



Aspo's year 2018 and Q4

February 14, 2019

CEO Aki Ojanen

Aspo's year 2018

Net sales increased and were EUR 540.9 (502.4) million.

Net sales grew by 8%.

Operating profit, adjusted by an impairment loss was EUR 25.4 million.

Operating profit was EUR 20.6 (23.1) million.

Earnings per share, adjusted by an impairment loss of goodwill were EUR 0.57. Earnings per share were EUR 0.42 (0.56).

During the 2018 financial period, Aspo made significant investments to ensure its future growth and the development of its profitability.

The Board of Directors' dividend proposal for 2018:

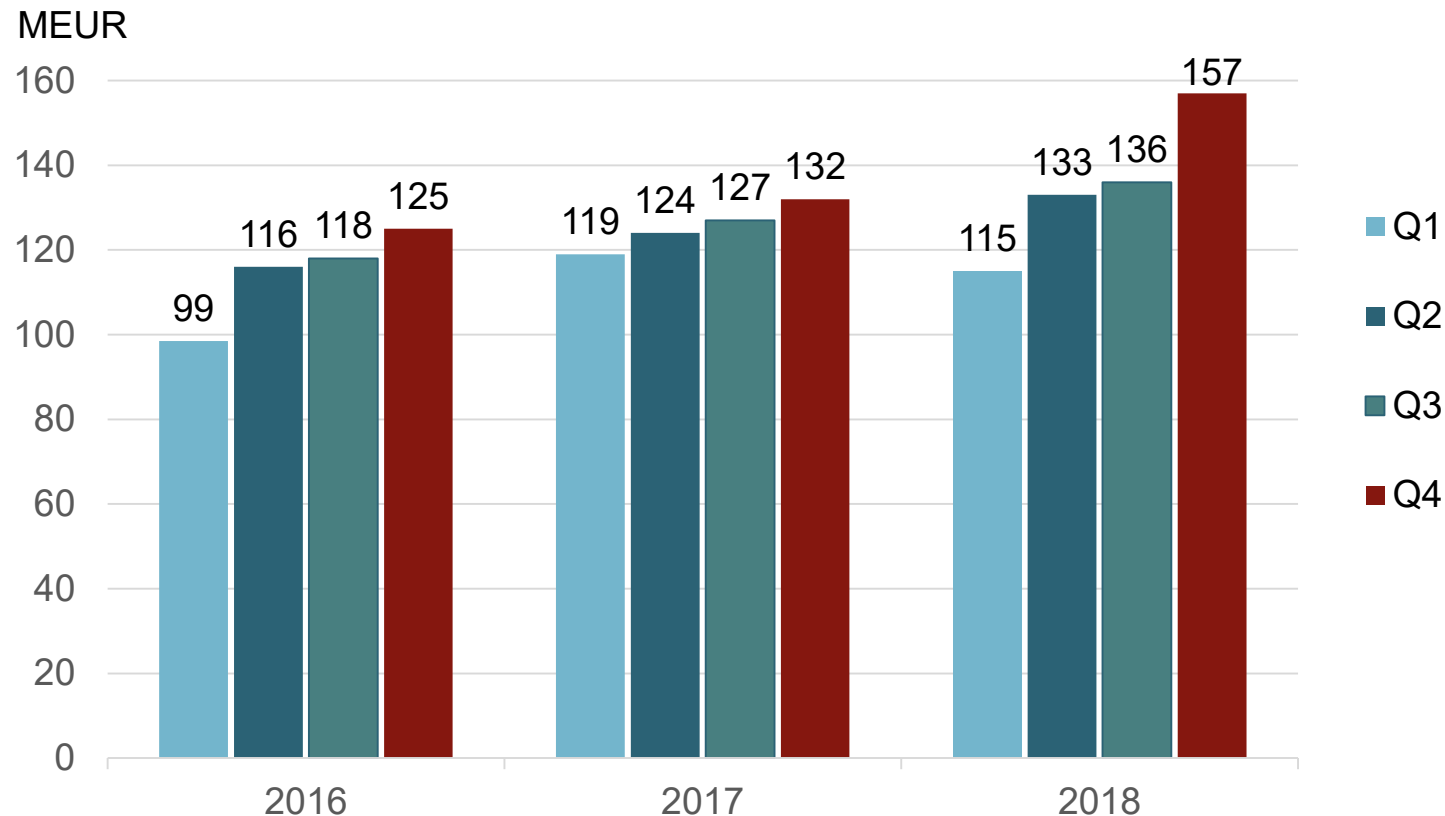
EUR 0.44 (0.43)

Guidance for year 2019:

Aspo's operating profit will be EUR 28-33 (20.6) million in 2019

Net sales by quarter

Net sales by quarter



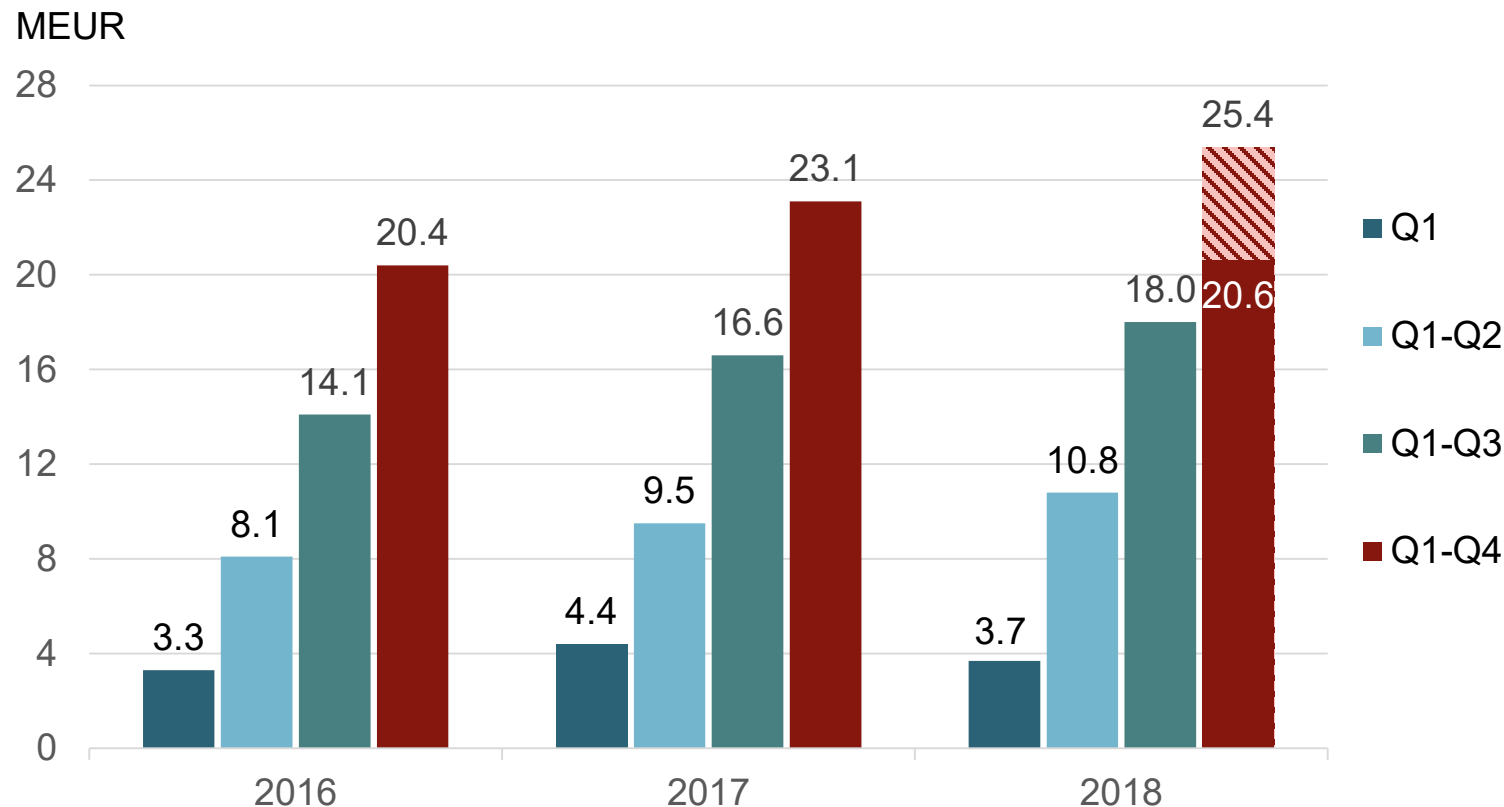
In Q4, net sales increased by 18% and were EUR 156.6 (132.4) million.

The most significant growth in net sales was in ESL Shipping.

Market area, Russia, other CIS countries and Ukraine, grew by 12%.

Operating profit

Operating profit, cumulative



In 2018, operating profit was EUR 20.6 (23.1) million.

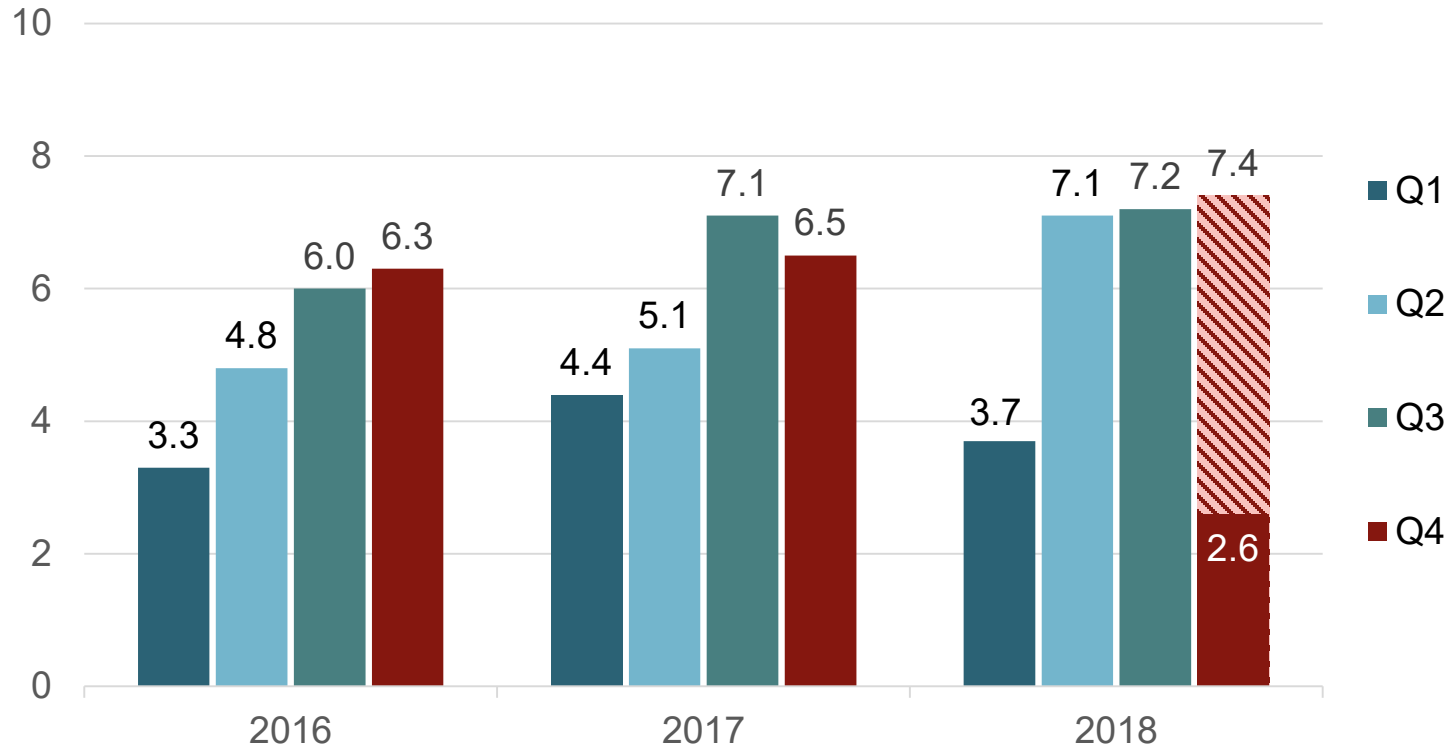
An impairment loss of EUR 4.8 million recognized on Kauko's goodwill.

ESL Shipping, Leipurin and Telko increased operating profit. Kauko's operating profit adjusted by the impairment loss of goodwill improved.

Operating profit by quarter

Operating profit, quarter

MEUR



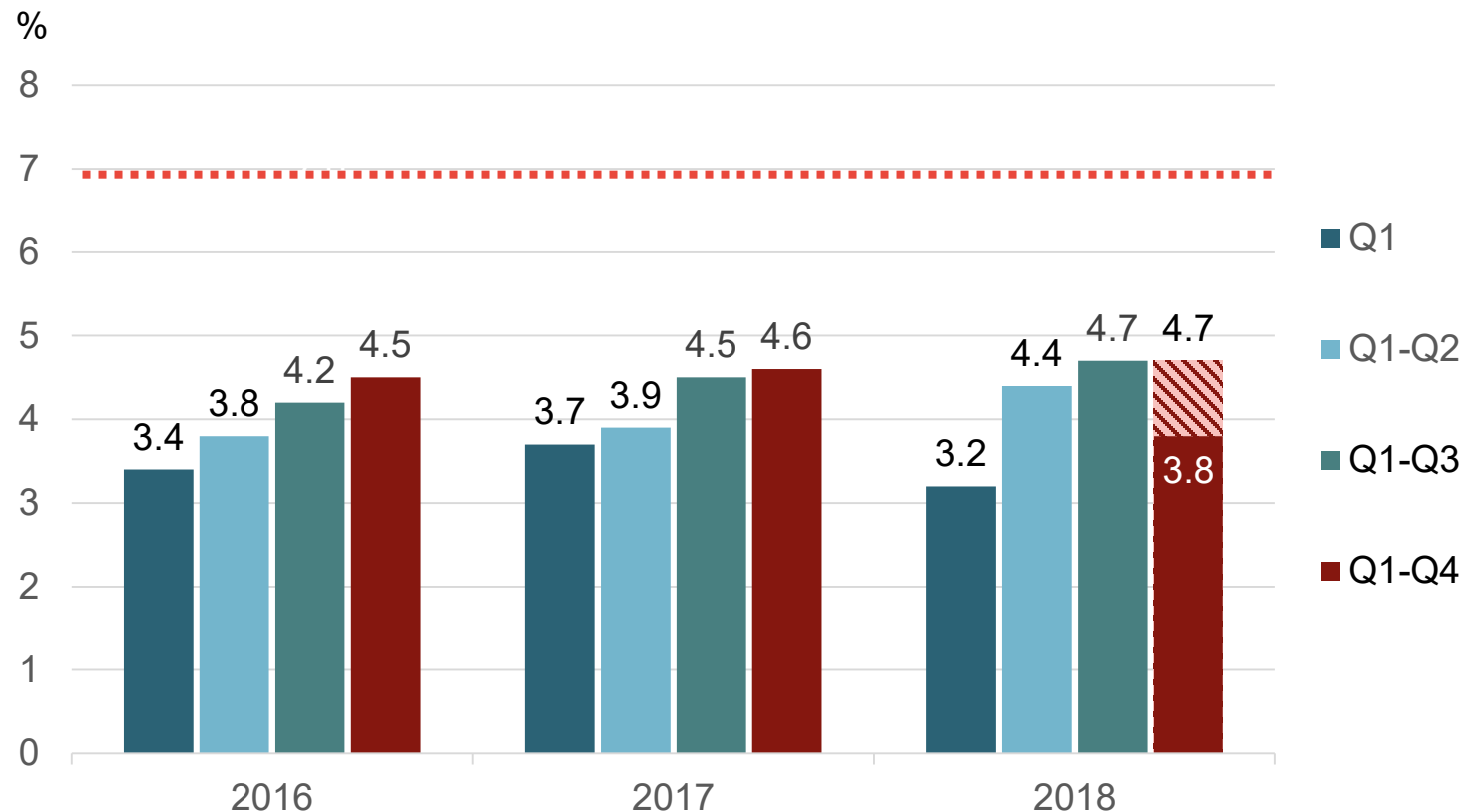
In Q4, Aspo's operating profit, adjusted by an impairment loss on Kauko's goodwill grew by 14% and was EUR 7,4 million.

ESL Shipping, Leipurin and Telko improved operating profit.

Kauko improved operating profit adjusted by an impairment loss.

Long-term financial targets

Operating profit, %, cumulative



In 2018, operating profit rate was 3.8% (4.6).

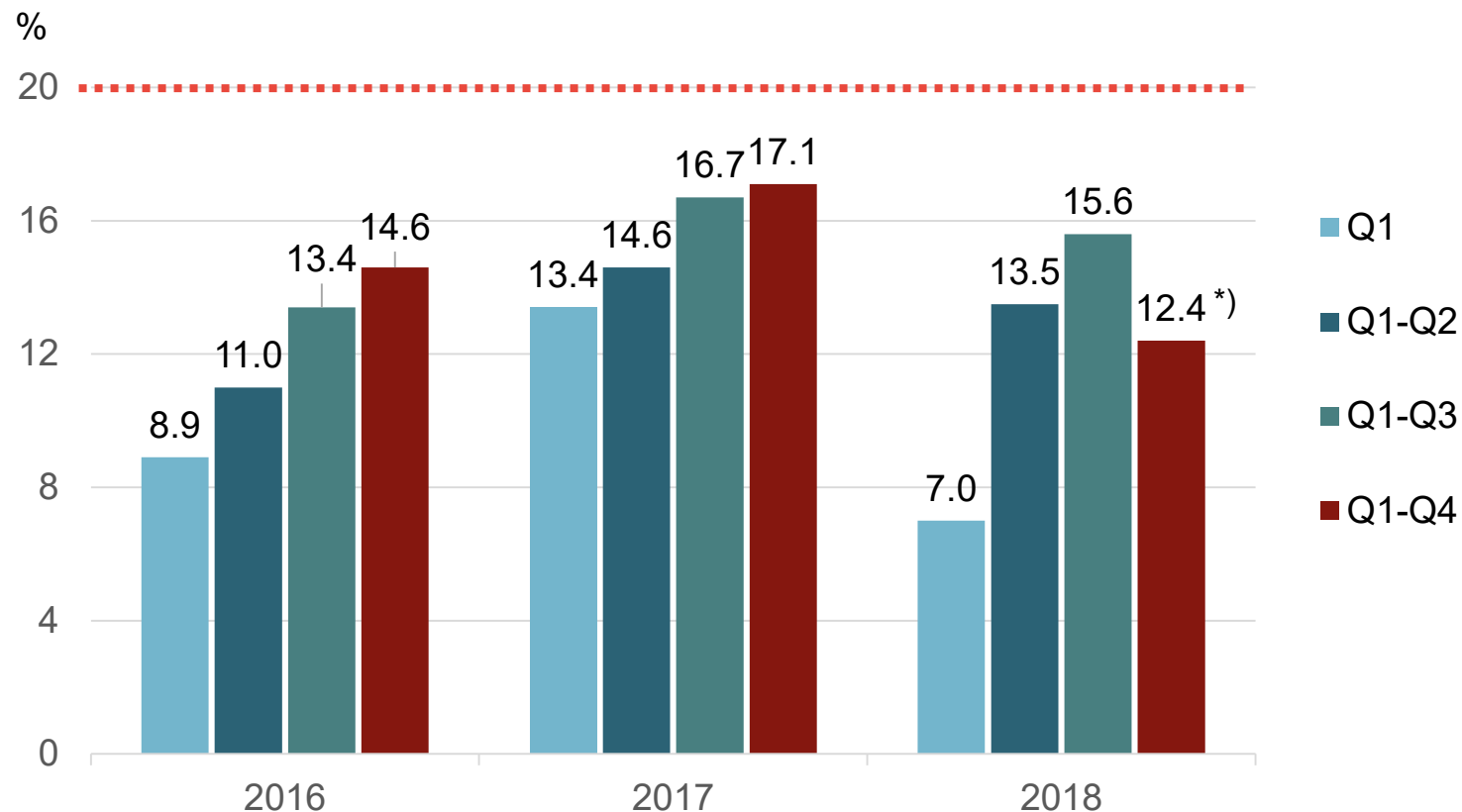
Operating profit rate, adjusted by an impairment loss, was 4.7%.

The target level is 7% by 2020.

The target level is indicated by the dashed line.

Long-term financial targets

Return on equity, (ROE)



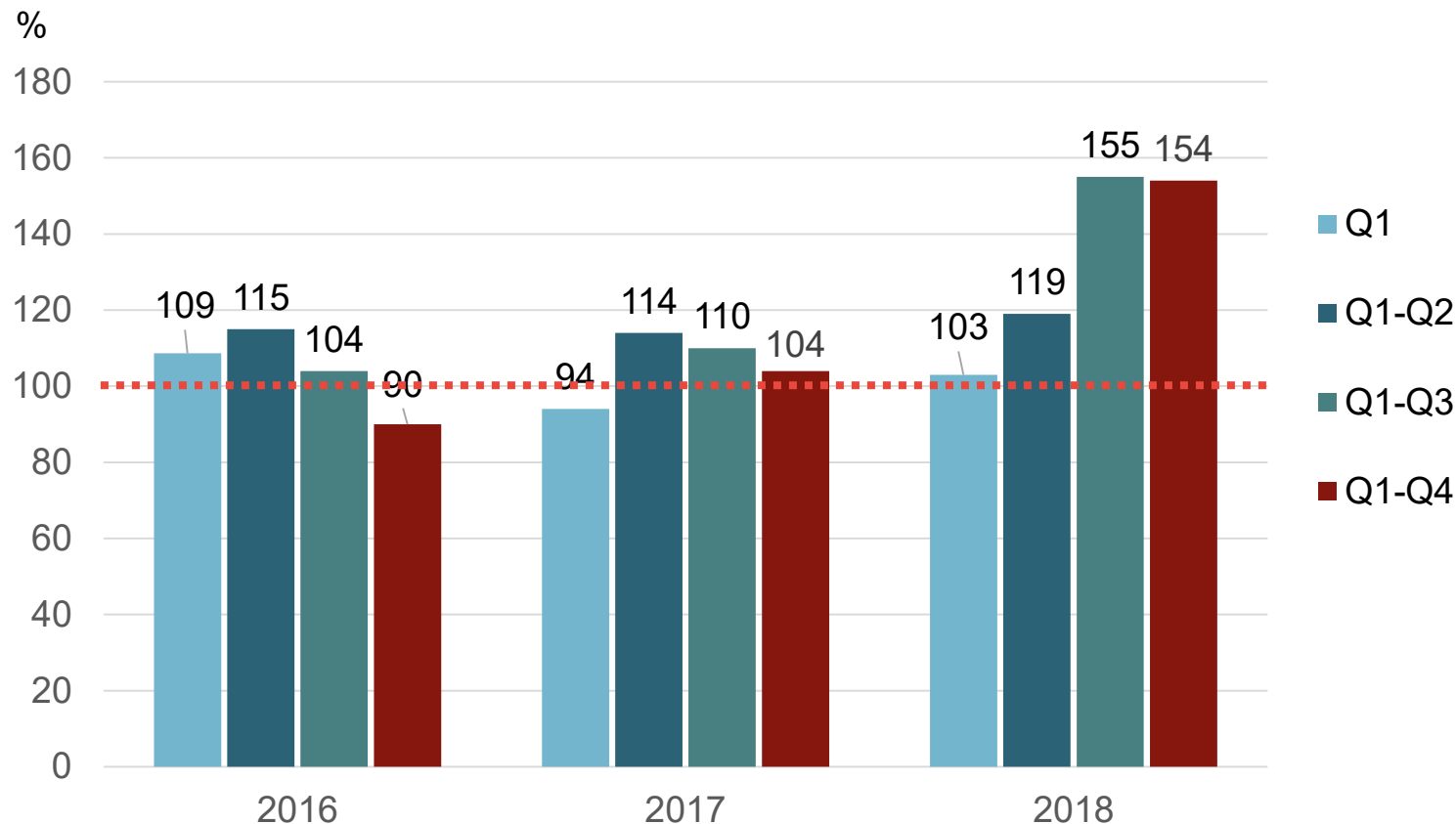
In 2018, ROE weakened and was 12.4% (17.1).

Target level is more than 20% on average by 2020.

The target level is indicated by the dashed line

Long-term financial targets

Gearing



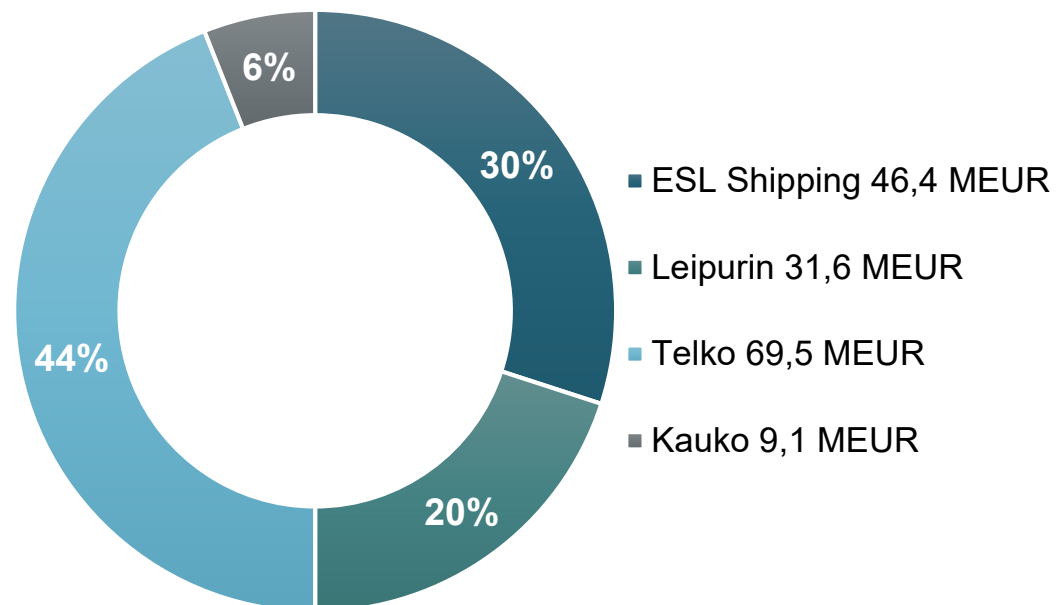
Gearing increased to 154.4% (103.9).

In 2018, investment in two new dry bulk cargo vessels and the acquisition of AtoB@C had an impact on Aspo's capital structure.

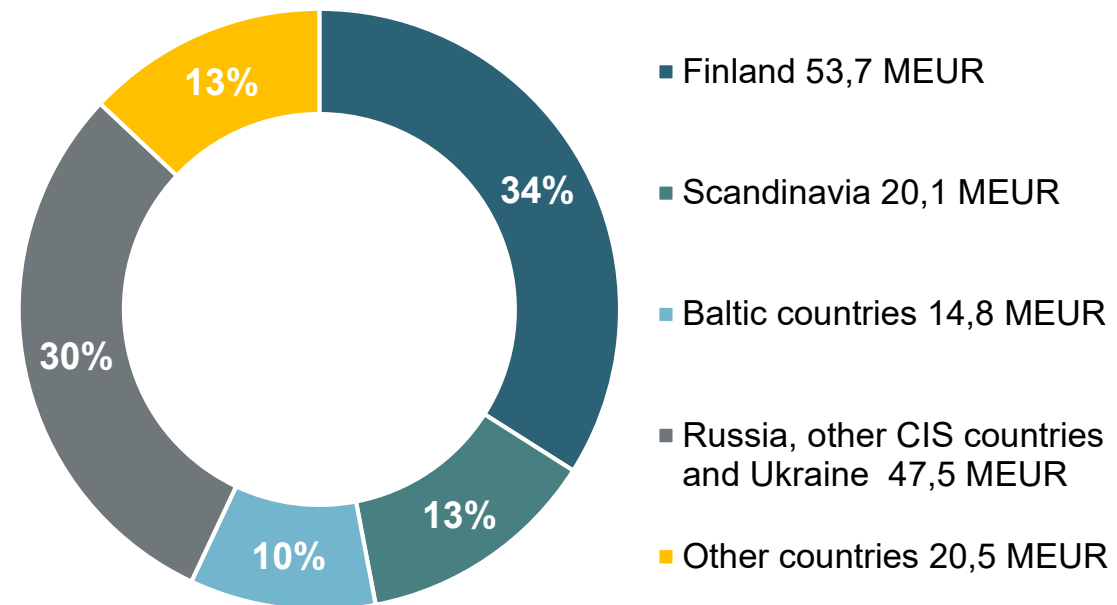
The target level is up to 100% by 2020.

Aspo represents a balanced entity

Net sales by segment Q4 2018

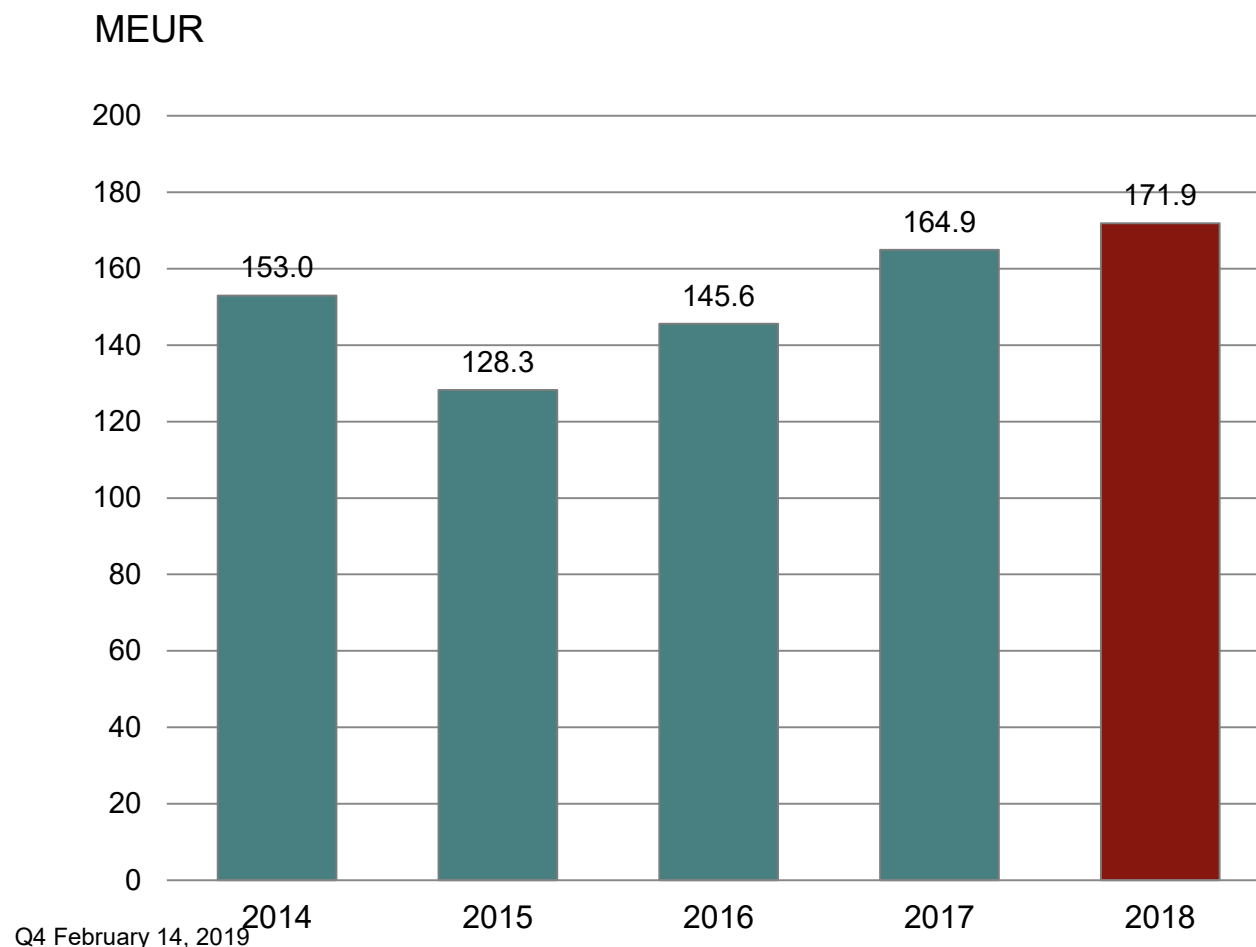


Net sales by market area Q4 2018



Net sales 2014–2018

Russia, other CIS countries and Ukraine



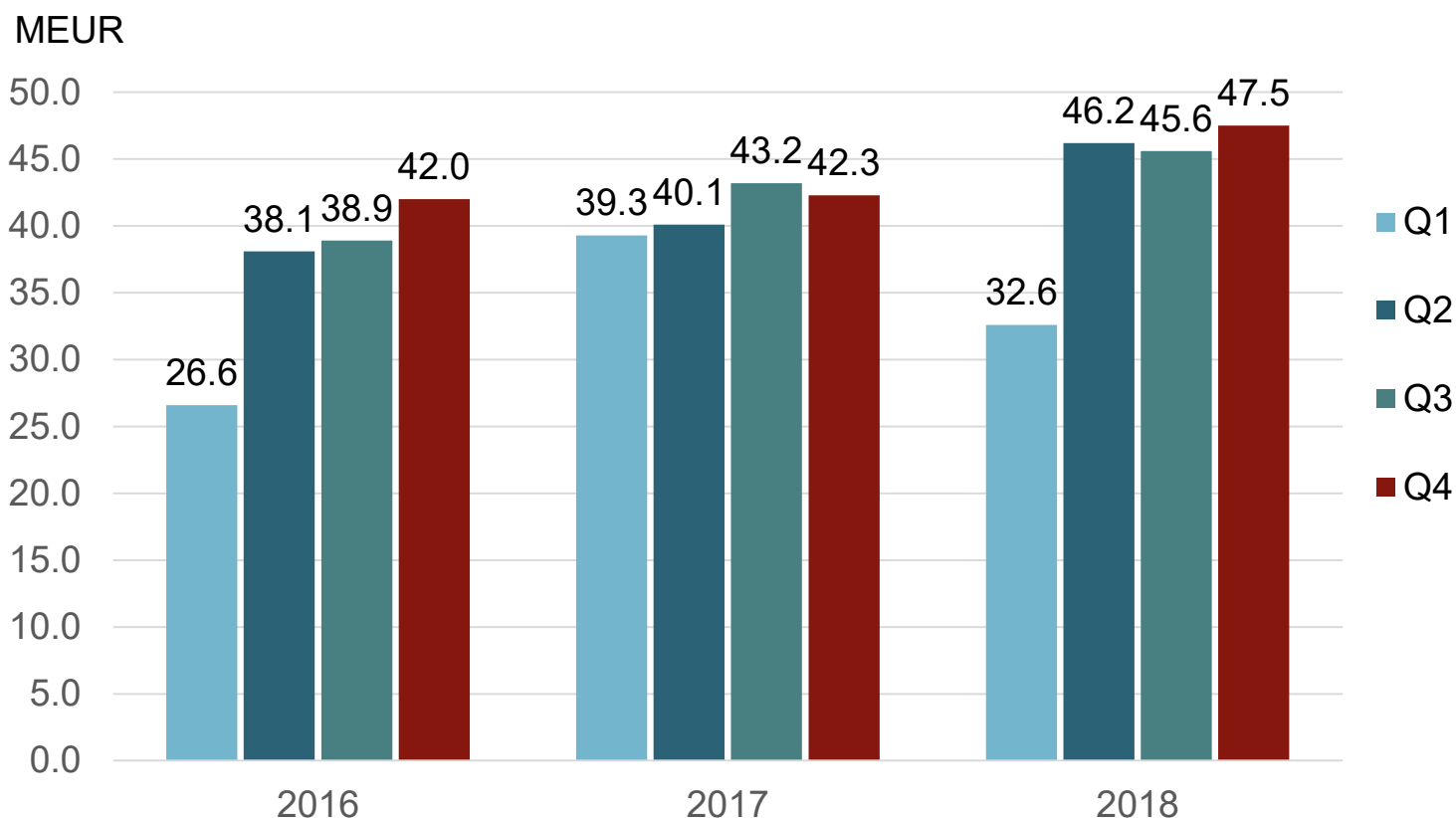
The euro-denominated net sales in eastern markets have increased since 2015.

In 2018, growth was 4%.

The profitability of Leipurin remained at the same level and was 8%. Telko's profitability increased but remained below 5%.

Russia, other CIS countries and Ukraine


Net sales



In eastern markets, net sales increased and were EUR 171.9 (164.9) million.

The devaluation of Russian ruble decelerated the increase of net sales.

In Q4, net sales increased by 12% and were EUR 47.5 (42.3) million.



ESL Shipping

Leading marine logistics provider for bulk cargo

ESL Shipping Q4

Market cargo prices showed a slight decrease and, at the end of the fourth quarter, were at the same level as in the year before.

Net sales increased notably to EUR 46.4 (22.6) million. Net sales increased by 105%.

This increase mainly resulted from the completion of ESL Shipping's new vessels and the acquisition of AtoB@C.

Operating profit increased to EUR 4.2 (4.1) million.

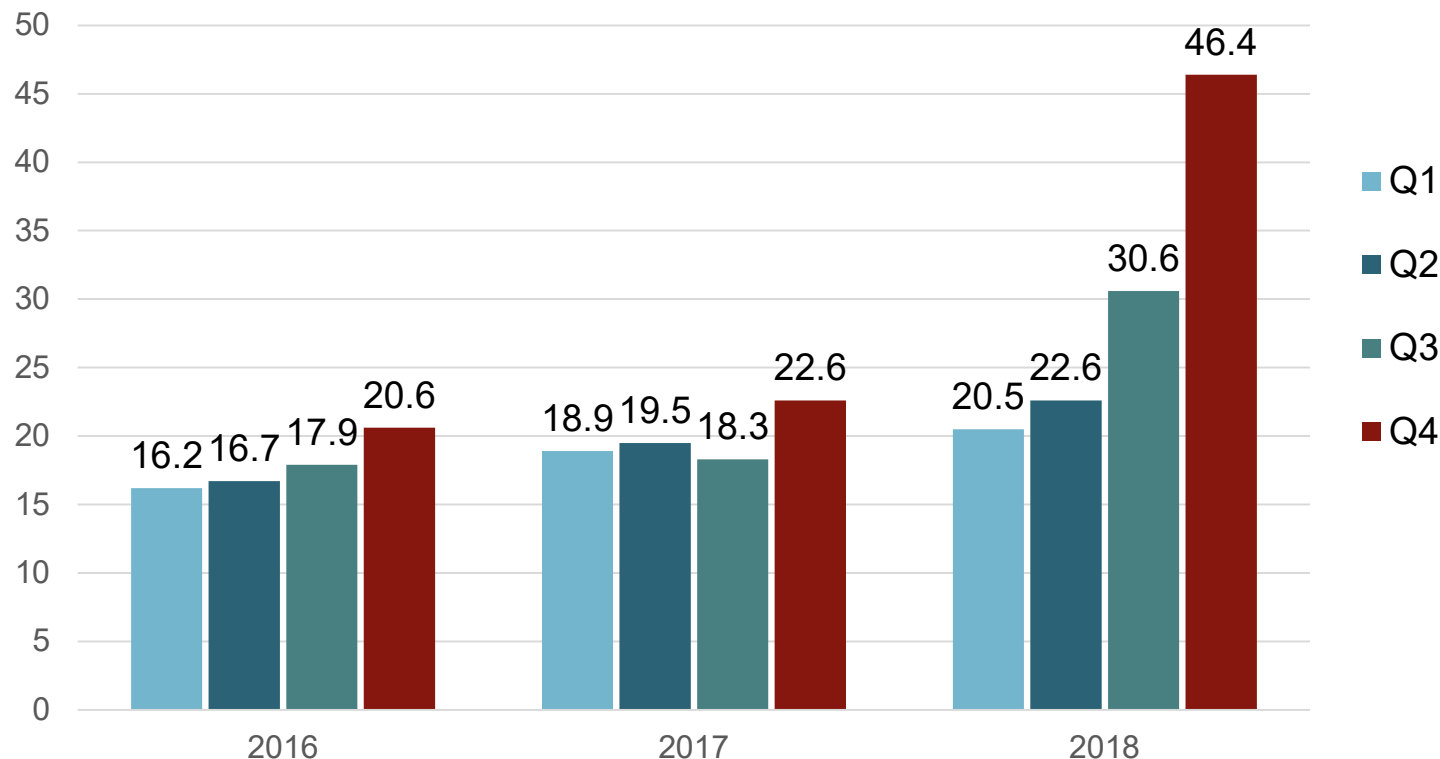
Problems related to the functioning of cranes reduced the profitability of the new vessels. Repairs are expected to be completed by the end of Q1.

The shipping company started activities to reach synergy benefits and profitability target level. Due to the repair of the cranes of the new vessels, they will reach their full potential during H2 in 2019.

ESL Shipping key figures Q4

Net sales

MEUR



In Q4, net sales increased by 105% and were EUR 46.4 (22.6) million.

The impact of the acquisition on the increase was EUR 20 million.

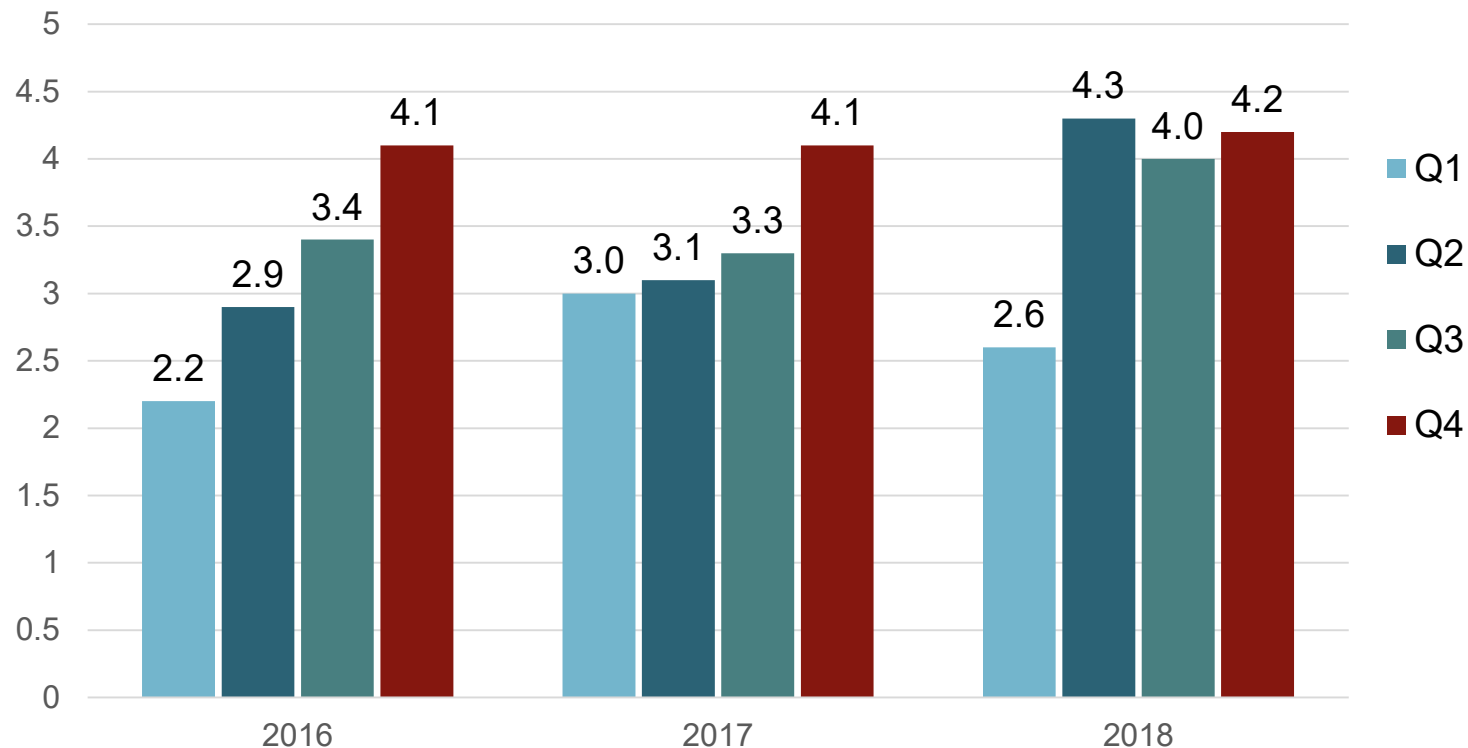
Transportation volumes in the steel industry and in other customer sectors increased.

In the energy industry, the transportation volumes of coal decreased.

ESL Shipping key figures Q4

Operating profit

MEUR



In Q4, operating profit increased and was EUR 4.2 (4.1) million.

In Q4, operating profit rate decreased and was 9.1% (18.1).
Operating profit rate was not satisfactory considering long-term targets.

Baltic Dry Index 2014–2018



Source: Bloomberg

Q4 February 14, 2019



Leipurin

From bread and recipes to a comprehensive selection

Leipurin Q4

The market for industrially packed bread decreased in the west. The market for in-store bakeries and baking units continued to increase.

In Russia, the market for industrially packed bread decreased notably, while the market for in-store bakeries increased substantially.

Operating profit stood at EUR 0.8 (0.7) million.

Operating profit did not reach the target level.

Net sales decreased by 4% to EUR 31.6 (32.9) million.

This decrease was mainly attributable to the timing of project deliveries in machinery operations.

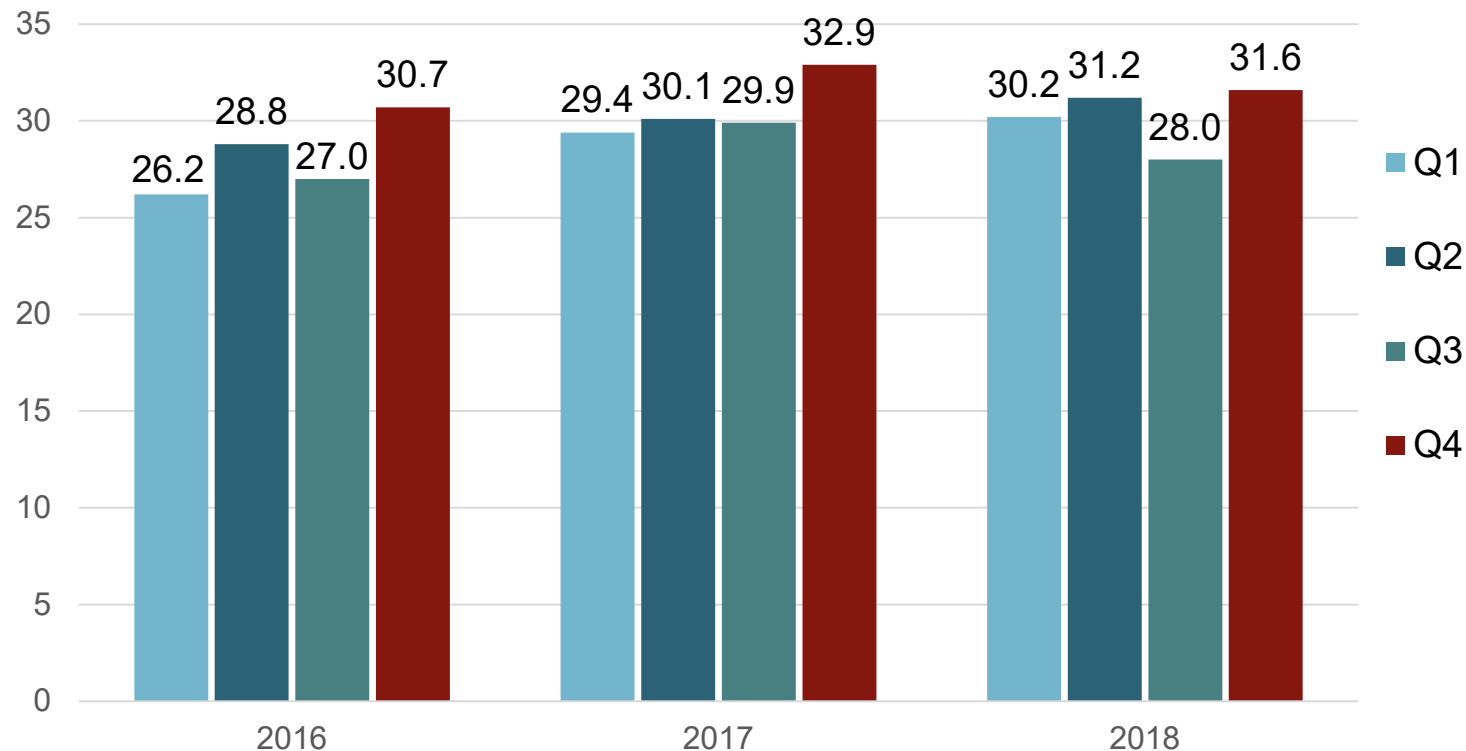
In eastern markets net sales increased by 14% to EUR 11.8 (10.3) million.

The operating profit rate was approximately 10% (10%).

Leipurin key figures Q4

Net sales

MEUR



Net sales decreased and were EUR 31.6 (32.9) million.

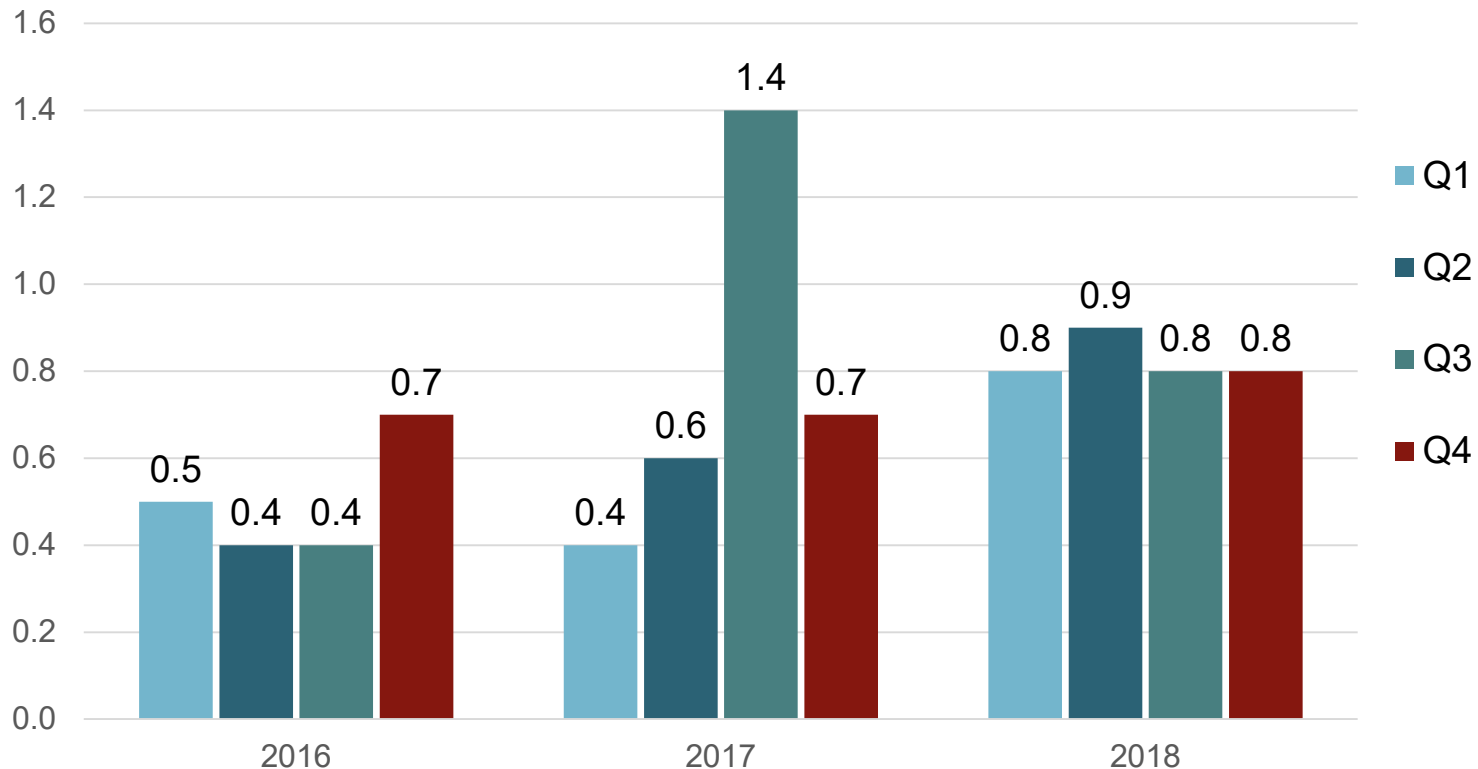
Net sales of cyclical machinery operations decreased about 20%.

In western markets, the net sales of raw material and foodservice operations were at the comparative period's level.

Leipurin key figures Q4

Operating profit

MEUR



Operating profit was EUR 0.8 (0.7) million.

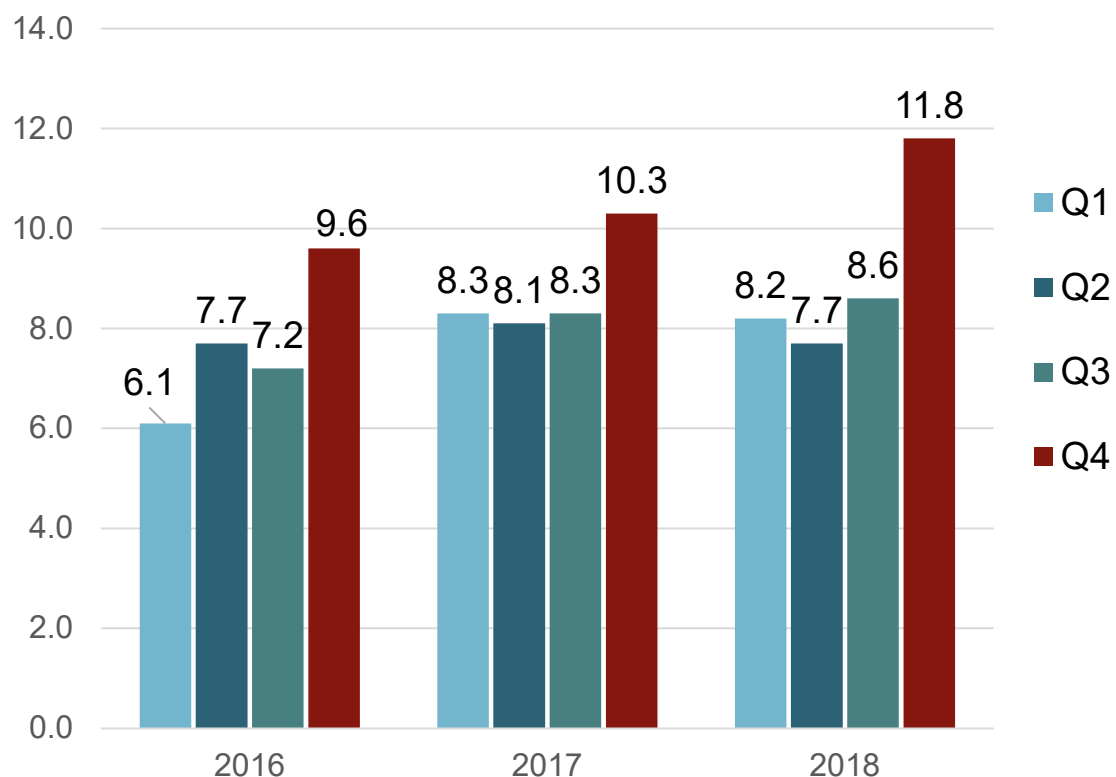
Operating profit included costs from discontinuation of loss-producing functions. Operating profit rate was 2.5% (2.1).

The profitability was improved especially by the operations in eastern markets.

Net sales in Russia, other CIS countries and Ukraine

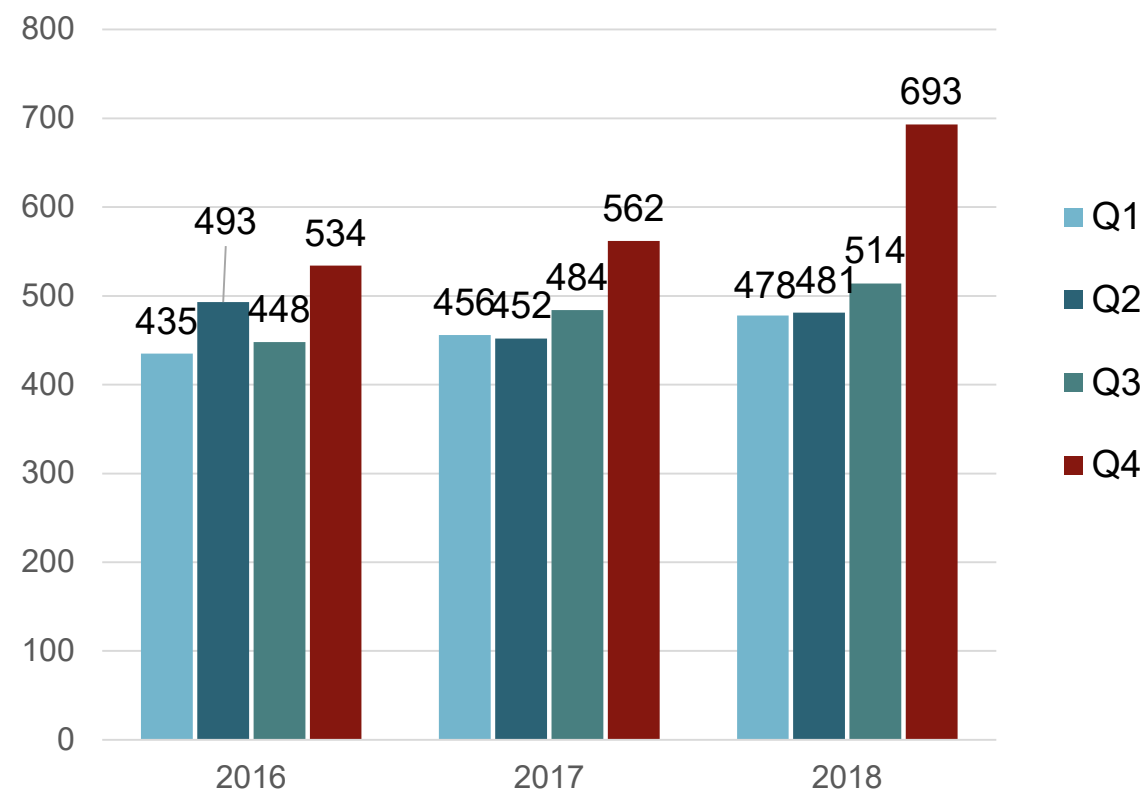
Net sales in the market area

MEUR



Net sales of the Russian company

MRUB





Telko

Raw material solutions for the industry

Telko Q4

International economic growth slowed down in Telko's market areas.

The price of oil fell steeply during Q4. The price level of chemicals and plastics turned to a decrease.

Operating profit improved to EUR 3.4 (3.0) million.

Profitability was at the comparative period's level in the western markets, while it improved in the eastern markets.

Telko's net sales increased by 6% to EUR 69.5 (65.6) million.

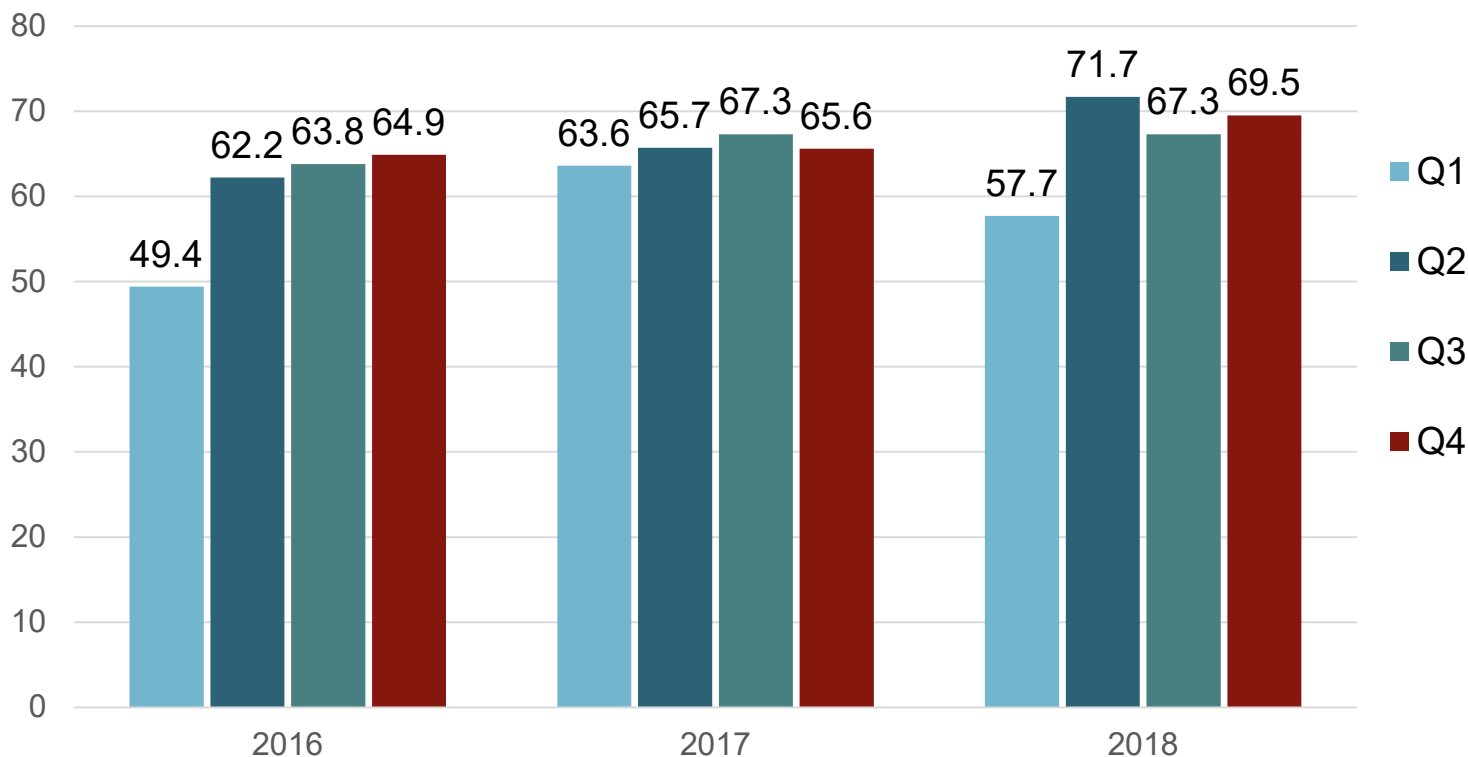
Chemical operations showed an increase of 12%, whereas plastic operations increased by 1%.

To speed up growth, Telko signed an agreement on an acquisition in Denmark, opened a subsidiary in Uzbekistan and started business operations in Romania.

Telko key figures Q4

Net sales

MEUR



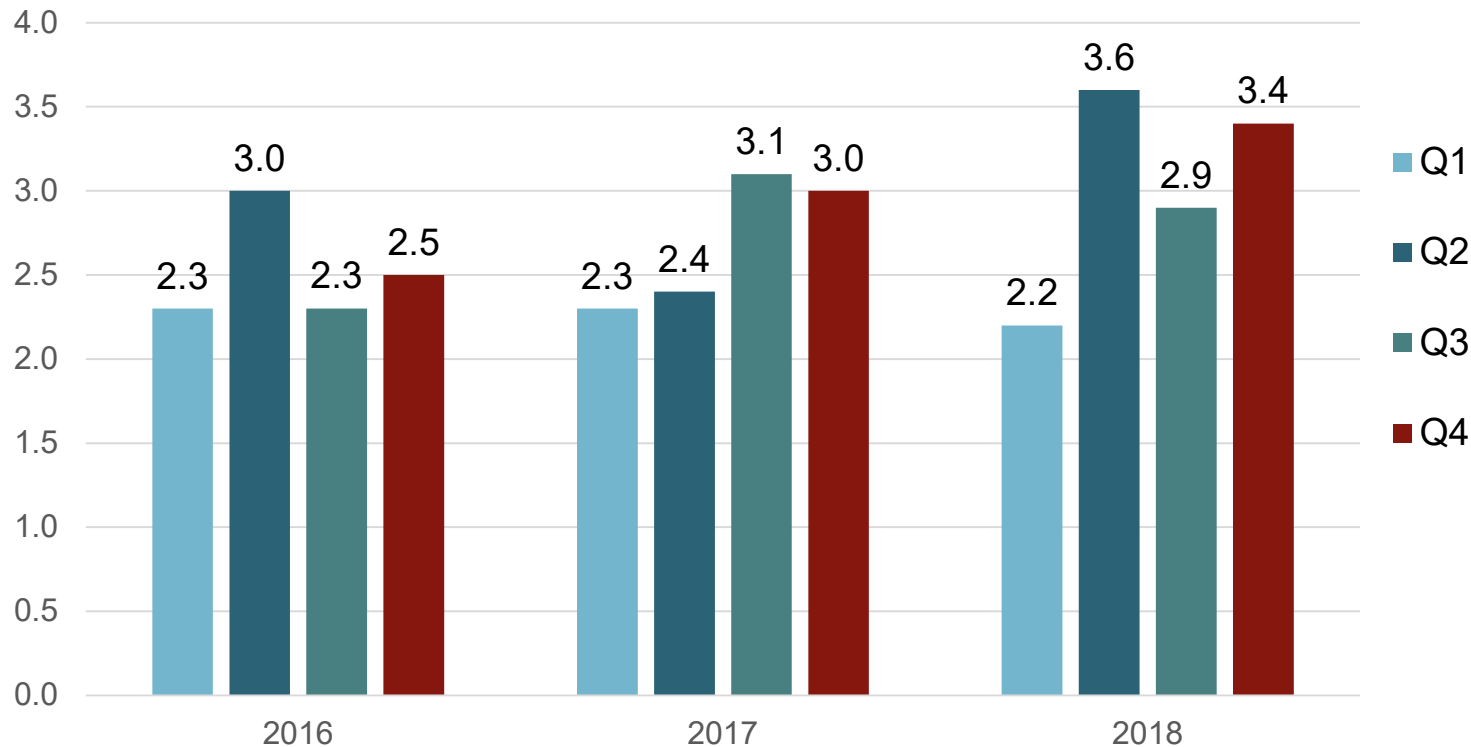
Net sales were EUR 69.5 (65.6) million.

Problems with the availability of products that limited the growth of net sales have been eliminated. In the western markets the sales volumes decreased slightly, while in the eastern markets the volumes grew heavily.

Telko key figures Q4

Operating profit

MEUR



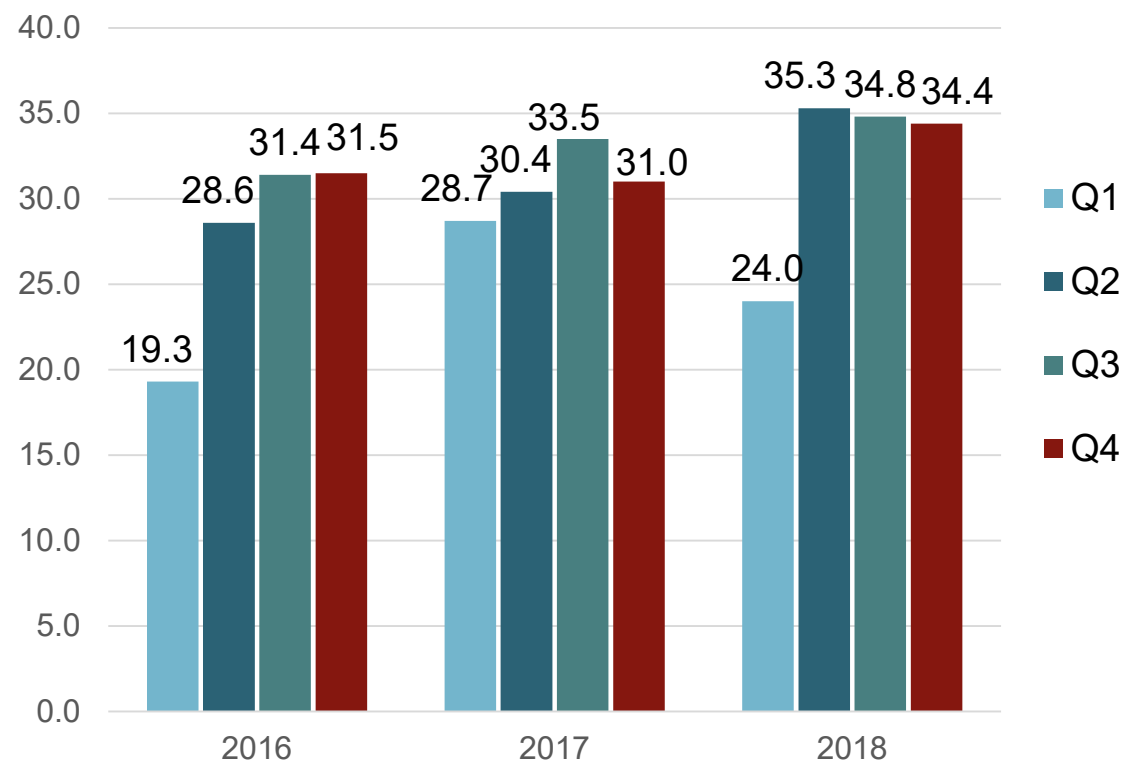
Operating profit increased and was EUR 3.4 (3.0) million.

In Q4, operating profit rate increased and was 4.9% (4.6)

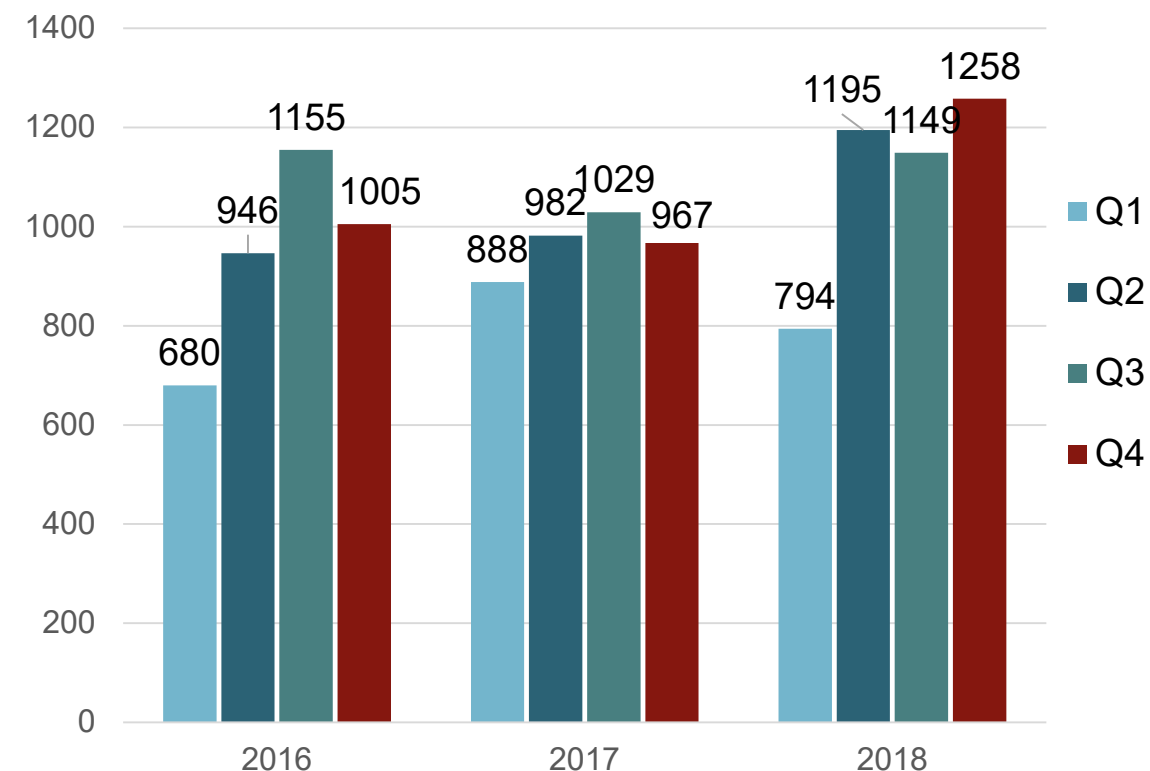
In the eastern markets the operating profit rate increased significantly as a result of improved pricing, while still remaining below 5%.

Net sales in Russia, other CIS countries and Ukraine

Net sales in the market area
MEUR



Net sales of the Russian company
MRUB





Kauko

Best tools for mobile knowledge work

Kauko Q4

Aspo Plc decided to restructure the energy business either by divesting or discontinuing it.

An impairment loss of EUR 4.8 million of goodwill reduced Kauko's operating profit.

Operating profit decreased to EUR -4.4 (0.0) million.

Operating profit adjusted by the impairment loss of goodwill improved to EUR 0.4 million.

Net sales decreased by 19% to EUR 9.1 (11.3) million.

During the comparative period, net sales included project deliveries in China.

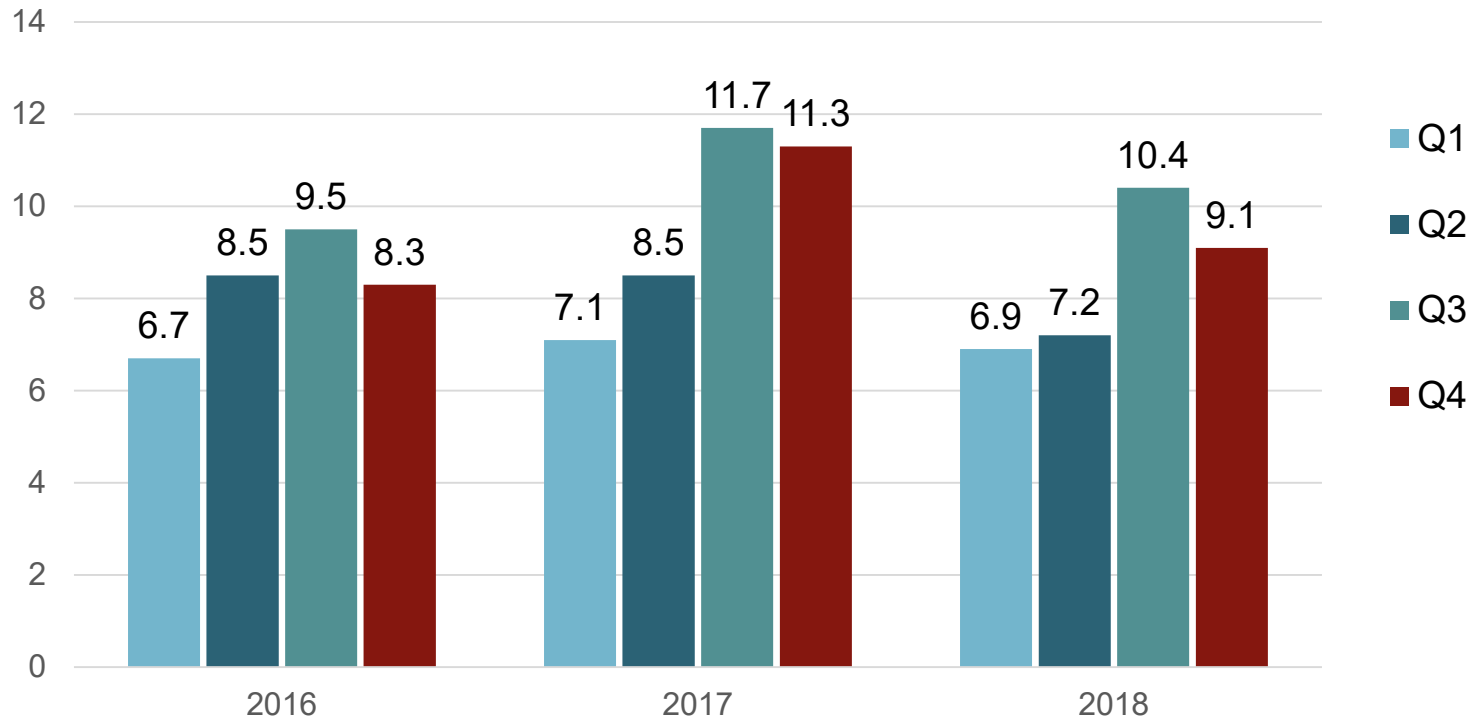
Kauko's operations have been developed determinedly, focusing on the improvement of its profitability.

Kauko will be reported as part of the Telko segment starting from the beginning of 2019.

Kauko key figures Q4

Net sales

MEUR



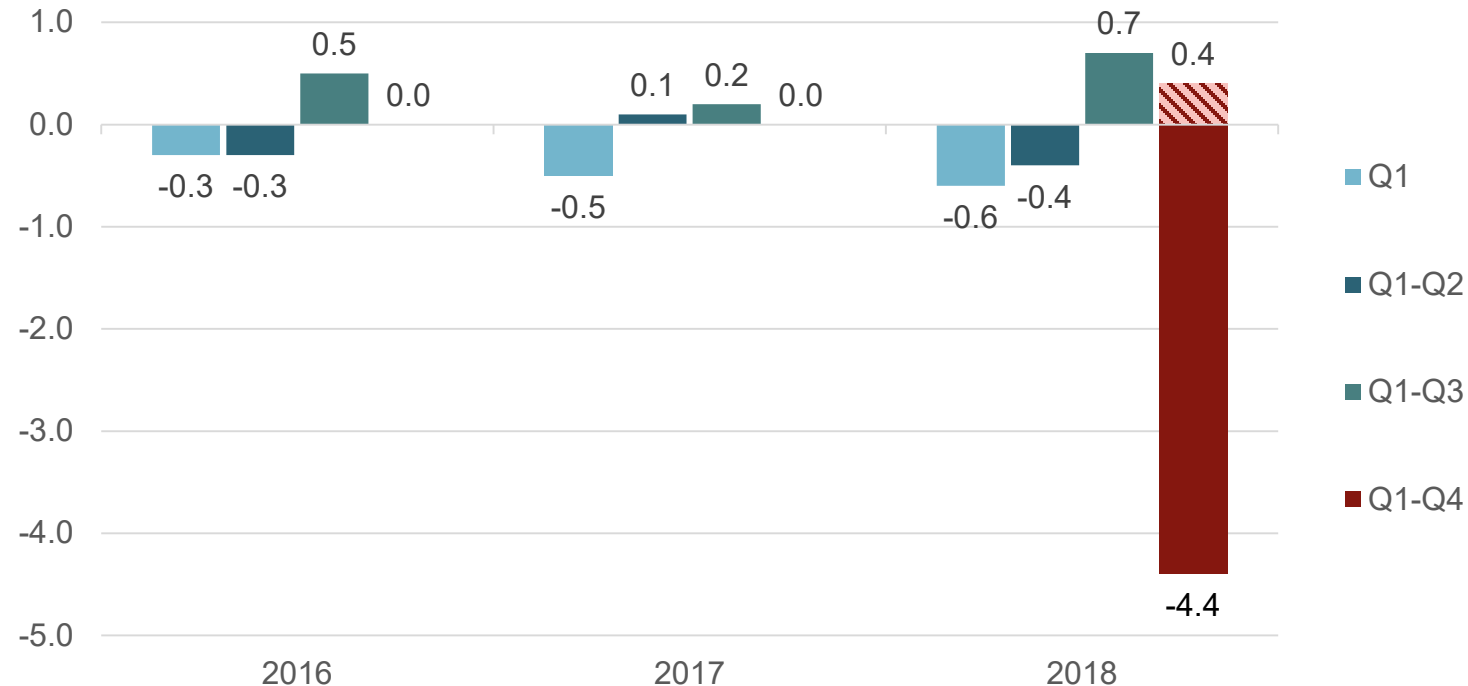
Net sales decreased and were EUR 9.1 (11.3) million.

Q4 February 14, 2019

Kauko key figures Q4

Operating profit

MEUR



Operating profit decreased and was EUR -4.4 (0.0) million.

Operating profit adjusted by an impairment loss was EUR 0.4 million.

Dividend proposal 2018

**The Board of Directors'
dividend proposal:
EUR 0.44 / share**

**Dividend will be paid
in two installments:
EUR 0.22 / share in
April
EUR 0.22 / share in
November**

**Dividend distribution
policy: Aspo's goal is
to annually increase
the amount of
dividends.**

General outlook for markets in 2019

- 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.

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

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

Guidance for 2019

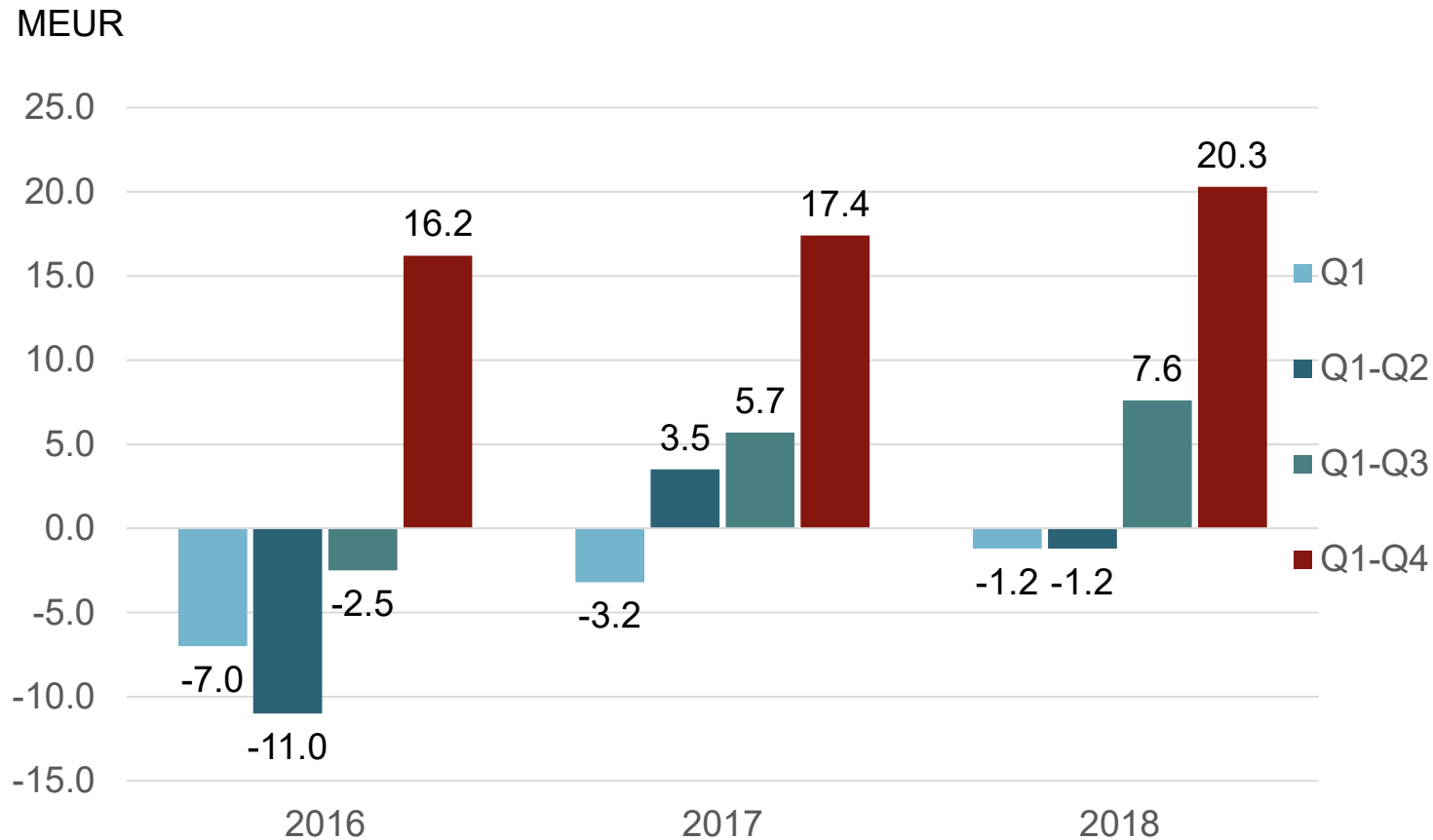
Aspo's operating profit will be
EUR 28-33 million (20.6) in 2019.



Additional material

Q4 February 14, 2019

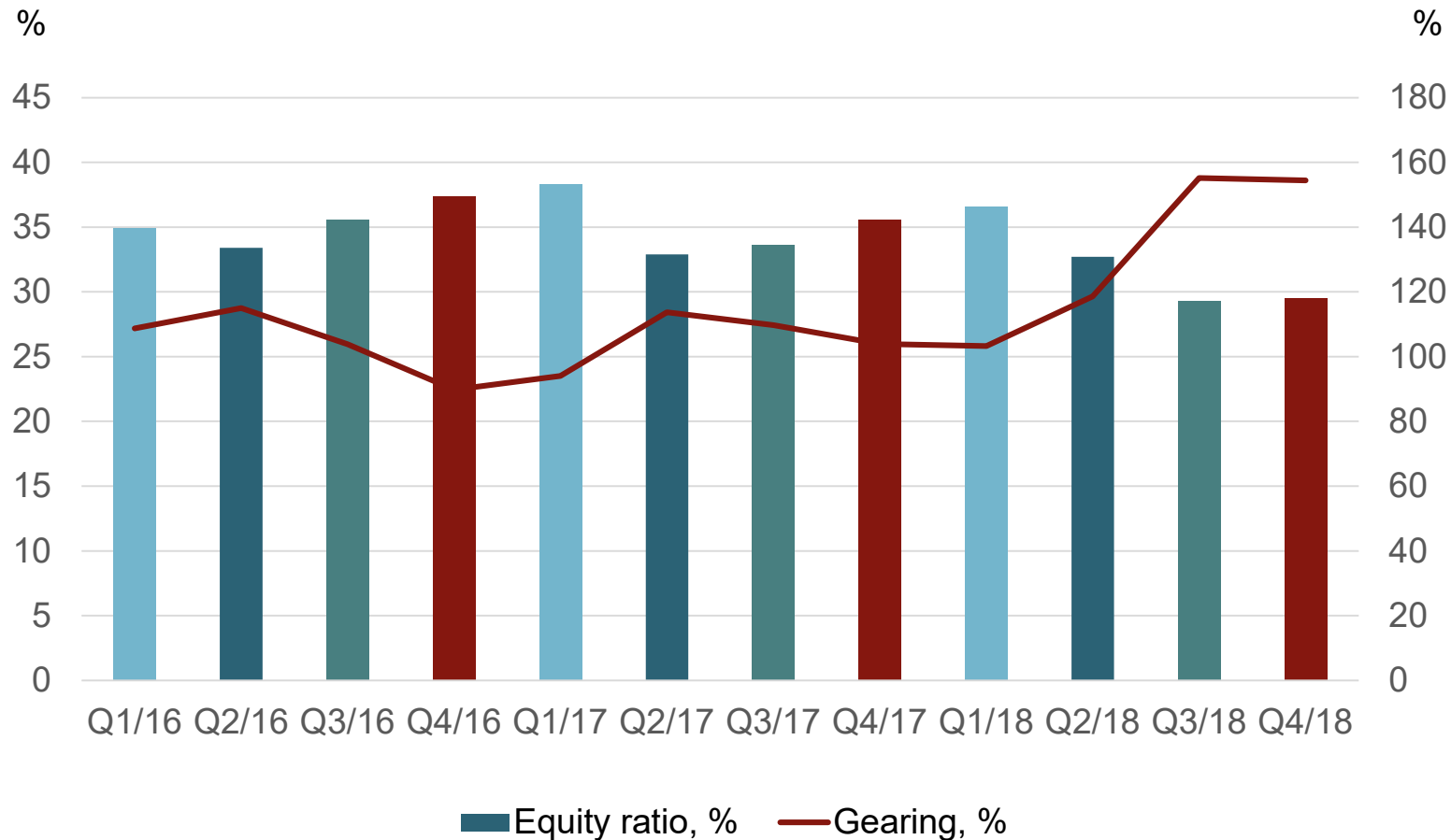
Net cash from operating activities



Net cash from operating activities increased to EUR 20.3 (17.4) million.

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

Equity ratio and gearing



Gearing at Aspo Group was 154% (104).

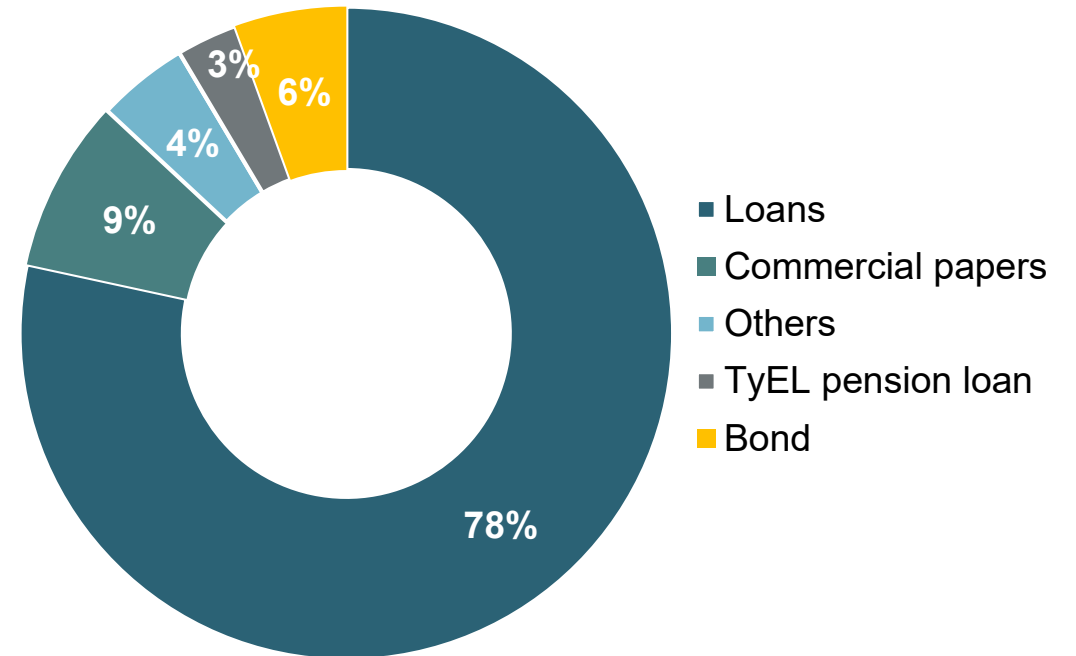
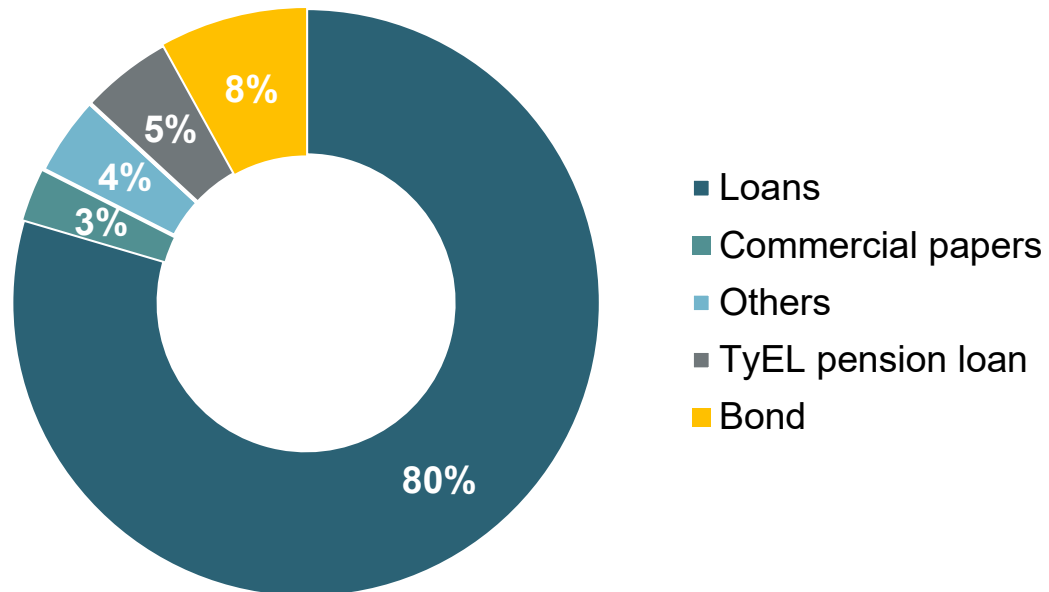
Investment in two new dry bulk cargo vessels and the acquisition of AtoB@C had an impact on Aspo's capital structure.

Structure of liabilities

Interest bearing liabilities
December 31, 2017: 137 MEUR

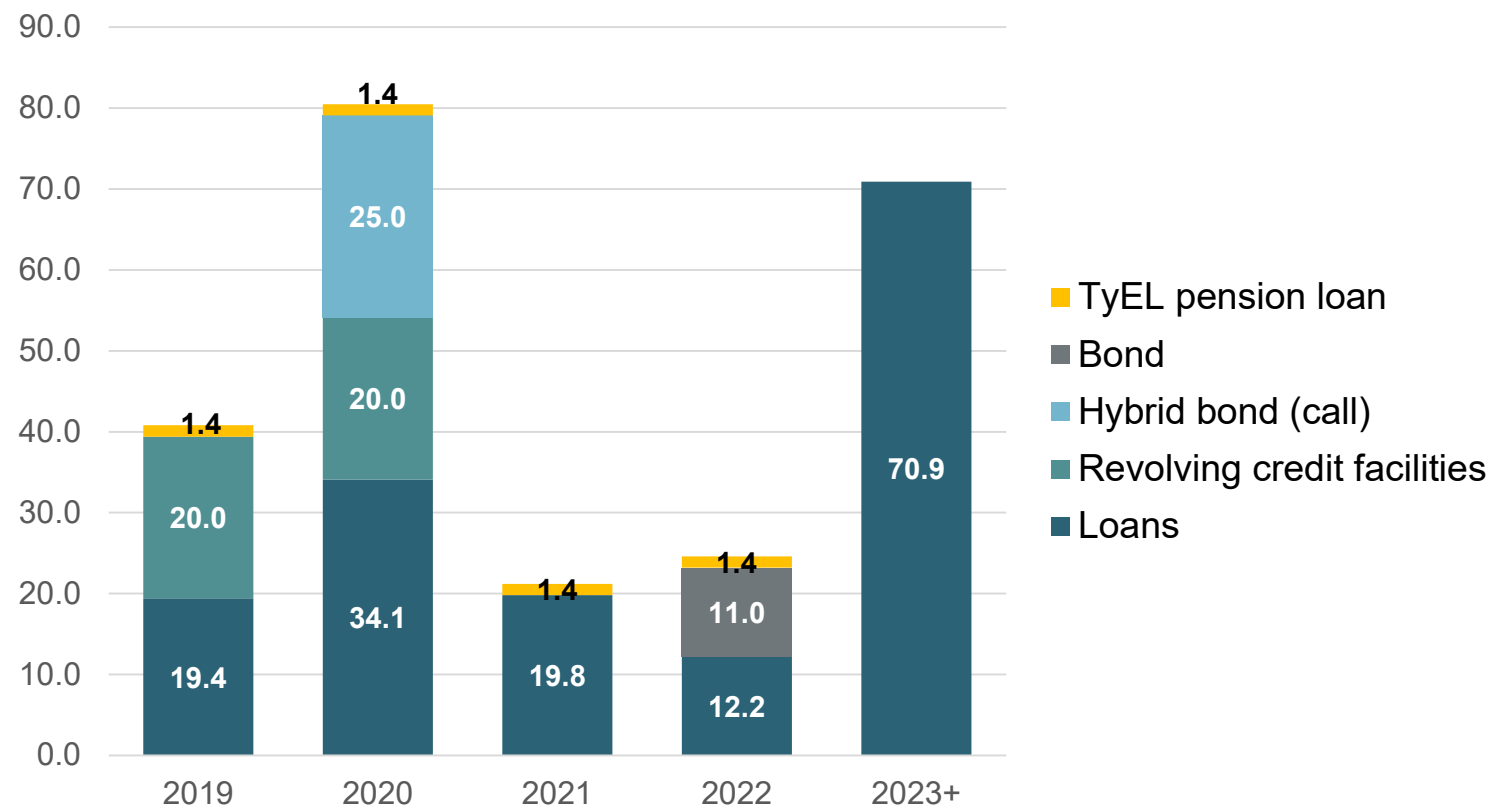


Interest bearing liabilities
December 31, 2018: 199 MEUR



Maturity of significant loan agreements

MEUR

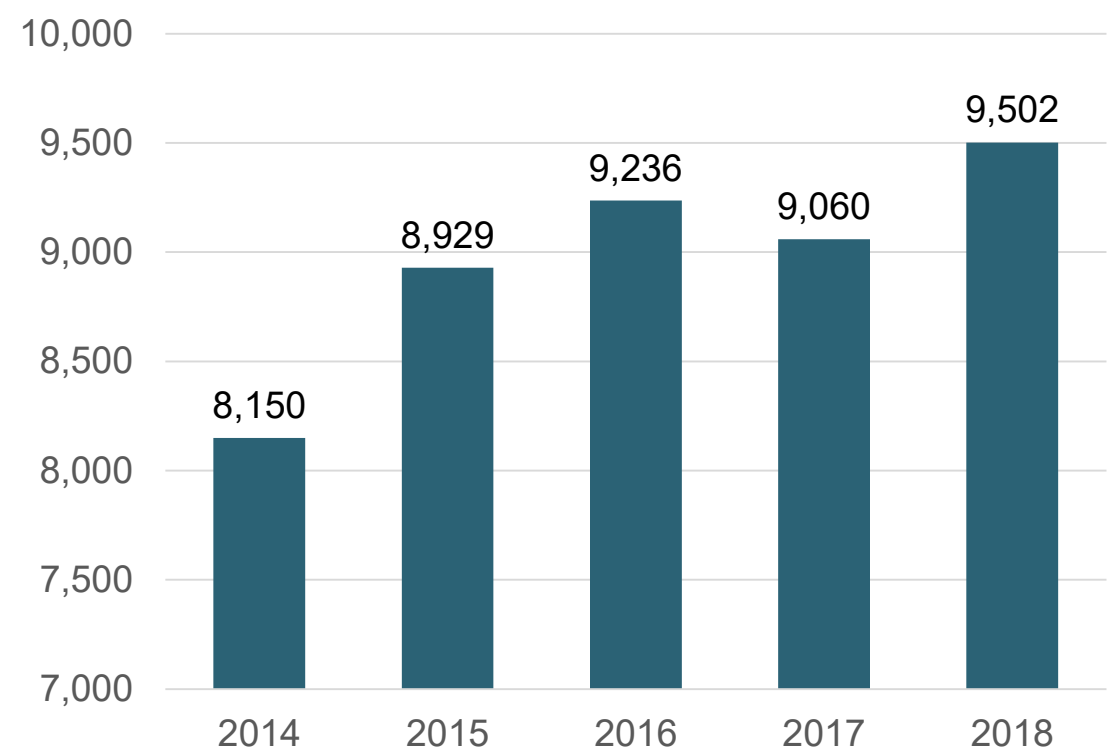


At the end of the review period, the average interest rate of interest bearing liabilities was 1.6% (1.8).

The amount of interest bearing liabilities increased and was EUR 199 (137) million.

Shareholders / allocation

Number of shareholders



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

