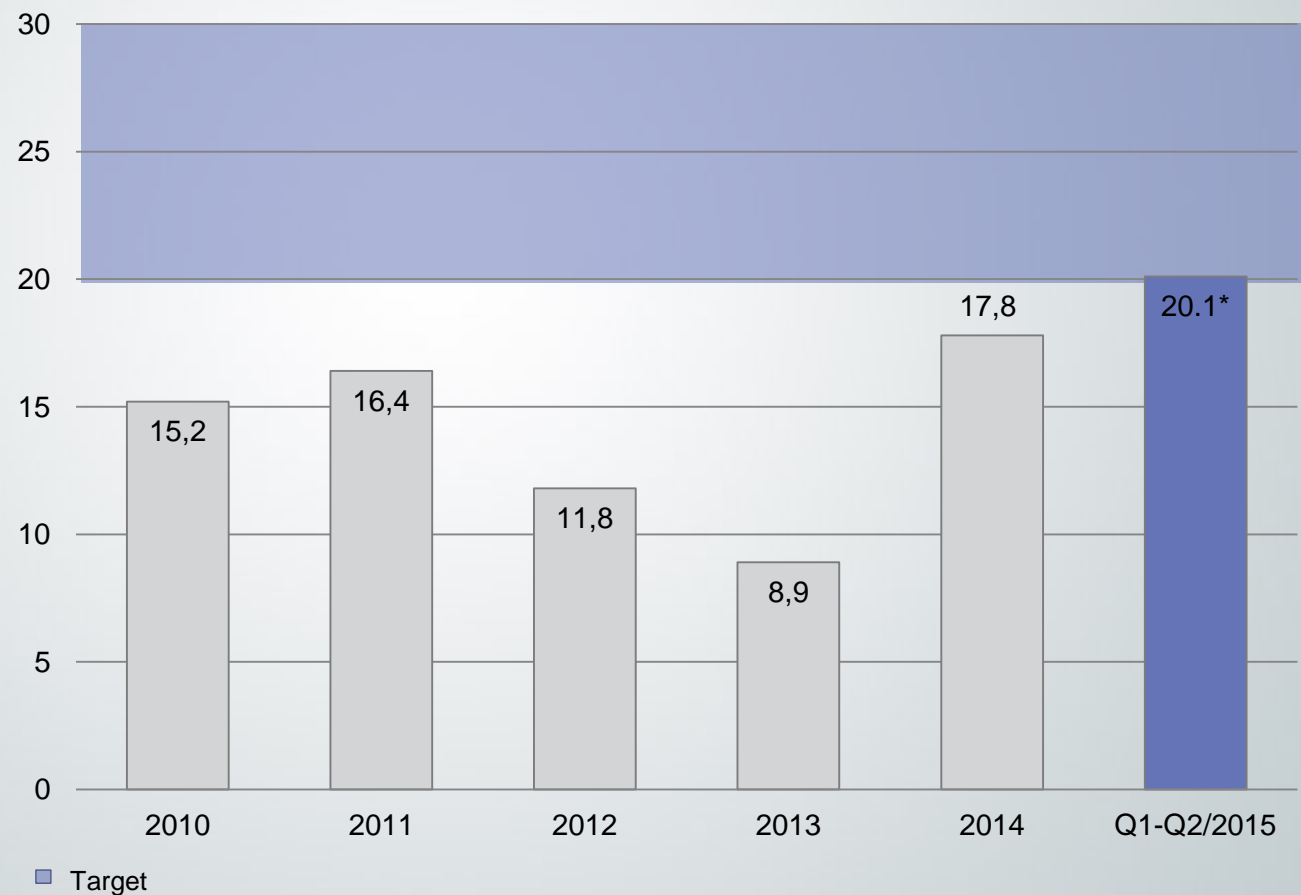
- **Operating profit closer to 10% than 5%**
 - Comparable operating profit for the first half-year stood at 4.0%.
- **ROE over 20% on average**
 - At the end of Q2 ROE was 20.1%.
- **Gearing of up to 100%**
 - At the end of Q2 gearing was 118.6%.
- **Aspo's dividend policy:** Aspo will distribute an 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 targets

Return on equity

ROE, %

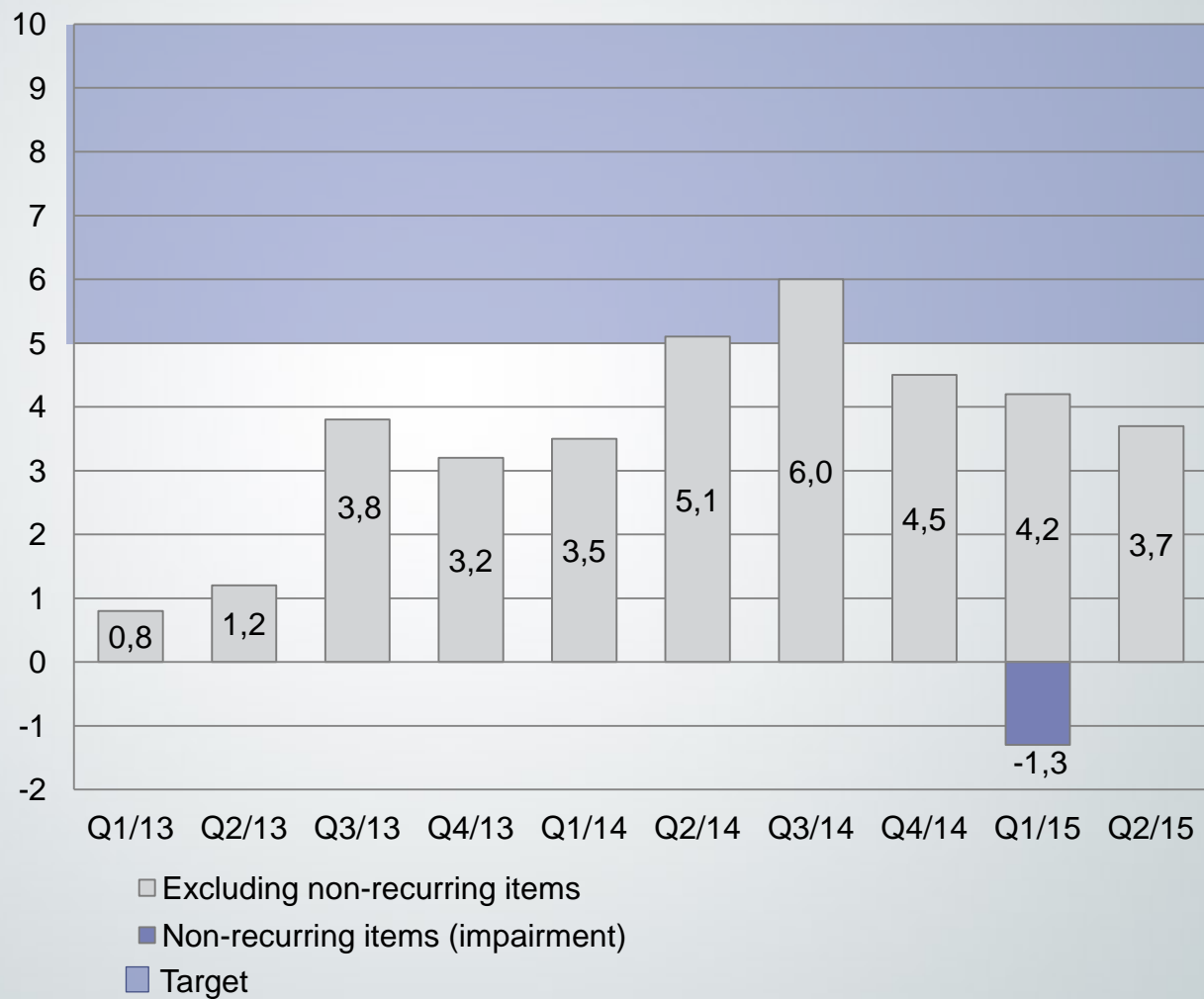


* The Alandia shares' and impairment's impact on the annualized ROE is about 7 percentage points.



Financial targets

Operating profit, %





Aspo Q2/2015

- Earnings per share were EUR 0.10 (0.17).
- Profit for the quarter decreased to EUR 3.3 million (5.5).
- The operating profit decreased to EUR 4.1 (6.3) million.
- Net sales decreased to EUR 110.2 (122.7) million.
- Aspo specifies its guidance for 2015.

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

Previous guidance: Aspo expects to reach a good result.



Key factors affecting the result for Q2

- ESL Shipping achieved an excellent Ebitda level of 24%. Its operating profit was EUR 2.5 million.
- Telko's operating profit was EUR 2.3 million—a good result in a difficult market situation. Profitability in eastern markets remained above the level of 5%, even though euro-denominated net sales decreased by 15%.
- Leipurin recorded a weak result, with its operating profit being EUR 0.7 million. The result for bakery machinery showed a loss. Net sales of bakery raw materials in Russia fell by more than 30% in euros and 11% in rubles. Profitability in eastern markets stood at a level of 5%.
- Kaukomarkkinat recorded a positive operating profit.
- The operating profit from other operations was at the previous year's level.



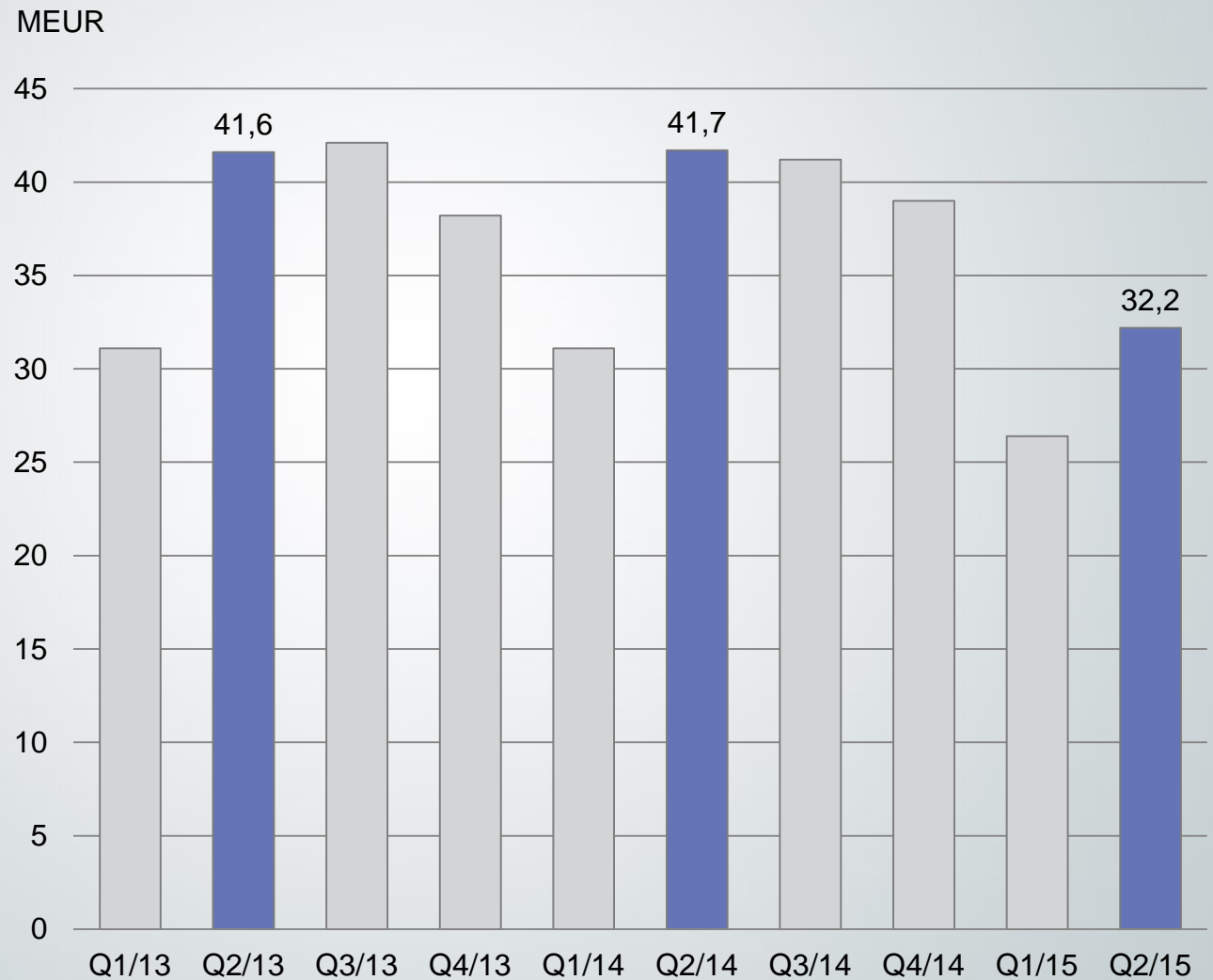
Russia, Ukraine and other CIS countries Q2/2015

- The crisis between Russia and Ukraine is ongoing. Economic sanctions and import restrictions are expected to be prolonged.
- The price of oil 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 32.2 (40.3) million. Ruble-denominated net sales increased by 5% in Russia.
- The operating profit in the market area decreased but remained above 5% in Telko's and Leipurin's business operations.



Net sales, quarterly

Russia, Ukraine + other CIS-countries

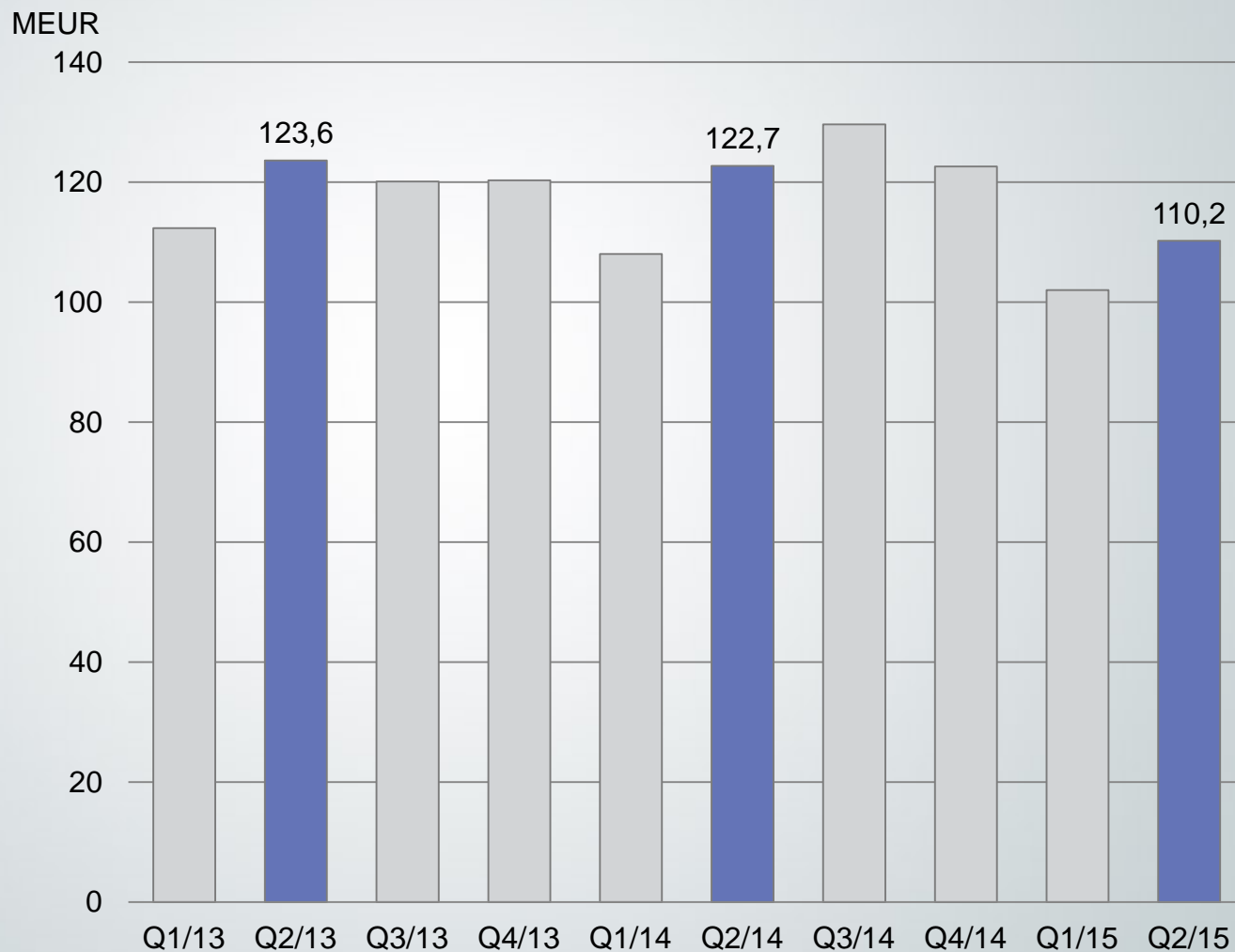


Net sales / market area Q2

MEUR	Q2/15	Q2/14	Change, %
Finland	38.5	38.3	1
Scandinavia	12.9	12.0	8
Baltic countries	13.3	14.7	-10
Russia, Ukraine + other CIS	32.2	41.7	-23
Other countries	13.3	16.0	-17
Total	110.2	122.7	-10

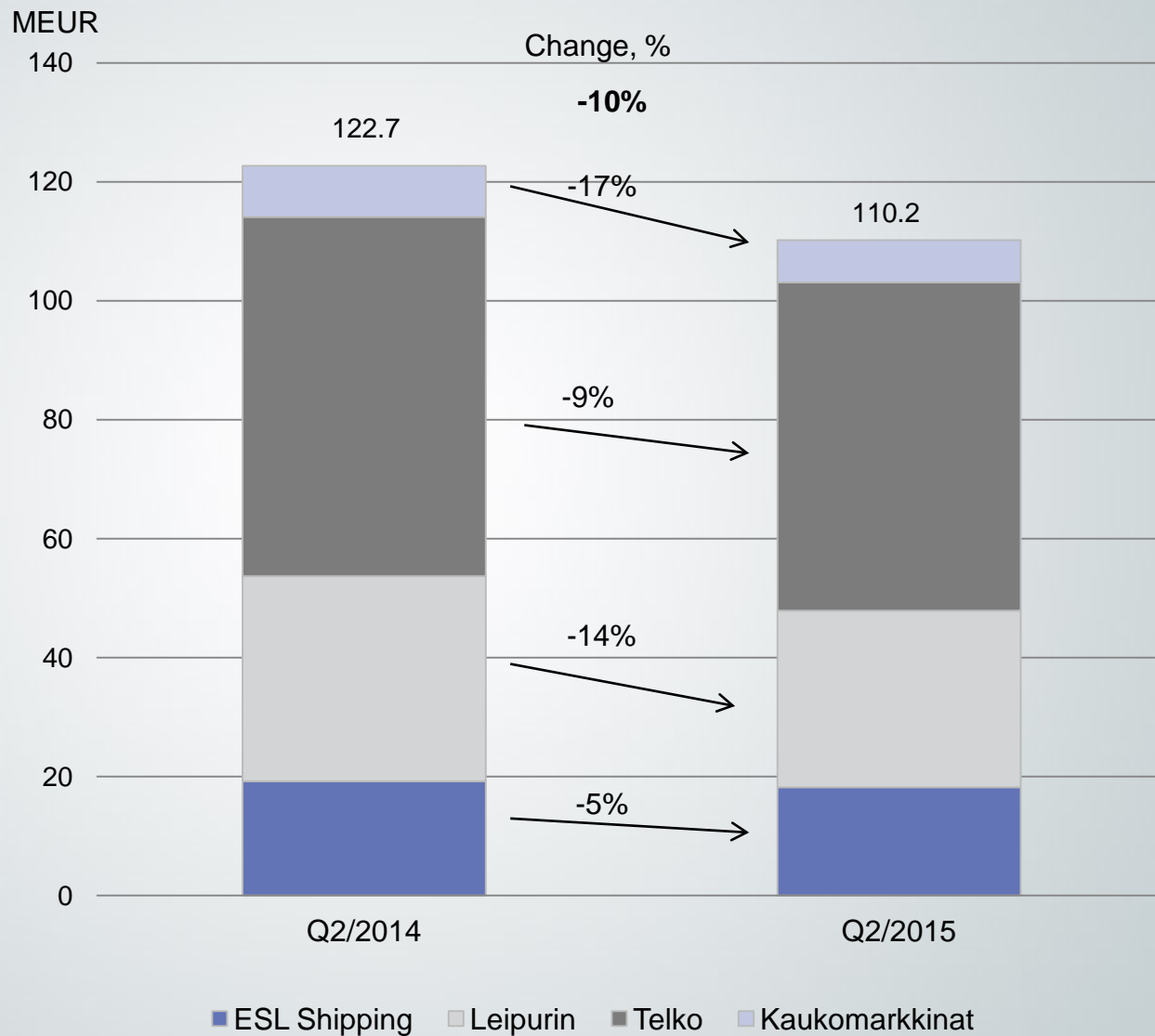


Group net sales, quarterly





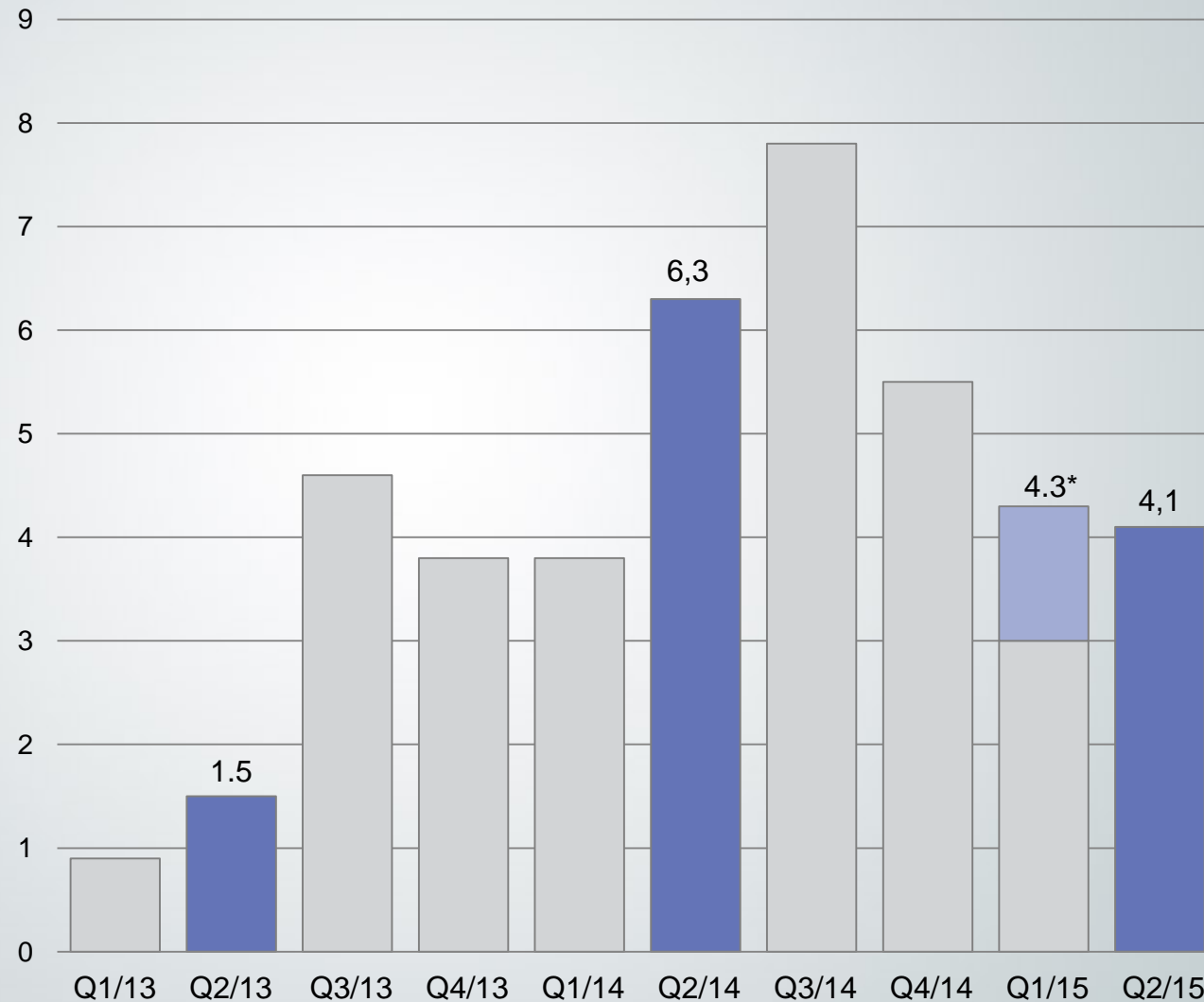
Net sales / segment Q2





Group operating profit, quarterly

MEUR



* Excluding a non-recurring impairment

Operating profit / segment Q2

MEUR	Q2/15	Q2/14	Change, %
ESL Shipping	2.5	2.7	-7
Leipurin	0.7	1.9	-63
Telko	2.3	3.2	-28
Kaukomarkkinat	0.1	0.0	-
Other operations	-1.5	-1.5	0
Total	4.1	6.3	-35

Net sales and operating profit Q2

2014/2015	Q1	Q2	Q3	Q4	Cum.
Net sales	102.0	110.2			212.2
MEUR	108.0	122.7	129.6	122.6	482.9
Operating profit	3.0	4.1			7.1
MEUR	3.8	6.3	7.8	5.5	23.4



Aspo's business operations



Aspo's countries of operation





ESL Shipping

**Integral part of
Finnish security
of supply**

ESL Shipping Q2/2015

- International dry bulk cargo rates are at a low level but have ceased to decrease.
- In Q2, ESL Shipping's vessels mainly operated in the Baltic Sea, the North Sea and international traffic.
- Net sales decreased as a result of the capacity lowered by one vessel, as well as shutdowns in industry and the docking of vessels.
- Net sales were EUR 18.2 (19.2) million.
- The operating profit was EUR 2.5 (2.7) million—an excellent result, considering the market situation.
- ESL Shipping transported 2.4 (2.7) million tons of cargo.
- Supramax vessels will operate under a new contract in Russian Arctic territory during fall 2015.



ESL Shipping key figures Q2

	Q2/15	Q2/14	Change, %
Net sales, MEUR	18.2	19.2	-5
Operating profit, MEUR	2.5	2.7	-7
Operating profit, %	13.7	14.1	



Baltic Dry Index 2014–2015



Source: Bloomberg



The bakery specialist

Leipurin Q2/2015

- Prices remained at a low level but increased slightly before the harvest season.
- Net sales were EUR 29.7 (34.5) million. Net sales decreased as a result of lower sales volumes of raw materials and decreased machine deliveries in Russia compared to the reference period as well as a devalued Russian ruble.
- The operating profit decreased to a weak level of EUR 0.7 (1.9) million.
- Operating profit decreased mainly as a result of loss-making bakery machinery operations and a significant decrease in net sales in Russia. The operating profit margin in eastern markets stayed above 5%.
- We estimate that the effect of canceled bakery machine orders in Russia was at its strongest during Q2.
- In raw material business in Russia local products represent around 40%.



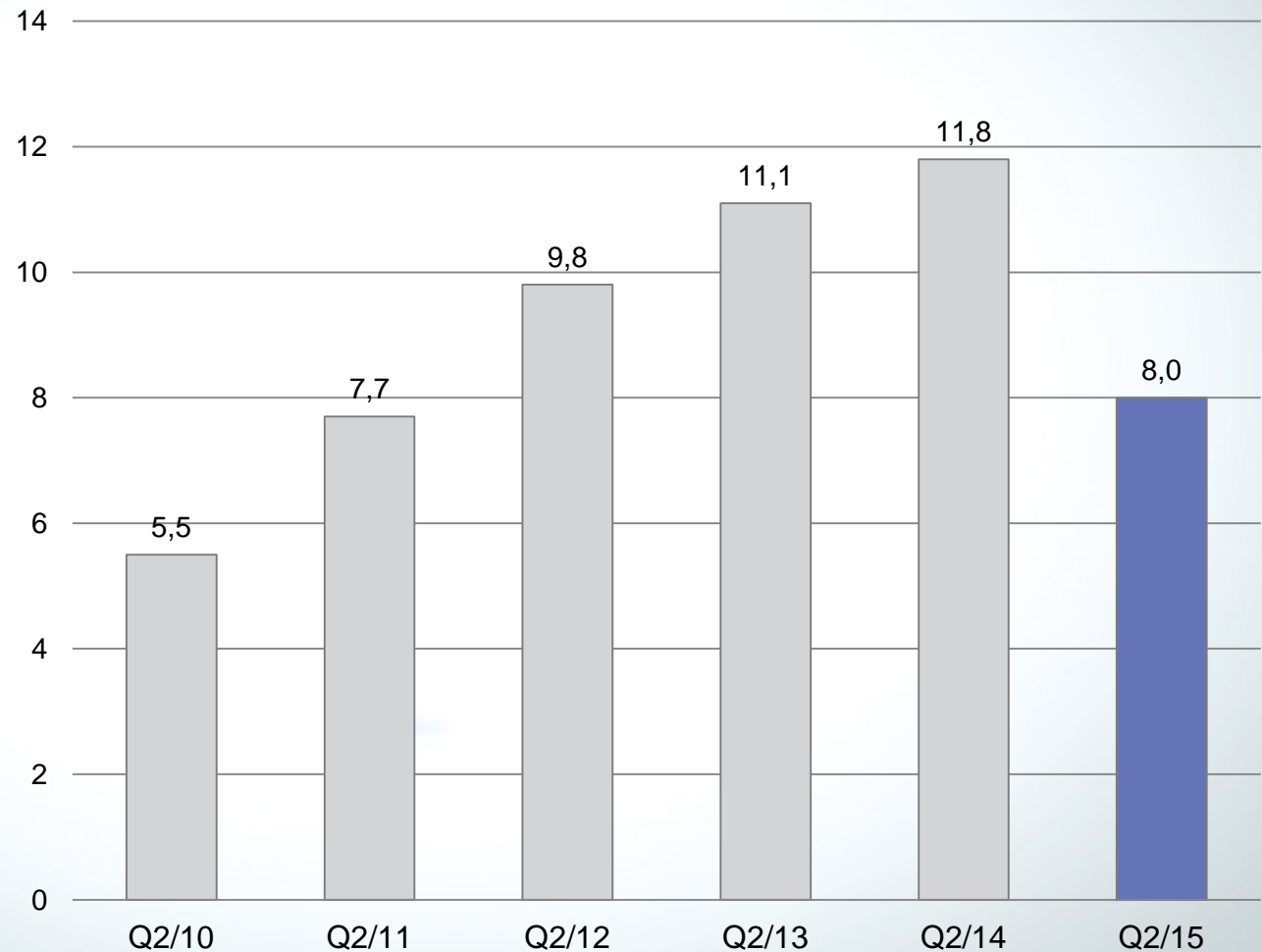
Leipurin key figures Q2

	Q2/15	Q2/14	Change, %
Net sales, MEUR	29.7	34.5	-14
Operating profit, MEUR	0.7	1.9	-63
Operating profit, %	2.4	5.5	



Russia, Ukraine + other CIS countries net sales Q2

MEUR





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

Telko Q2/2015

- The prices of the raw materials sold by Telko increased quarter-on-quarter but are at a low level.
- Net sales were EUR 55.2 (60.4) million.
- The operating profit was at a good level: EUR 2.3 (3.2) million.
- Net sales in Russia, Ukraine and other CIS countries decreased to EUR 24.2 (28.5) million. The operating profit in the area declined but continued to be over the level of 5%.
- The share of plastic raw materials increased to 65% of net sales, and their profitability improved.
- The profitability of industrial chemicals decreased significantly.
- Net sales increased in Scandinavia and Poland and remained unchanged in the Baltic countries, but decreased in eastern markets.
- Operations began in Azerbaijan and Georgia.



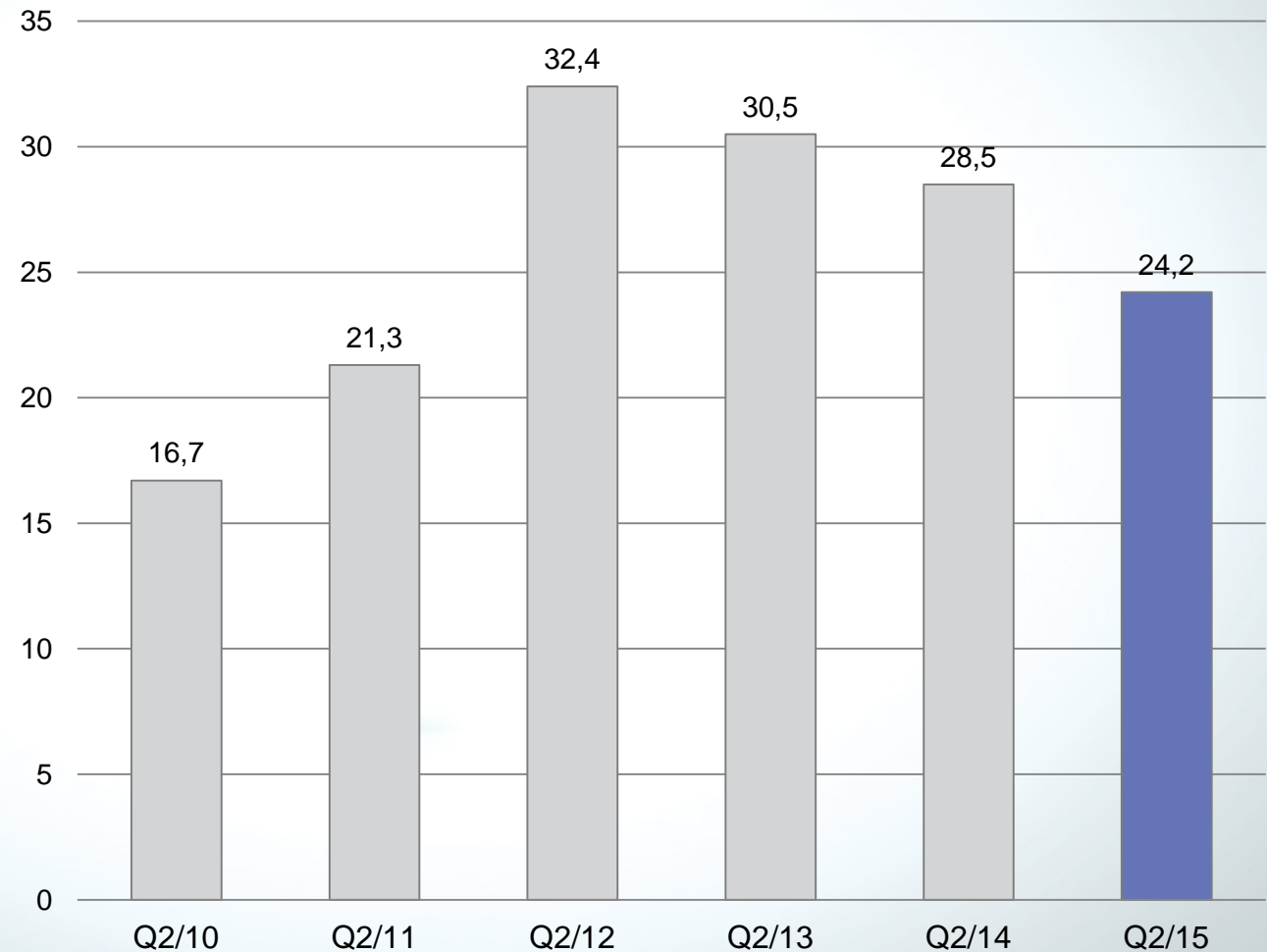
Telko key figures Q2

	Q2/15	Q2/14	Change, %
Net sales, MEUR	55.2	60.4	-9
Operating profit, MEUR	2.3	3.2	-28
Operating profit, %	4.2	5.3	



Russia, Ukraine + other CIS countries net sales Q2

MEUR





**Expert in energy
efficiency**

Kaukomarkkinat Q2/2015

- Net sales were EUR 7.1 (8.6) million.
- The operating profit grew and amounted to EUR 0.1 (0.0) million.
- Sales of special IT equipment developed well. Sales of rugged computers and tablets also developed well, even though their market as a whole has decreased strongly.
- New products were introduced in the healthcare sector.
- Sales of energy efficiency equipment continued to be at a satisfactory level in Finland.
- Sami Koskela took over the position as Managing Director.

Kaukomarkkinat key figures Q2

	Q2/15	Q2/14	Change, %
Net sales, MEUR	7.1	8.6	-17
Operating profit, MEUR	0.1	0.0	-
Operating profit, %	1.4	0.0	

Financing and financials

Harri Seppälä



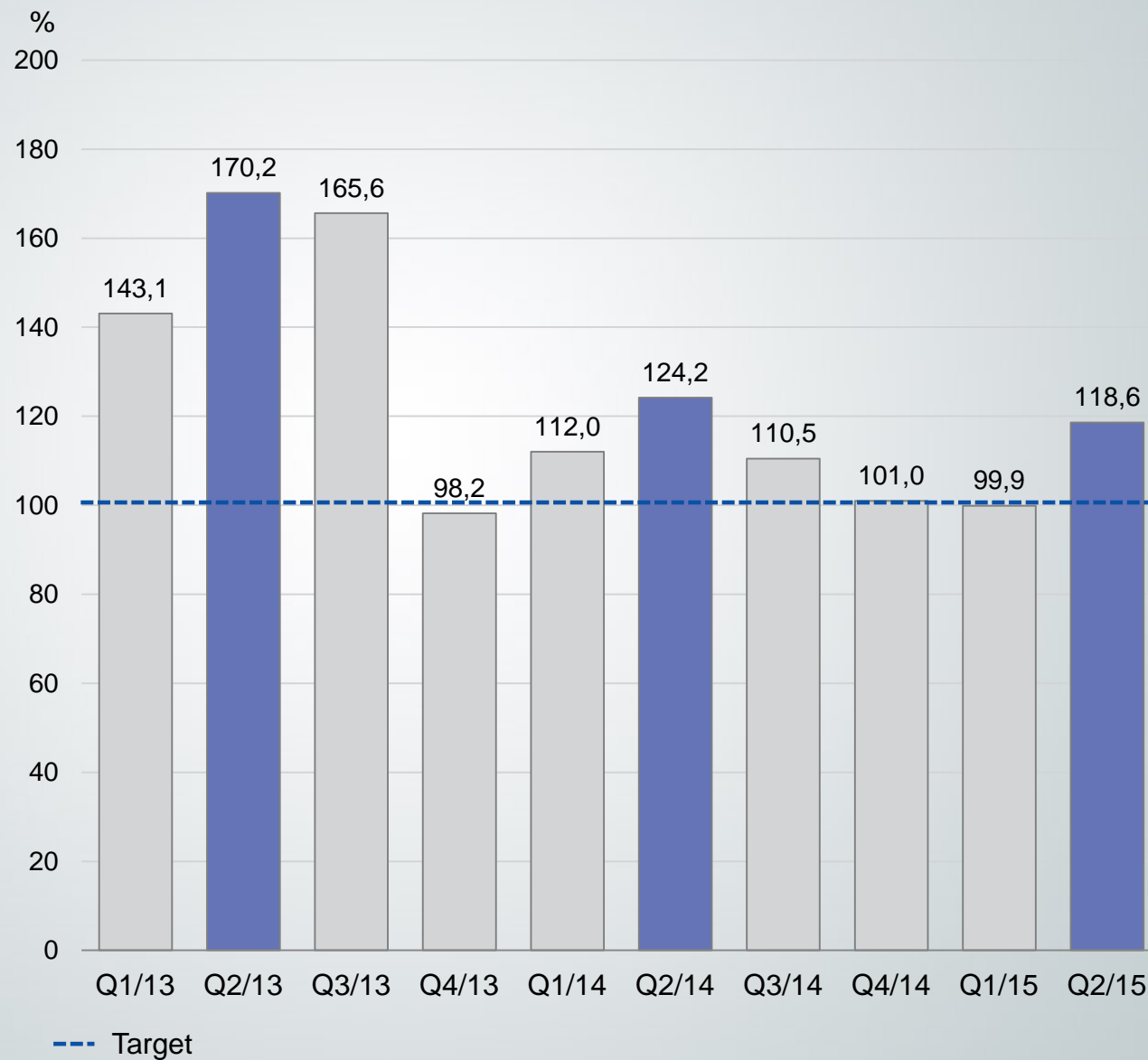


Income statement Q1-Q2

MEUR	2015	2014
Net sales	212.2	230.7
Ebitda	13.8	15.7
Depreciations and impairment	-6.7	-5.6
Operating profit	7.1	10.1
Financial income and expenses	4.0	-2.5
Profit before taxes	11.1	7.6
Income taxes	-0.8	0.3
Profit for the period	10.3	7.9
Earnings/share, EUR	0.32	0.24



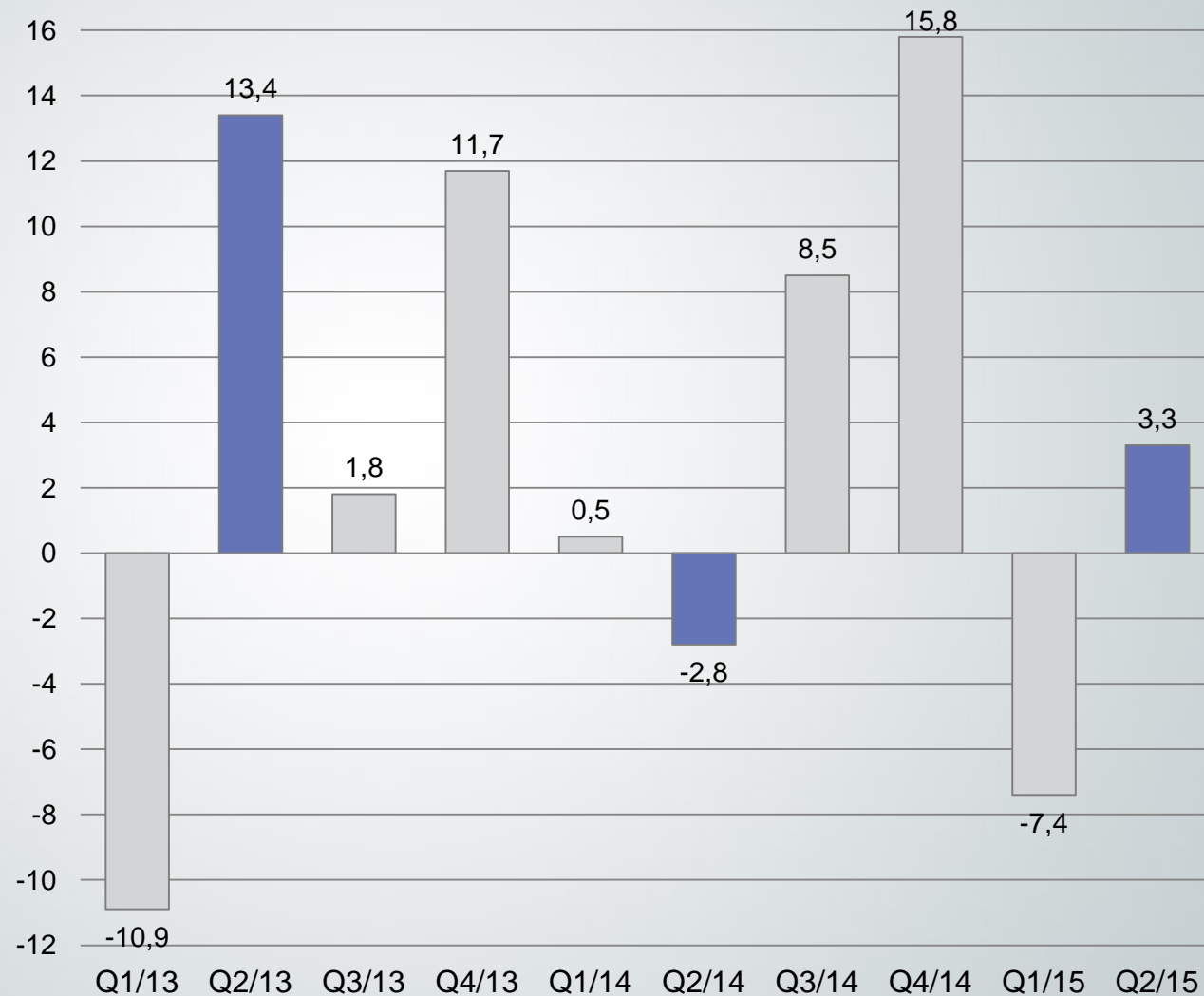
Gearing



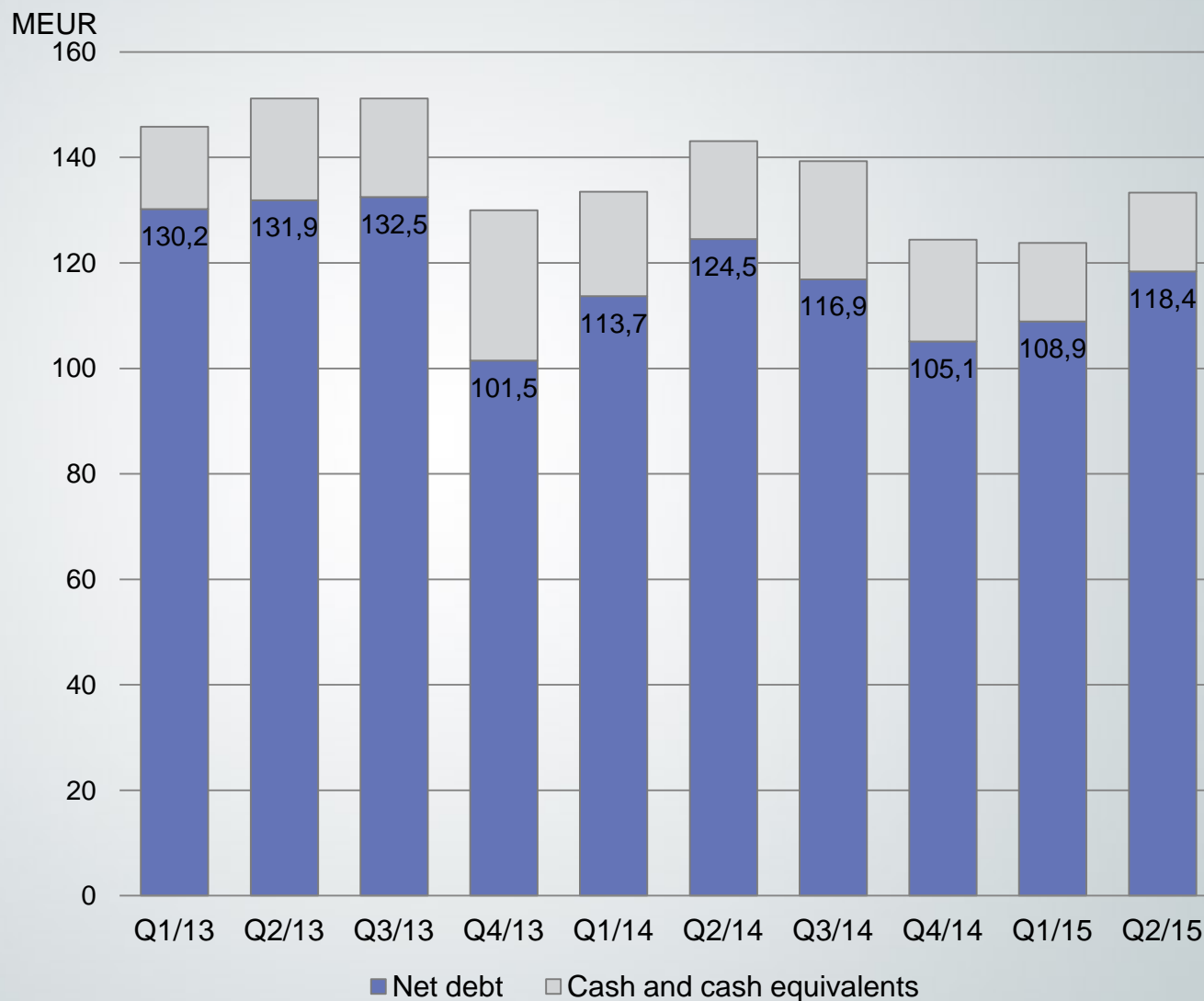


Operational cash flow

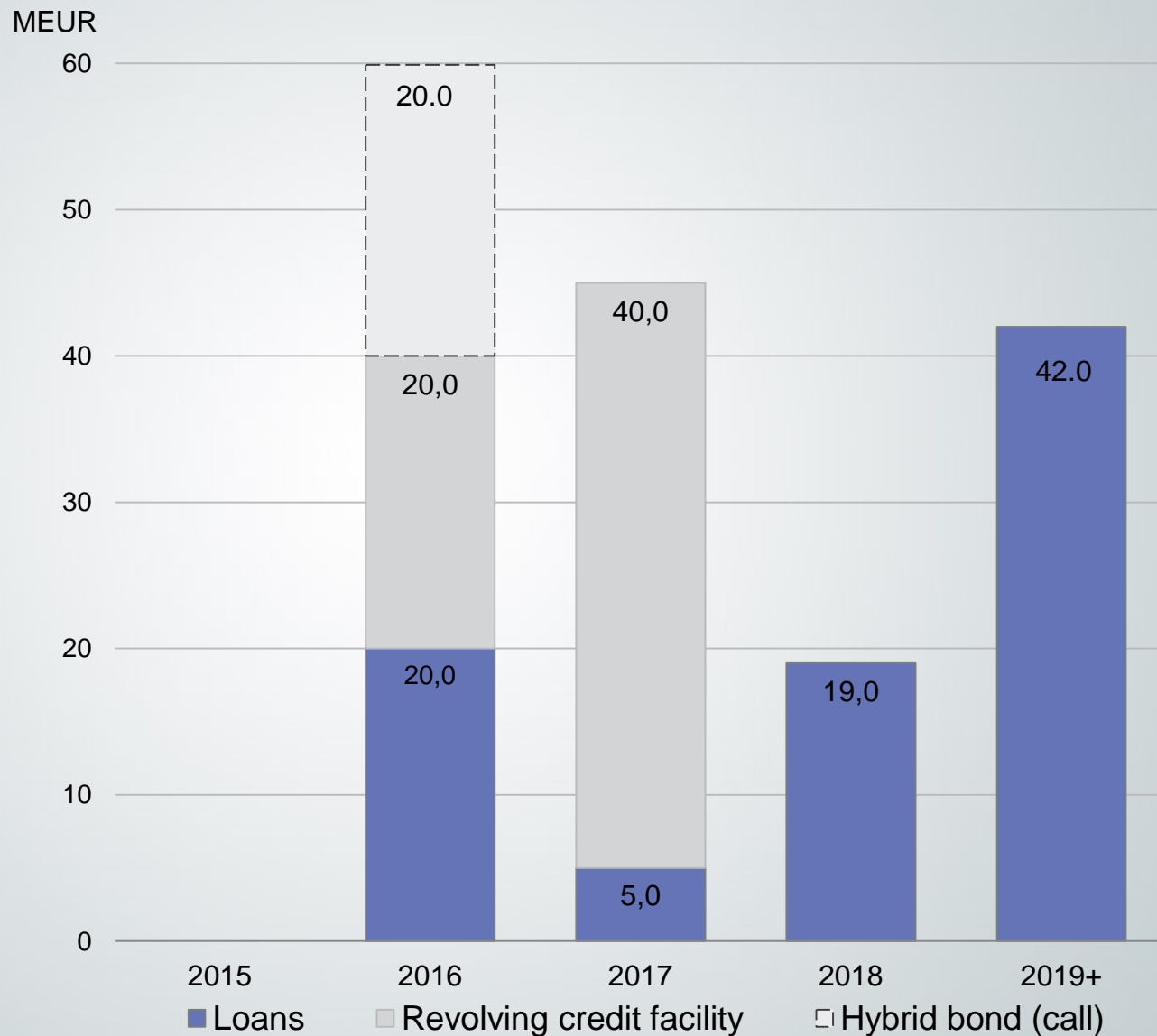
MEUR



Interest bearing liabilities and net debt



Maturity of significant loan agreements

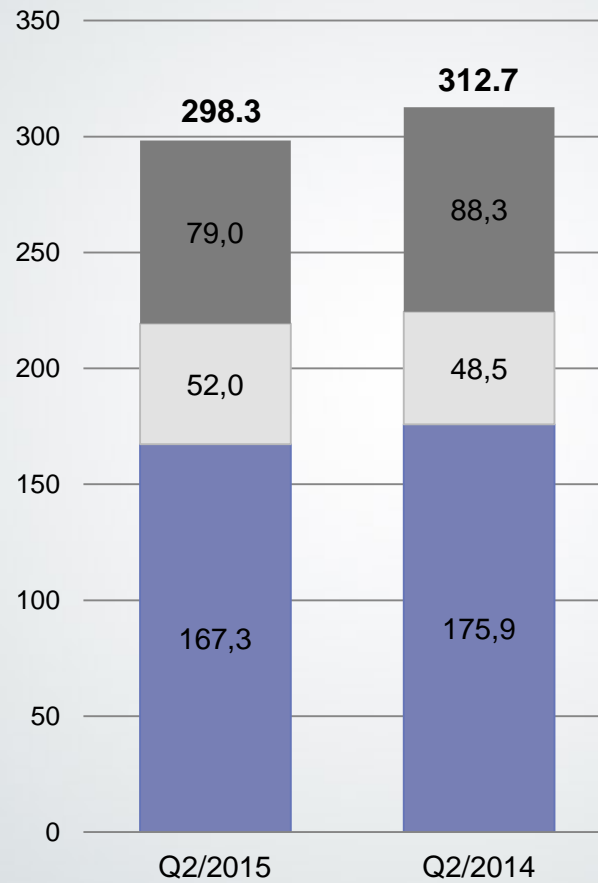


Commercial papers, overdraft facilities and financial leasing agreements not included.

Balance sheet

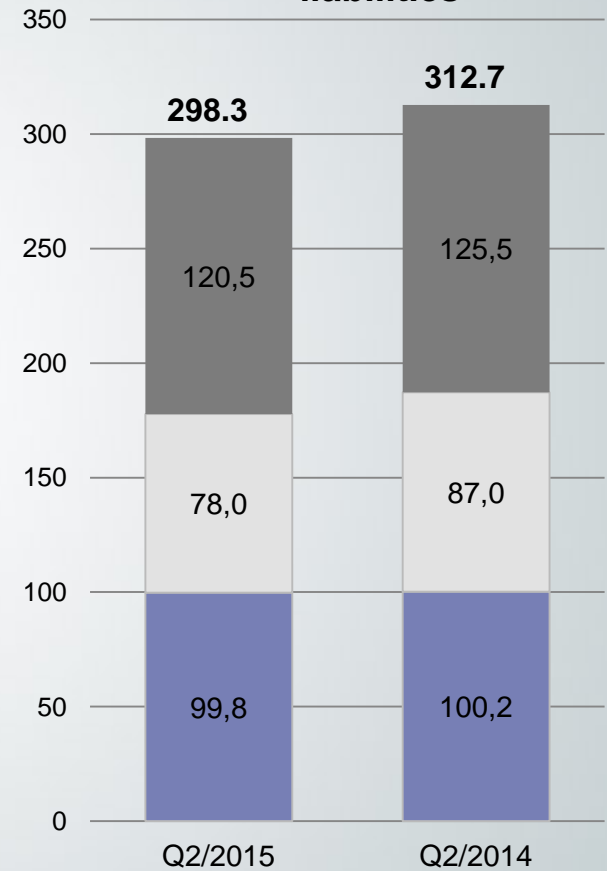
MEUR

Assets



- Non-current assets
- Inventories
- Cash and receivables

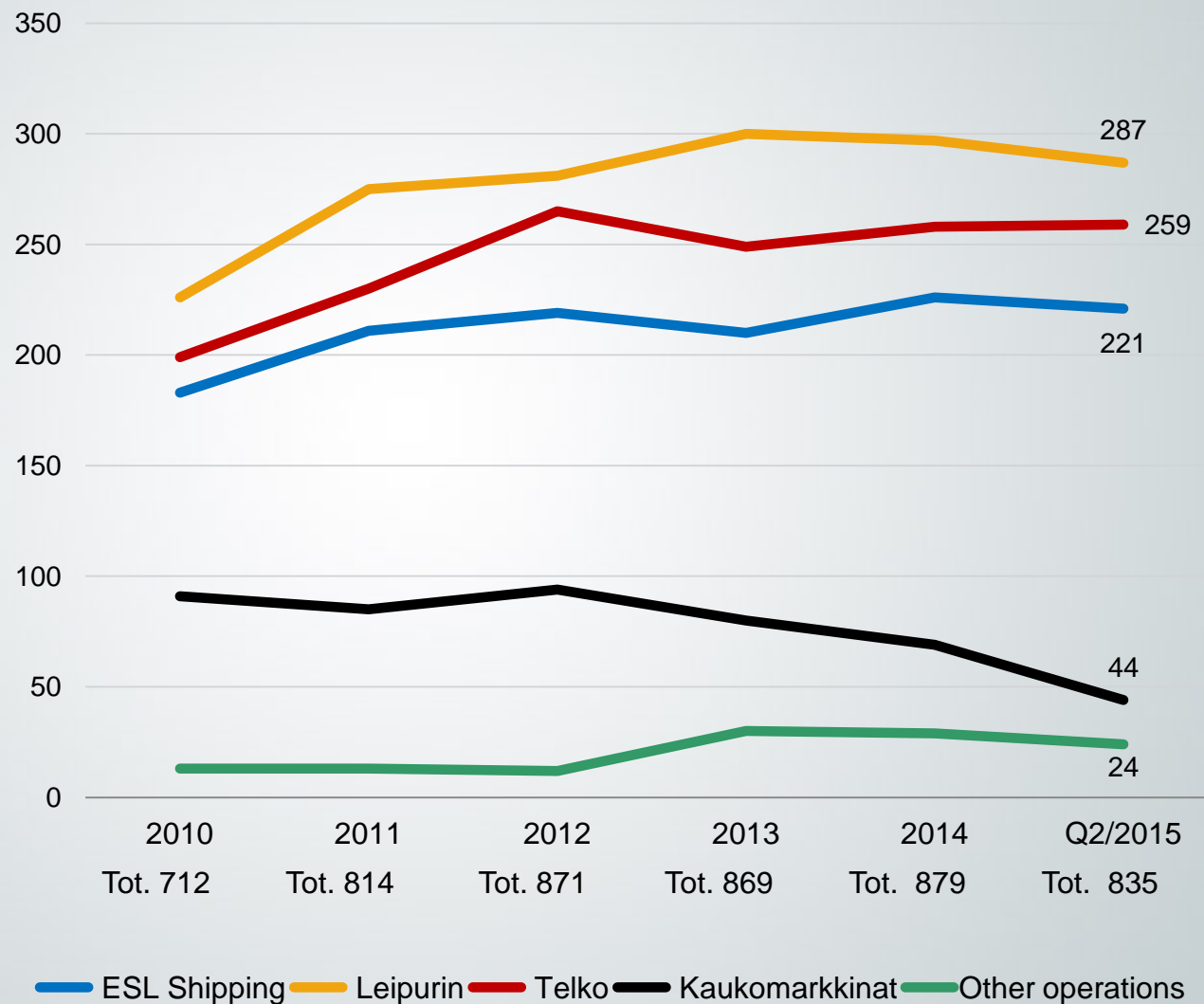
Shareholders' equity and liabilities



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

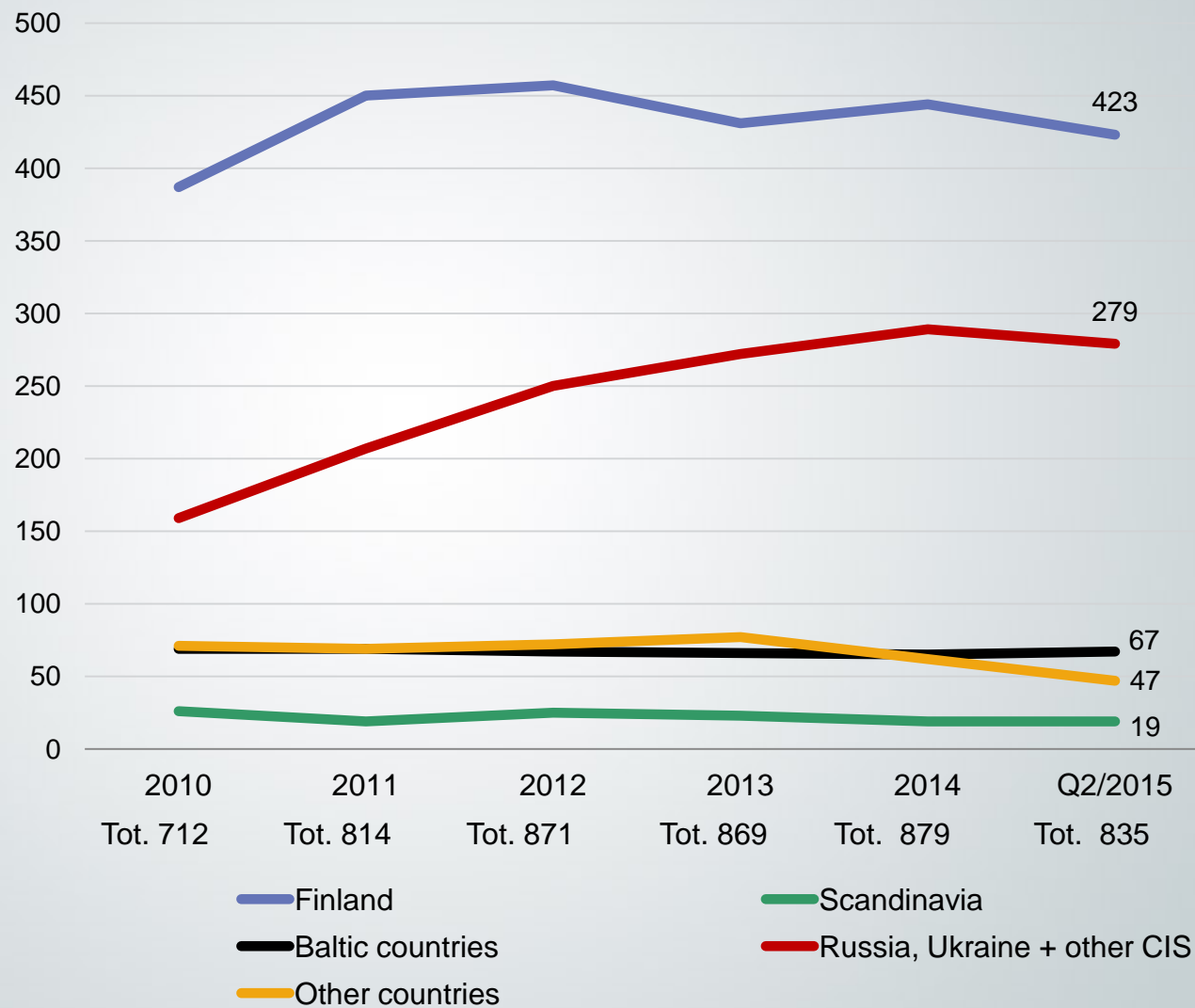


Personnel / segment Q2



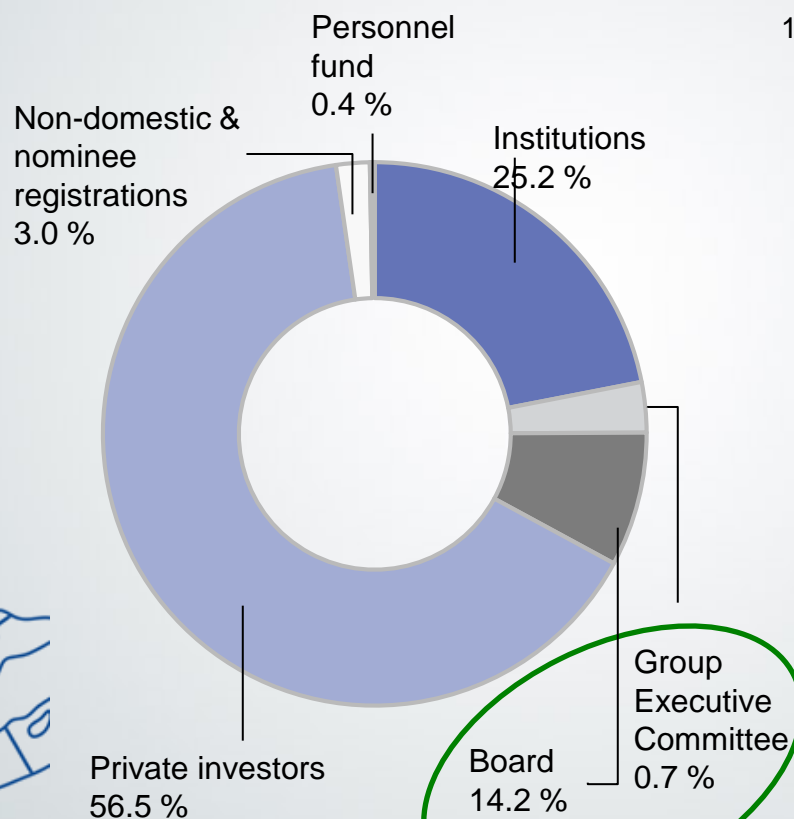


Personnel / market area Q2

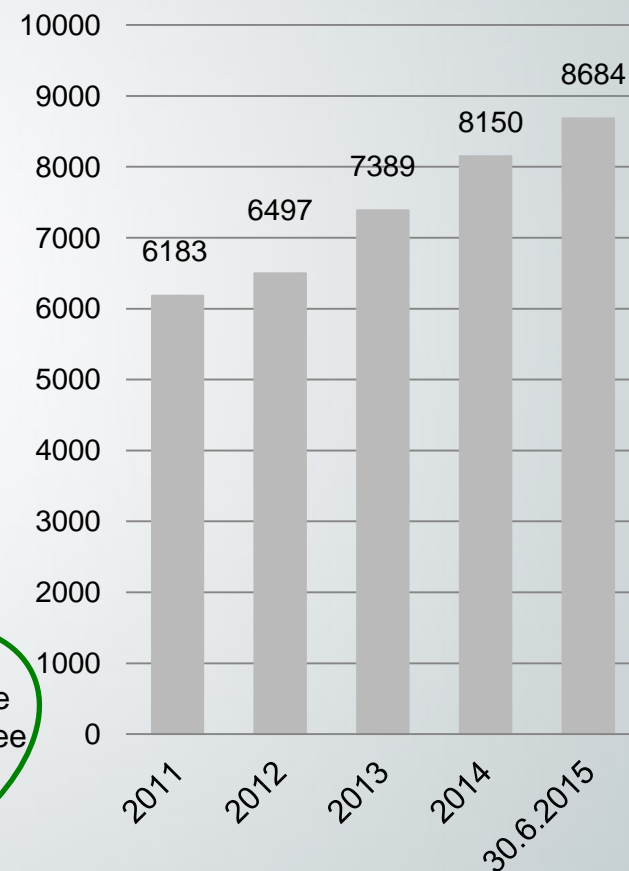


Shareholders / allocation

Share Q2/2015



Number of shareholders





Outlook for 2015





Outlook for Aspo Group in 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.
- The Group's business operations will continue to increase their market shares in the strategically important eastern markets.



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 goal is to increase the share of local raw materials in Russia. Western markets are expected to be stable.
- 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 specify its strategy and operating methods during 2015.



Guidance for 2015

- Aspo specifies its guidance for 2015.
- New guidance: Aspo's profit will increase compared to 2014 or remain at the same level.
- Previous guidance: Aspo expects to reach a good result.



Thank you!

