



Aspo Q2/2021:

Record-high performance continued — The highest operating profit and earnings per share in Aspo's history

CEO Aki Ojanen



# Aspo Q2/2021:

## Record-high performance continued

**The Group's operating profit and earnings per share were among the highest in the company's history**

Operating profit increased considerably to EUR 9.6 (4.1) million, driven by the strongly improved results of ESL Shipping and Telko.

**Net sales improved markedly from the comparative period due to stronger markets**

The prices of raw materials and shipping freight have increased as a result of rapid market recovery. Telko's sales growth was limited by availability issues.

**Specified guidance for 2021 (issued August 4, 2021)**

Aspo's operating profit in 2021 will be approximately EUR 30 - 36 (19.3) million.

Q2/2021

1-6/2021

Net sales

**142.9 MEUR** (115.6) **275.2 MEUR** (248.8)

Operating profit

**9.6 MEUR** (4.1) **17.5 MEUR** (8.1)

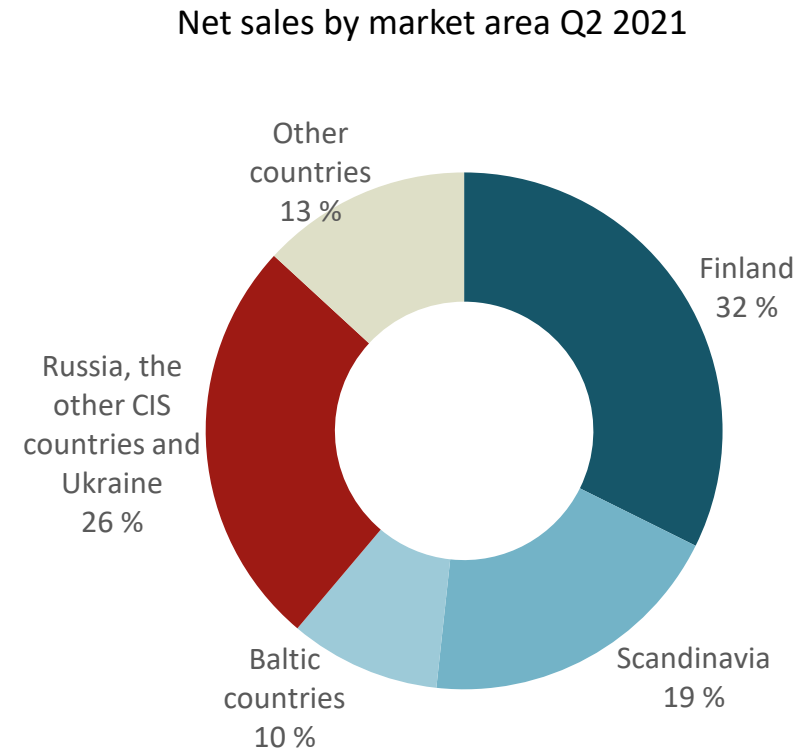
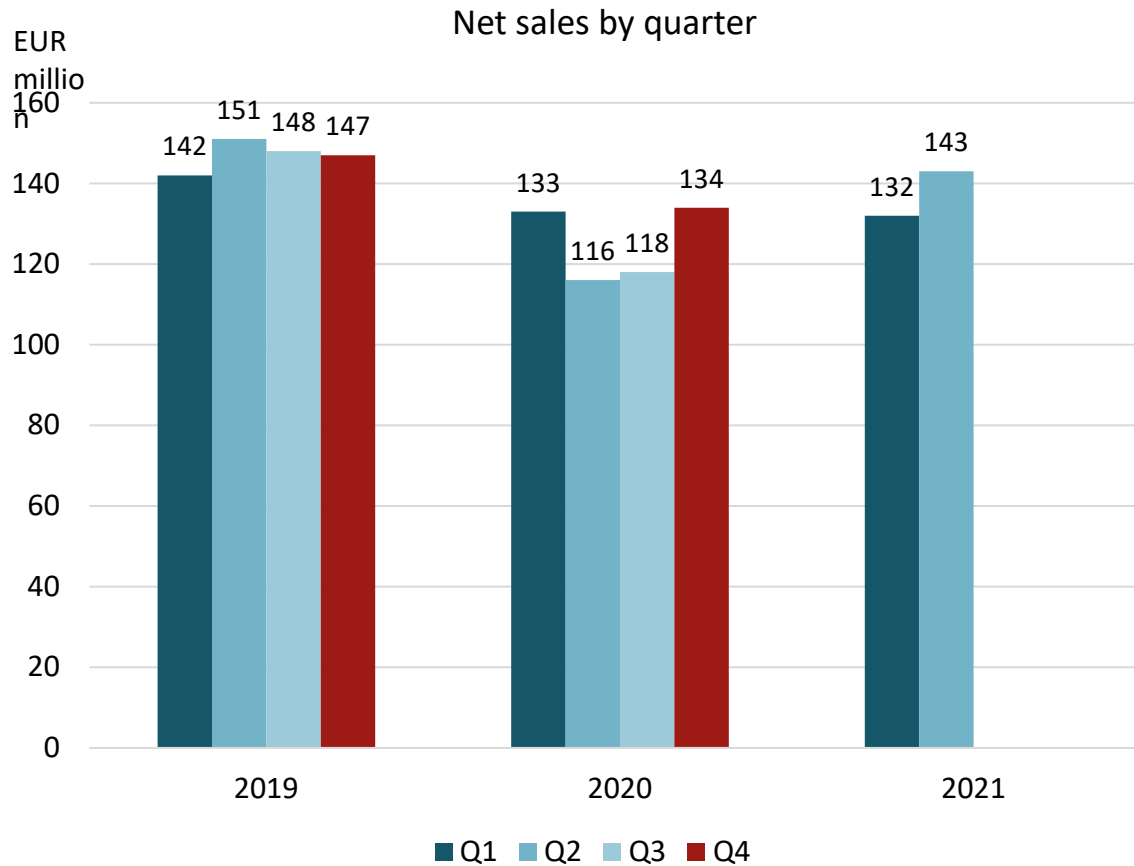
EPS

**EUR 0.24** (0.08) **EUR 0.43** (0.15)

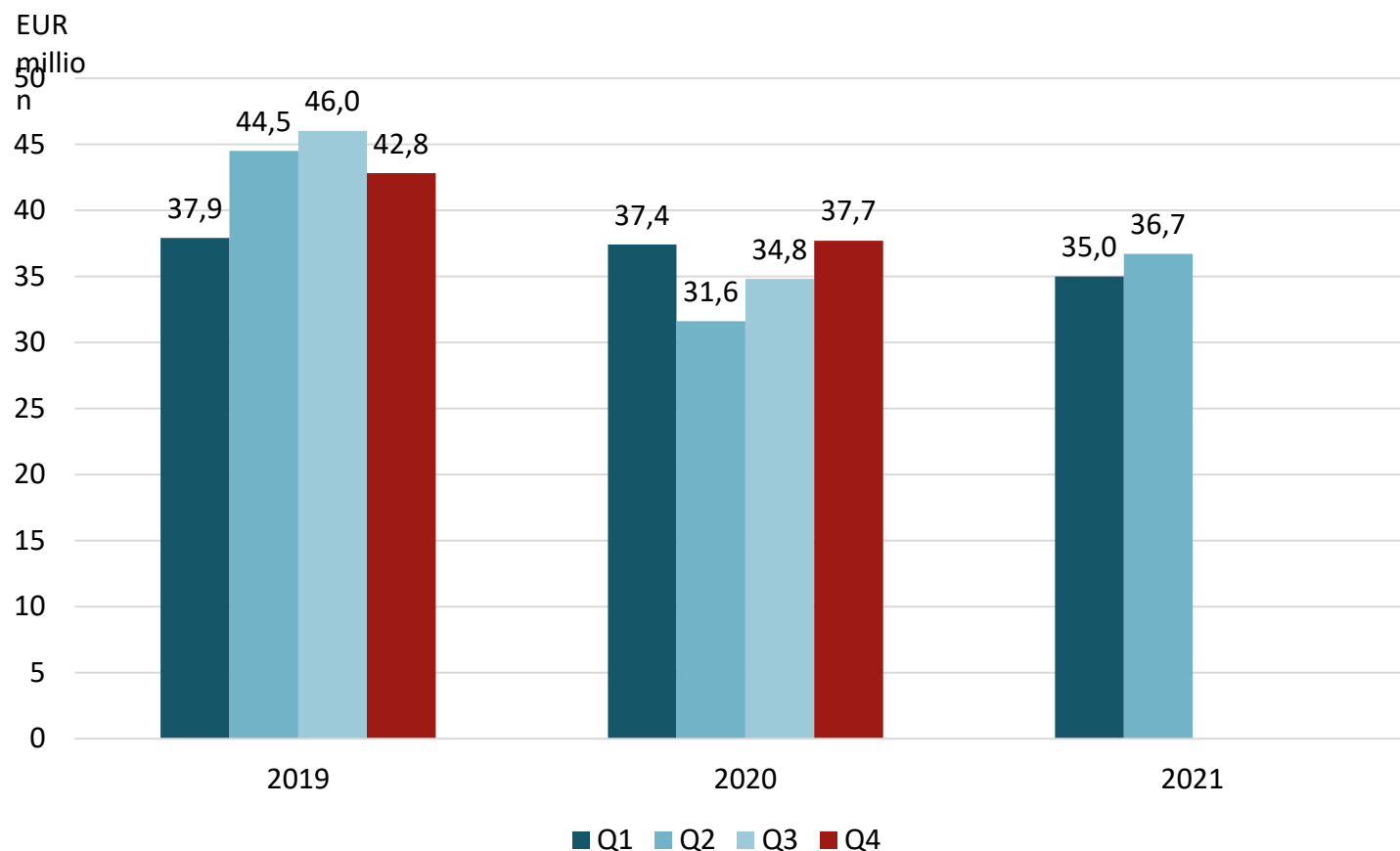
Net cash from operating activities

**15.6 MEUR** (16.6) **22.2 MEUR** (30.5)

# Net sales increased significantly due to rapid market recovery



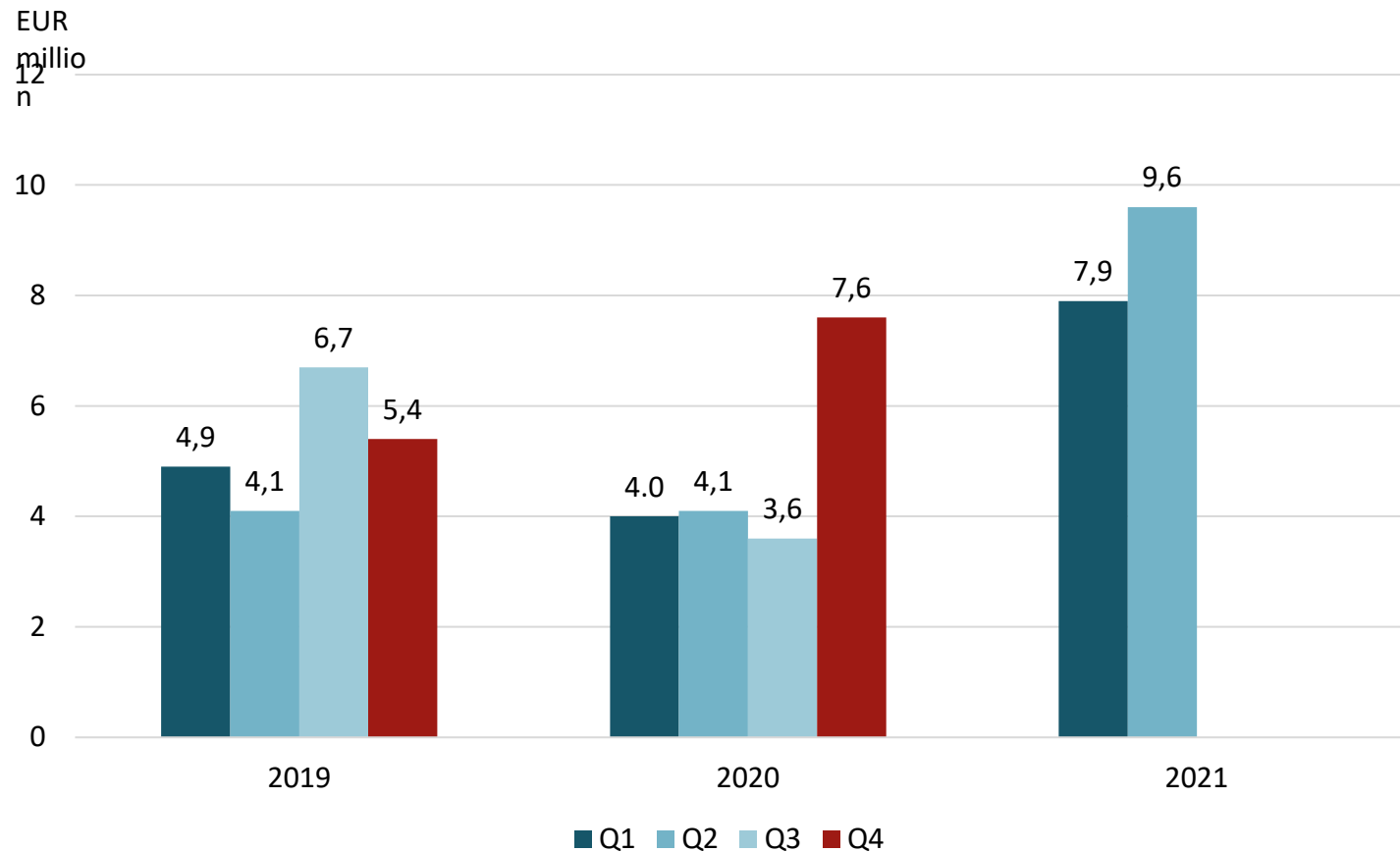
# Development of net sales: Russia, other CIS countries and Ukraine



- Net sales in eastern markets improved markedly from the comparison period as a result of market recovery and higher price levels
- In eastern markets, our strategy has been to grow organically and seek to manage the business value chain, in addition to minimizing geographical risks.



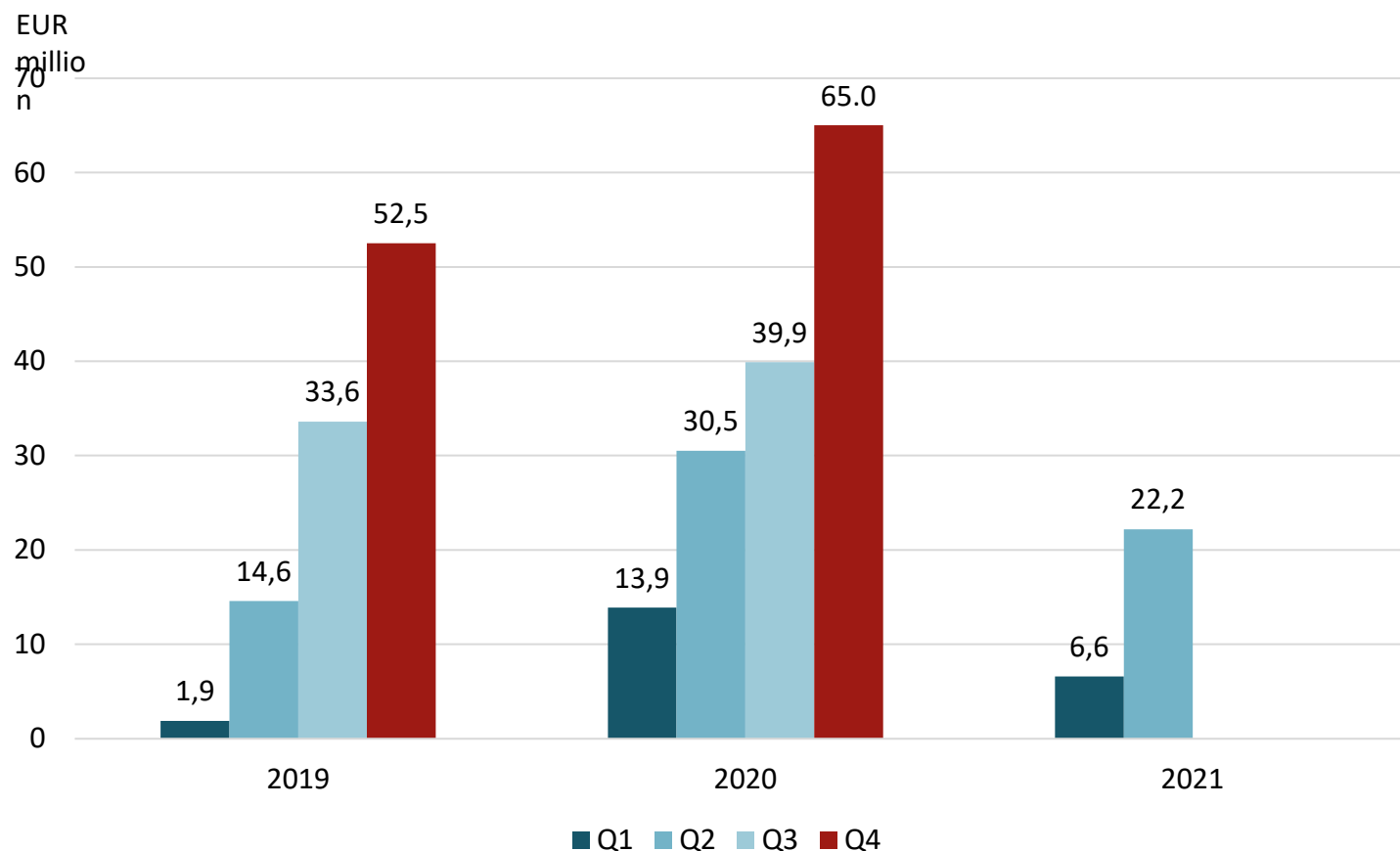
# Historically high operating profit due to the record performance of ESL and Telko



## Operating profit by segment:

- ESL Shipping 5.4 MEUR (0.6)
- Leipurin 0.3 MEUR (0.3)
- Telko 5.5 MEUR (4.2)

# Net cash from operating activities, cumulative

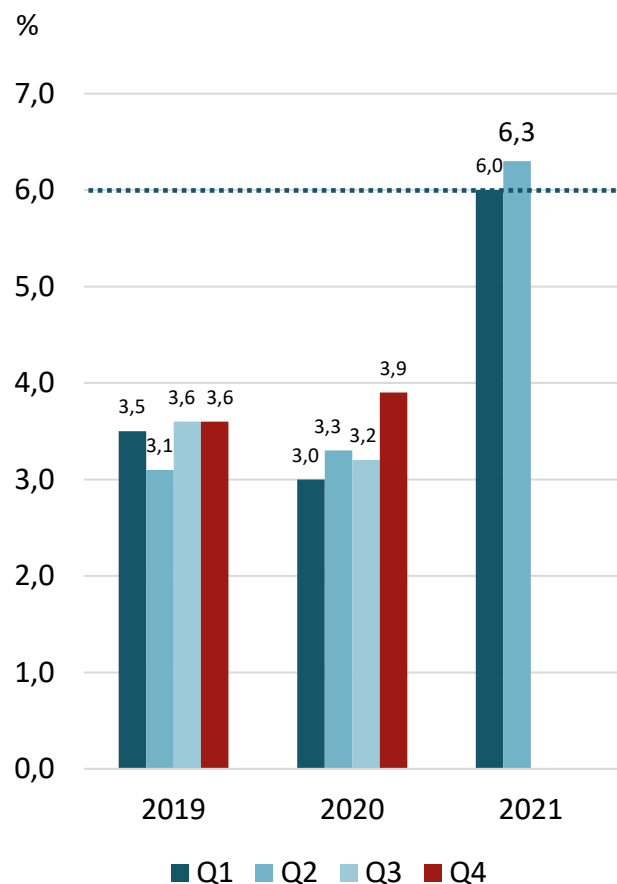


- Cash flow from operating activities in January–June was EUR 22.2 (30.5) million.
- The impact of the change in working capital on cash flow in January–June was EUR -7.2 (10.9) million, due to an increase in accounts receivable and inventories.

# Long-term financial targets

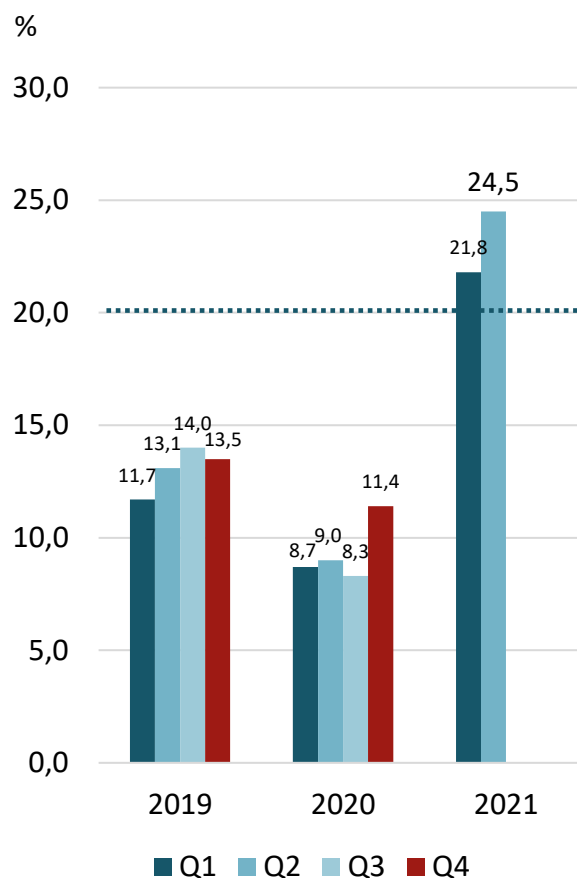
## Operating profit rate (cumulative)

Target 6% in 2023



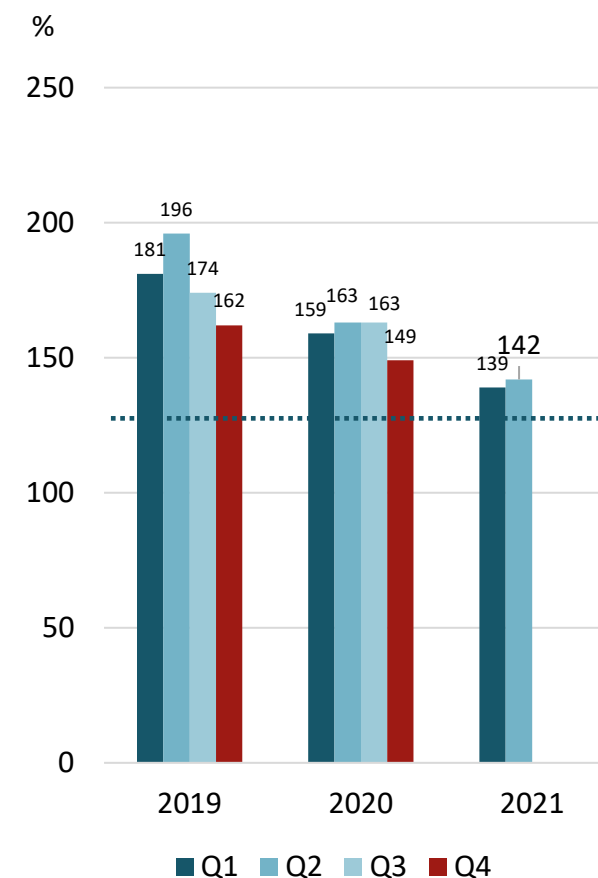
## ROE (cumulative)

Target > 20% in 2023



## Gearing

Target 130% in 2023







# ESL Shipping

Leading marine logistics  
provider for bulk cargo





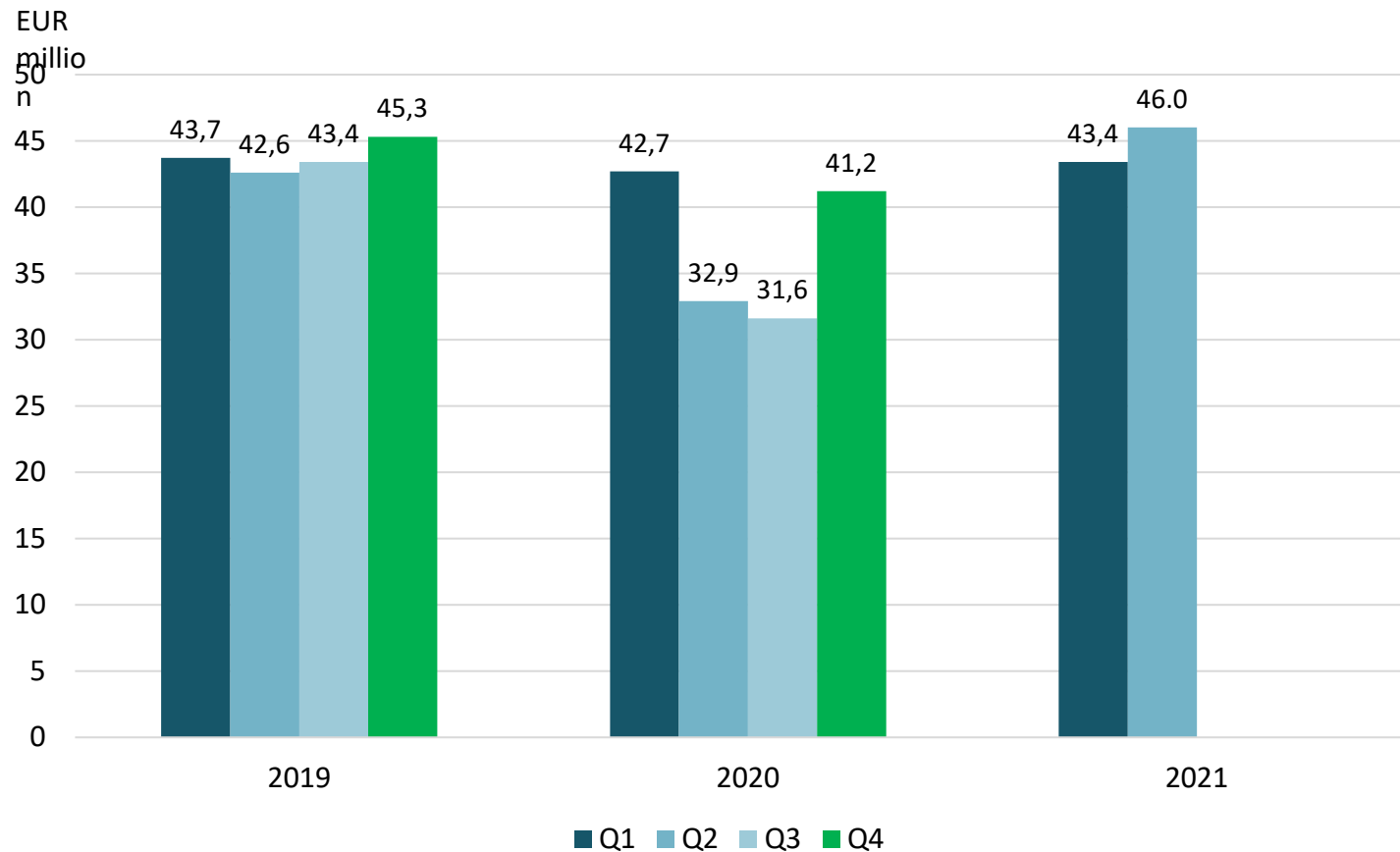


## Historically strong quarter

- ESL Shipping's operating profit reached a record level of EUR 5.4 (0.6) million despite a significantly larger docking program than in the comparative period.
- Net sales increased by 40% and stood at EUR 46.0 (32.9) million.
- The operations of all vessel categories were successful in the second quarter, and the capacity was almost fully in use.
- Demand for transportation in the company's main market area in Northern Europe has returned to a good level in all vessel categories.

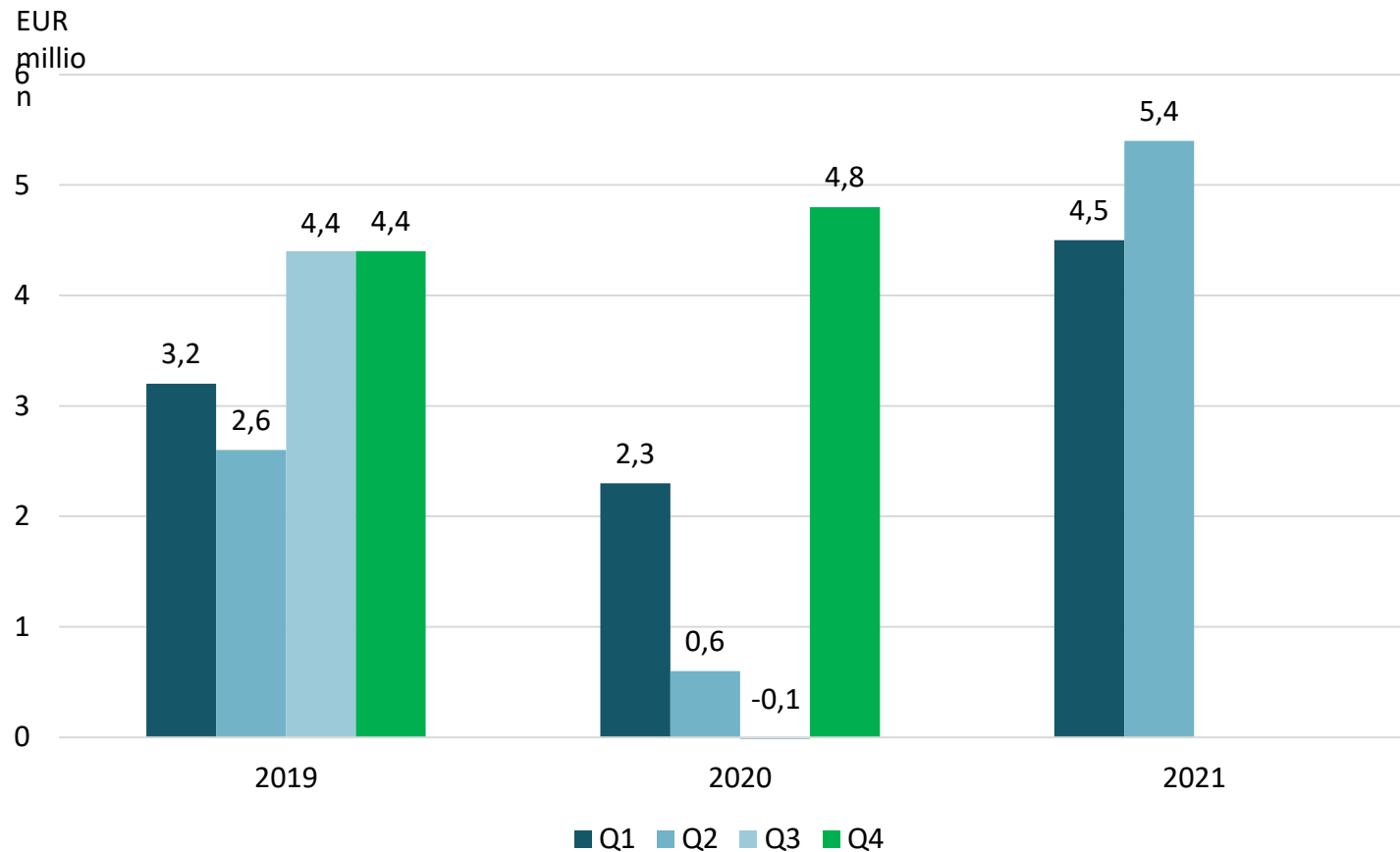


# ESL Shipping's net sales grew markedly



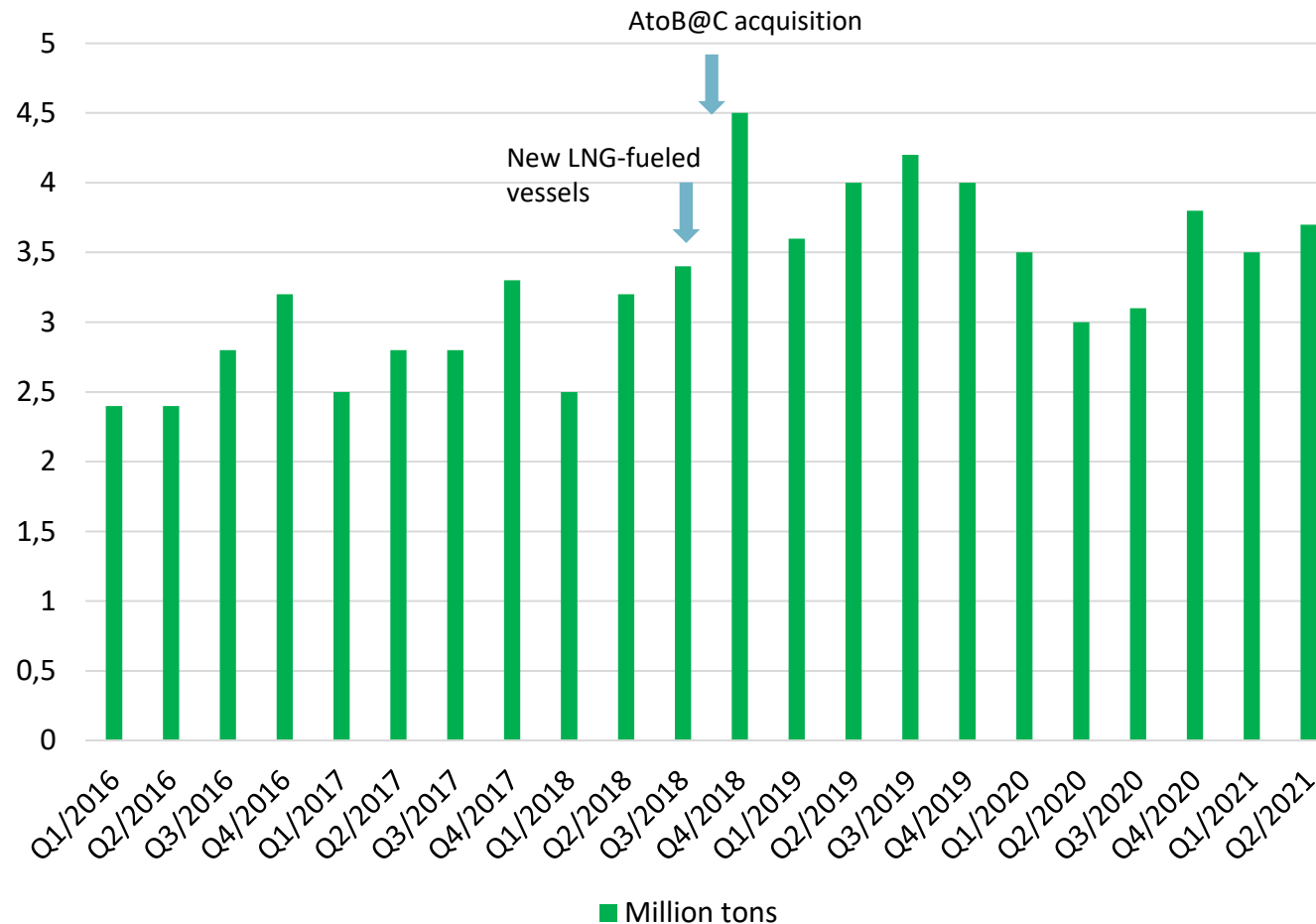
- Net sales increased markedly from the exceptionally weak comparative period and were EUR 46.0 (32.9) million.
- Demand and transportation volumes among all ESL Shipping's main customers remained at the expected strong level.

# ESL Shipping's operating profit was at a record level again



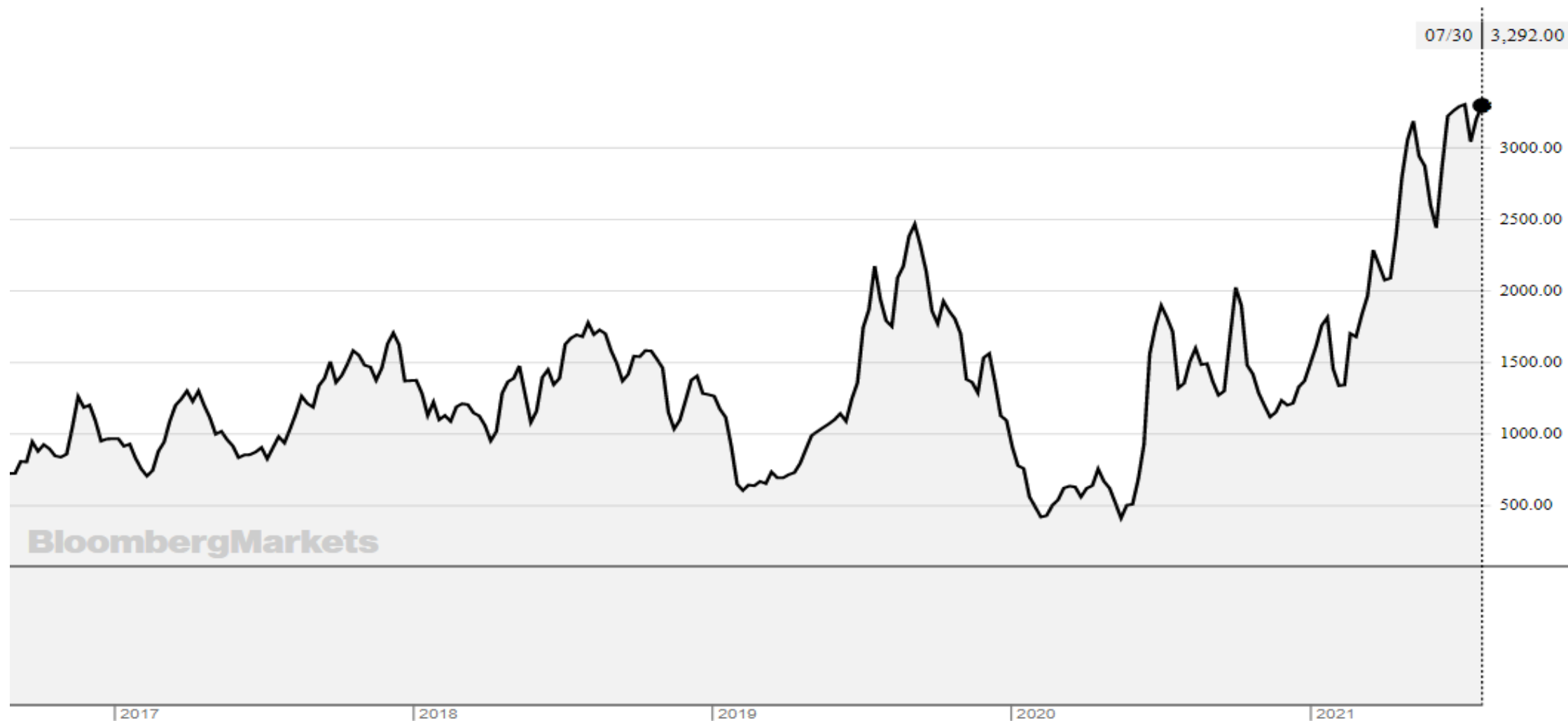
- ESL Shipping's operating profit rate increased in the second quarter to 11.7% (1.8).
- The market freight rates in all vessel categories improved significantly.
- The international cargo market for Supramax vessels was very strong during the review period.

# ESL Shipping's transportation volumes are close to their normal level



- The transportation volume forecasts for the various customer segments for the rest of the year are good and significantly higher than in the comparative period.
- Considering the trend in recent years, the cargo prices of large vessels are now at a high level.

# Baltic Dry Index



# During the fall, ESL Shipping's Supramax vessels will operate in the Arctic region.

- In the late summer and fall, Supramax vessels Kumpula and Arkadia will operate in Canada and the Northeast Passage in the Arctic region.
- The route on the Northeast Passage halves the travel time compared to the route through the Suez Canal.







# LEIPURIN®

From bread and recipes to a  
comprehensive selection

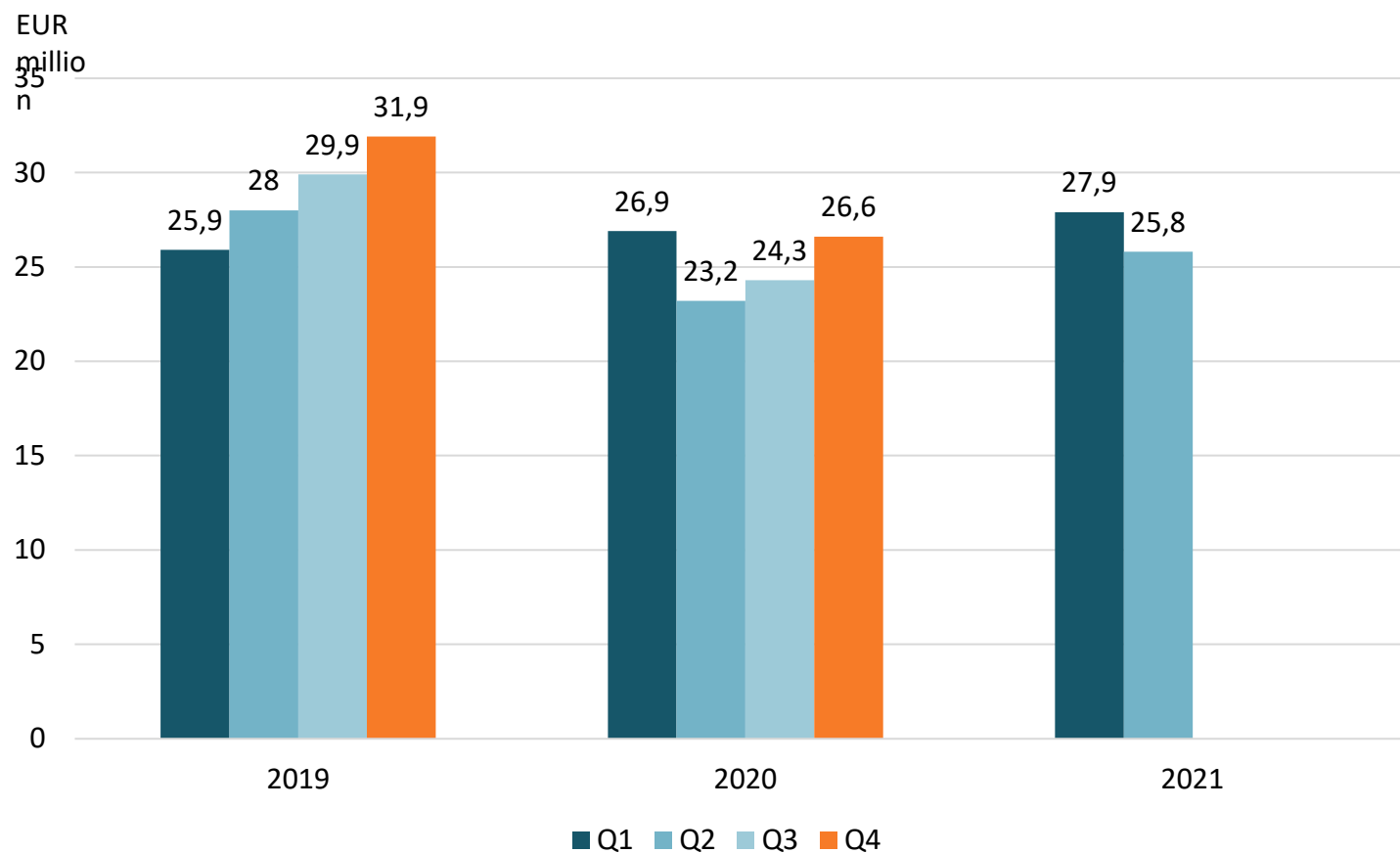




# The pandemic continued to burden the result

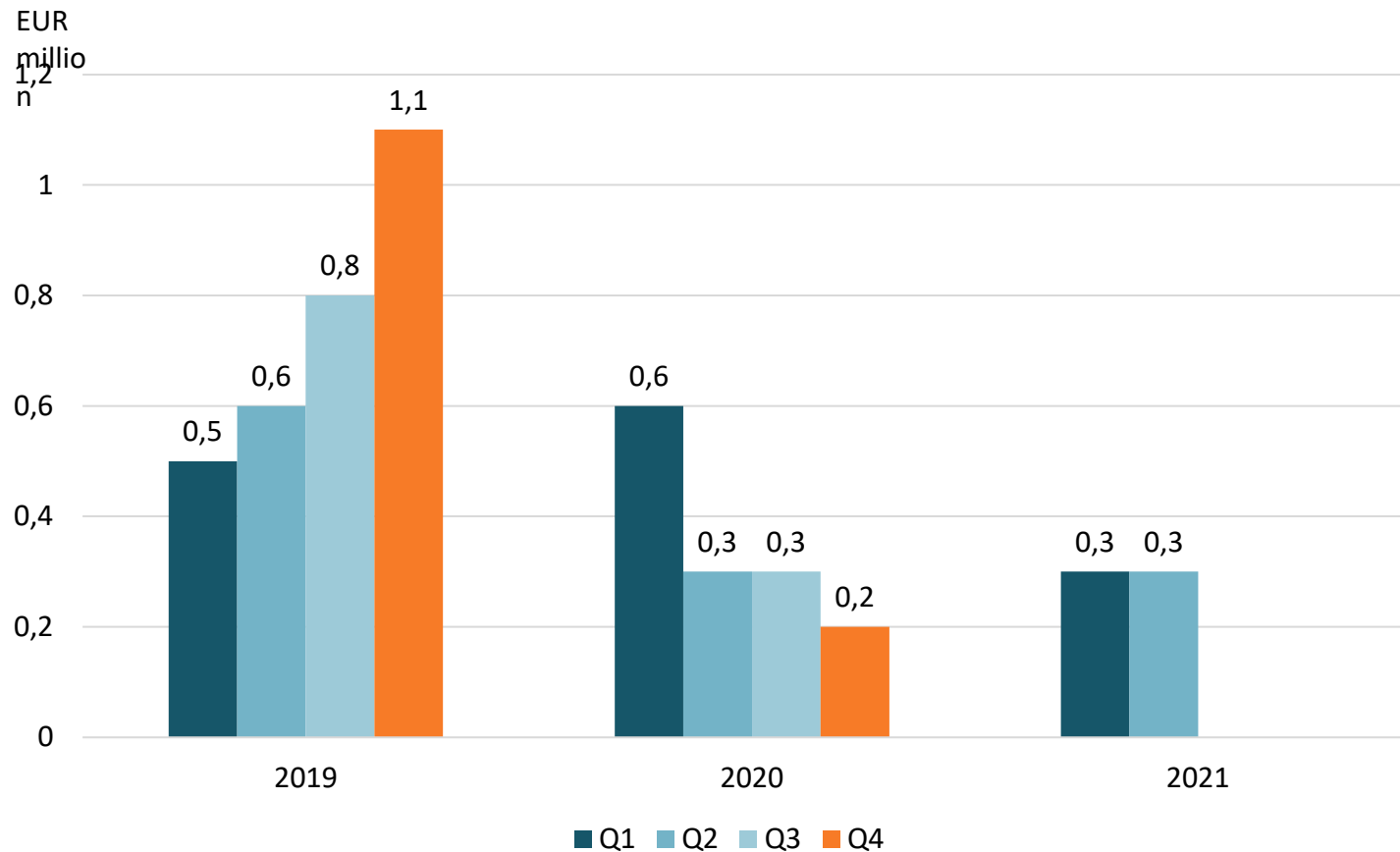
- Leipurin's operating environment continued to be challenging because of the coronavirus pandemic.
- Leipurin's net sales increased to EUR 25.8 (23.2) million during the second quarter. Operating profit remained unchanged from the comparative period, at EUR 0.3 (0.3) million.
- Several significant machinery orders were received during the second quarter, with deliveries scheduled for the second half of 2021 and 2022.
- Leipurin's strategy review continued in the second quarter.

# Leipurin's net sales increased from last year



- During the second quarter, the net sales of the bakery business increased by around 16% with the easing of the restrictions caused by the pandemic.
- The progress of mechanical engineering projects was slowed down in the second quarter by the component shortage caused by the coronavirus pandemic.

# Leipurin's operating profit remained unchanged from the comparative period



- The operating profit rate during the second quarter was 1.2% (1.3).
- In eastern markets, the total operating profit rate was around 5%.
- The machinery business is expected to become profitable in 2021.



Raw material solutions for  
the industry



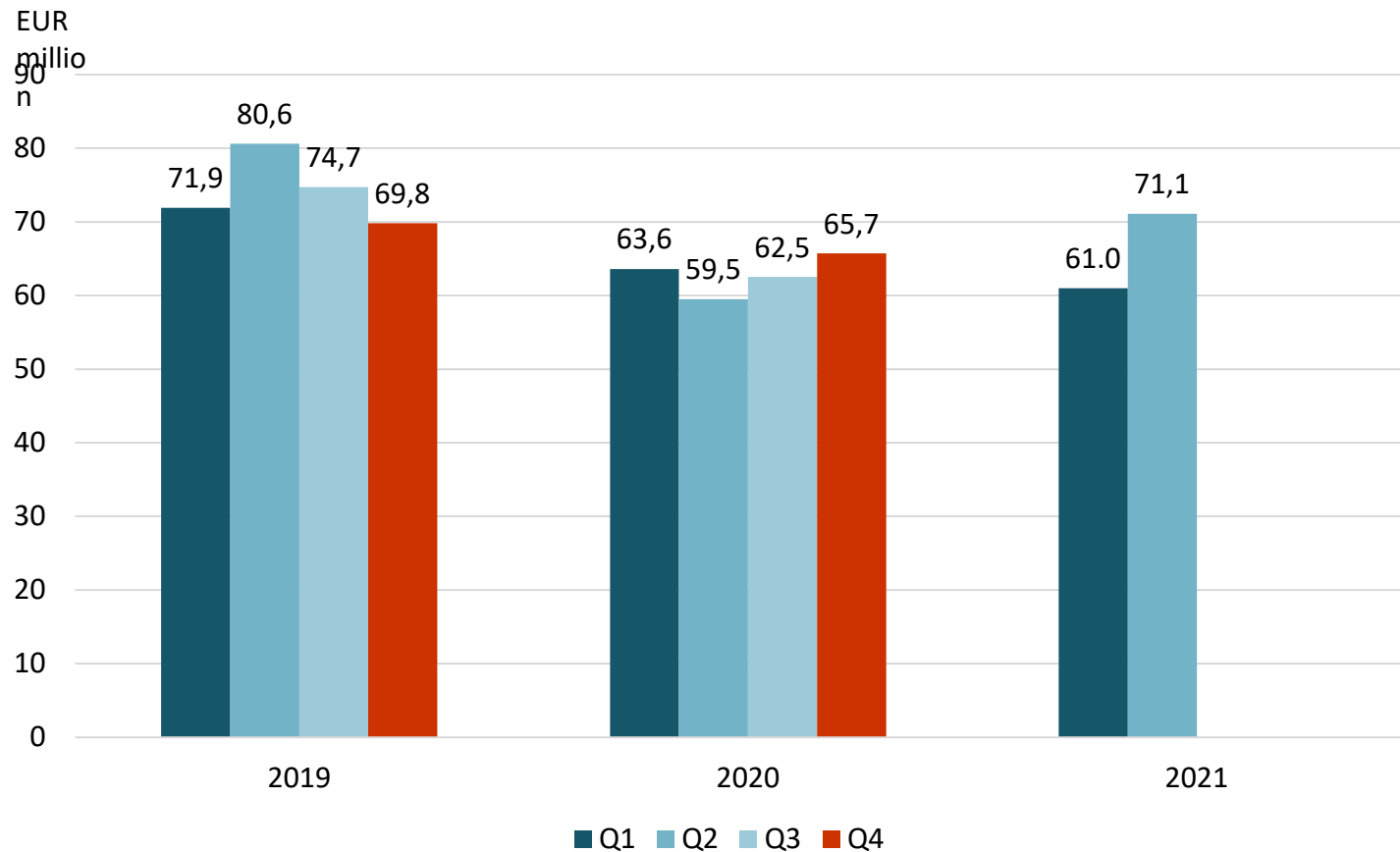




## Strong development continued

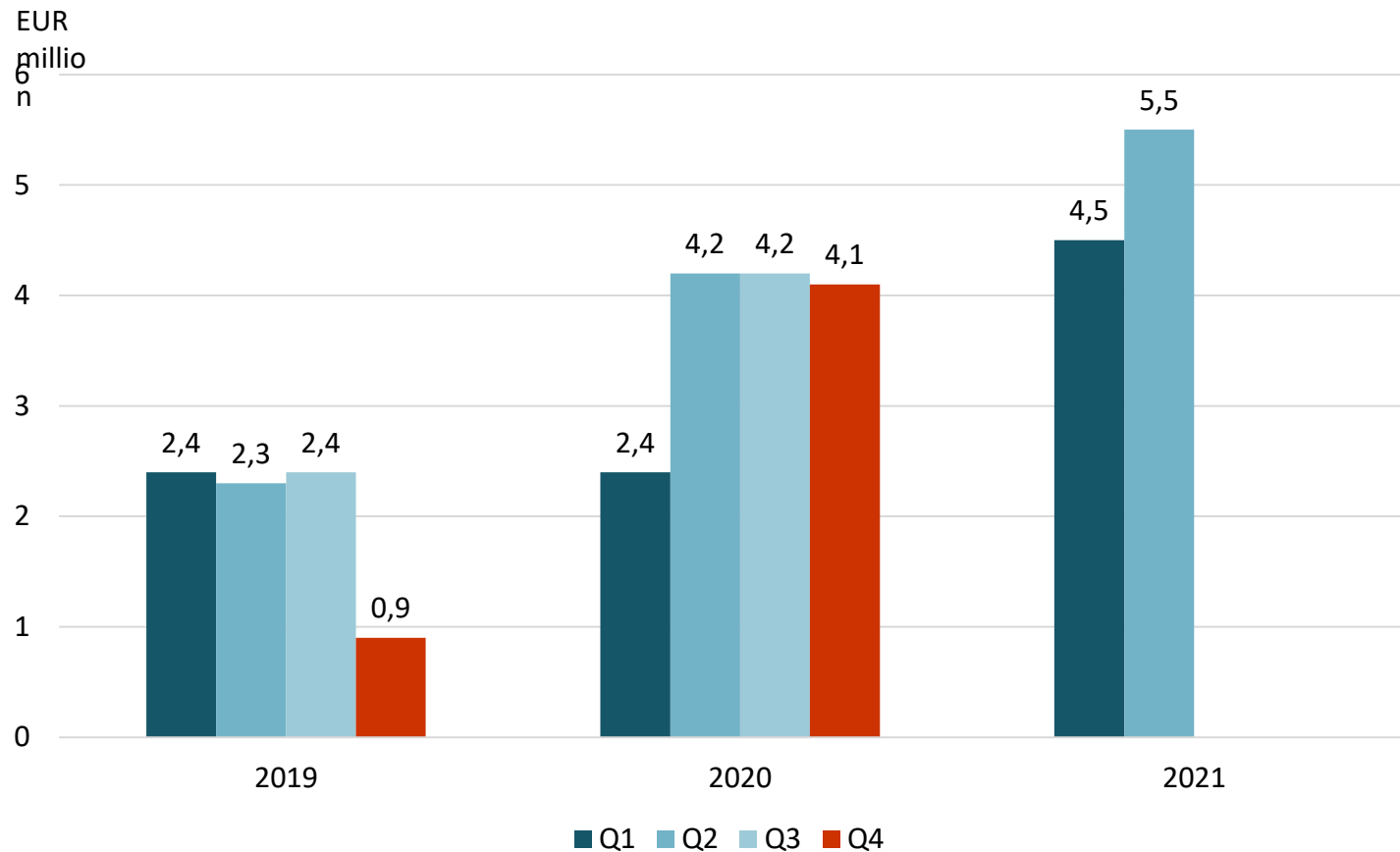
- The Telko segment's operating profit increased to a record EUR 5.5 (4.2) million, supported by strong markets.
- The segment's net sales grew significantly and were EUR 71.1 (59.5) million, but the development of sales volumes was hindered by availability issues in certain product categories.
- Demand in Telko's main market is quite good, and is expected to remain strong.
- Telko's goal is to maintain the relative profitability level achieved during 2020.

# Availability issues hindered growth in net sales



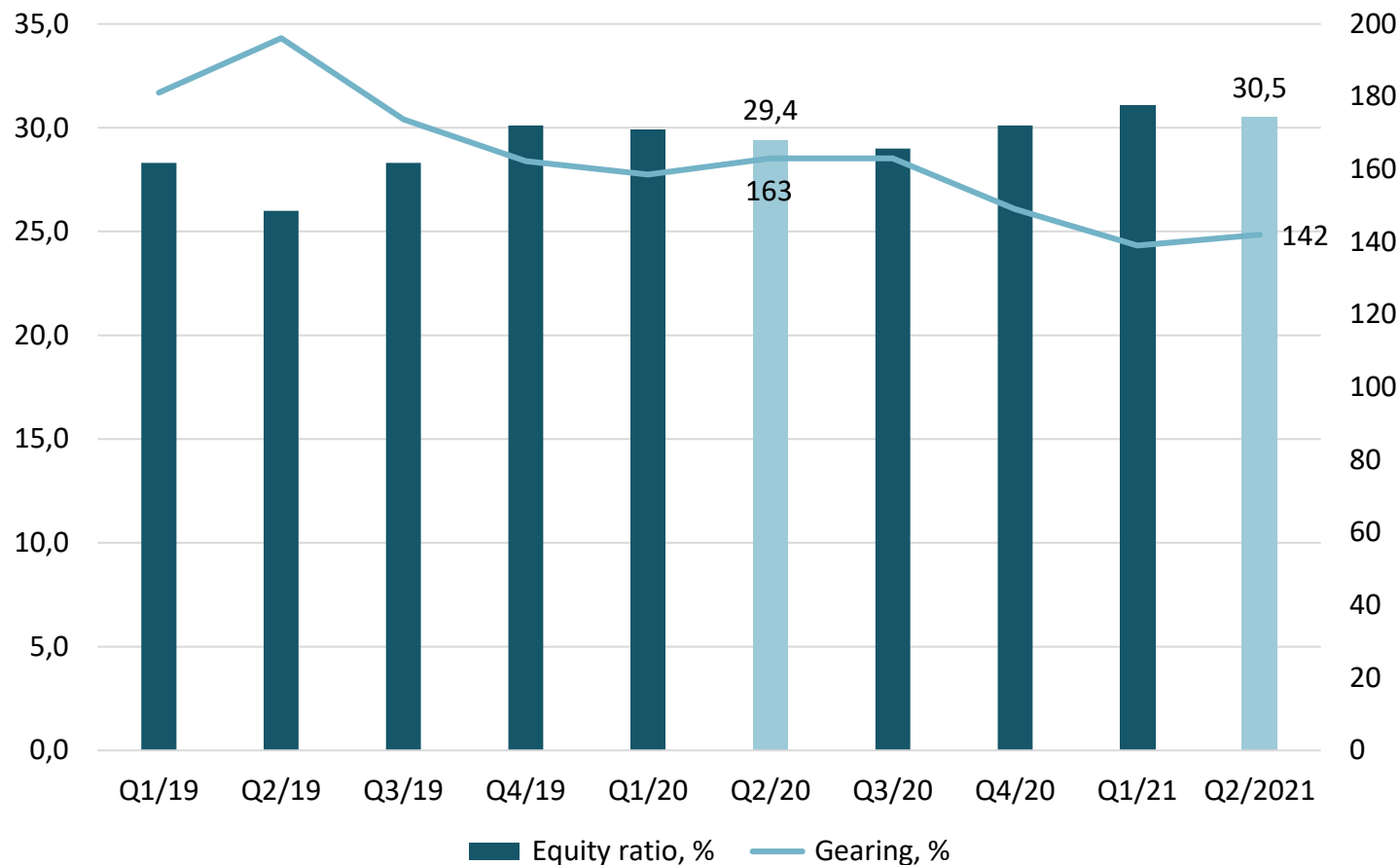
- In the second quarter, the net sales of the Telko business increased by 29% to EUR 67.6 (52.6) million.
- Product availability is expected to improve in the coming months, but there are still significant availability challenges in several product categories.
- Kauko's net sales decreased to EUR 3.5 (6.9) million in the second quarter.

# Telko's operating profit was at a record level



- The Telko segment's operating profit rate was 7.7% (7.1).
- Telko has succeeded in creating organic growth in higher value-added products in particular, which has improved its margin level.
- The increase in prices stopped for the most part toward the end of the quarter, and improved availability in some product categories has caused price levels to decrease.

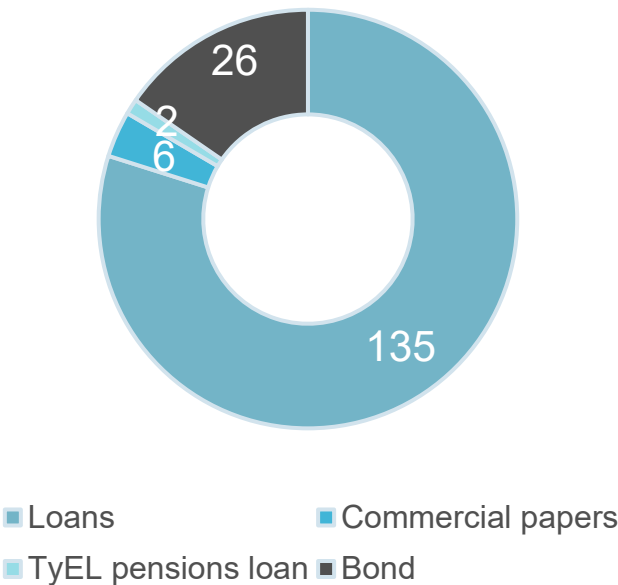
# Equity ratio and gearing



- The equity ratio improved and gearing decreased from the comparison period.
- The first installment of the dividend (EUR 0.18 per share) was paid during the second quarter, totaling around EUR 5.6 million.

# Strong liquidity and a balanced maturity structure

Interest-bearing liabilities without lease liabilities (MEUR)

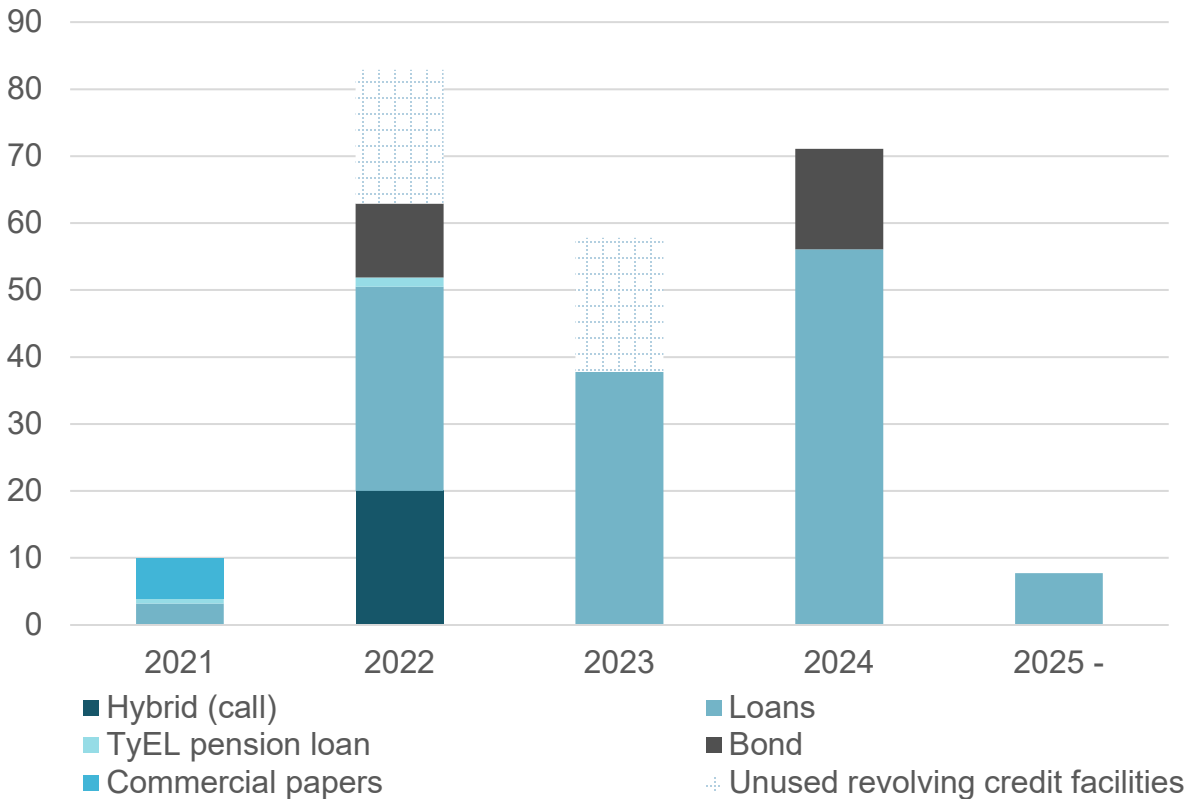


Liquidity position (MEUR)



■ cash and cash equivalents ■ Unused revolving credit facilities

Maturity of loan agreements (MEUR)







Specified guidance for 2021 (issued on  
Aug 4, 2021)

Aspo's operating profit in 2021 will  
be approximately EUR 30–36 (19.3)  
million.



## Historically strong result paves the way for an era of new management

- Aspo's record performance arises from long-term development and successes in both western and eastern markets, as well as the strengths of a conglomerate.
- The acquisitions and investments made as well as the strong cash flow enable the next phase in Aspo's development.
- Rolf Jansson will start as the new CEO on August 16, 2021.



# Q & A

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Aspo Group's interim report for  
the third quarter will be published  
on October 27, 2021

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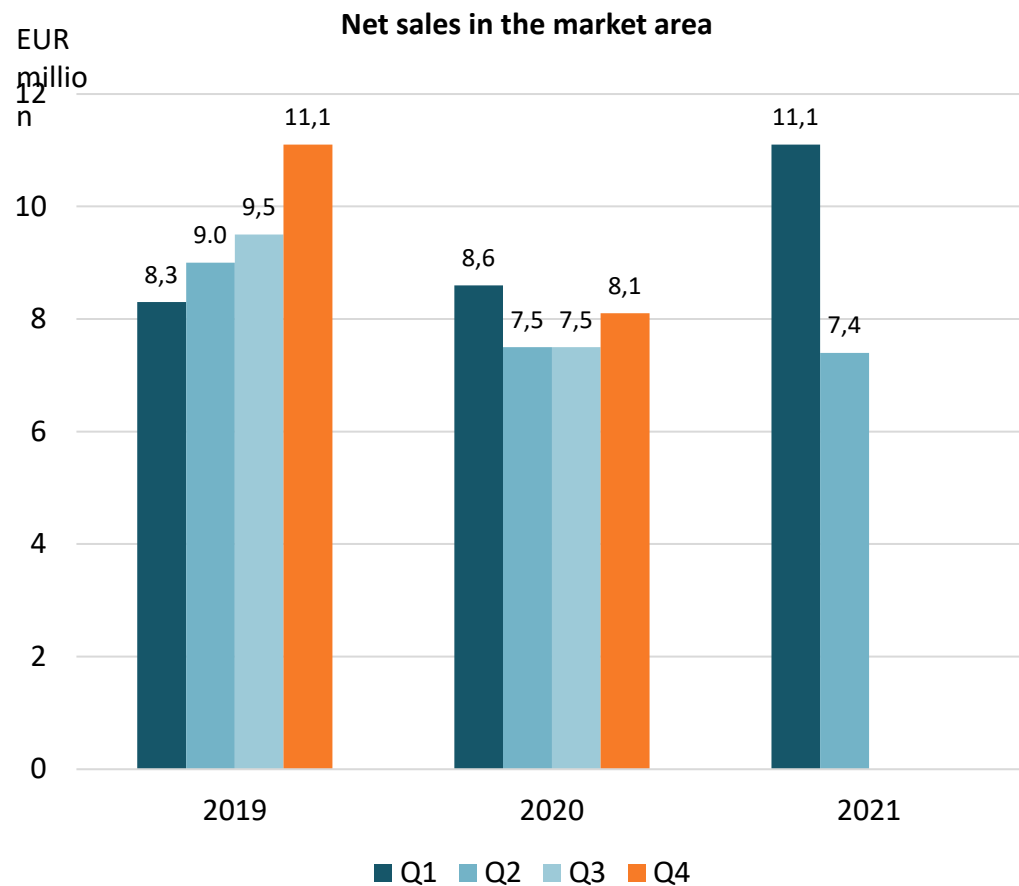
# Appendix



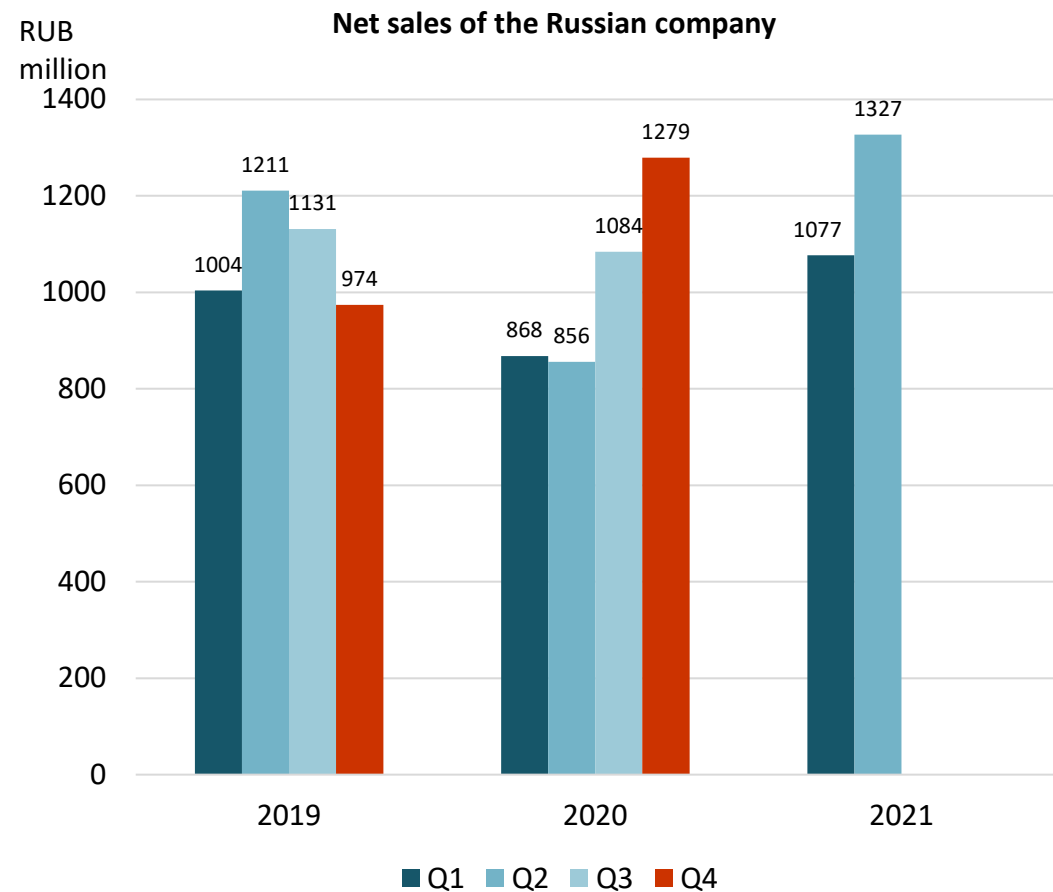
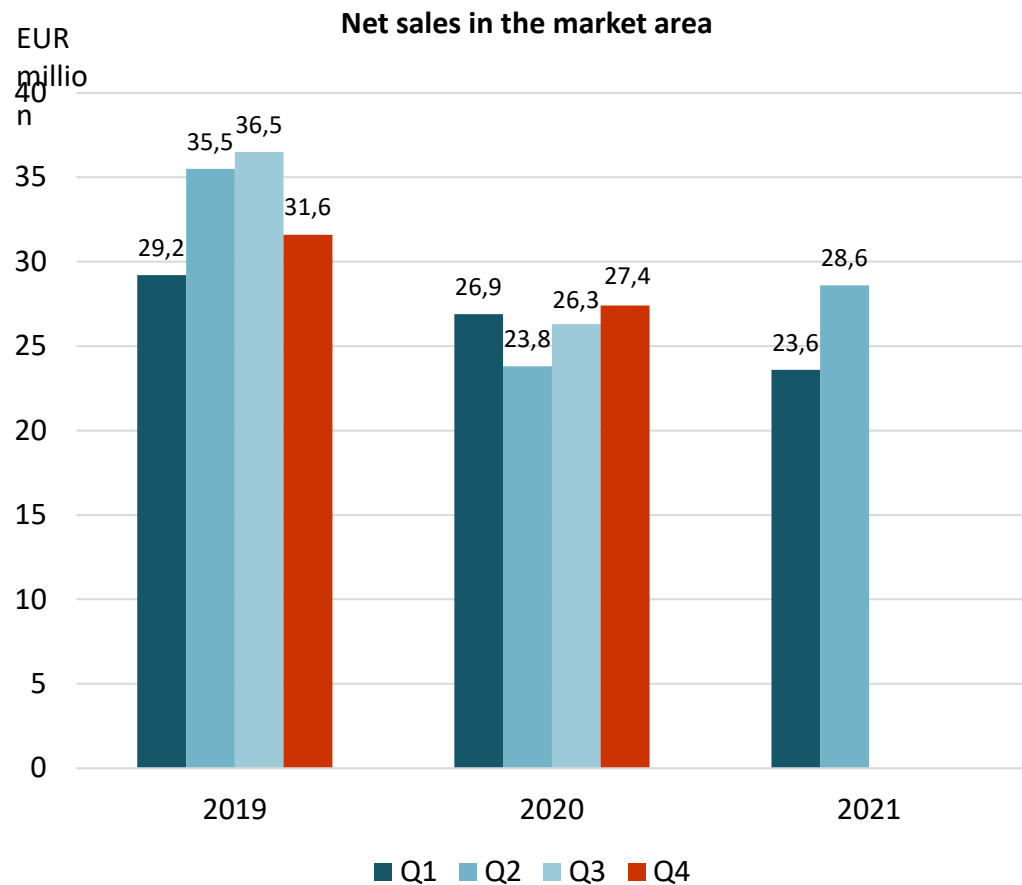
# Key figures

	Q2/2021	Q2/2020
Net sales, MEUR	<b>142.9</b>	115.6
Operating profit, MEUR	<b>9.6</b>	4.1
Operating profit, %	<b>6.7</b>	3.5
ESL Shipping, operating profit, MEUR	<b>5.4</b>	0.6
Leipurin, operating profit, MEUR	<b>0.3</b>	0.3
Telko, operating profit, MEUR	<b>5.5</b>	4.2
Earnings per share (EPS), EUR	<b>0.24</b>	0.08
Profit before taxes, MEUR	<b>8.6</b>	3.0
Profit for the period, MEUR	<b>7.8</b>	2.7
Net cash from operating activities, MEUR	<b>15.6</b>	16.6
Free cash flow, MEUR	<b>11.1</b>	15.1
Return on equity (ROE), cumulative, %	<b>24.5</b>	9.0
Equity ratio, cumulative, %	<b>30.5</b>	29.4
Gearing, %	<b>141.8</b>	163.0
Equity per share, EUR	<b>3.77</b>	3.64

# Leipurin's net sales in Russia, other CIS countries and Ukraine

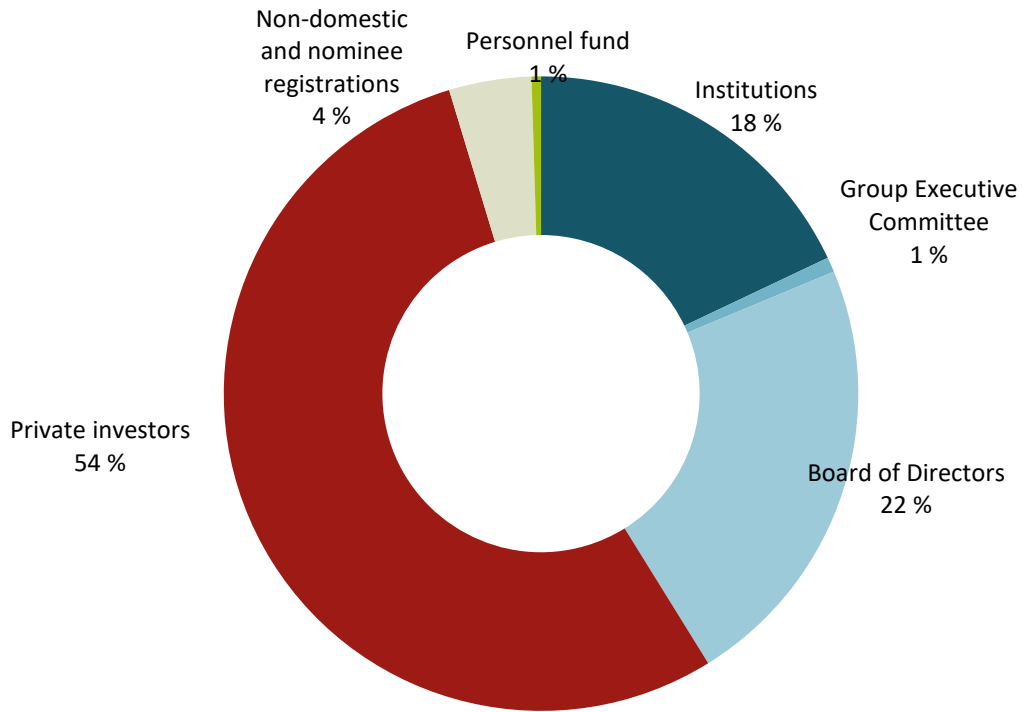
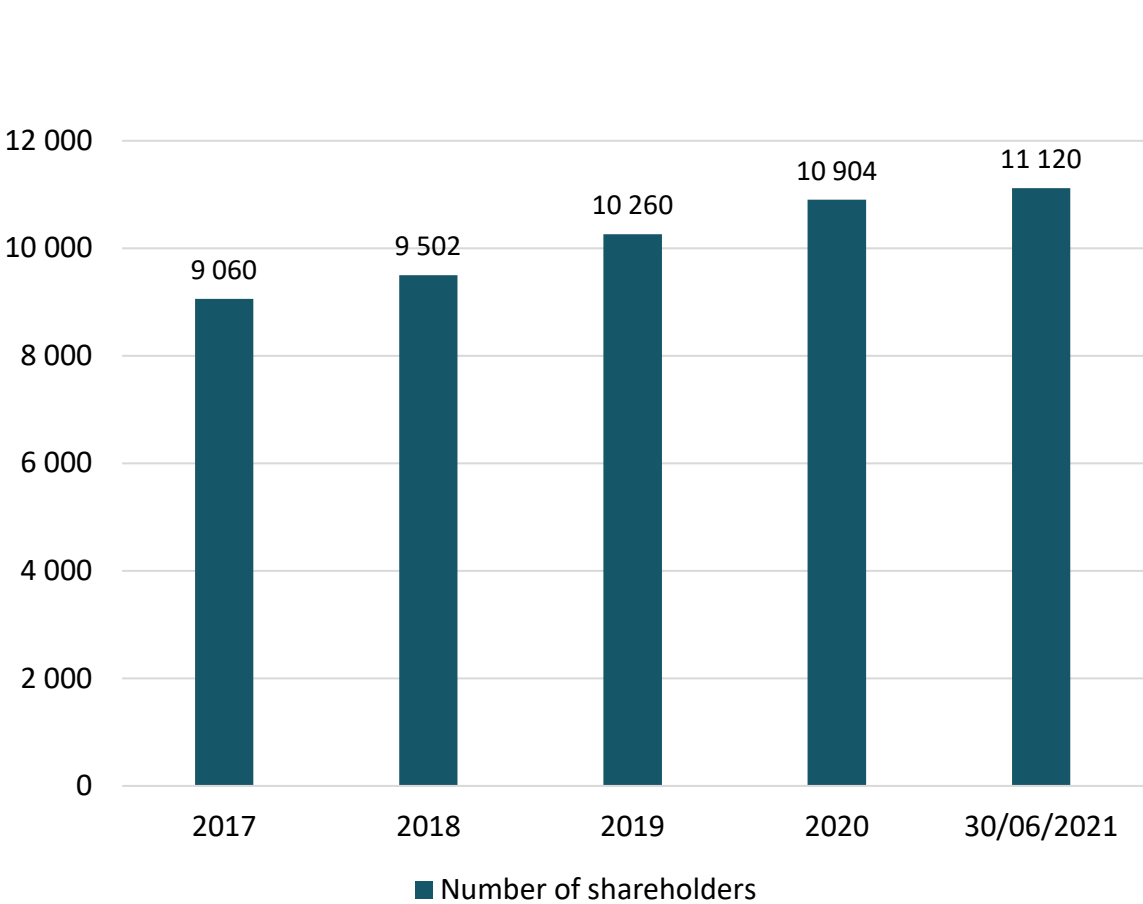


# Telko's net sales in Russia, other CIS countries and Ukraine





# Shareholders



Distribution of shareholding on June 30, 2021, shares (%)