Aspo Q1

May 3, 2018

CEO Aki Ojanen

Aspo Q1

Financial results were especially affected by the exceptional cold weather in the northern hemisphere.

The currencies of eastern markets devaluated.

Net sales decreased by 3% to EUR 115.3 million (119.0).

Operating profit decreased by 16% to EUR 3.7 million (4.4).

Profit for the review period was EUR 2.0 million (3.9).

The Group's administrative costs increased from the unusually low level in the comparative period.

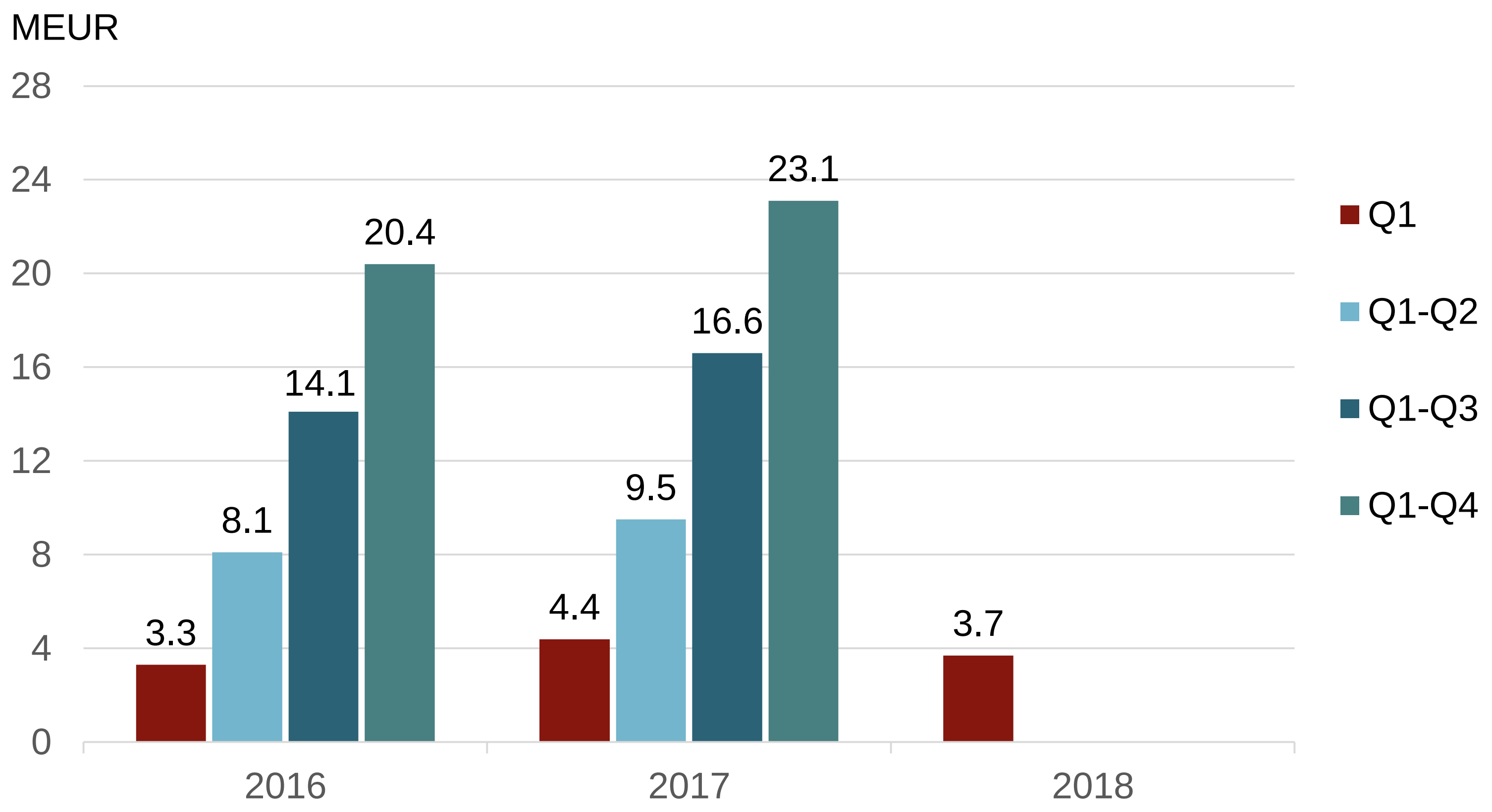
Ice and weather conditions in the Baltic Sea had an impact on the operational efficiency and fuel consumption of ESL Shipping.

The operating profit of Telko was nearly at the level of the comparative period, even though the extended cold weather reduced demand in Russia and Ukraine.

Leipurin continued strong improvement in its results as expected.

Operating profit

Operating profit



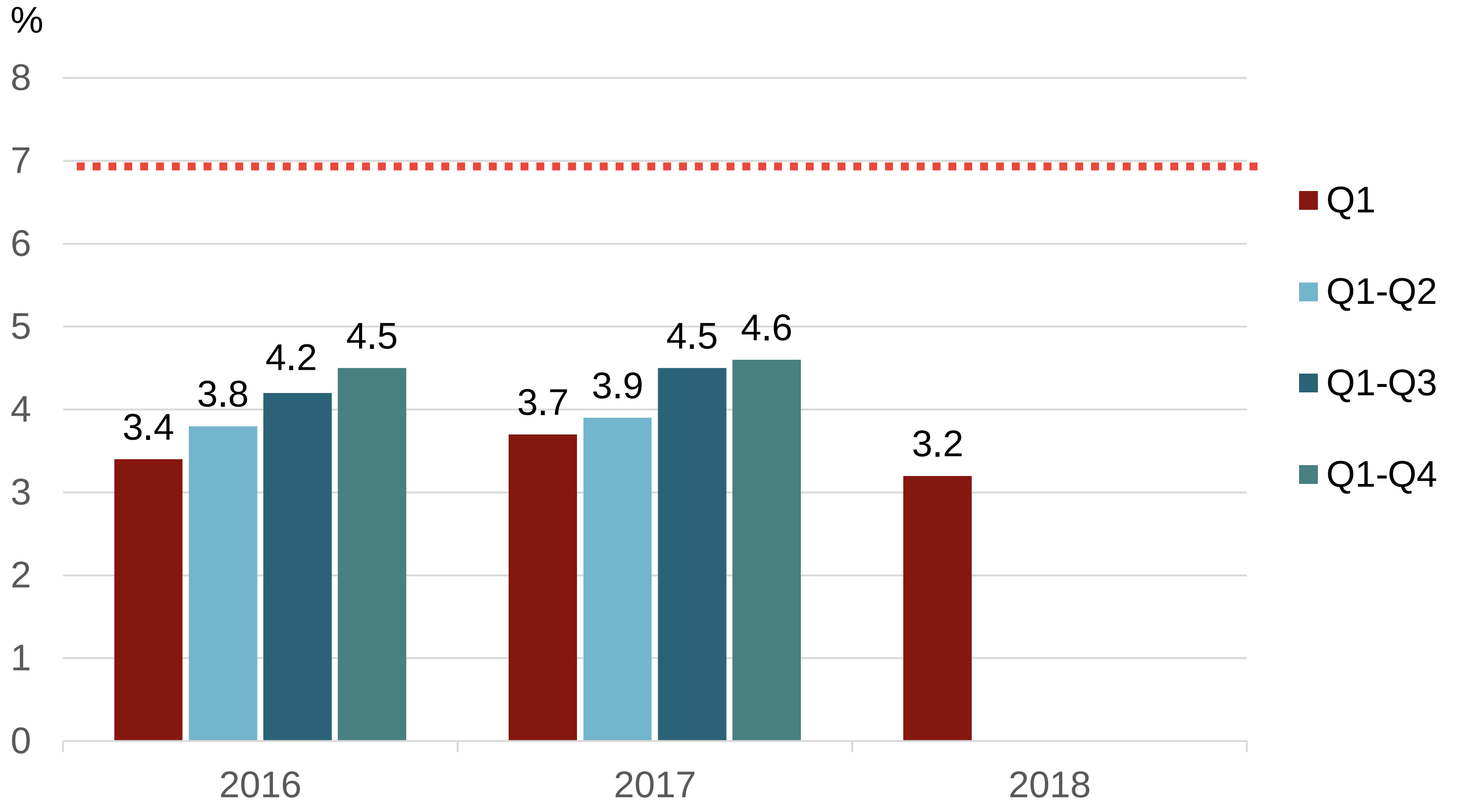
Operating profit decreased and was EUR 3.7 million (4.4).

The growth in ESL Shipping's expenses and Group's administrative costs weakened the operating profit.

ASPO

Long-term financial targets

Operating profit, %



Operating profit rate decreased and was 3.2% (3.7).

Target level is 7% by 2020.

The target level is indicated by the dashed line.

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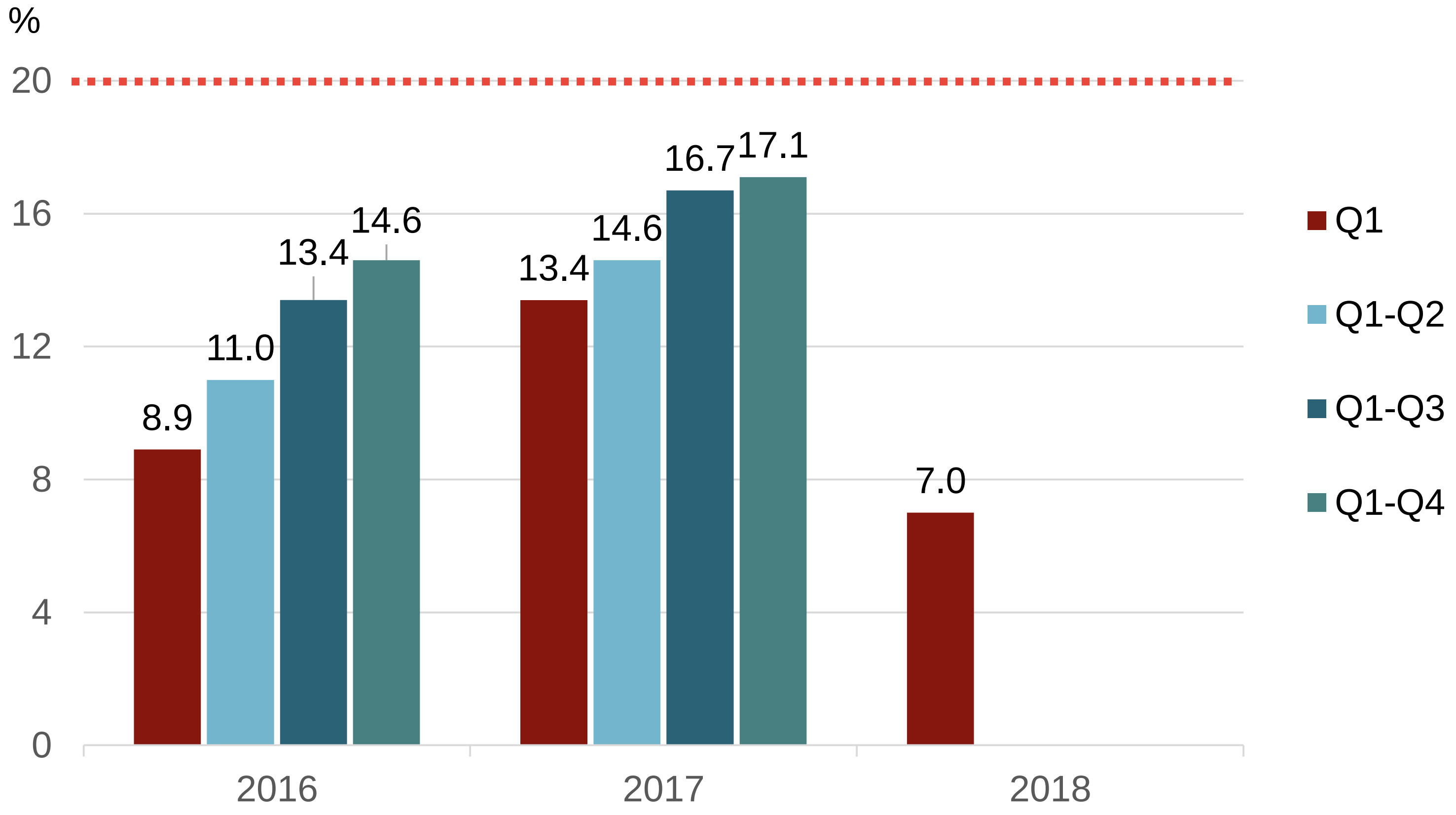
Long-term financial targets

Return on equity, (ROE)



ROE weakened and was 7.0% (13.4).

Target level is on average over 20% by 2020.

The target level is indicated by the dashed line.

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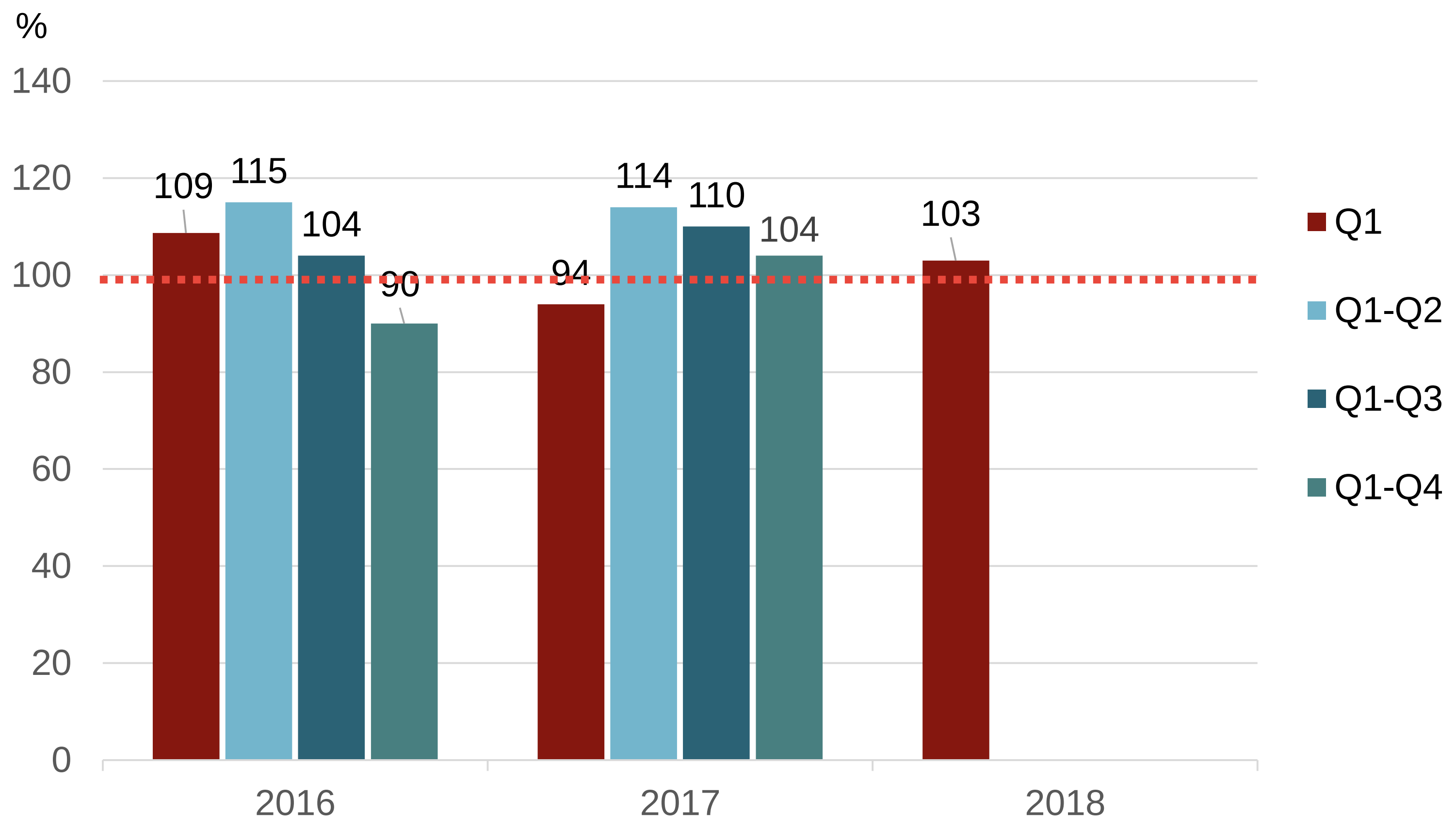
Long-term financial targets

Gearing



Gearing increased and was close to the target level, 103% (94).

Target level is up to 100% by 2020.

The target level is indicated by the dashed line.

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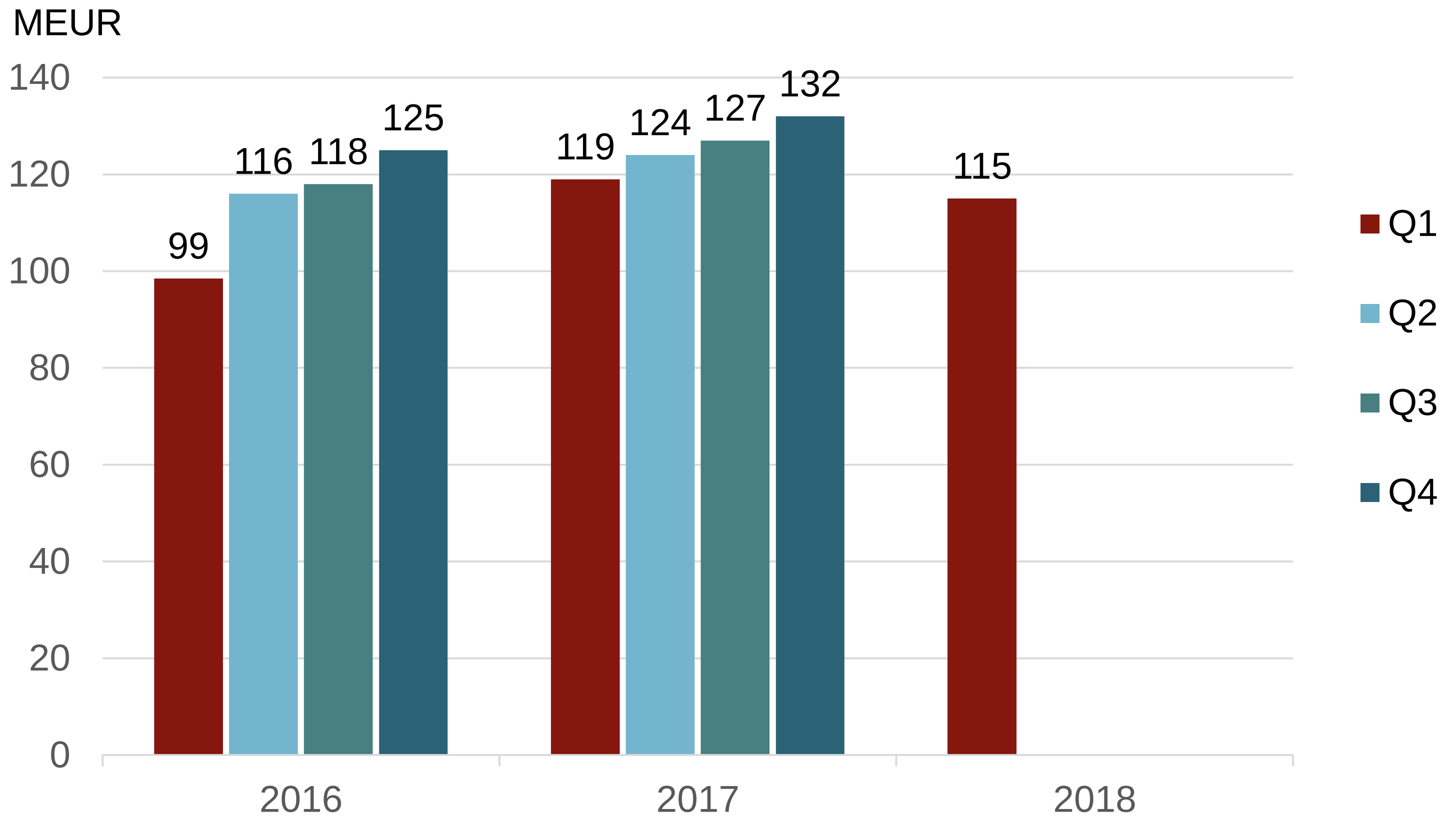
Net sales by quarter

Net sales by quarter



Net sales decreased by 3% and were EUR 115 million (119).

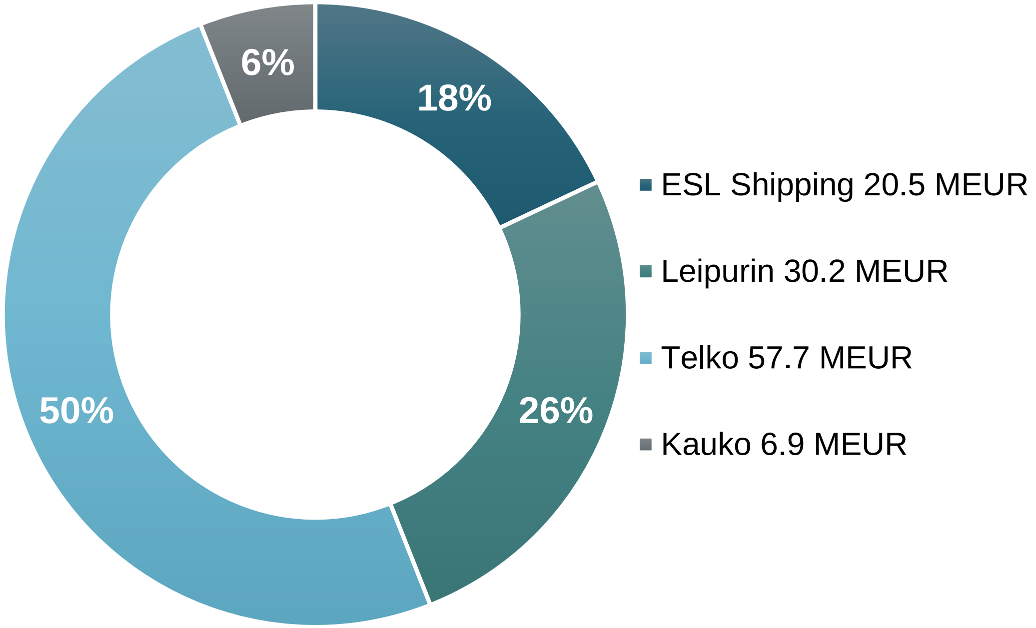
Net sales of ESL Shipping and Leipurin increased.

Net sales of Telko and Kauko decreased.

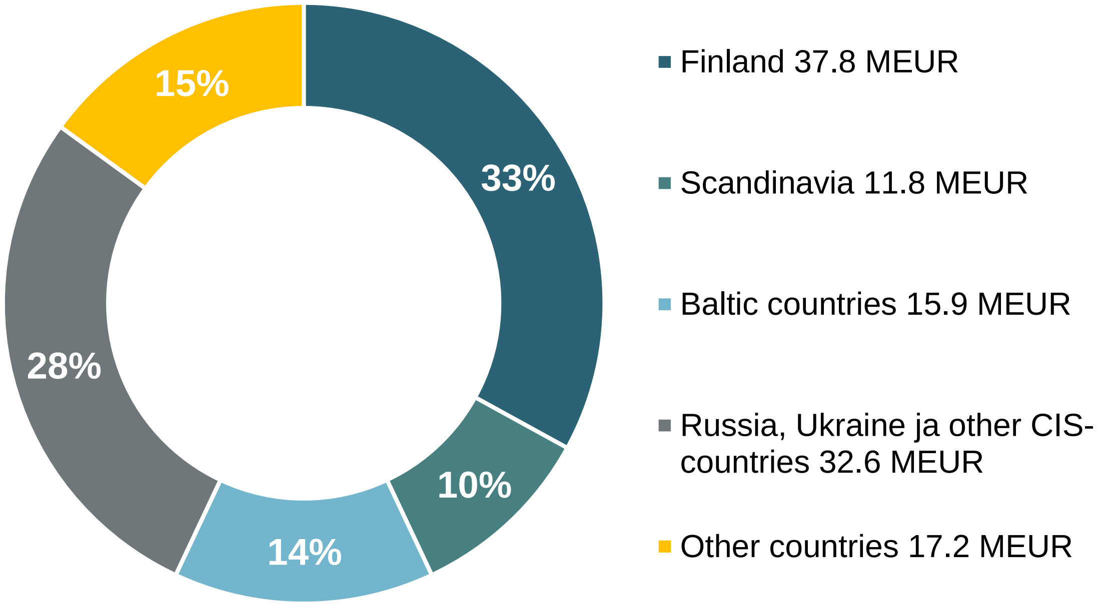
The biggest decrease, 17%, was in the market area Russia, Ukraine + other CIS.

Aspo represents a balanced entity

Net sales by segment Q1 2018

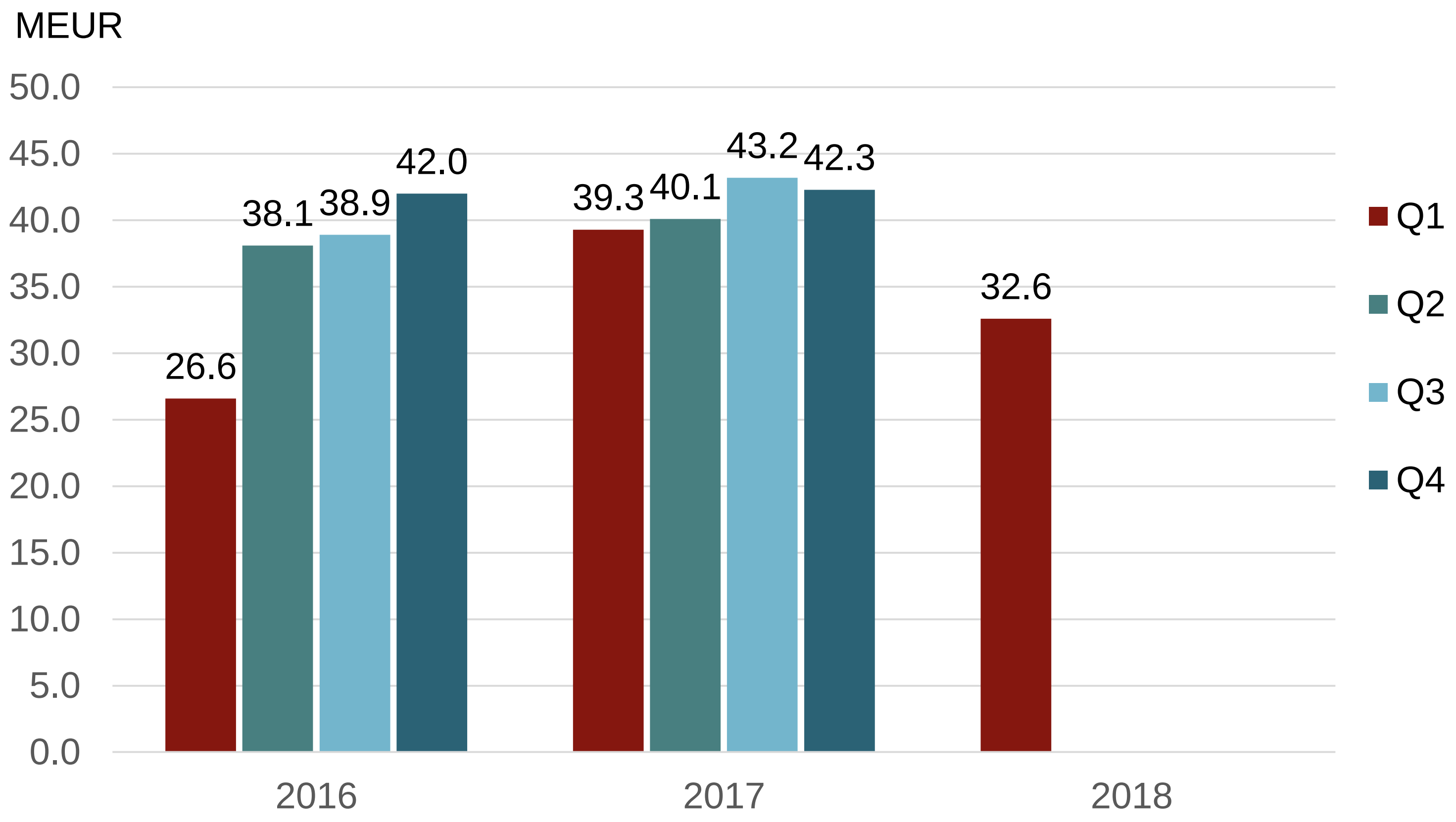


Net sales by market area Q1 2018



Russia, Ukraine and other CIS countries

Net sales



In eastern markets, net sales decreased by 17% from the record high level in the comparative period.

In eastern markets, Leipurin's net sales decreased slightly although the net sales of raw material business increased by 4%.

Net sales of Telko decreased by 16% in this area.

ASPO

ESL Shipping

Leading marine logistics provider for bulk cargo

ESL Shipping

The market prices of dry bulk cargo developed favorably at the beginning of the review period but decreased towards the end.

Cargo prices are at a relatively low level.

Net sales increased by 8.5% to EUR 20.5 million (18.9).

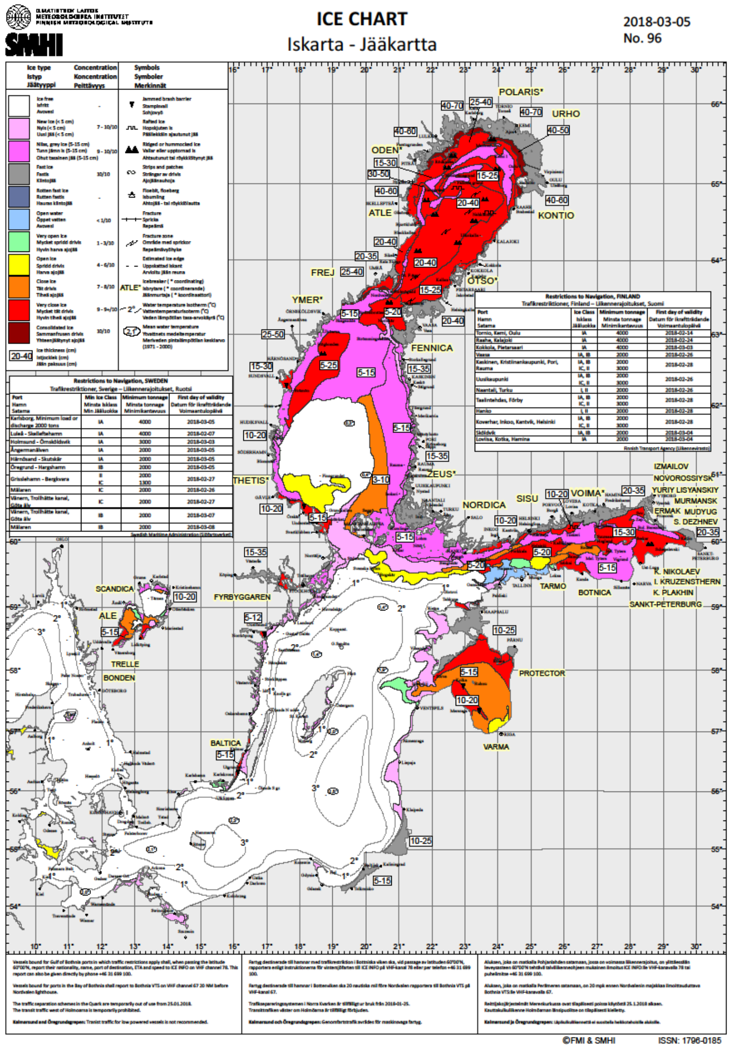
The transportation volume was 2.5 million tons (2.5).

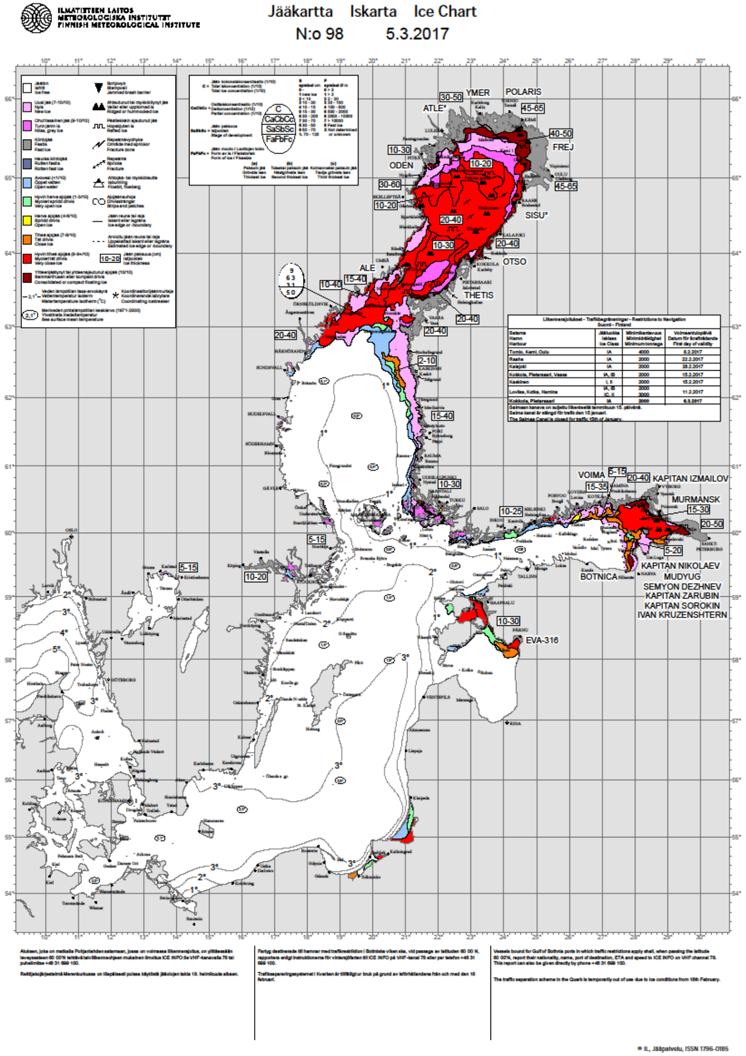
Operating profit decreased to EUR 2.6 million (3.0).

Profitability decreased due to difficult ice conditions and resulting increase in fuel consumption and longer travel times.

Operating profit was at a satisfactory level considering the difficult weather conditions. Profitability was supported by the loading and unloading operations at sea and the new vessel class that has been profitable from the very beginning.

Ice condition comparison winters 2017 and 2018

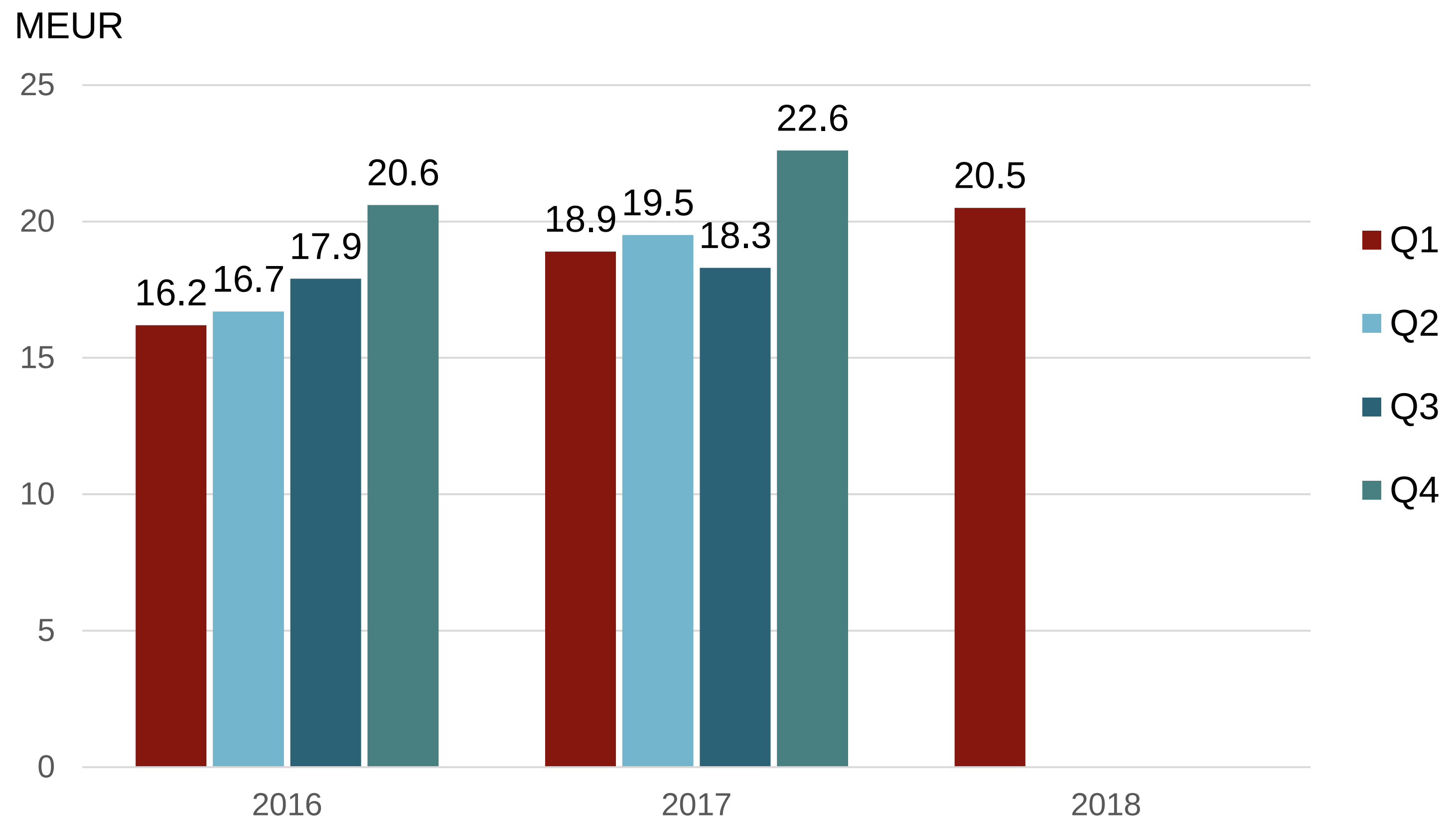




ESL Shipping

ESL Shipping key figures Q1

Net sales



Net sales increased by 8.5%.

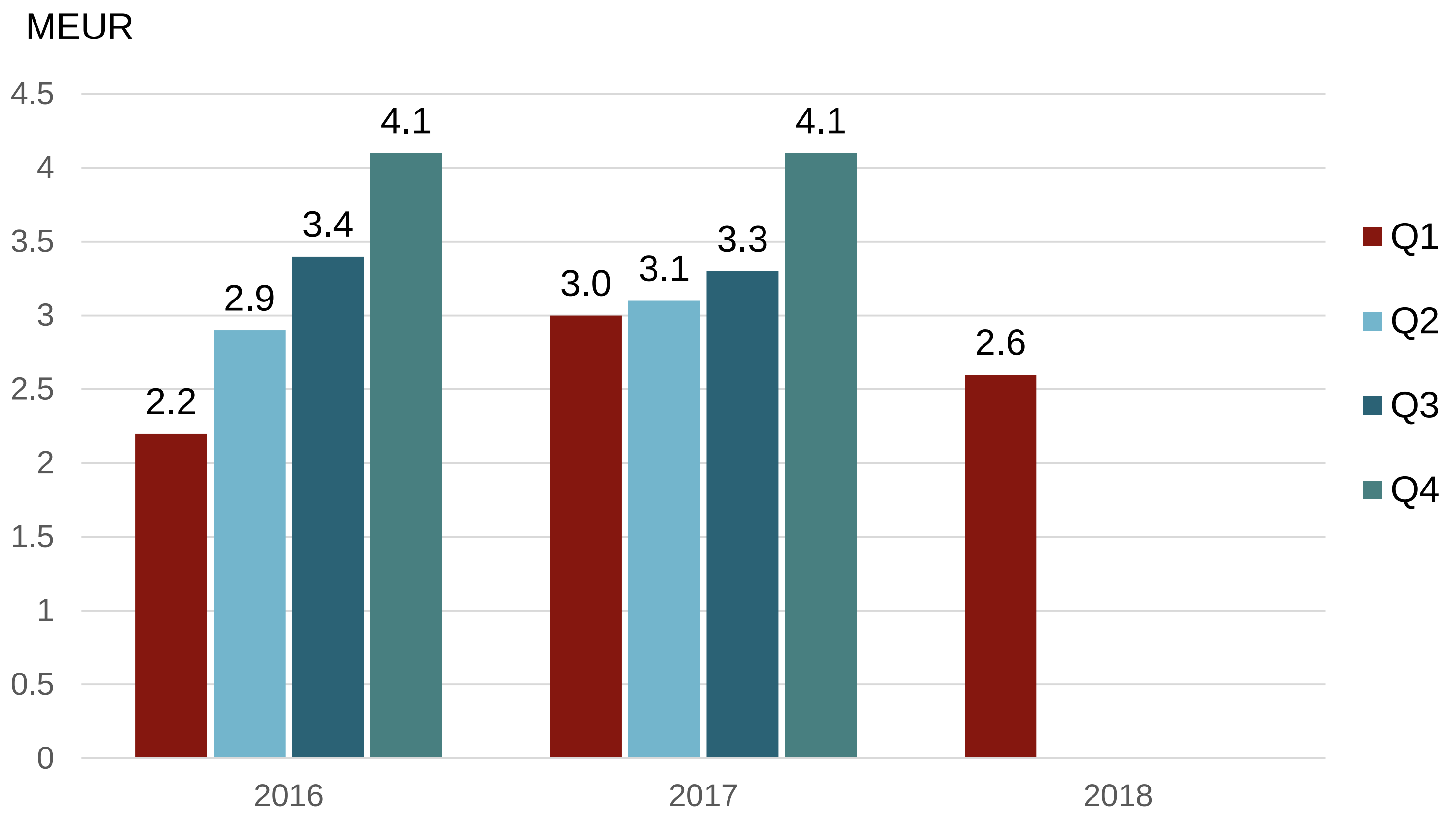
Increases in vessel capacity and fuel prices.

Transportation volumes in the steel industry decreased.

New customer sectors increased considerably.

ESL Shipping key figures Q1

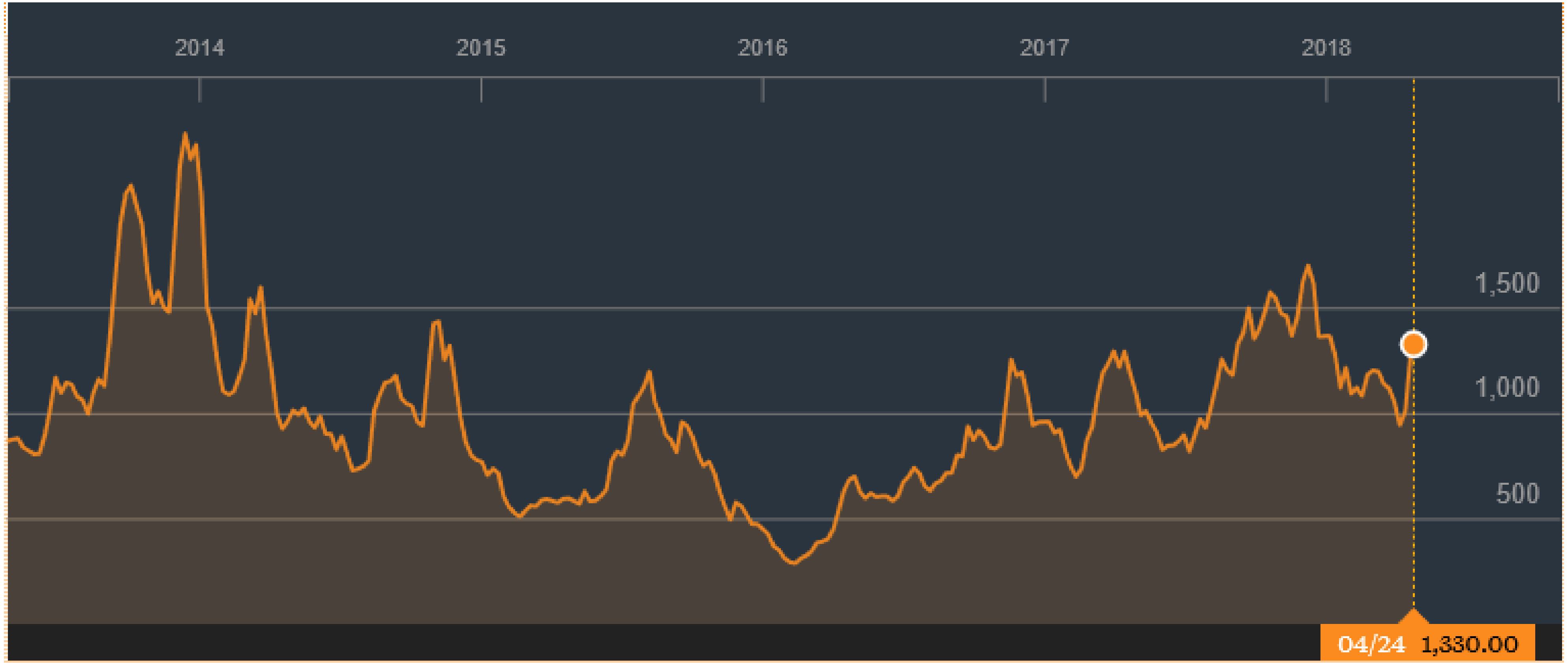
Operating profit



Operating profit decreased to EUR 2.6 million (3.0).

In addition to weather conditions, serious threats of strikes caused adverse impact on operations.

Baltic Dry Index 2014–2018



Source: Bloomberg

Leipurin

From bread and recipes to a comprehensive selection

Leipurin

National economies and private consumption developed positively in both the east and west.

In Russia, increases in retail volumes continued, but demand for products in higher price categories was still low.

Net sales increased by 3% to EUR 30.2 million (29.4).

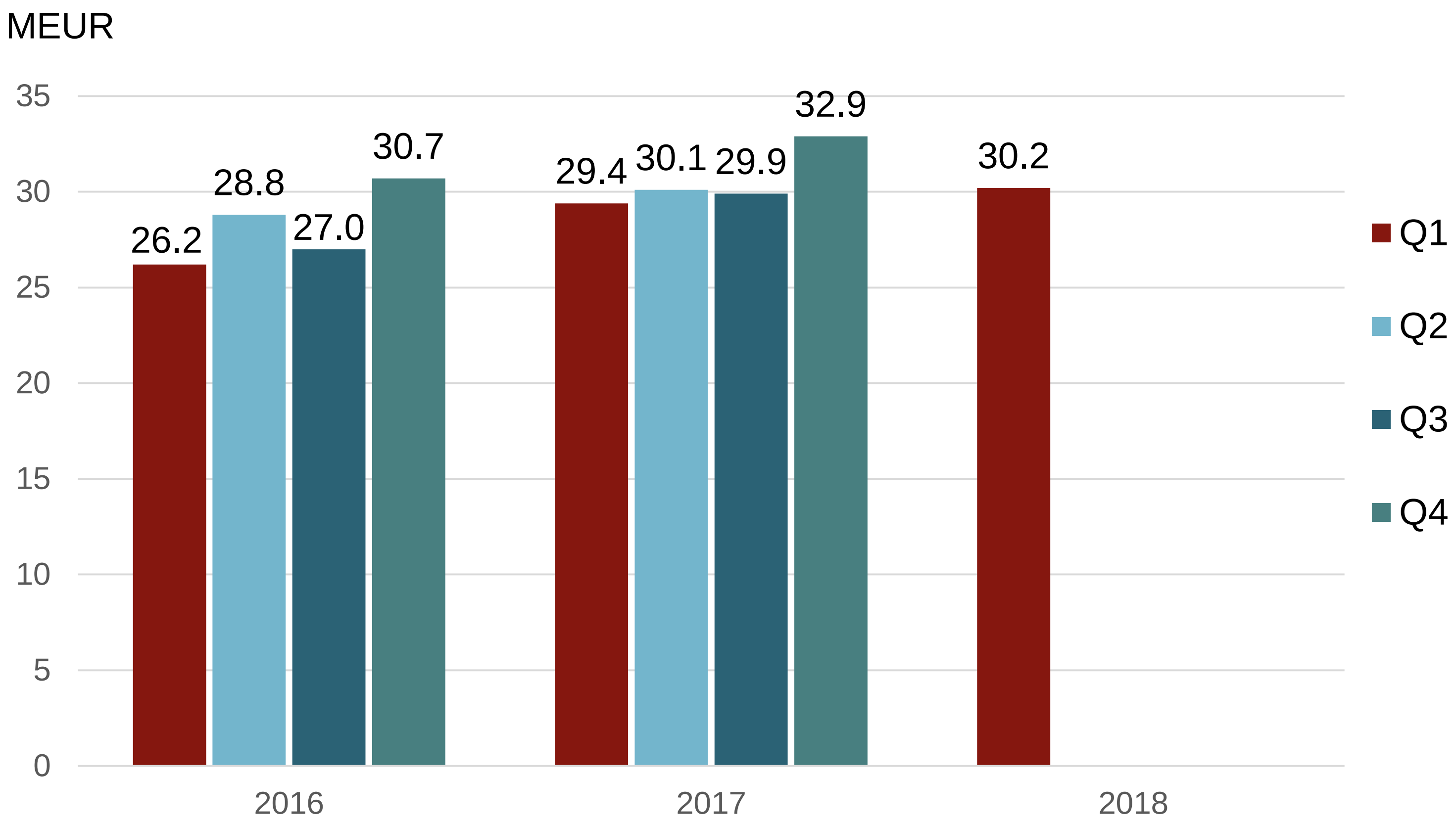
Especially machinery operations and bakery raw materials in eastern markets showed growth.

Operating profit increased to EUR 0.8 million (0.4).

Leipurin's own machine production increased notably and the order book was at a good level at the end of the review period.

Leipurin key fiqures Q1

Net sales



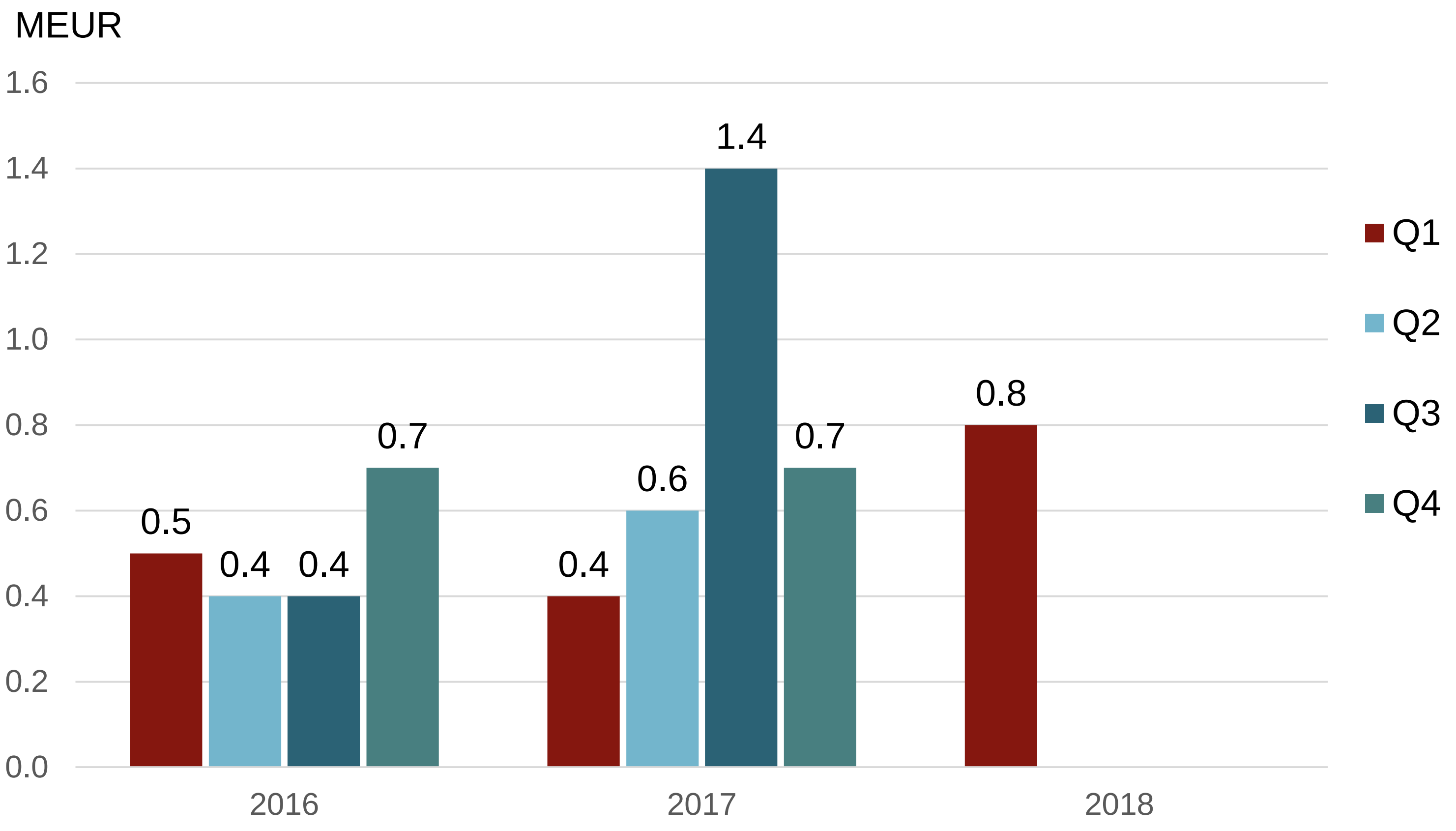
Net sales increased and were EUR 30.2 million (29.4).

The growth was stongest in the machinery operations and in eastern markets.

The growth of the Finnish raw material business was limited by the divestment of the meat industry raw material business completed in August 2017.

Leipurin key fiqures Q1

Operating profit



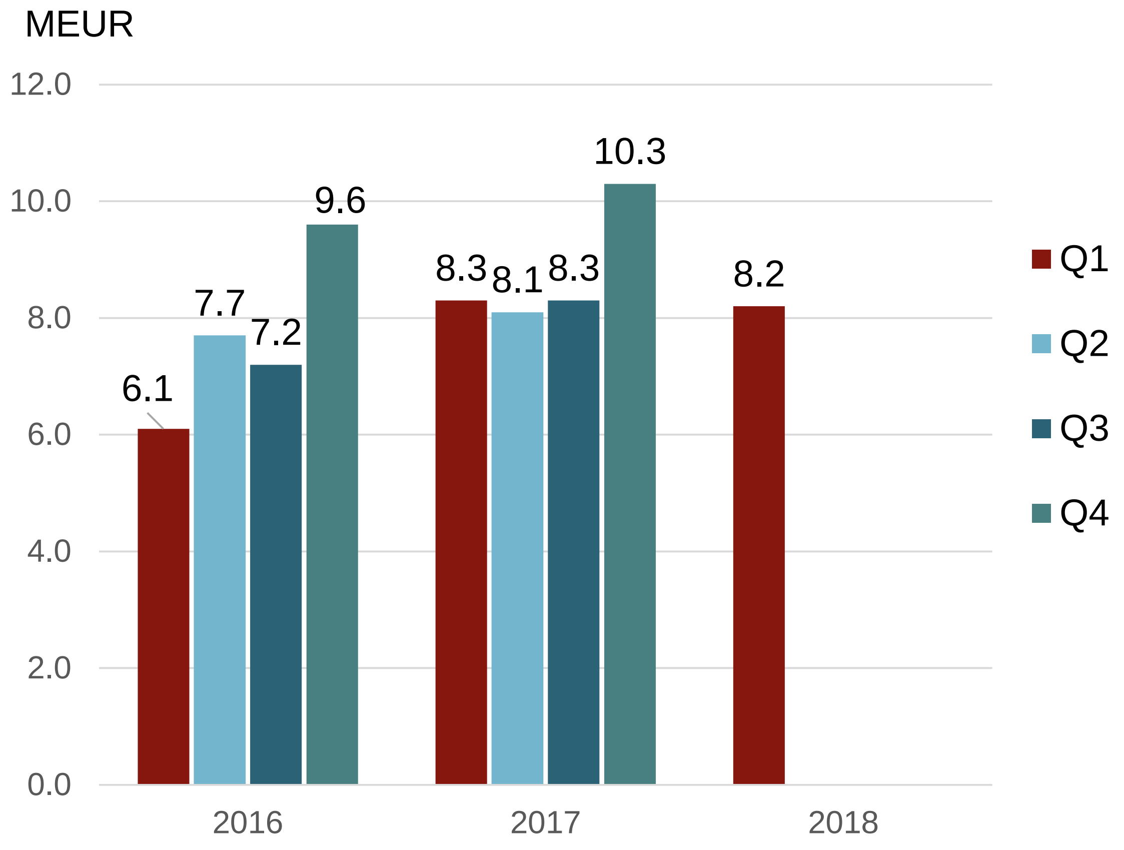
Operating profit increased by 100% and was EUR 0.8 million (0.4).

In eastern markets, operating profit rate of raw material business was 7% (6).

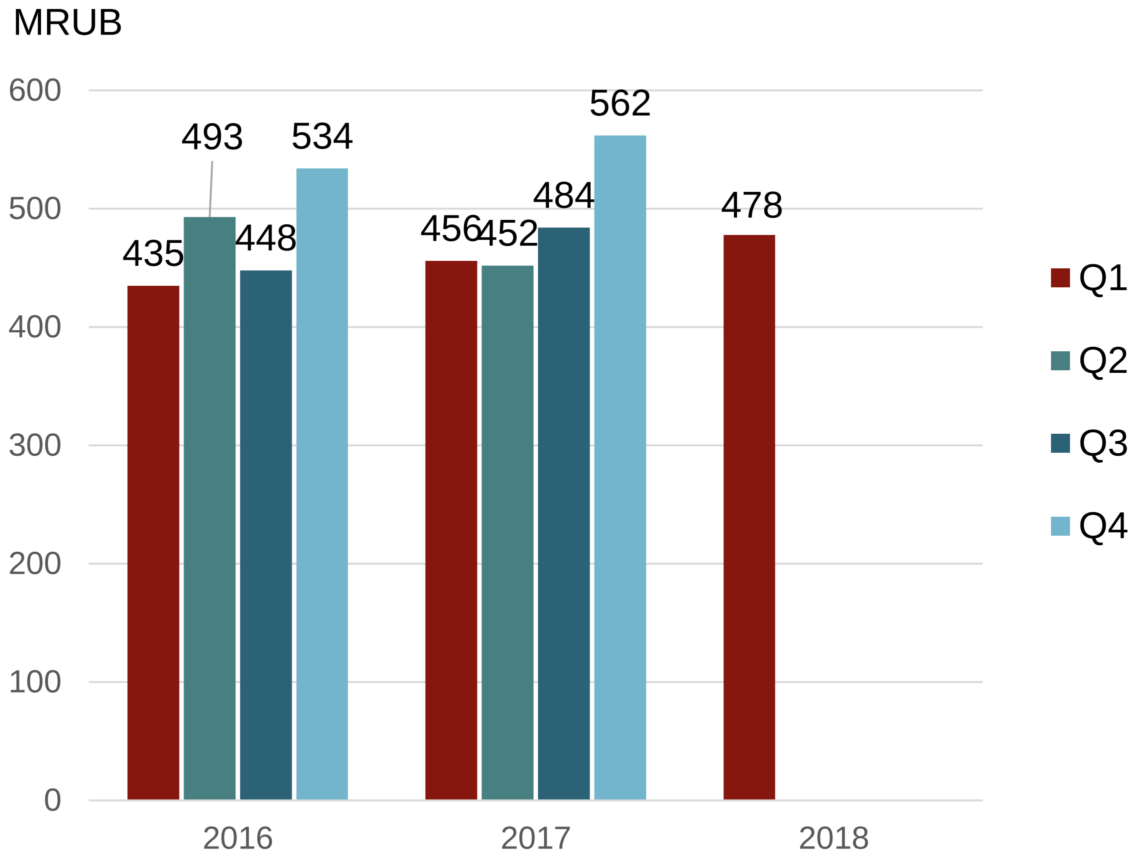
LEIPURIN

Net sales in Russia, Ukraine and other CIS countries

Net sales in the market area



Net sales of the Russian company



LEIPURIN

Telko

Raw material solutions for the industry

Telko

Telko's operating environment mainly remained unchanged or improved in some countries.

Demand was affected by the unusually cold weather in eastern markets and by problems with the availability of plastics in the west.

Net sales decreased to EUR 57.7 million (63.6).

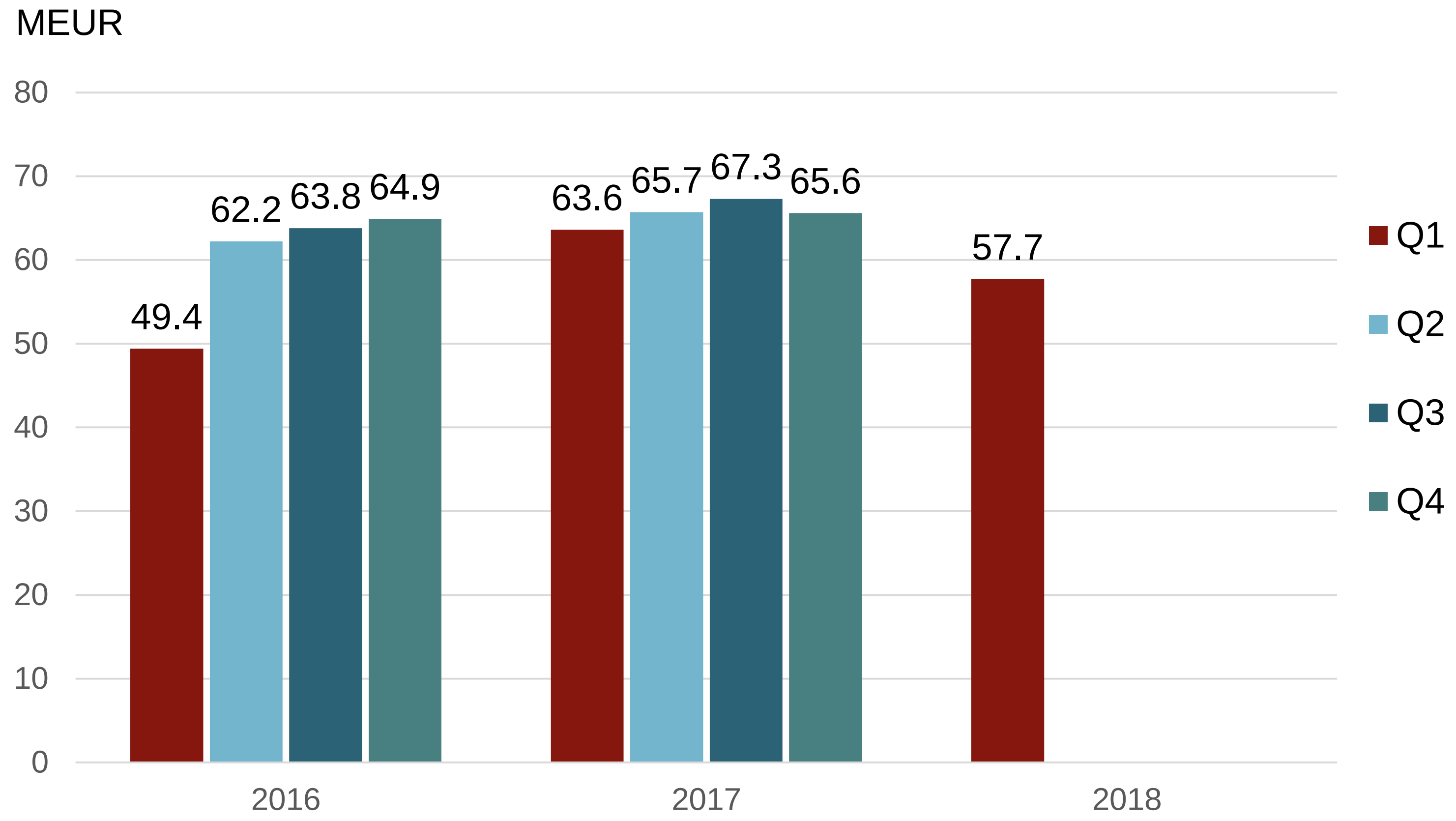
In addition to weather conditions, net sales decreased due to the previous decision to discontinue unprofitable customer accounts in the east.

Operating profit remained nearly unchanged at EUR 2.2 million (2.3).

In Russia, Ukraine and other CIS countries, net sales decreased steeply, while profitability improved.

Telko key figures Q1

Net sales

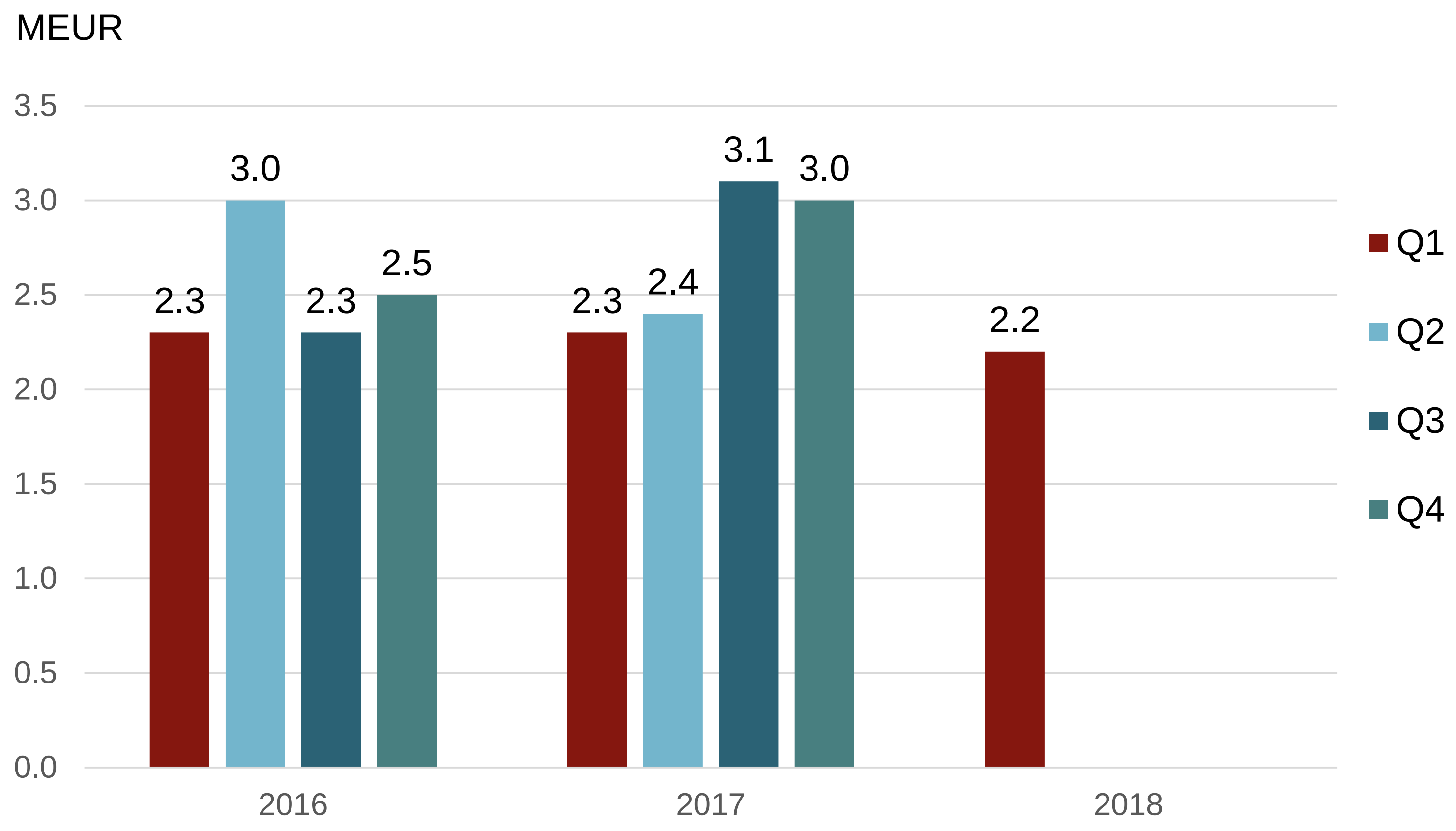


Net sales decreased and were EUR 57.7 million (63.6).

Net sales decreased by 16% in eastern markets.

Telko key figures Q1

Operating profit



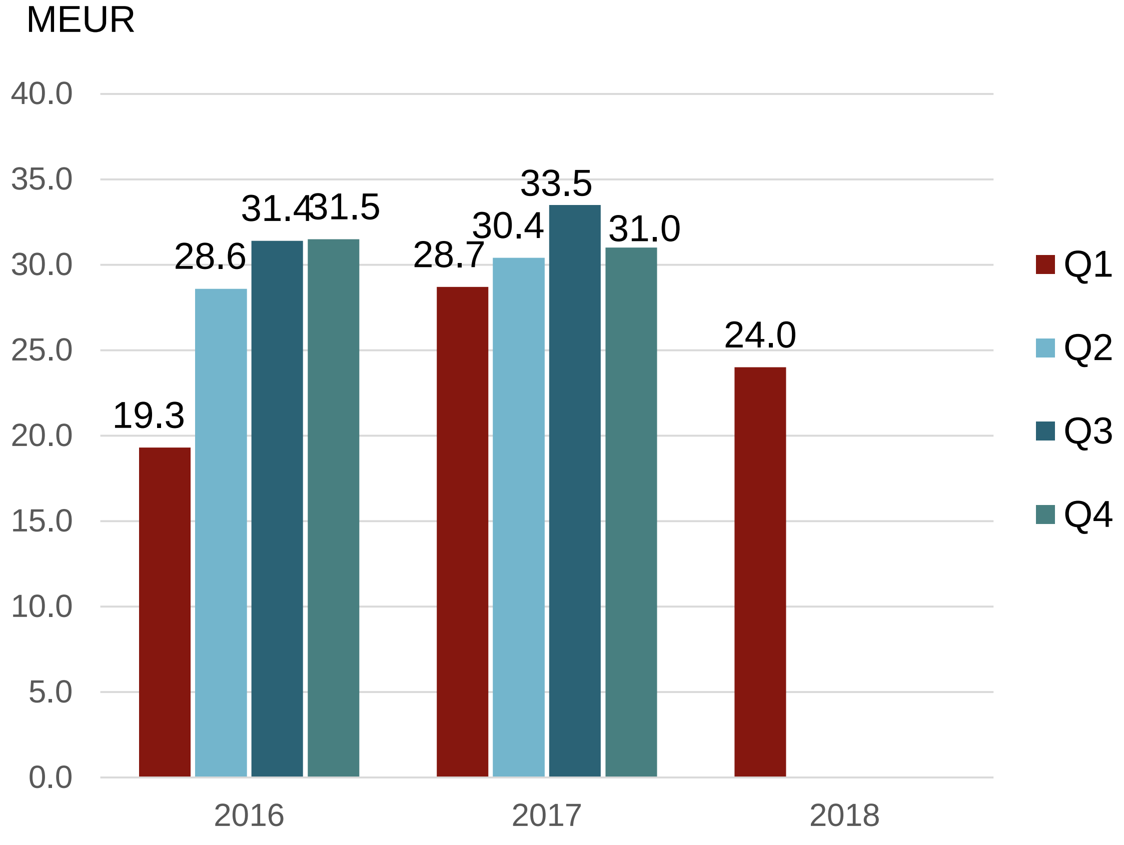
Operating profit was close to the comparative period's level, EUR 2.2 million (2.3).

Telko's relative profitability increased and operating profit rate was 3.8% (3.6).

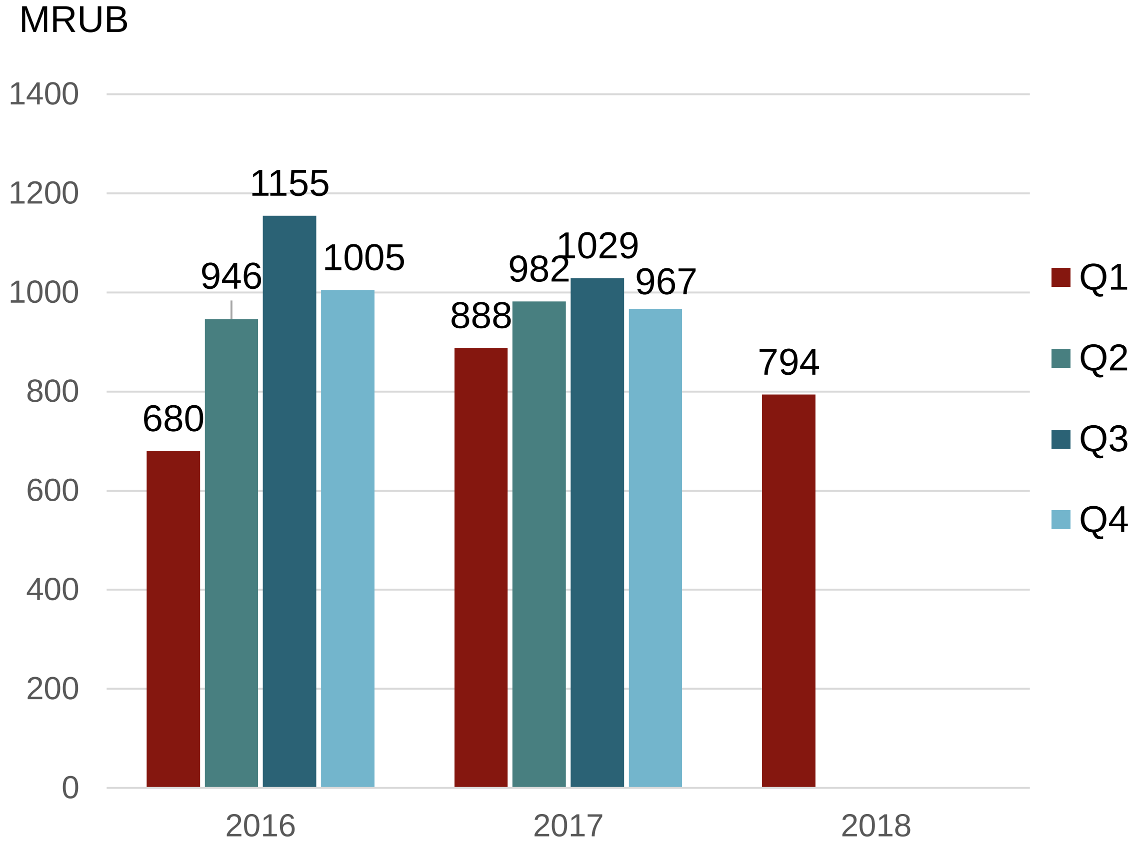
Operating profit increased especially in eastern markets.

Net sales in Russia, Ukraine and other CIS countries

Net sales in the market area



Net sales of the Russian company



Kauko

Best tools for mobile knowledge work

Kauko

The first quarter is traditionally the weakest of all quarters.

Net sales decreased to EUR 6.9 million (7.1).

Operating profit was EUR -0.6 million (-0.5).

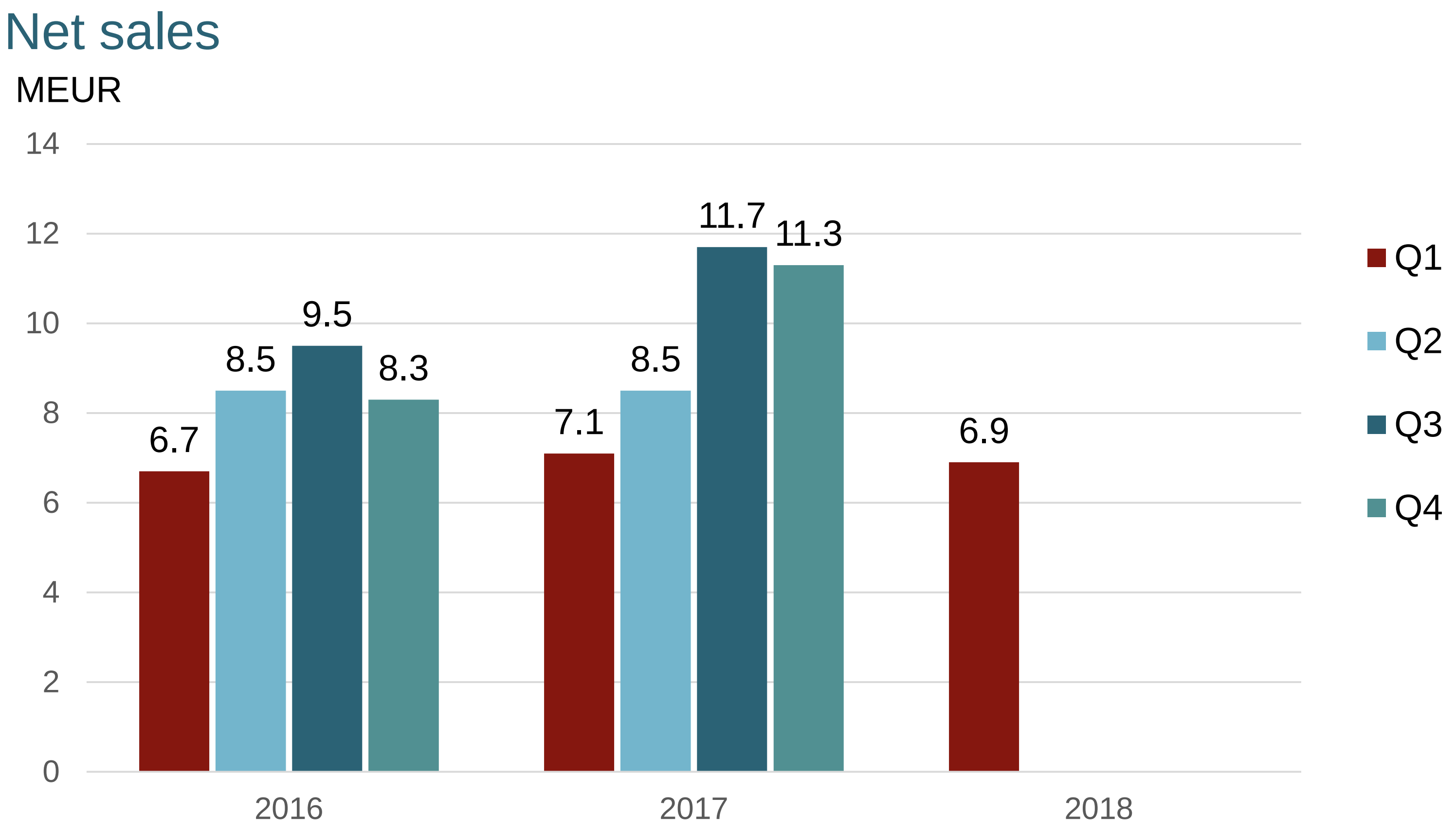
The operating result was significantly weakened by installation problems in the energy sector resulting from the challenging winter.

During the period, Kauko signed an agreement on the delivery of more than 100 Panasonic 4K TV production cameras. This delivery will mainly be carried out during the second quarter. The first large project in software operations was delivered to the customer.

In the energy sector, continuous growth is expected, especially regarding solar power.

Managing Director Sami Koskela resigned from his position.

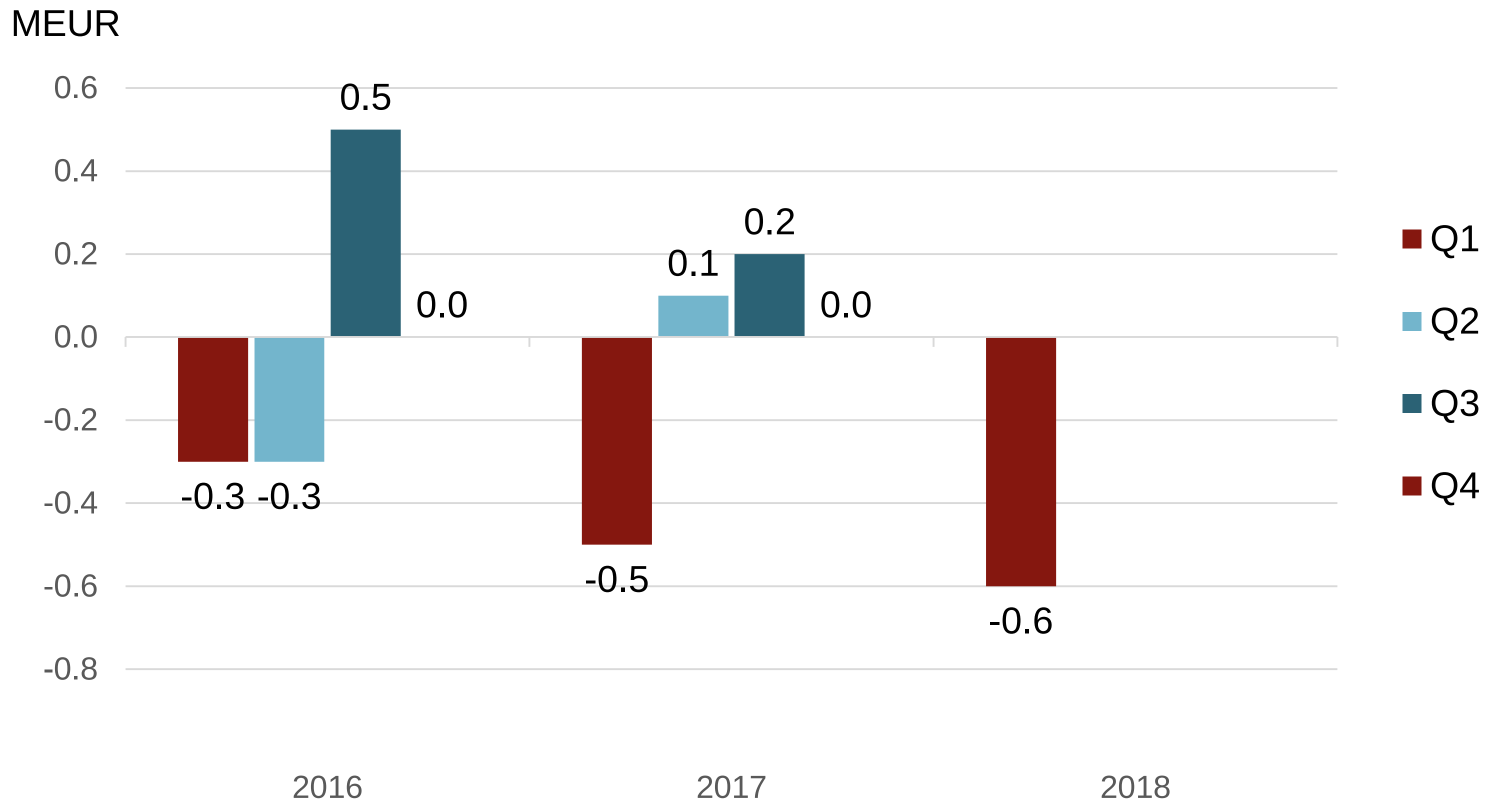
Kauko key figures Q1



Net sales decreased and were EUR 6.9 million (7.1).

Kauko key figures Q1

Operating profit



Operating profit decreased to EUR -0.6 million (-0.5).

Operating profit is not at the target level.

General outlook for the markets in 2018

- International economy is expected to continue the growth.
- General political risks may weaken operating environment or prevent free trade.
- The Russian economy is showing moderate growth, but due to international sanctions political risks have increased.
- Aspo will continue to expand in eastern markets.
- No irregular items or claims for compensation are expected.
- Raw material prices and dry cargo price levels are expected to remain at their current level or strengthen.

Industrial production is expected to grow in Aspo's main markets.

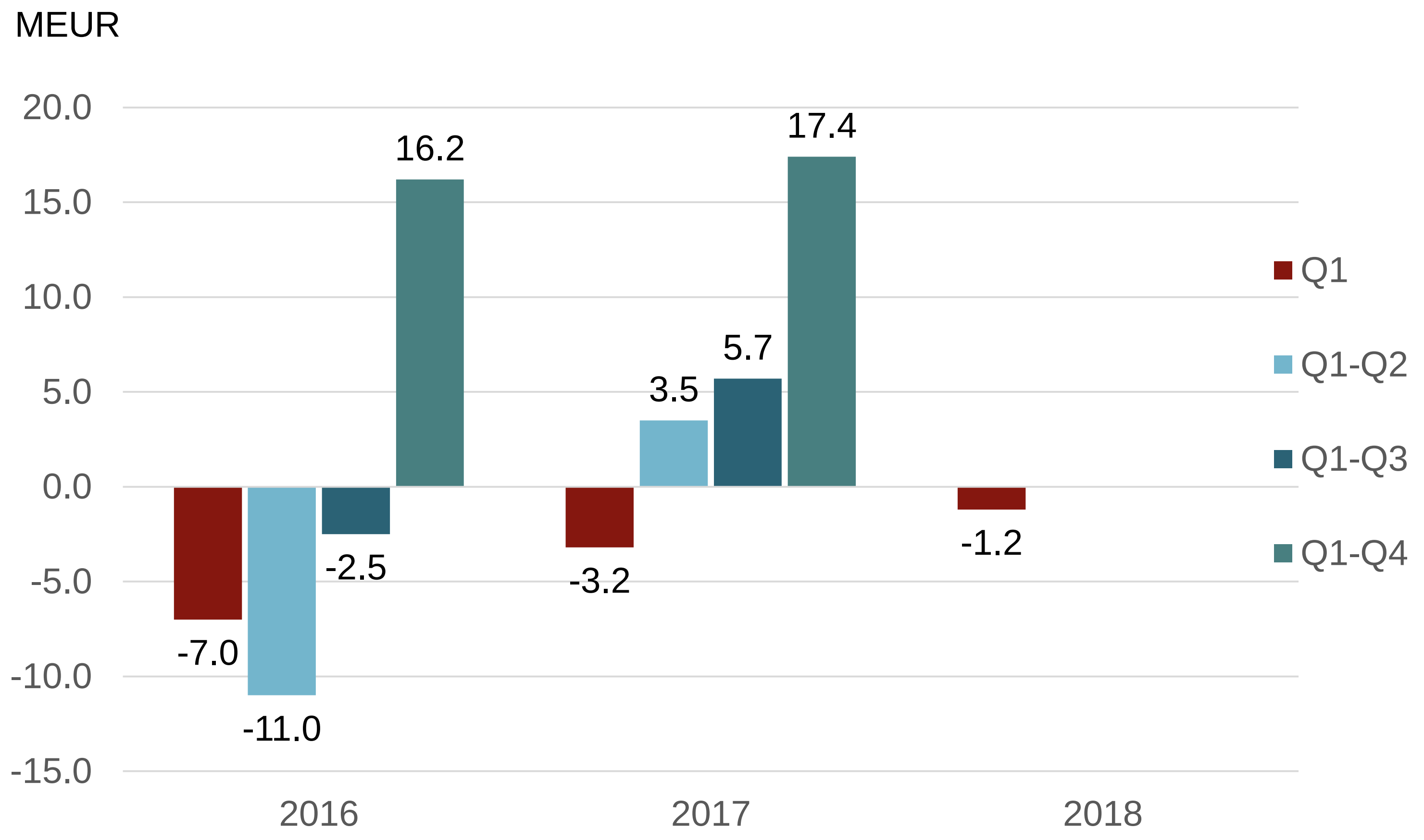
Aspo expects its operating profit to imporve considerably.

Guidance for 2018

Aspo’s operating profit will be
EUR 25-31 million (23.1) in 2018.

Additional material

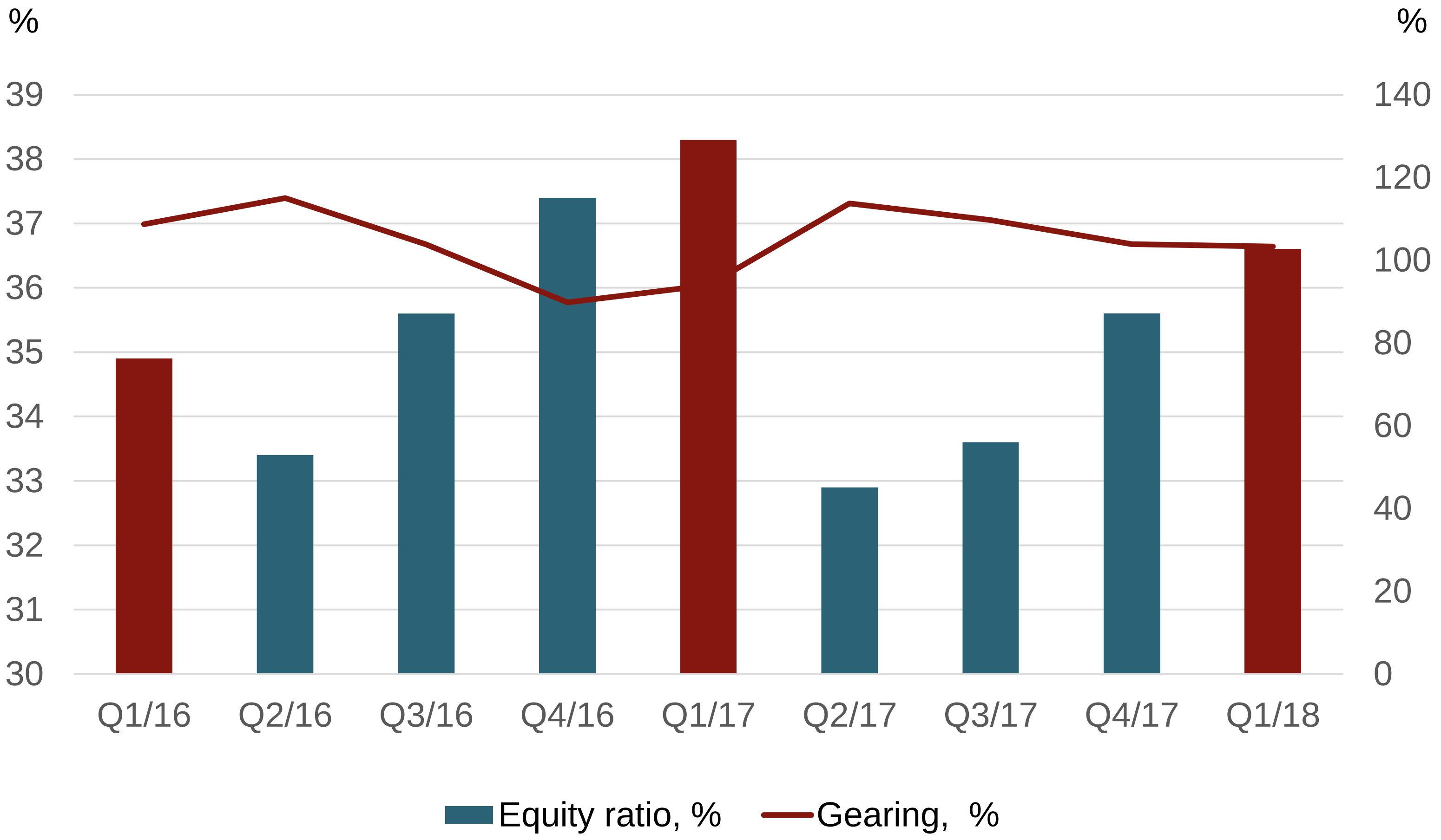
Net cash from operating activities



Net cash from operating activities increased to EUR -1.2 million (-3.2).

Net cash from operating activities is usually the weakest of the year in Q1.

Equity ratio and gearing



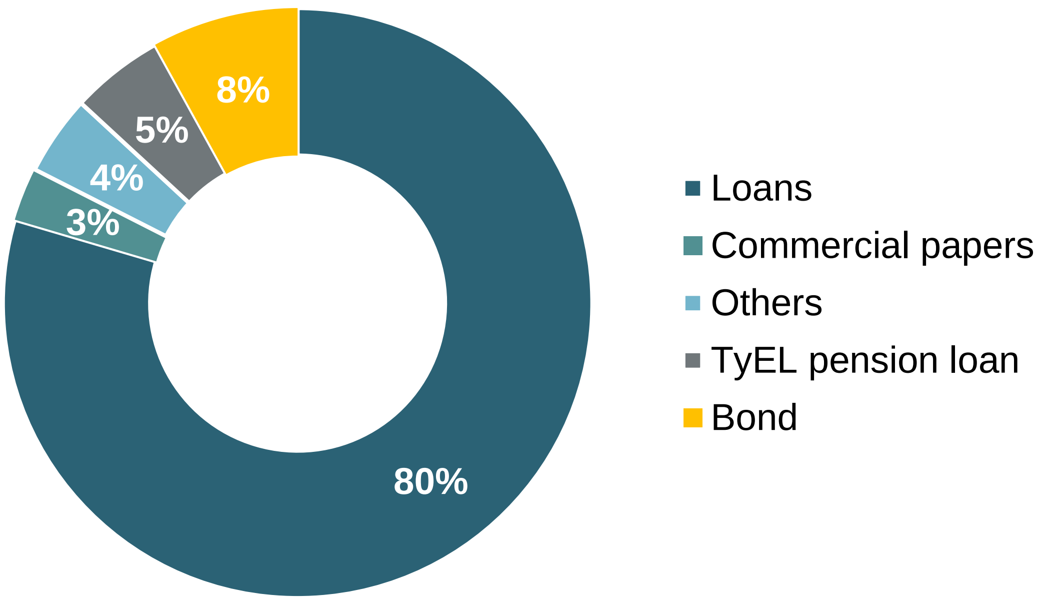
Gearing was 103% and was at the level of previous quarter.

Cash flow from investing activities was low, EUR -0.4 million (-6.7).

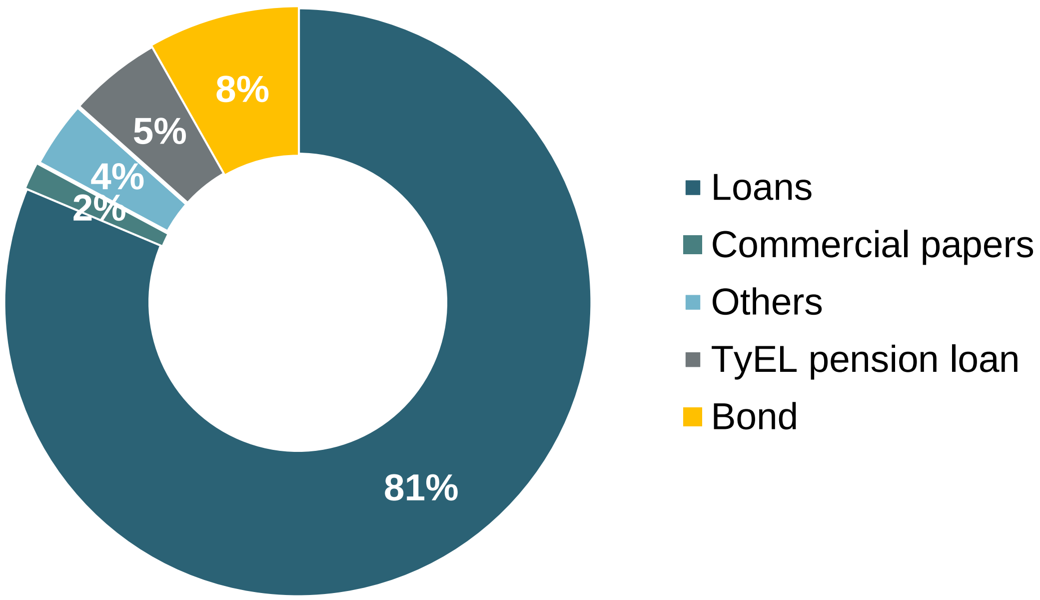
ASPO

Structure of liabilities

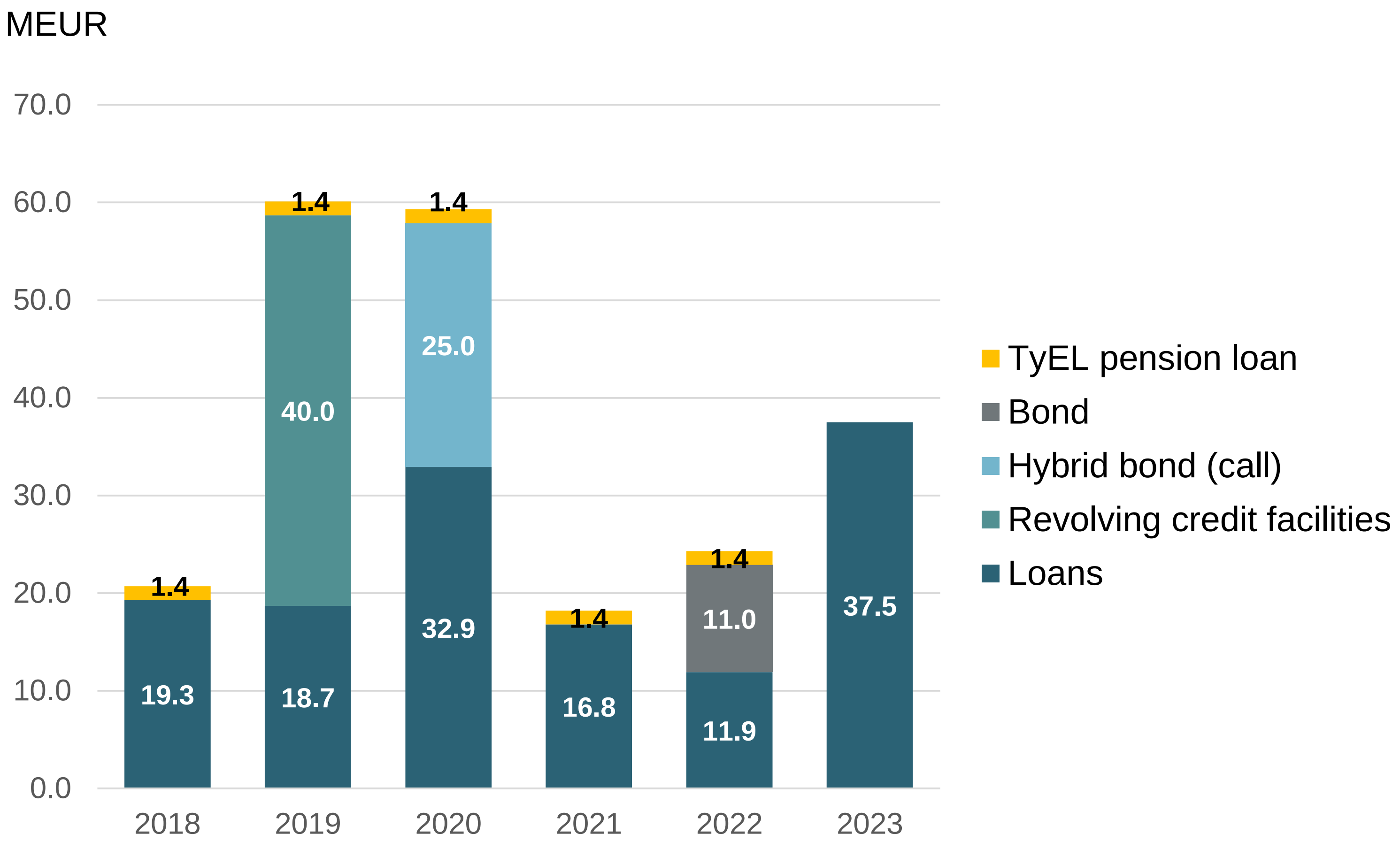
Interest bearing liabilities
December 31, 2017: 137 MEUR



Interest bearing liabilities
March 31, 2018: 134 MEUR



Maturity of significant loan agreements

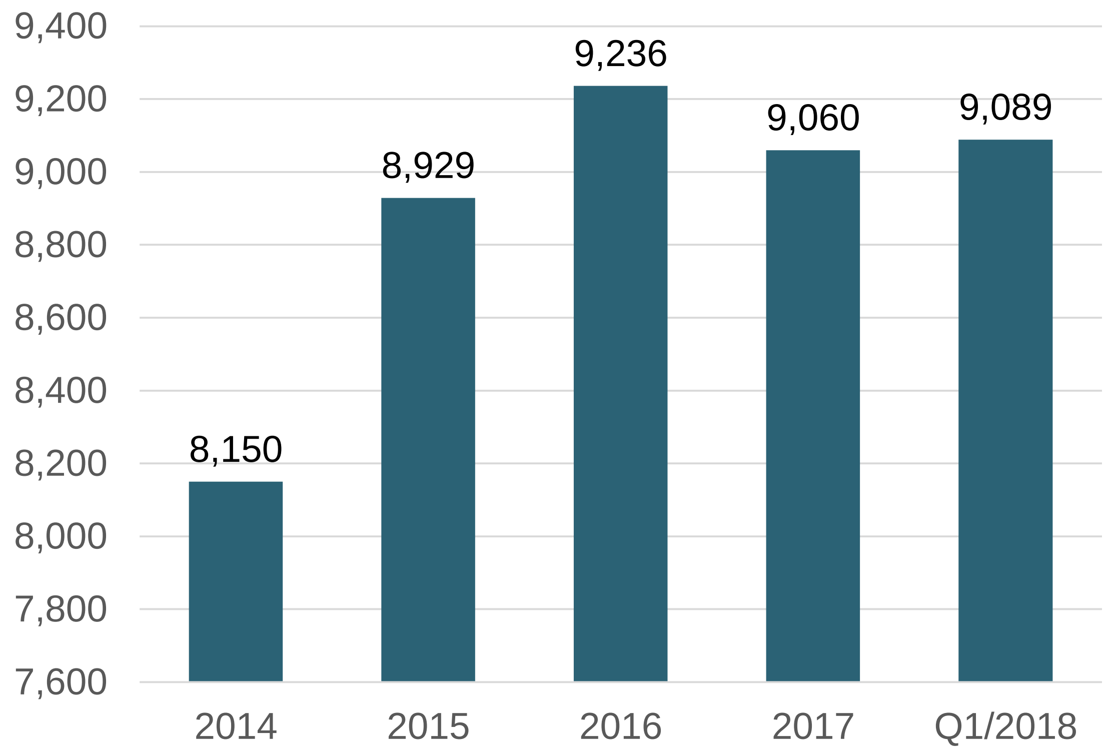


At the end of the review period, the average interest rate of interest bearing liabilities was 1.8%.

In 2018, financing agreements of approximately EUR 16 million will fall due.

Shareholders / allocation

Number of shareholders



Distribution of ownership on March 31, 2018 by ownership group, %