



# Aspo Q3

## October 25, 2018

CEO Aki Ojanen

# Aspo Q3

Operating profit increased to EUR 7.2 (7.1) million, including EUR 0.9 million acquisition related transaction costs.

Net sales increased notably to EUR 136.3 (127.2) million.

ESL Shipping completed the acquisition of the shipping company AtoB@C on August 31, 2018.  
The acquisition will have a positive impact on profitability, starting from Q4.

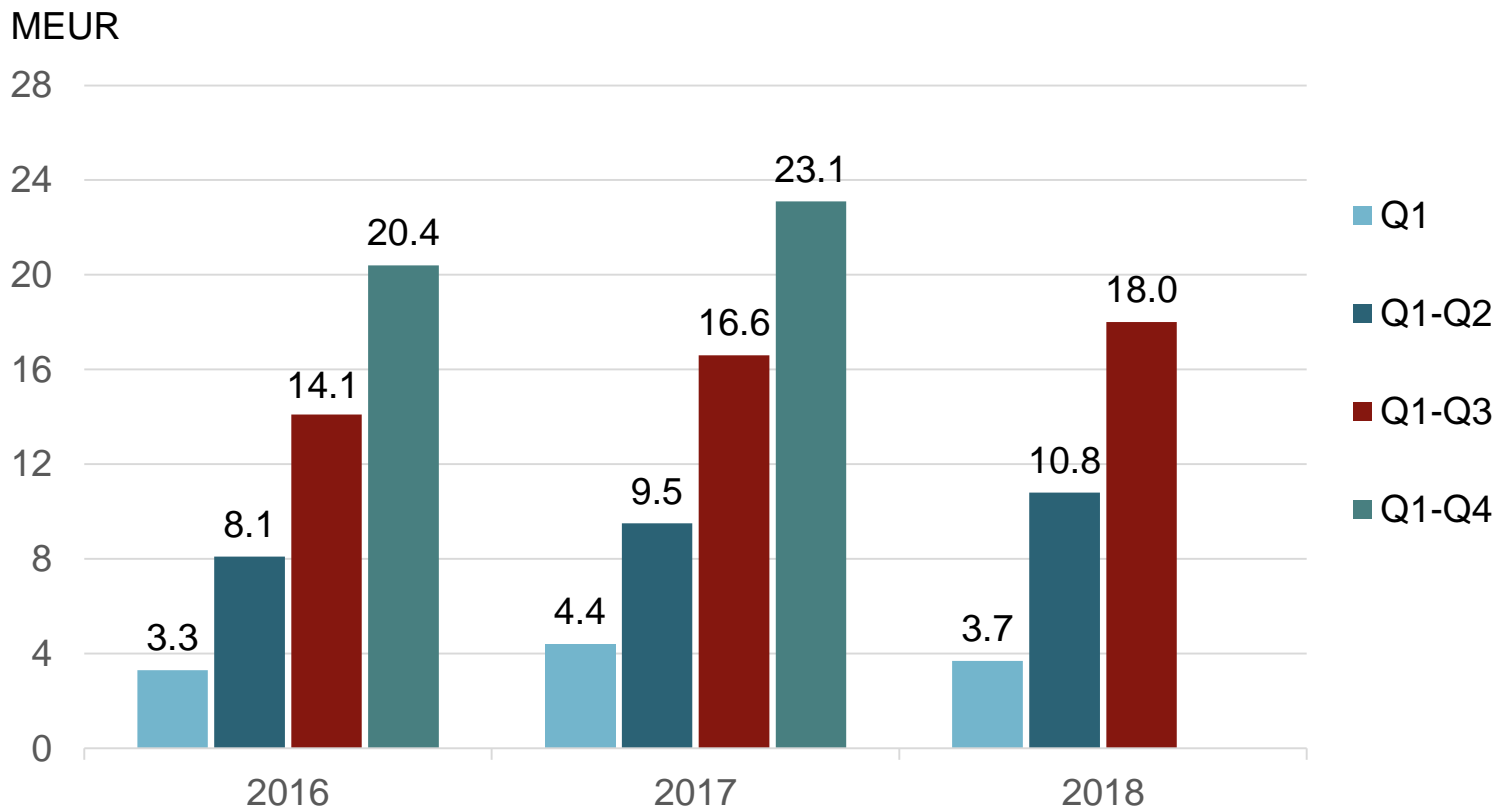
ESL Shipping received two new LNG-fueled dry bulk cargo vessels. The full profit potential of these vessels will be available starting from Q1 2019.

Despite the decrease in the value of the Russian ruble, net sales in the eastern markets increased by 6% and profitability improved.

Earnings per share were EUR 0.18 (0.19).  
Aspo issued 444,255 new shares through a directed share issue.

# Operating profit

## Operating profit, cumulative

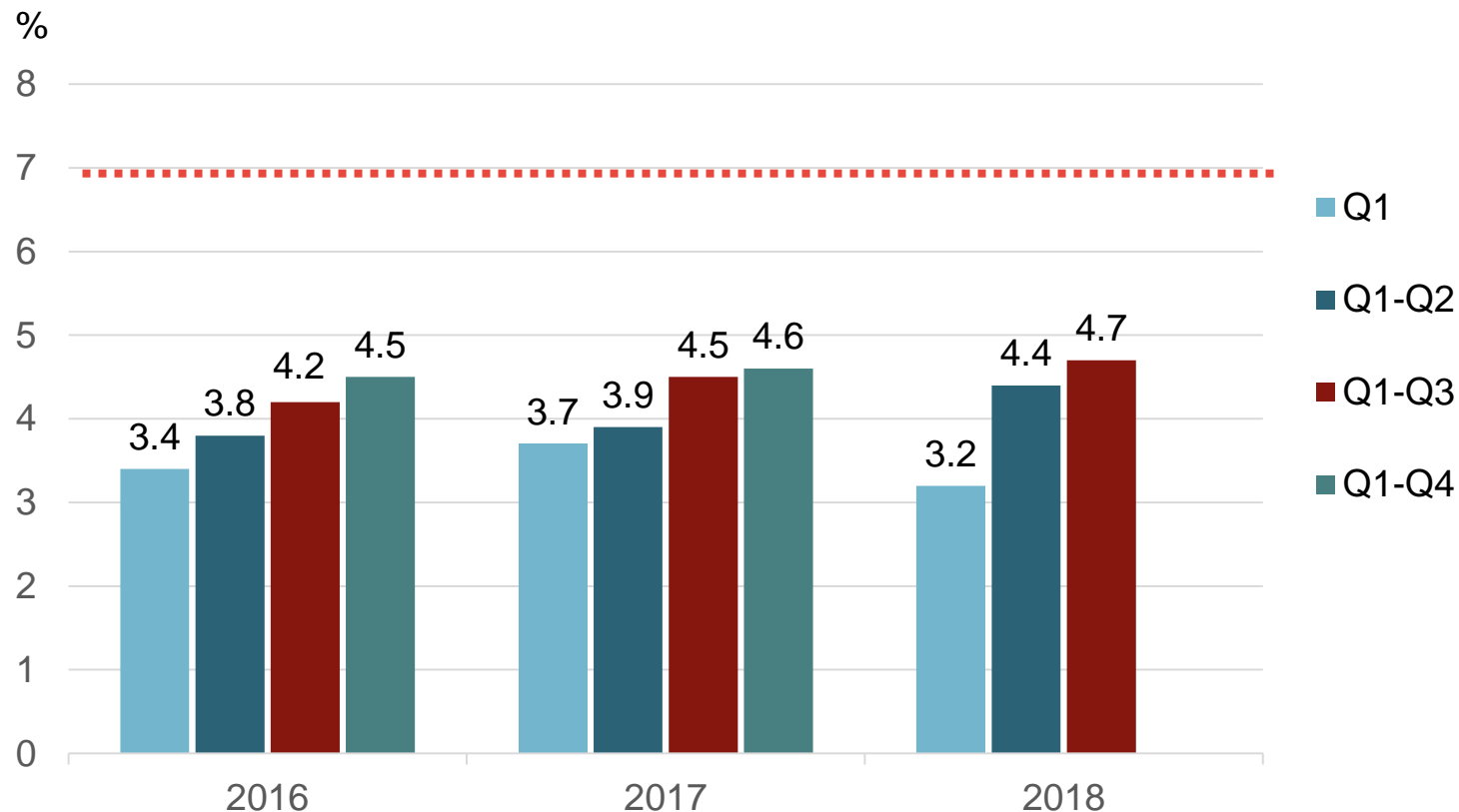


Operating profit Q3 and Q1-Q3 increased including acquisition related transaction costs of EUR 0.9 million.

In Q3, ESL Shipping and Kauko increased their operating profit. Telko's operating profit remained nearly unchanged while Leipurin's decreased.

# Long-term financial targets

## Operating profit, %, cumulative

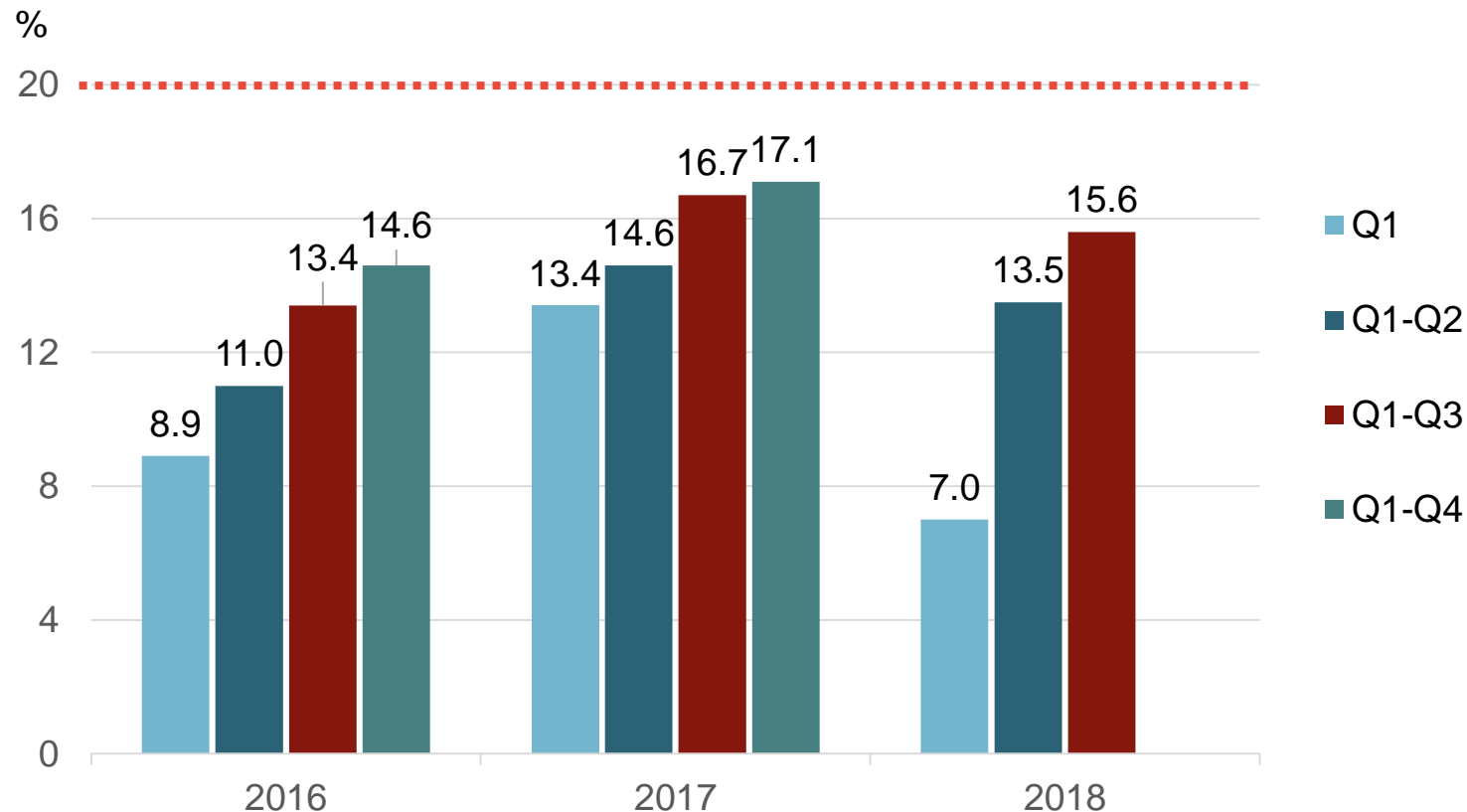


In Q3, operating profit rate decreased and was 5.3% (5.6)

Target level is 7% by 2020.

# Long-term financial targets

## Return of equity, (ROE)



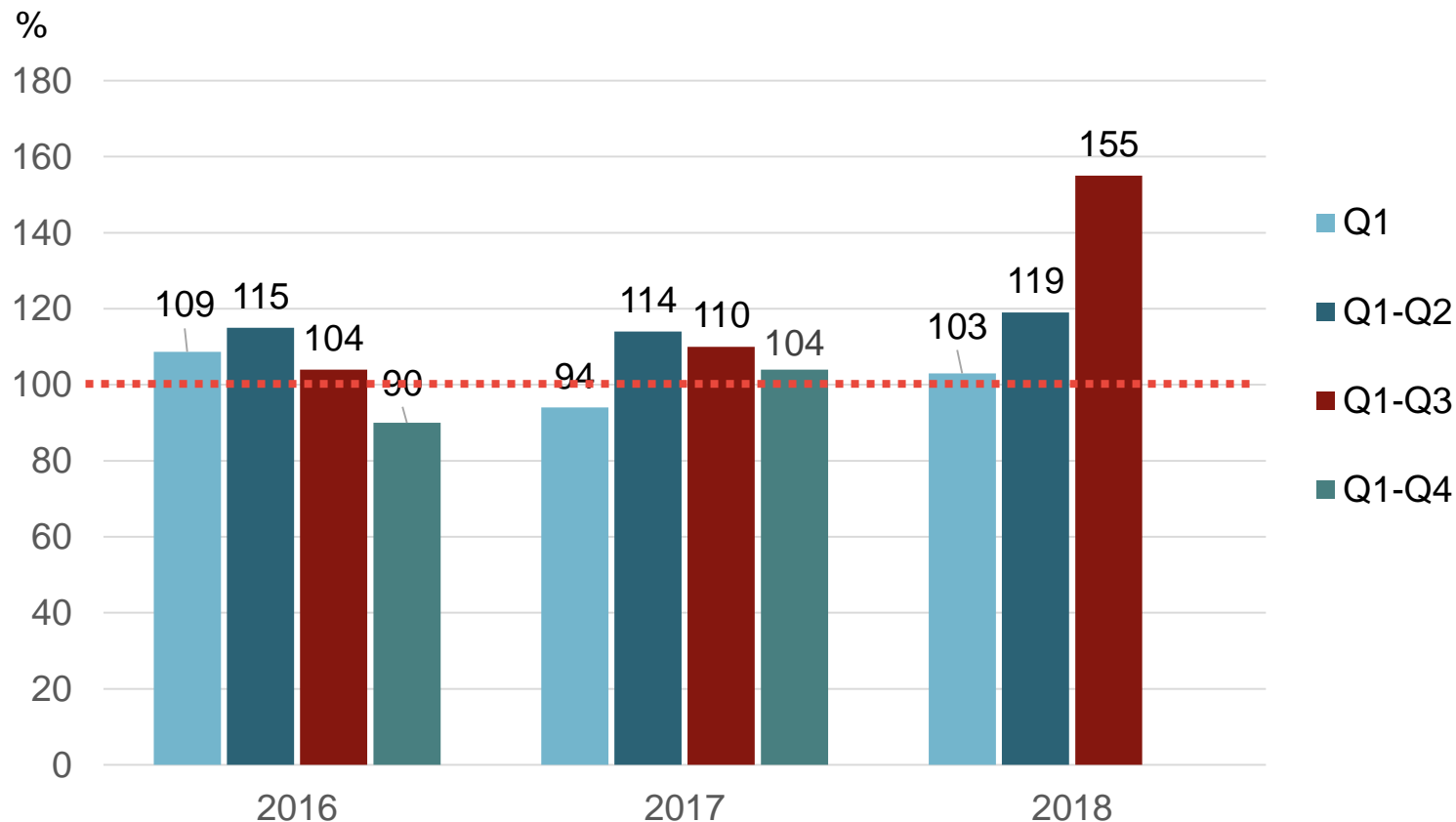
In Q1-Q3, ROE weakened and was 15.6% (16.7).

Target level is on average over 20% by 2020.

The target level is indicated by dashed line.

# Long-term financial targets

## Gearing



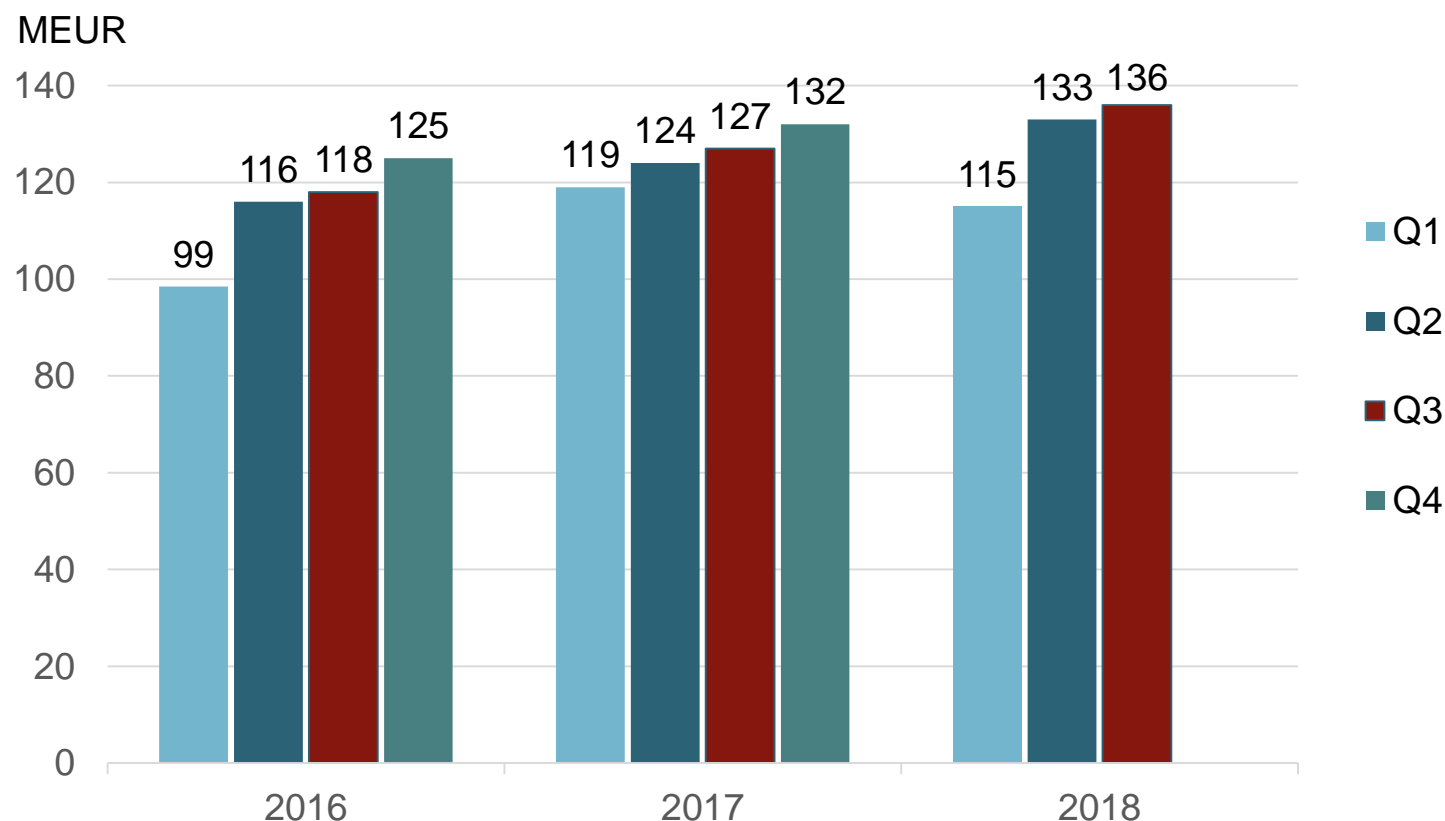
Gearing increased and was 155% (110).

Target level is up to 100% by 2020.

The target level is indicated by dashed line.

# Net sales by quarter

## Net sales by quarter

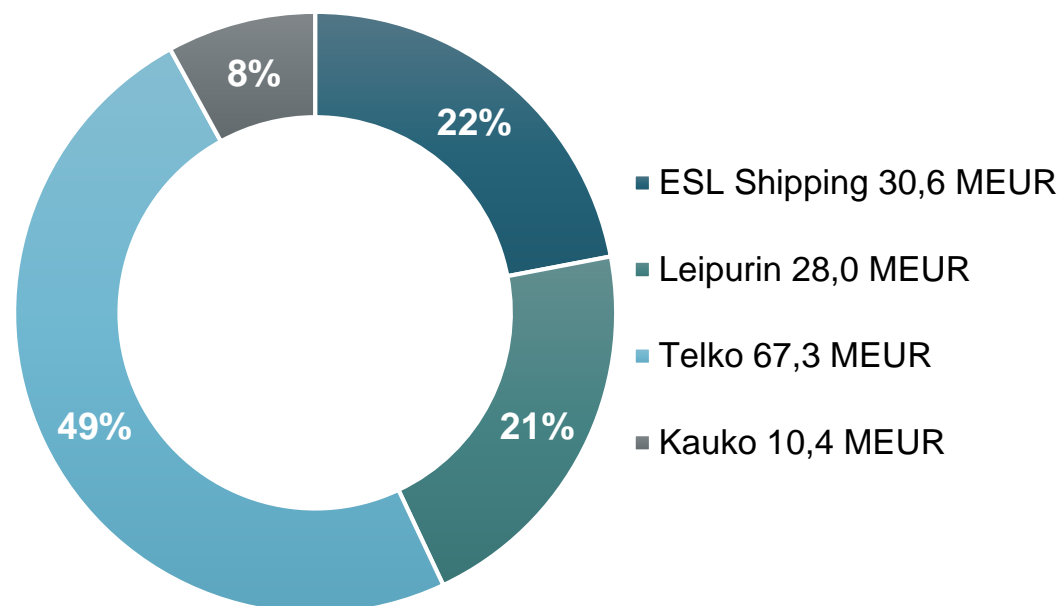


**In Q3, net sales increased by 7% and were EUR 136.3 (127.2) million.**

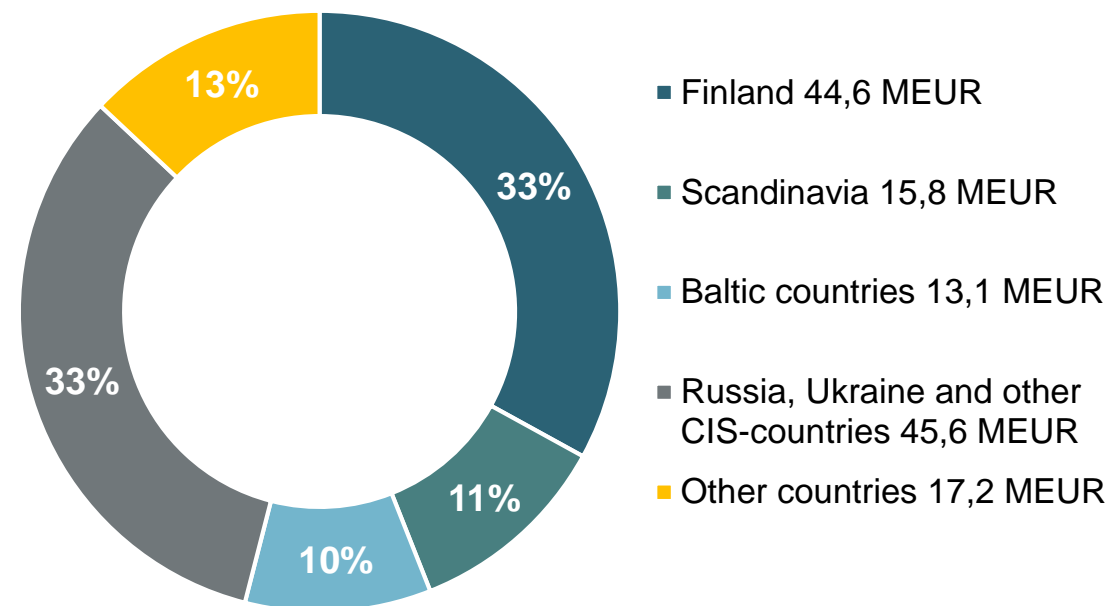
**The biggest market area, Russia, Ukraine and other CIS countries, grew by 6%.**

# Aspo represents a balanced entity

Net sales by segment Q3 2018



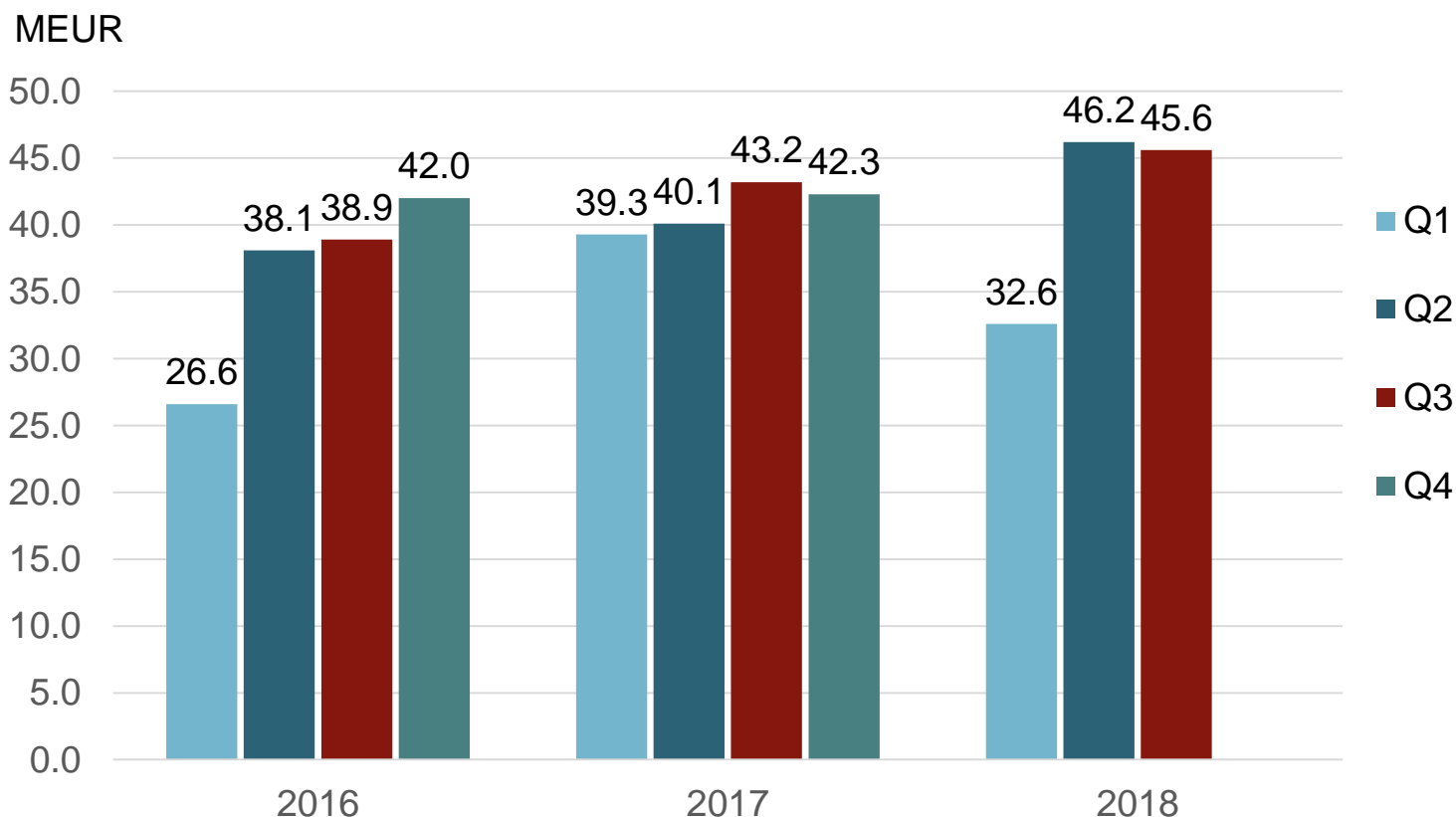
Net sales by market area Q3 2018





# Russia, Ukraine and other CIS countries


## Net sales



In the eastern markets, net sales increased by 6% in Q3.

The devaluation of local currencies in eastern markets decelerated the increase of net sales.

The profitability increased in the market area.



# ESL Shipping

Leading marine logistics provider for bulk cargo.

# ESL Shipping

During the third quarter, the acquisition of AtoB@C was completed and new, the world's most environmentally friendly, LNG-fueled dry bulk cargo vessels were received.

Net sales increased notably to EUR 30.6 (18.3) million.

AtoB@C is included in the figures starting from September.

Operating profit increased to EUR 4.0 (3.3) million, including acquisition related transaction costs of EUR 0.9 million.

The new vessels did not have any impact on profit during Q3.

The new vessels arrived via the Northern Sea Route, which reduces emissions by more than 40% compared with the route passing via the Panama Canal.

In addition, operations from the Canadian arctic towards Europe were continued.

# ESL Shipping acquired AtoB@C, a Swedish shipping company

AtoB@C is engaged in the shipping business with a fleet of 30 vessels of 4,000–5,000 dwt.

AtoB@C owns six dry bulk cargo vessels in full, and it has a share of 49% of two vessels. The other 22 vessels are time-chartered.

In 2017, AtoB@C's net sales amounted to EUR 79.3 million and its operating profit was EUR 3.2 million.

It carries forest industry raw materials and products, steel industry products, fertilizers, recycled material, biofuel and minerals.

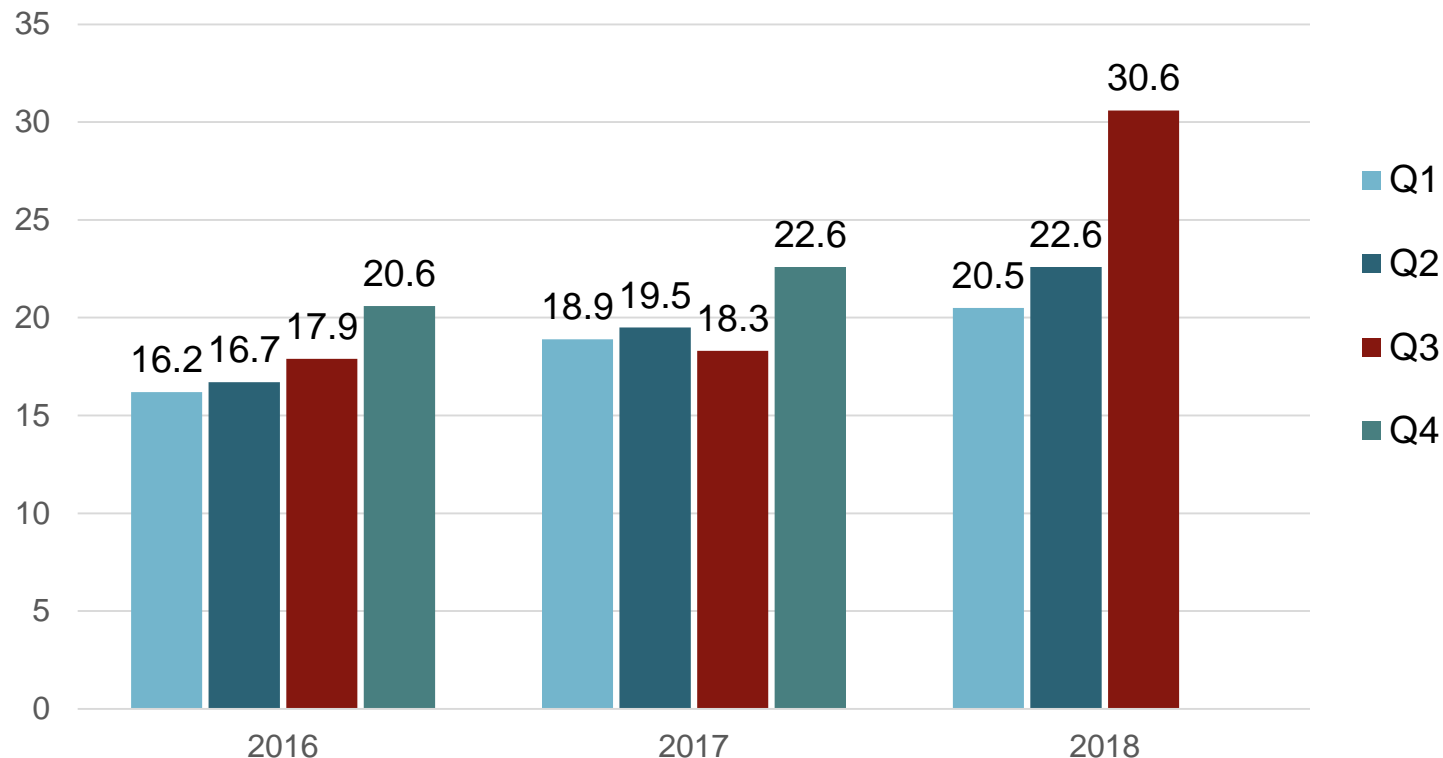
The expanded ESL Shipping is now a more balanced shipping company with more widely diversified risks.

It has a better opportunity to develop effective transportation solutions and to generate a higher operating profit.

# ESL Shipping key figures Q3

## Net sales

MEUR



**Net sales increased by 67% and were EUR 30.6 million (18.3).**

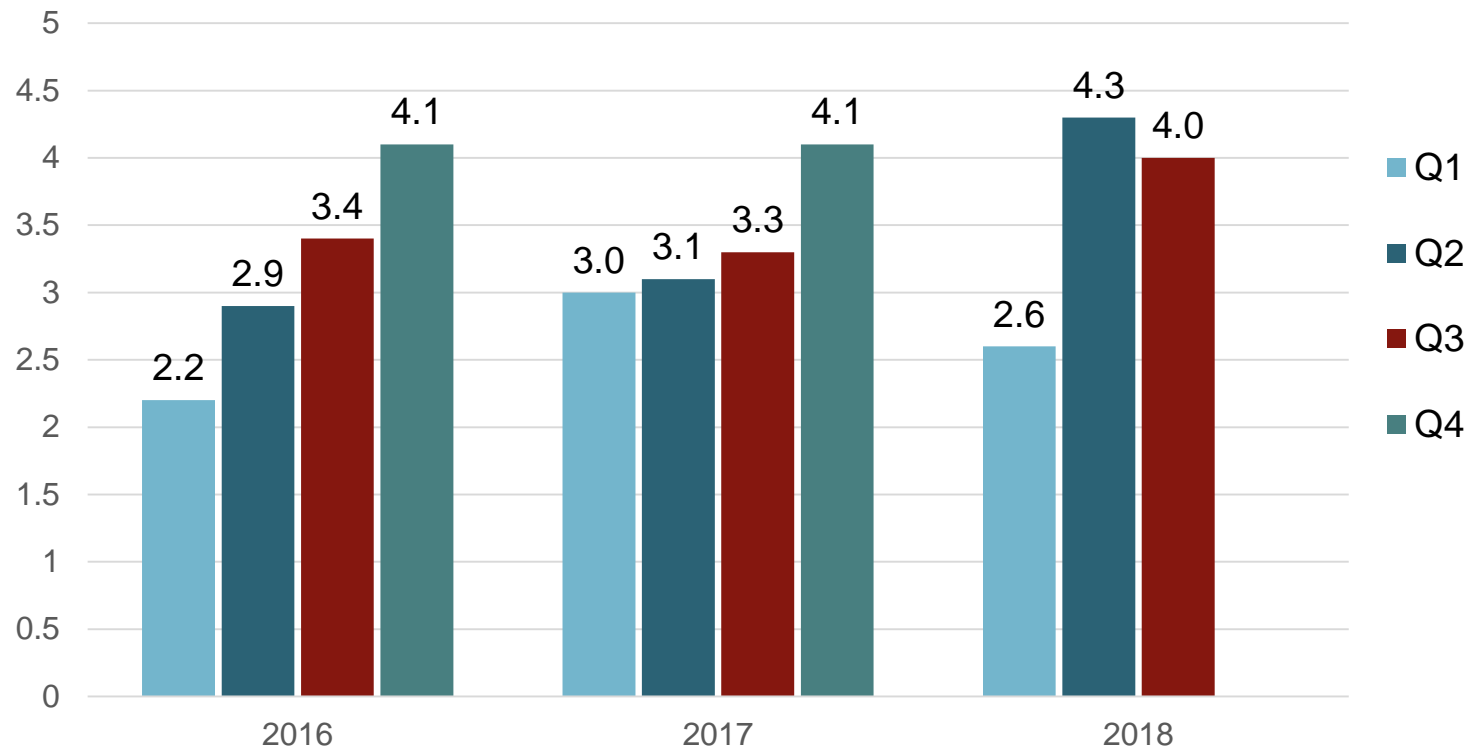
**Transportation volumes in the steel industry increased significantly in the third quarter. Loading and unloading operations at sea were busy.**



# ESL Shipping key figures Q3

## Operating profit

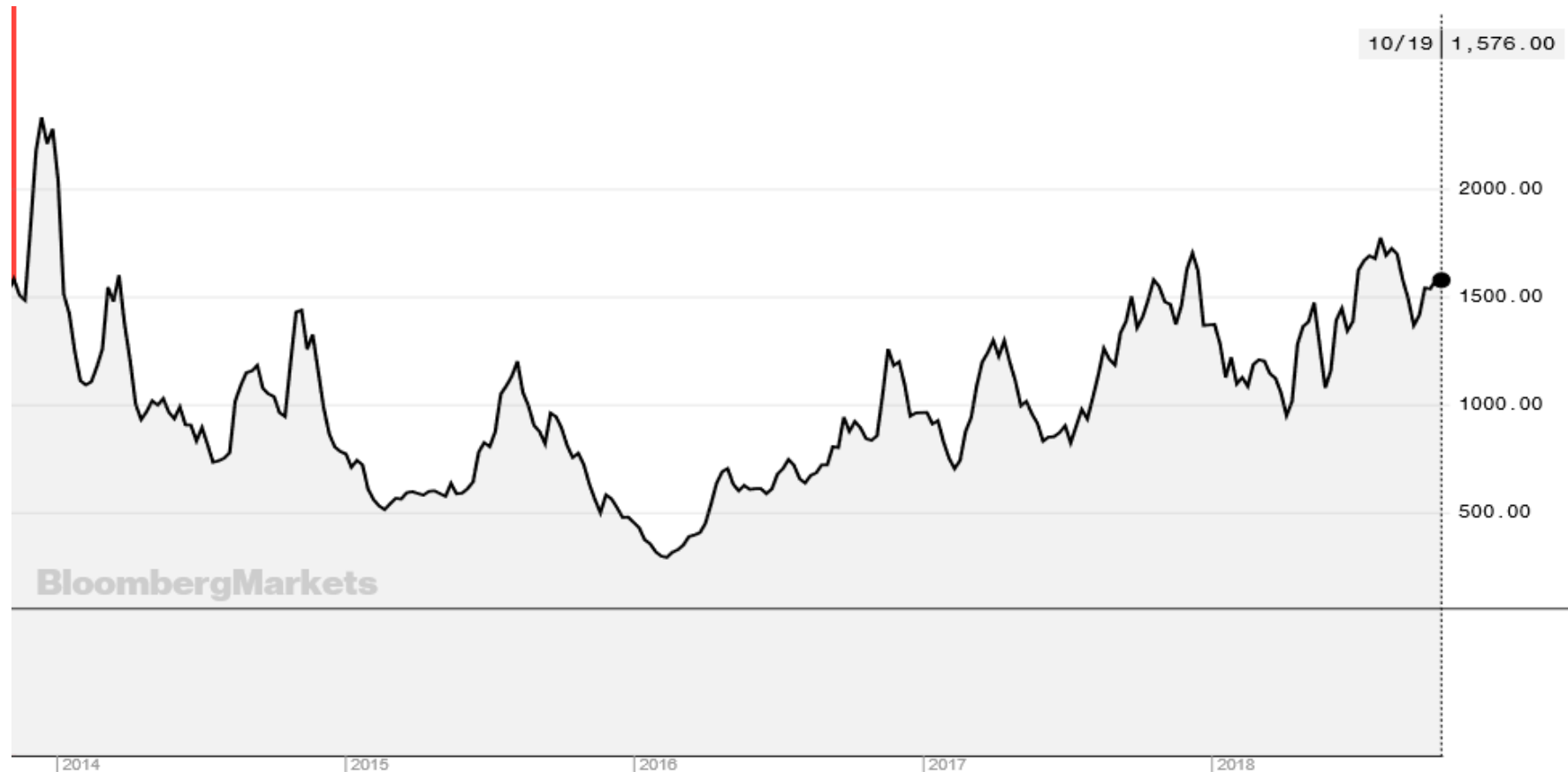
MEUR



In Q3, operating profit increased by 21% and was EUR 4.0 million (3.3).

Profitability improved as a result of higher transportation volumes and successful operations, supported partly by favorable weather conditions.

# Baltic Dry Index 2014–2018



Source: Bloomberg

Q3 25.10.2018



# Leipurin

From bread and recipes to a comprehensive selection



# Leipurin

The prices of raw materials important to Leipurin showed variation from one raw material group to another. All in all, prices were close to the level of the comparative period.

Net sales decreased by 6% to EUR 28.0 (29.9) million.

The decrease resulted from variation in the installation schedules of projects in machinery operations and divestment completed during the reference period of Q3 2017.

Operating profit decreased to EUR 0.8 (1.4) million.

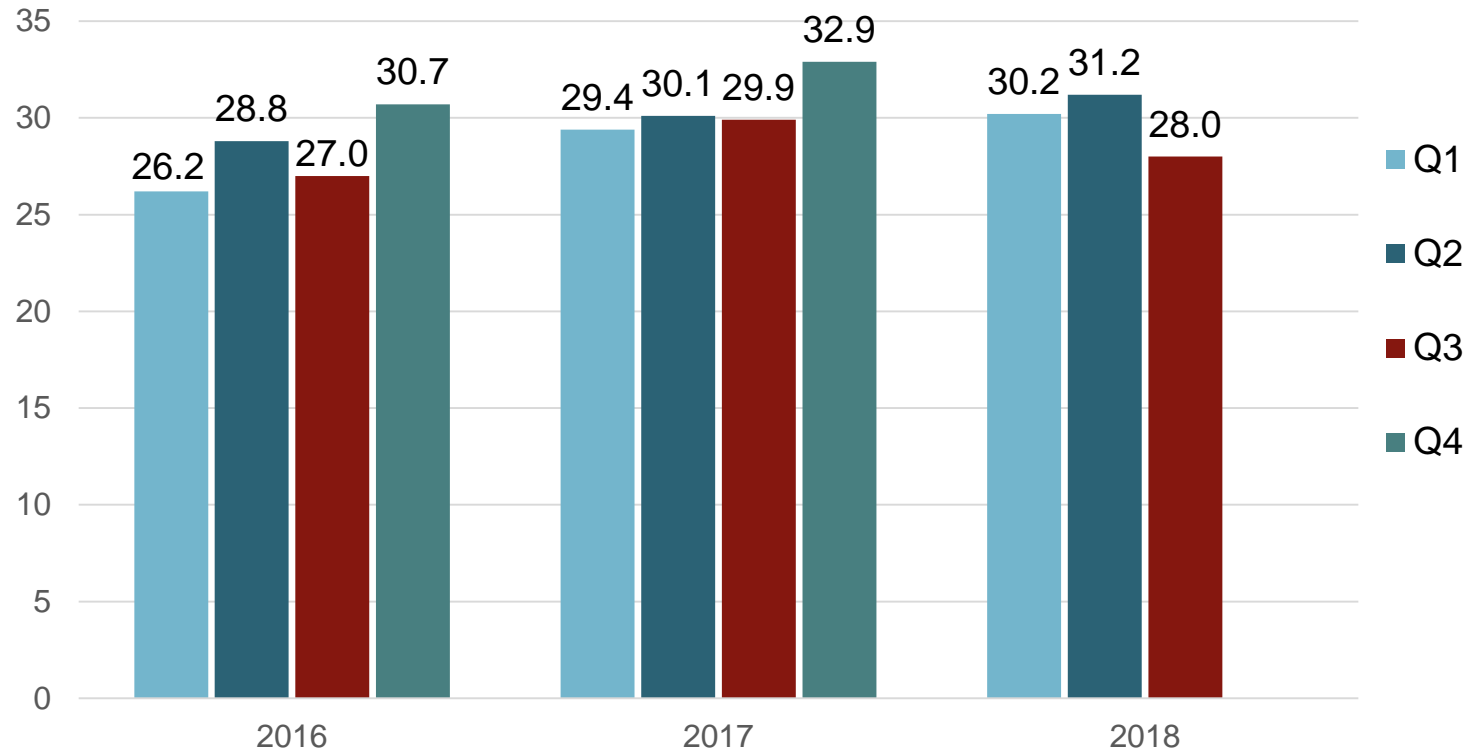
The decrease mainly resulted from the same reasons that attributed to the decrease in net sales.

Net sales in the eastern markets increased by 4% and profitability improved, regardless of devaluation of local currencies.

# Leipurin key figures Q3

## Net sales

MEUR



**Net sales decreased and were EUR 28.0 million (29.9).**

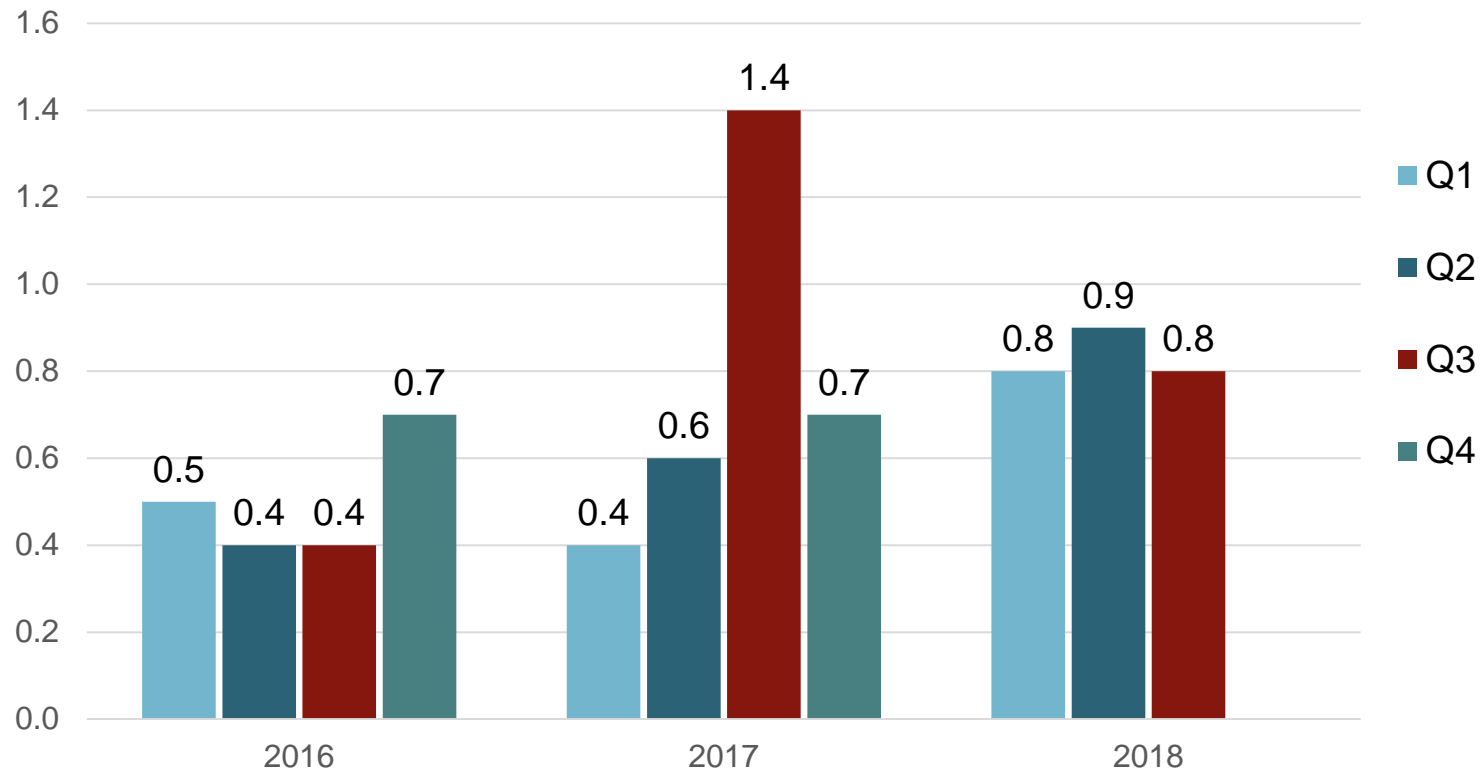
**The decrease in the net sales were mainly due to the divestment carried out in the comparative period.**

**In the eastern markets the net sales of bakery raw materials increased and decreased in the western markets.**

# Leipurin key figures Q3

## Operating profit

MEUR



Operating profit decreased and was EUR 0.8 million (1.4). Operating profit rate was 2.9% (4.7).

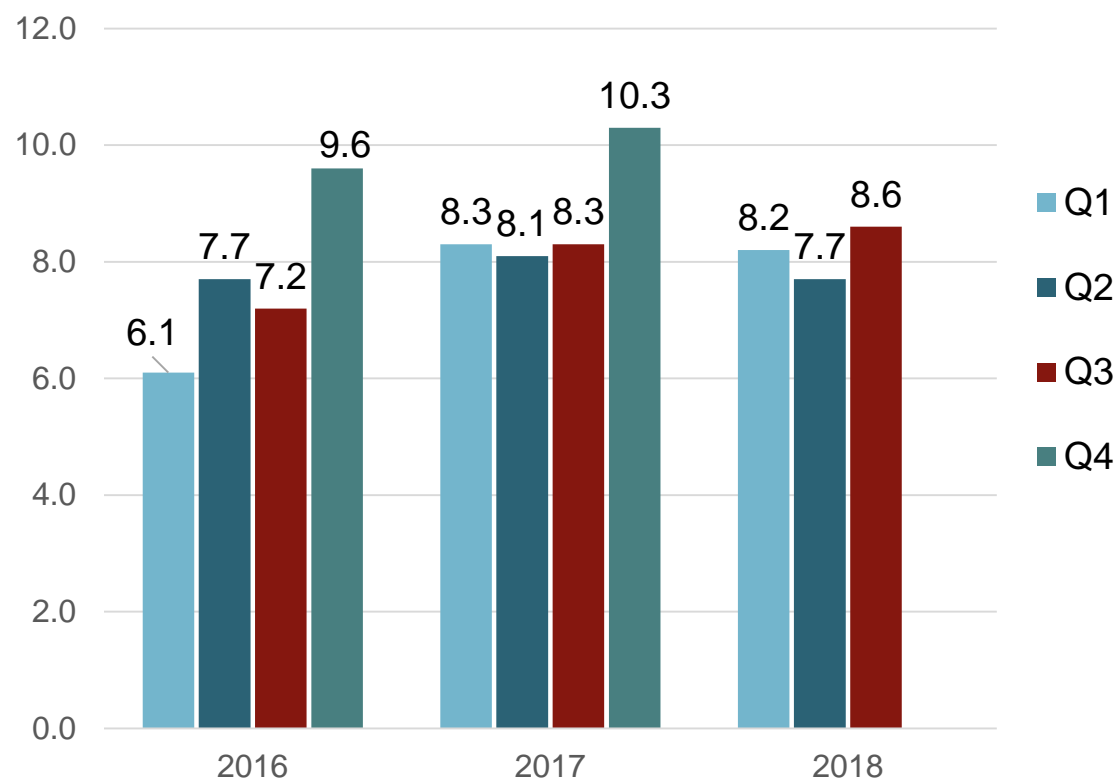
Main reasons were installation schedules in machinery operations and a sales gain from business divestment in Q3 2017.

In the eastern markets, the operating profit rate in raw material business was 8% (8).

# Net sales in Russia, Ukraine and other CIS countries

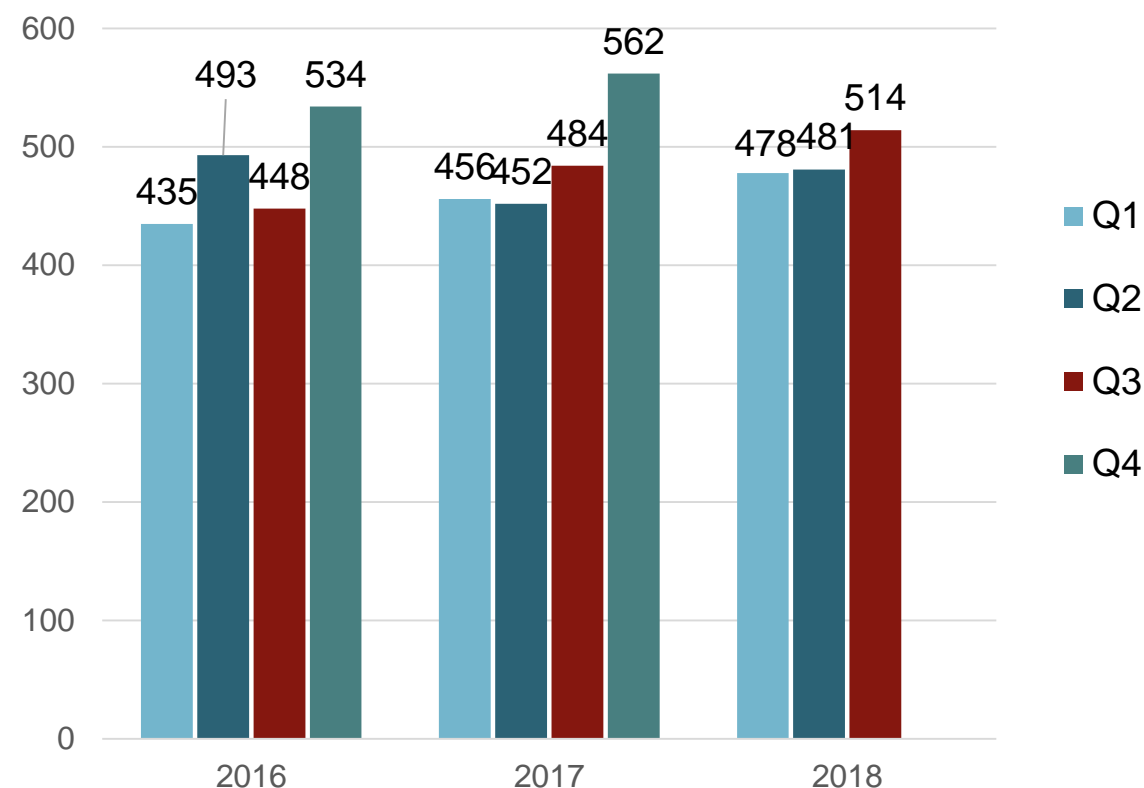
## Net sales in the market area

MEUR



## Net sales of the Russian company

MRUB



Q3, October 25, 2018





# Telko

Raw material solutions for the industry

**Telko's operating environment mainly remained unchanged.**

**The prices of chemicals and plastics have remained stable and at a good level. Prices were supported by the increase in the price of oil.**

**In Q3, the operating profit decreased to EUR 2.9 (3.1) million.**

**The decrease partly resulted from problems involving the availability of plastics and decreases in the values of local currencies in the east.**

**Telko's net sales remained at the comparative period's level and were EUR 67.3 (67.3) million.**

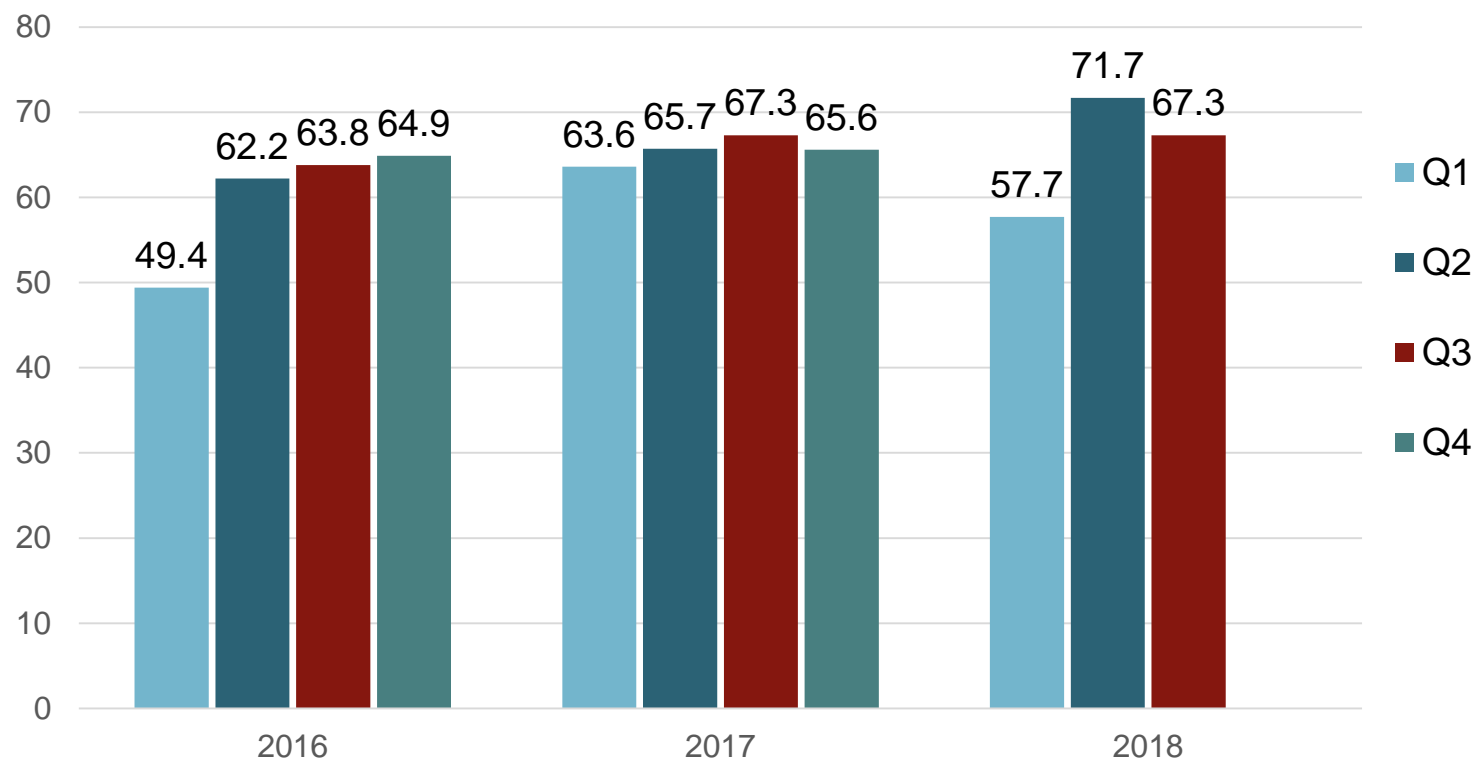
**The increase in net sales was limited by problems involving the availability of plastic raw materials and devaluation of local currencies. Net sales of chemical operations increased.**

**Net sales in the eastern markets increased by 4% and profitability improved.**

# Telko key figures Q3

## Net sales

MEUR



Net sales remained unchanged and were EUR 67.3 million (67.3).

Increase in net sales have been limited by problems in the availability of the products as well as the devaluation of the local currencies in the east.

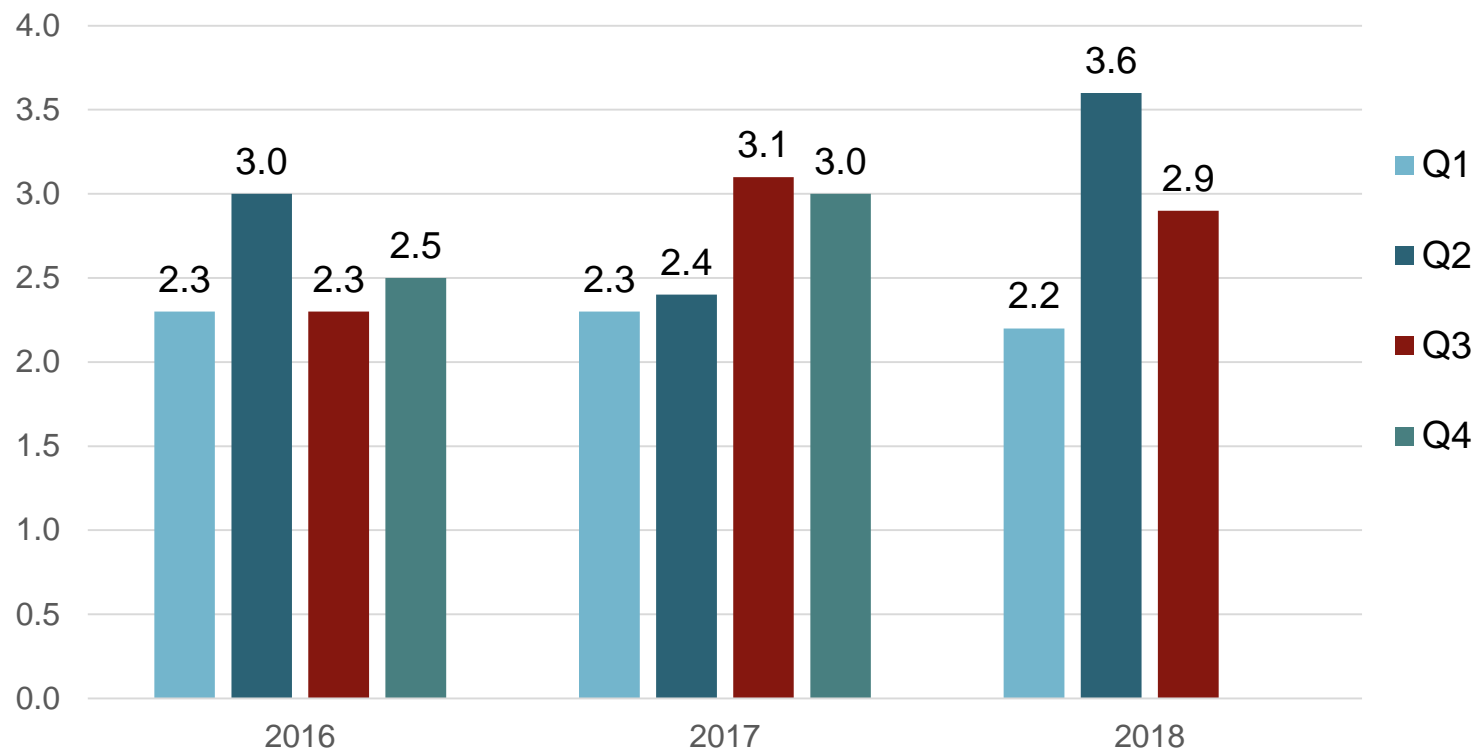
The acquisition of Square Oil did not have impact on the net sales.



# Telko key figures Q3

## Operating profit

MEUR



In Q3, operating profit decreased and were EUR 2.9 million (3.1).

Operating profit decreased because of the problems in the availability of the products and devaluation of the currencies .

The profitability in the eastern markets increased.

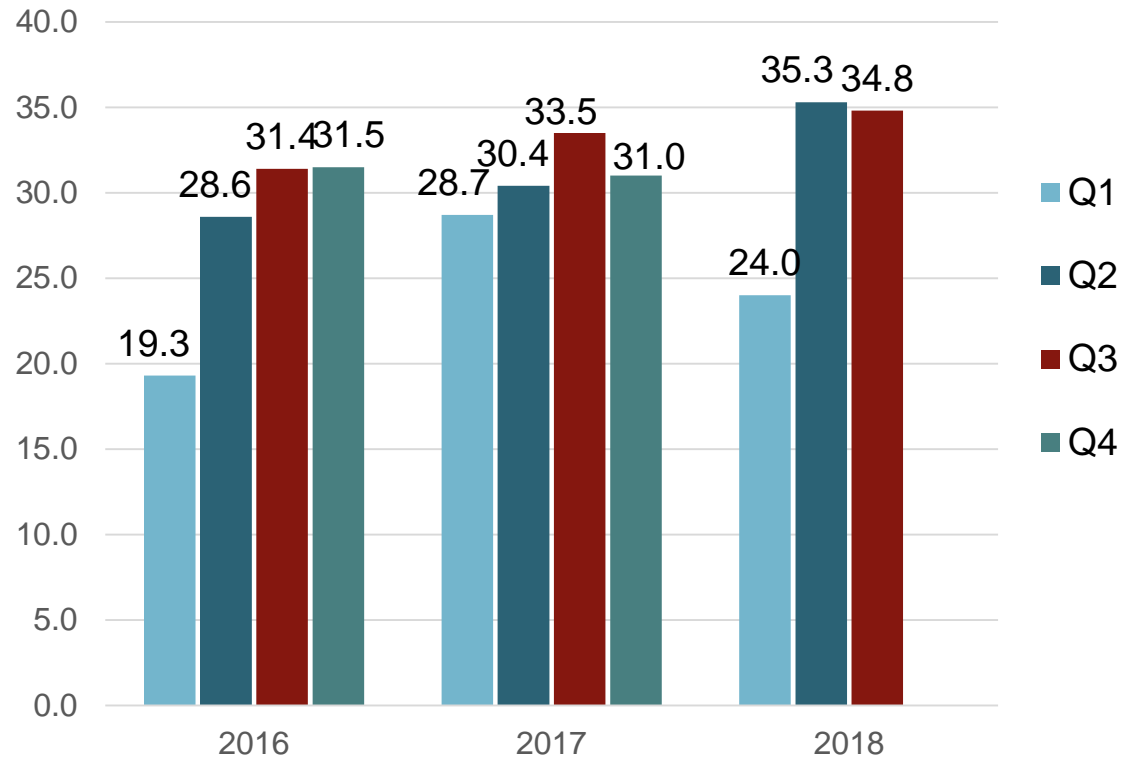
Operating profit rate was approximately 4%.



# Net sales in Russia, Ukraine and other CIS countries

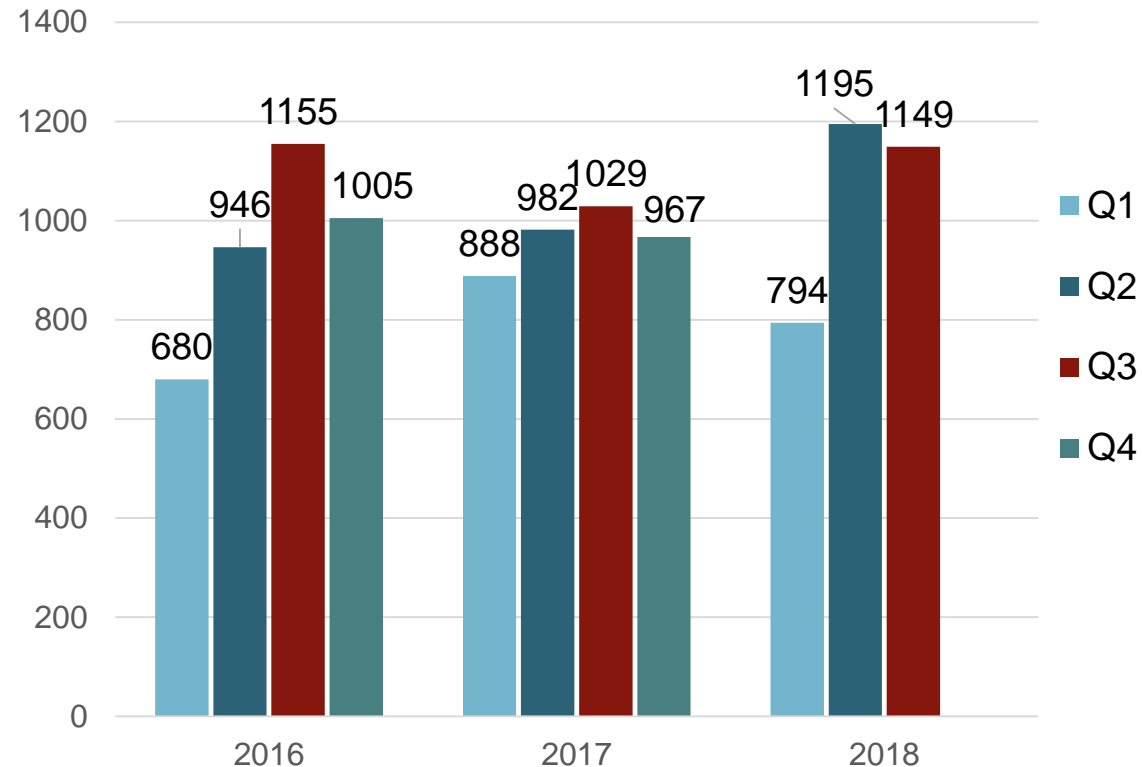
## Net sales in the market area

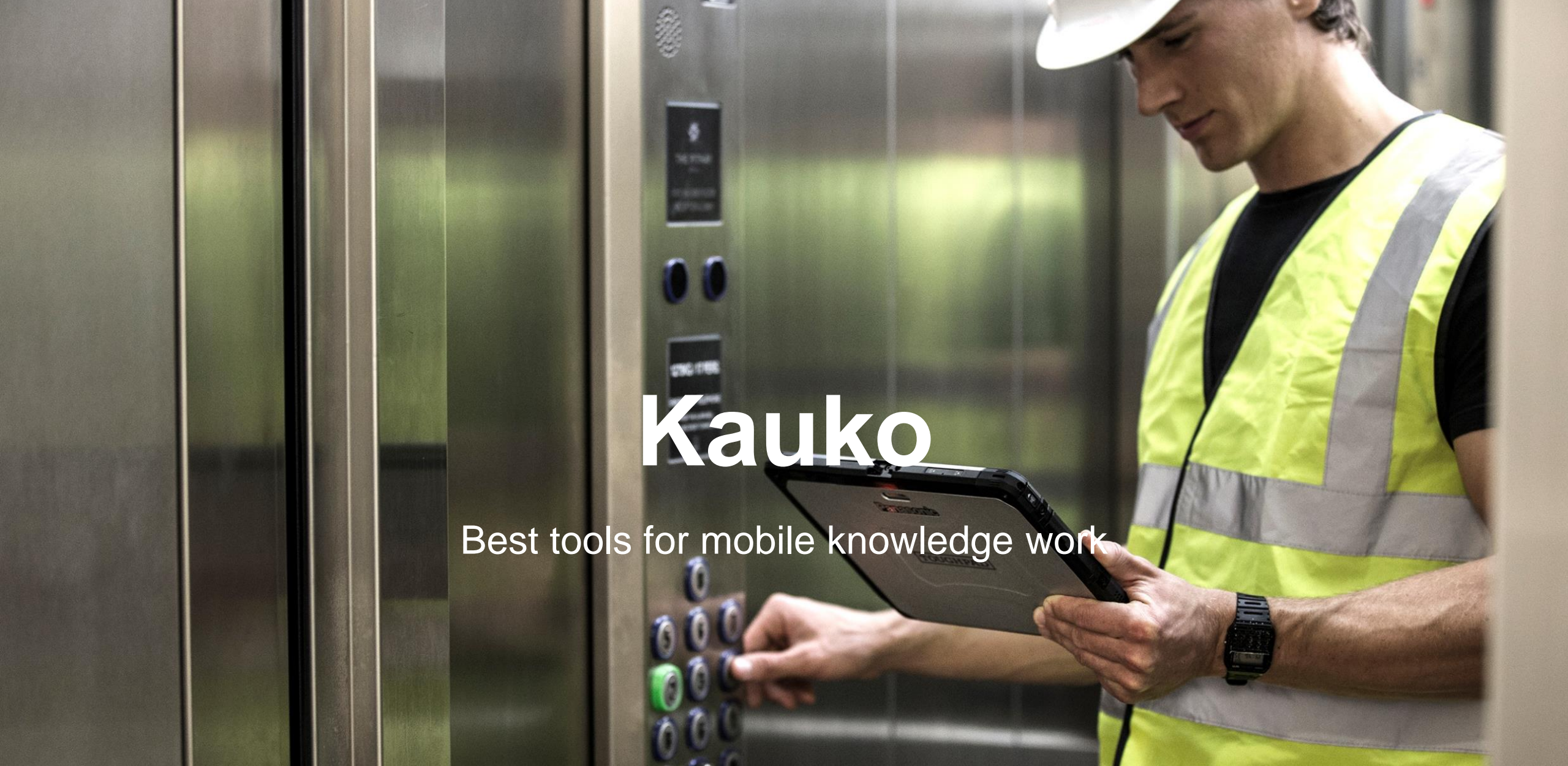
MEUR



## Net sales of the Russian company

MRUB





# Kauko

Best tools for mobile knowledge work

**Net sales decreased by 11% to EUR 10.4 million (11.7) .**

**The comparative period included project deliveries related to the discontinued business operations in China.**

**Deliveries of key contractual partners will take place during Q3 and Q4.**

**Operating profit was EUR 0.7 million (0.2) .**

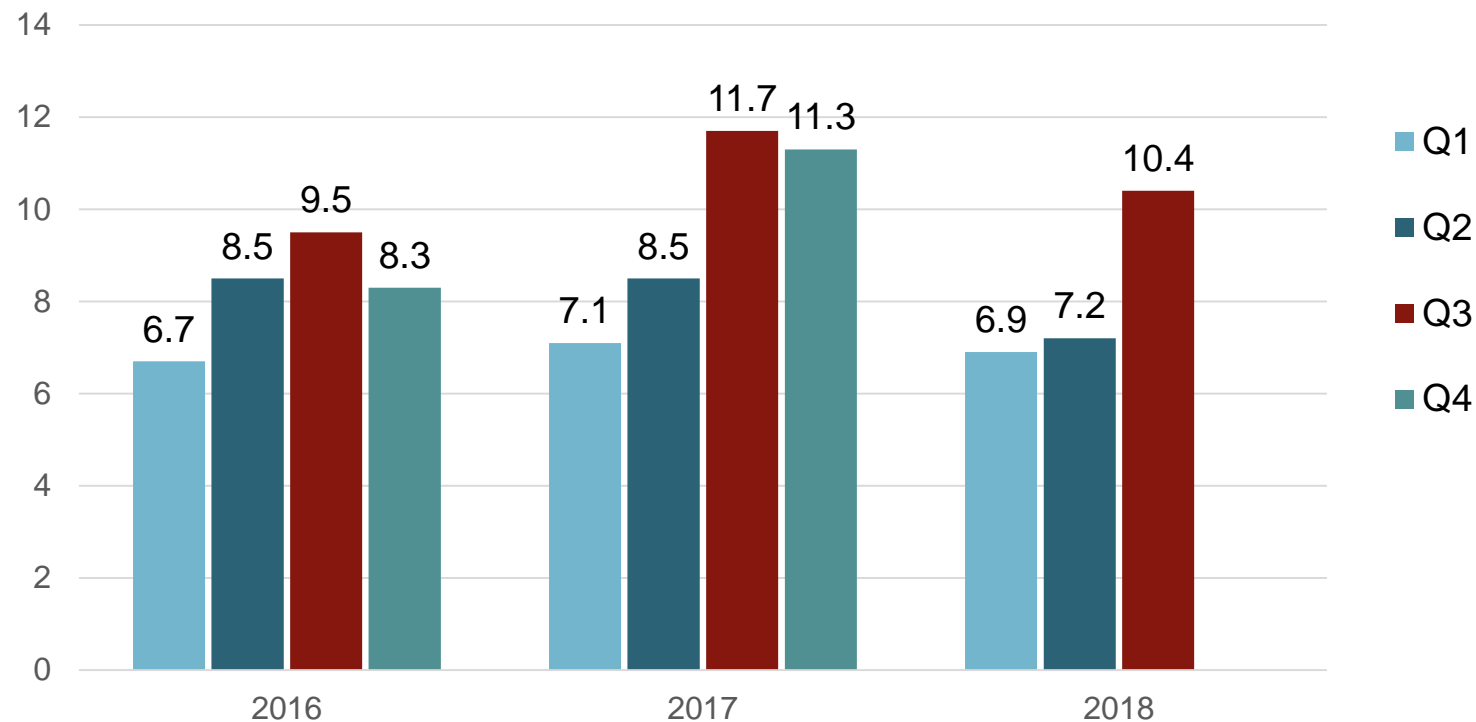
**The operating profit improved as a result of financial cuts and higher delivery volumes of computers and energy-efficiency equipment.**

**Kauko will carry out determined actions to improve the profitability of operations providing solutions for the healthcare sector.**

# Kauko key figures Q3

## Net sales

MEUR



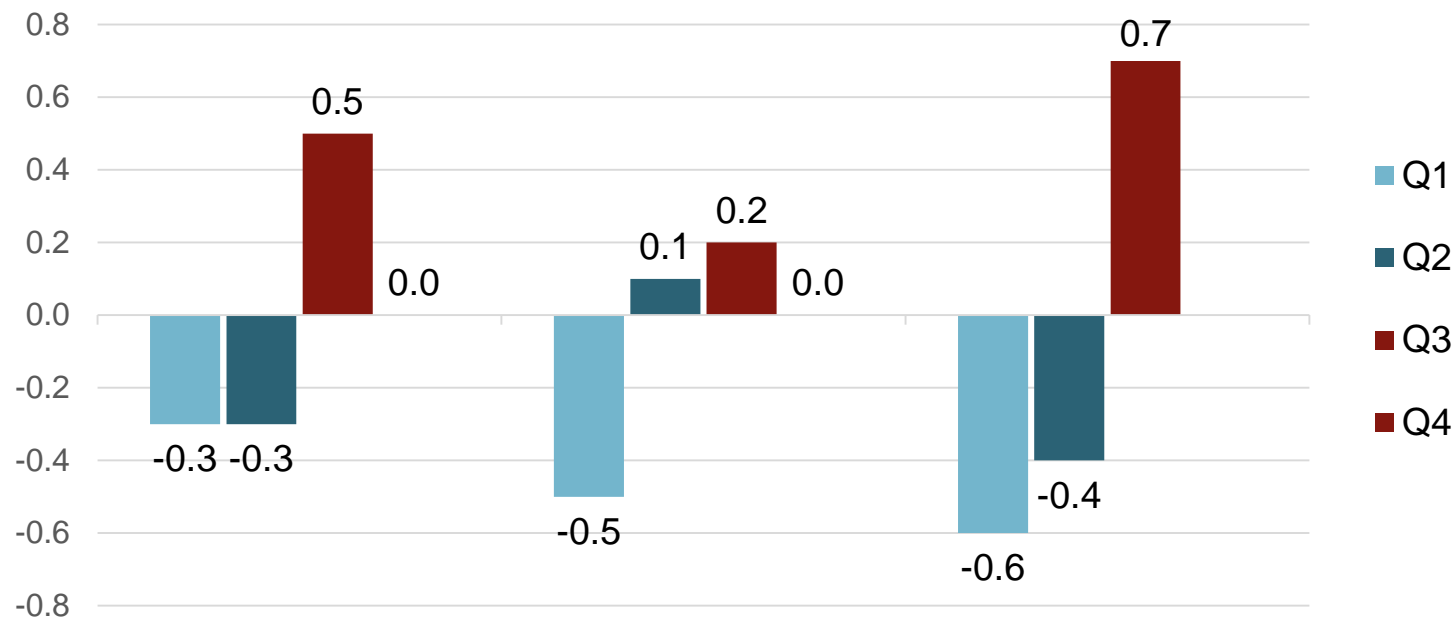
Q3, October 25, 2018

Net sales decreased and were EUR 10.4 million (11.7).

# Kauko key figures Q3

## Operating profit

MEUR



Operating profit increased and was EUR 0.7 million (0.2).

The operating profit is not at the target level.

# General outlook for the markets in 2018

- International economy is expected to continue the growth.
- Industrial production is expected to increase in the main market areas of Aspo's business operations in Northern Europe.
- 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.
- The prices of industrial raw materials and dry bulk freight rates are expected to remain at their current level or strengthen
- ESL Shipping's earnings potential has increased.

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

**Aspo will continue its organic expansion in the eastern markets and speed up its inorganic growth in the western markets.**



# Guidance for 2018

Remains unchanged:

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

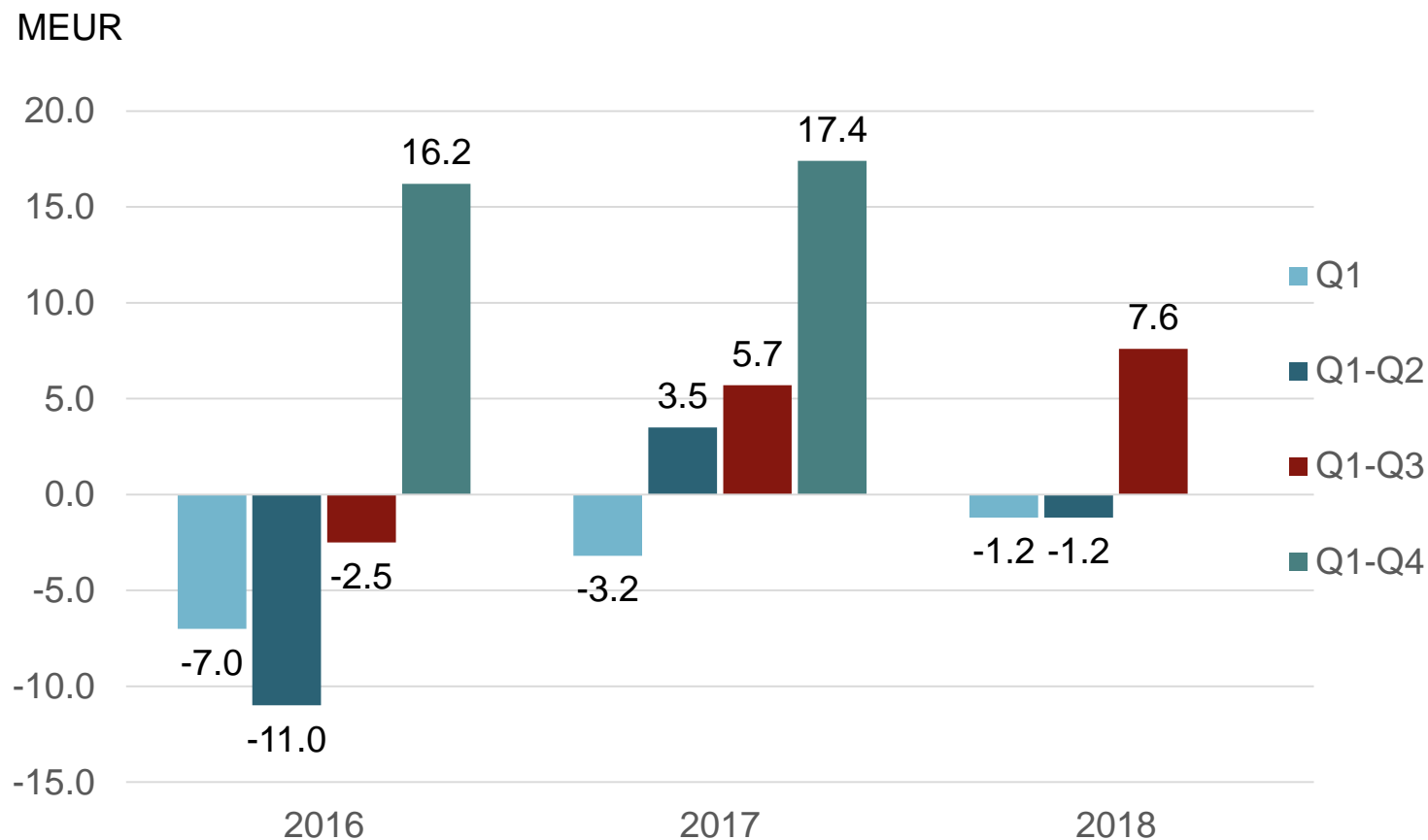


# Additional material

Q3, October 25, 2018



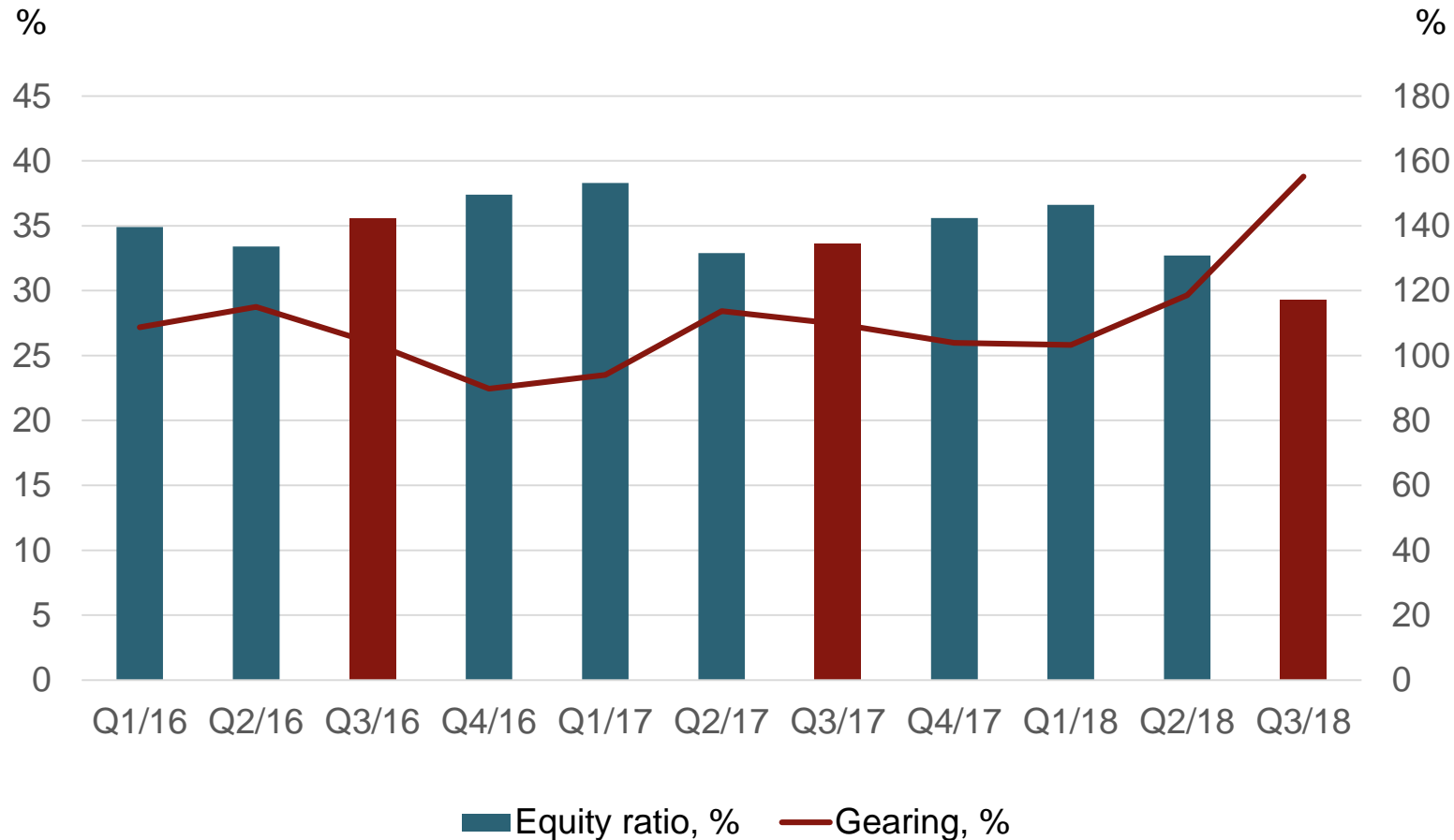
# Net cash from operating activities



Net cash from operating activities increased to EUR 7.6 million (5.7).

Investments carried out in Q3 have still strengthened Aspo's ability to produce cash flow.

# Equity ratio and gearing



**Gearing at Aspo Group was 155% (110).**

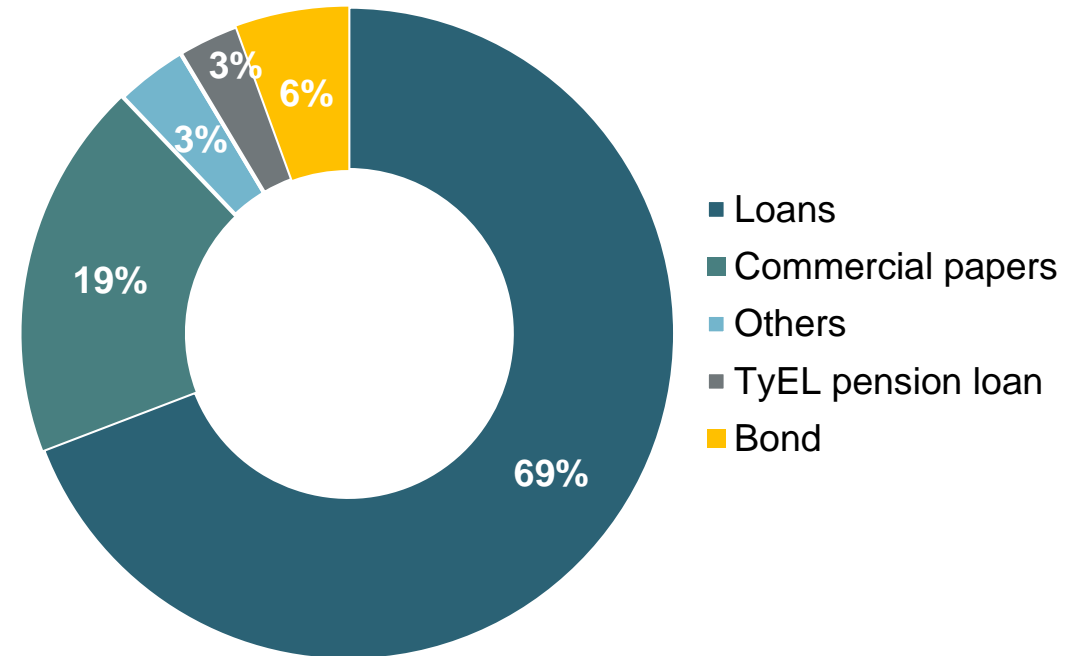
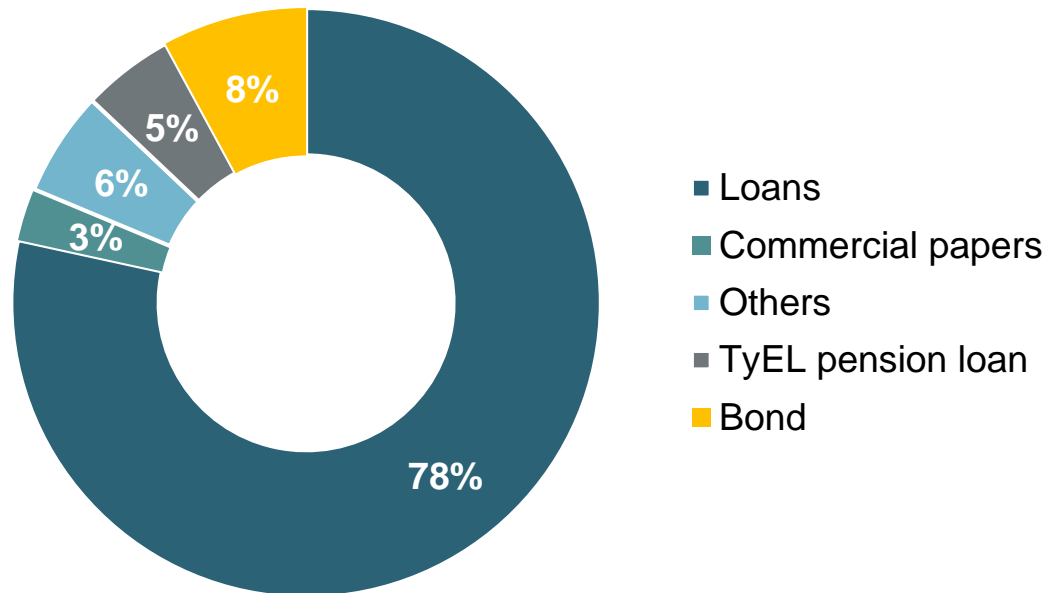
Investment in two new dry bulk cargo vessels and the acquisition of AtoB@C had an impact on Aspo's capital structure.

# Structure of liabilities

Interest bearing liabilities  
September 30, 2017: 139 MEUR

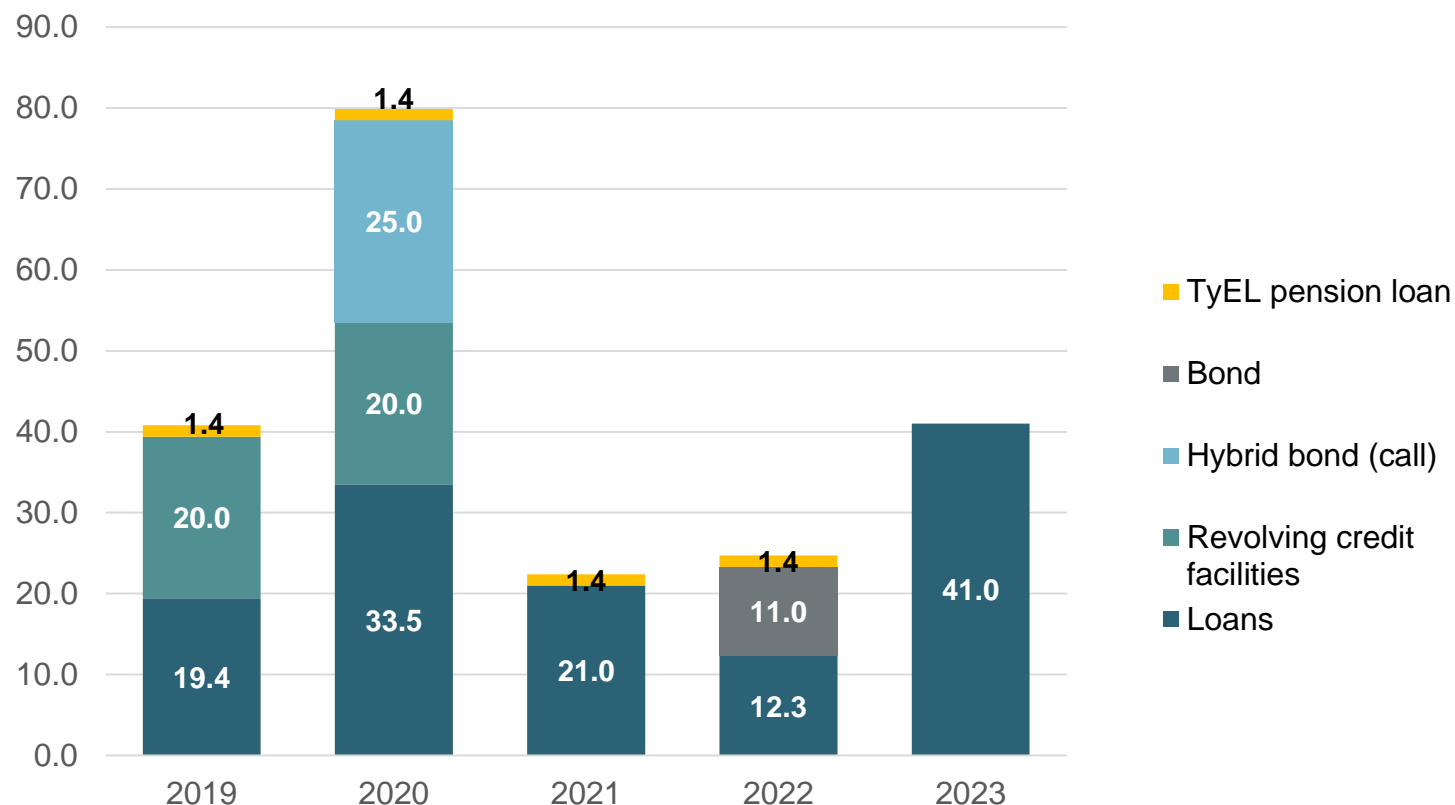


Interest bearing liabilities  
September 30, 2018: 198 MEUR



# Maturity of significant loan agreements

MEUR

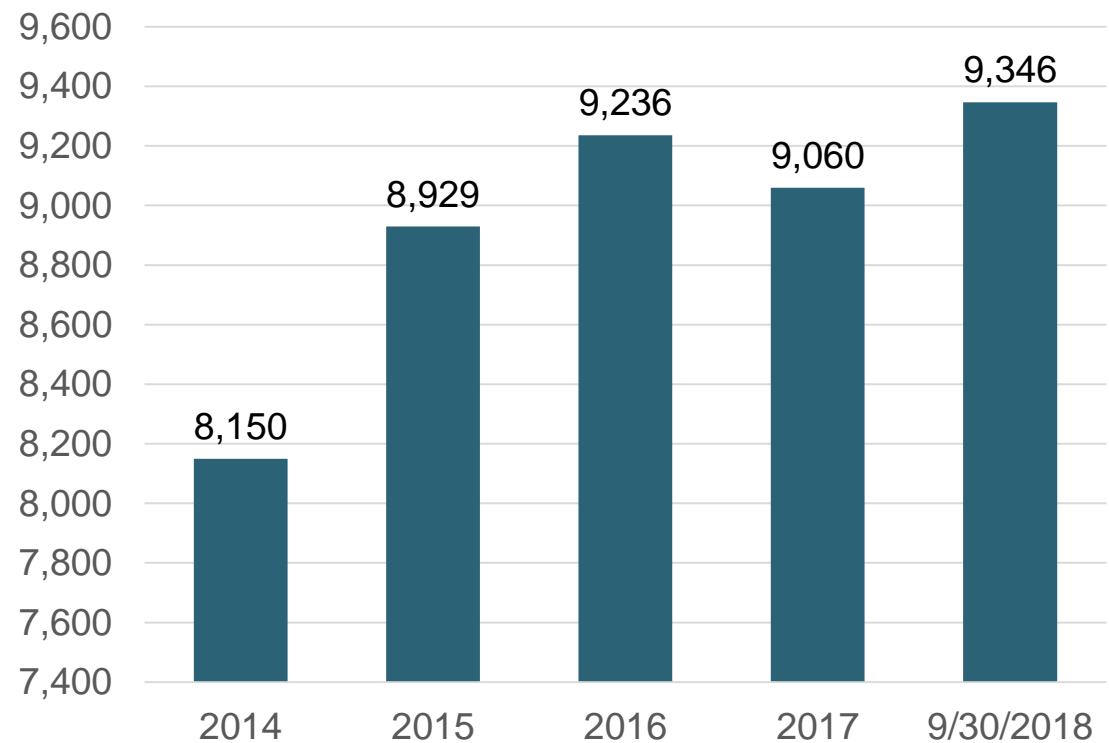


At the end of the review period, the average interest rate of interest bearing liabilities was 1.5%.

The amount of interest bearing liabilities increased and was EUR 198 million (137).

# Shareholders / allocation

Number of shareholders



Distribution of ownership on September 30, 2018 by ownership group, %

