Aspocomp Group Plc, Half-Year Report, August 12, 2020 at 9:00 a.m.

Aspocomp's Half-Year Financial Report 2020: The COVID-19 pandemic decreased second-quarter net sales and operating result

Key figures 4-6/2020 in brief

	4-6/2020	4-6/2019	Change *
Net sales	7.1 M€	8.7 M€	-18 %
EBITDA	0.6 M€	1.7 M€	-63 %
Operating result	0.3 M€	1.4 M€	-82 %
% of net sales	3.6 %	16.3 %	-13 ppts
Earnings per share	0.03 €	0.20 €	-85 %
Operative cash flow	1.5 M€	0.5 M€	198 %
Equity ratio	62.1 %	60.1 %	2 ppts

Key figures 1-6/2020 in brief

	1-6/2020	1-6/2019	Change *
Net sales	13.8 M€	16.3 M€	-15 %
EBITDA	0.6 M€	2.9 M€	-79 %
Operating result	-0.2 M€	2.3 M€	-108 %
% of net sales	-1.3 %	14.0 %	-15 ppts
Earnings per share	-0.04 €	0.33 €	-112 %
Operative cash flow	1.9 M€	2.7 M€	-29 %
Equity ratio	62.1 %	60.1 %	2 ppts
Order book at the end of period	4.2 M€	4.0 M€	6 %

* The total may deviate from the sum totals due to rounding up and down.

OUTLOOK FOR THE FUTURE

The COVID-19 pandemic is having a profound impact on the supply chains of the electronics industry and on customer orders. Due to the major uncertainties and growth in risks related to customer demand, the outlook for 2020 involves a significantly higher risk than normal. The European car industry is in an especially difficult position.

The company's full-year guidance, announced on July 16, 2020, remains unchanged. Aspocomp estimates that its net sales and operating result for 2020 will fall significantly short of 2019. In 2019, net sales amounted to EUR 31.2 million and the operating result to EUR 3.4 million

CEO'S REVIEW

“Aspocomp’s second-quarter net sales decreased by 18 percent to EUR 7.1 million due to the COVID-19 pandemic and the resulting weakening of general demand. Some customers have had to postpone or even cancel their orders due to uncertainty in demand.

Net sales for the first half of the year amounted to EUR 13.8 million, a year-on-year decrease of 15 percent. Sales decreased especially in the Telecommunications, Automotive and Industrial Electronics segments. In the Telecommunications segment, the demand for product development series decreased clearly compared to the strong comparison period. In addition, Asian PCB mass suppliers have had overcapacity due to the weaker market situation, which allowed them to exceptionally respond to changing customer needs.

In the Automotive industry, demand continued to decline as customers reduced their inventory levels to match the low demand caused by the COVID-19 pandemic. Some players in the automotive chain have run into financial difficulties, as a result of which we have had to partially suspend deliveries.

The weakening of the Industrial Electronics segment is due to the general market situation, as companies are reducing their investments. Despite the weak market situation, we managed to grow and almost double our sales in the Security, Defense and Aerospace segments, as well as in the Semiconductor Industry segment.

The order book grew moderately by 6 percent to EUR 4.2 million at the end of the review period.

The operating result decreased significantly in the second quarter and amounted to EUR 0.3 million, less than 4 percent of net sales. The operating result was particularly burdened by the decline in net sales and the lower share accounted for by quick-turn deliveries. In addition, increased product development investments in the growing Security, Defense and Aerospace segment weakened the result. The operating result for the first half of the year is still EUR 0.2 million in the red, including a EUR 0.3 million loan loss provision.

The COVID-19 pandemic continues to make it difficult to assess customer needs, and visibility into demand for the rest of the year is limited. Despite the exceptional circumstances, we have succeeded in expanding and growing our customer base and product range. This gives us a good strategic position to continue our growth as the COVID-19 pandemic eases over time.”

Impact of the COVID-19 pandemic

Due to the COVID-19 pandemic and the resulting decline in general demand, as well as for financial reasons, some customers have had to postpone or even cancel their orders. Asian PCB mass suppliers have had overcapacity due to the weaker market situation, which allowed them to exceptionally respond to changing customer needs. In the Automotive segment, demand has continued to decline as customers have reduced their inventory levels in line with the slowdown in demand caused by the pandemic.

Despite the COVID-19 pandemic, Aspocomp has been able to purposefully expand and grow its customer base and product offering. In the Security, Defense and Aerospace segment as well as in the Semiconductor Industry segment, demand has almost doubled despite the weak market situation.

The company’s production at the Oulu plant has continued normally and delivery capacity has been good. The company has continued to invest in new capacity.

The pandemic has not affected the company’s balance sheet. The cash situation has remained good and the credit facilities have not been used.

NET SALES AND EARNINGS

April-June 2020

Second-quarter net sales amounted to EUR 7.1 (8.7) million, a year-on-year decrease of 18 percent. Net sales decreased due to the COVID-19 pandemic and the consequent weakening of general demand. Some customers have had to postpone or even cancel their orders due to uncertainty in demand and declining results.

The five largest customers accounted for 45 (58) percent of net sales. In geographical terms, 80 (98) percent of net sales were generated in Europe and 20 (2) percent on other continents.

The operating result for the second quarter amounted to EUR 0.3 (1.4) million. Second-quarter operating result was 3.6 (16.3) percent of net sales. The operating result was particularly burdened by the decline in net sales and the lower share accounted quick-turn deliveries. In addition, increased product development investments in the growing Security, Defense and Aerospace segment weakened the result.

Net financial expenses amounted to EUR 0.0 (0.1) million. Earnings per share were EUR 0.03 (0.20).

January-June 2020

First-half net sales amounted to EUR 13.8 million (EUR 16.3 million), a year-on-year decrease of 15 percent. Demand fell the most in the Telecommunications, Automotive and Industrial Electronics segments. In the Telecommunications segment, the demand for product development series decreased clearly compared to the strong comparison period. In addition, Asian PCB mass suppliers have had overcapacity due to the weaker market situation, which allowed them to respond exceptionally to changing customer needs. In the Automotive industry, demand continued to decline as customers reduced their inventory levels to match the slowdown in demand caused by the COVID-19 pandemic. Some companies in the Automotive segment have run into financial difficulties, as a result of which we have had to partially suspend deliveries. The weakening of the Industrial Electronics segment is due to the general market situation, as companies are reducing their investments. Despite the weak market situation, we managed to grow and almost double our sales in the Security, Defense and Aerospace segments, as well as in the Semiconductor Industry segment.

The five largest customers accounted for 42 percent of net sales (51%). In geographical terms, 84 percent of net sales were generated in Europe (96%) and 16 percent on other continents (2%).

First-half operating result amounted to EUR -0.2 million (EUR 2.3 million). The operating result was particularly burdened by the decline in net sales and the lower share accounted quick-turn deliveries as well as a EUR 0.3 million loan loss provision. In addition, increased product development investments in the growing Security, Defense and Aerospace segment weakened the result.

Net financial expenses amounted to EUR 0.1 million (EUR 0.1 million). Earnings per share were EUR -0.04 (EUR 0.33).

The order book grew by 6 percent compared to the previous year. The order book at the end of the review period was EUR 4.2 (4.0) million, representing a year-on-year increase of EUR 0.2 million.

THE GROUP'S KEY FIGURES

	4-6/20	4-6/19	Change		1-6/20	1-6/19	Change	
Net sales, M€	7.1	8.7	-18	%	13.8	16.3	-15	%
EBITDA, M€	0.6	1.7	-63	%	0.6	2.9	-79	%
Operating result, M€	0.3	1.4	-82	%	-0.2	2.3	-108	%
% of net sales	4%	16%	-13	*ppts*	-1%	14%	-15	*ppts*
Pre-tax profit/loss, M€	0.2	1.4	-85	%	-0.2	2.2	-111	%
% of net sales	3%	16%	-13	*ppts*	-2%	14%	-15	*ppts*
Profit/loss for the period, M€	0.2	1.4	-85	%	-0.2	2.2	-111	%
% of net sales	3%	16%	-13	*ppts*	-2%	14%	-15	*ppts*
Earnings per share, €	0.03	0.20	-85	%	-0.04	0.33	-112	%
Investments, M€	0.3	0.7	-51	%	1.3	1.7	-22	%
% of net sales	5%	8%	-3	*ppts*	9%	10%	-1	*ppts*
Cash, end of the period	3.5	2.3	114	%	3.5	2.3	114	%
Equity / share, €	2.63	2.43	*20*	%	2.63	2.43	*20*	%
Equity ratio, %	62%	60%	2	*ppts*	62%	60%	2	*ppts*
Gearing, %	14%	17%	-2	*ppts*	14%	17%	-2	*ppts*
Personnel, end of the period	144	124	20	persons	144	124	20	persons

* The total may deviate from the sum totals due to rounding up and down.

INVESTMENTS

Investments during the review period amounted to EUR 1.3 (1.7) million. The investments were mainly focused on improving the capabilities of the Oulu plant. The first phase of the EUR 10 million investment program launched in 2017 was completed in early 2020. The first two years of the investment program focused on enhancing the capabilities of the Oulu plant, particularly in the semiconductor industry segment. The goals of the project were successfully achieved: the customer base was strengthened, and the planned technological improvements were implemented.

The investment program continued with its second phase of investments in the spring. The company was granted a total of EUR 1.35 million in development support by the ELY Center for the implementation of the second phase of its Oulu plant investment, corresponding to about 25 percent of its total cost. The second phase of the investment program aims in particular to increase the capacity of the Oulu plant, improve automation and increase production efficiency. All of the new equipment will be installed in an existing plant building and no additional plant space will be built. The second-phase investments will be carried out in the period between 2020 and 2022. With these investments, the company aims to further strengthen its position as a strategic partner to leading companies in the semiconductor, automotive, defense and aerospace, and telecommunications (5G) industries.

CASH FLOW AND FINANCING

Cash flow from operations amounted to EUR 1.9 (2.7) million in the review period. Cash flow weakened mainly due to the lower operating result.

Cash assets amounted to EUR 3.5 (2.3) million at the end of the period. Interest-bearing liabilities amounted to EUR 6.1 (5.1) million. Gearing was 14 (17) percent. Non-interest-bearing liabilities amounted to EUR 4.9 (5.7) million.

At the end of the period, the Group's equity ratio amounted to 62.1 (60.1) percent.

The company has a EUR 1.0 (1.0) million credit facility, which was not in use at the end of the review period. In addition, the company has a recourse factoring agreement, of which EUR 0.0 (0.0) million was in use.

PERSONNEL

During the review period, the company had an average of 140 (118) employees. The personnel count on June 30, 2020 was 144 (118). Of them, 90 (73) were blue-collar and 54 (45) white-collar employees.

ANNUAL GENERAL MEETING 2020, THE BOARD OF DIRECTORS AND AUTHORIZATIONS GIVEN TO THE BOARD

The Annual General Meeting of Aspocomp Group Plc held on June 9, 2020 adopted the annual accounts and the consolidated annual accounts as well as granted the members of the Board of Directors and the CEO discharge from liability regarding the financial period 2019. The Annual General Meeting approved the remuneration policy for the governing bodies.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to authorize the Board of Directors to decide, at its discretion, on the distribution of up to EUR 0.15 per share from retained earnings and / or return on invested equity in one or more tranches. The authorization is valid until the beginning of the next Annual General Meeting. The company will publish any Board decision on the distribution of funds separately and at the same time confirms the relevant record and payment dates.

The Annual General Meeting decided to set the number of Board members at four (4) and re-elected the current members of the Board Ms. Päivi Marttila, Ms. Kaarina Muurinen, Ms. Julianna Borsos and Mr. Juha Putkiranta, for a term of office ending at the closing of the following Annual General Meeting. The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the company's auditor for a term of office ending at the closing of the following Annual General Meeting. PricewaterhouseCoopers Oy has notified that Mr. Jouko Malinen, Authorized Public Accountant, will act as its principal auditor.

The Annual General Meeting decided that the chairman of the Board of Directors will be paid EUR 30,000, the vice chairman of the Board of Directors be paid EUR 20,000 and the other members be paid EUR 15,000 each in remuneration for their term of office. The Annual General Meeting further decided that EUR 1,000 will be paid as remuneration per meeting to the chairman and that the other members be paid EUR 500 per meeting of the Board and its committees. The members of the Board of Directors will further be reimbursed for reasonable travel costs. The auditor’s fees will be paid according to the auditor’s invoice.

The Annual General Meeting decided to authorize the Board of Directors, in one or more installments, to decide on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorization may in total amount to a maximum of 683,450 shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as any own shares held by the company. The issuance of shares and of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act may be carried out in deviation from the shareholders’ pre-emptive rights (directed issue).

The authorization cancels the authorization given by the General Meeting on April 3, 2019 to decide on the issuance of shares as well as the issuance of special rights entitling to shares. The authorization is valid until June 30, 2021.

THE BOARD OF DIRECTORS' ORGANIZATION MEETING

In its organization meeting held after the Annual General Meeting, the Board of Directors of Aspocomp Group Plc re-elected Ms. Päivi Marttila as Chairman of the Board and Ms. Kaarina Muurinen as Vice Chairman.

The Board of Directors did not establish an Audit Committee; the Board itself performs the duties of the Audit Committee.

SHARES

The total number of Aspocomp’s shares at June 30, 2020 was 6,841,440 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares. Each share is of the same share series and entitles its holder to one vote at a General Meeting and to have an identical dividend right.

The Board of Directors of Aspocomp Group Plc decided on June 9, 2020 on a directed share issue without payment based on Aspocomp’s Share Reward Plan 2016-2019 for the performance period 2019. According to the terms and conditions of the Share Reward Plan 2016-2019 and after deduction of the cash payment portions of the remunerations meant for taxes and tax-like contributions, the persons included in the 2019 share-based incentive scheme received altogether 6,935 new shares in the company through a directed share issue without payment. The new shares were registered in the Trade Register on June 23, 2020. After the registration of the new shares, the total number of Aspocomp Group Plc’s shares has increased to 6,841,440.

A total of 1,017,326 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to June 30, 2020. The aggregate value of the shares exchanged was EUR 4,686,403. The shares traded at a low of EUR 3.20 and a high of EUR 6.20. The average share price was EUR 4.61. The closing price at June 30, 2020 was EUR 4.49, which translates into market capitalization of EUR 30.7 million.

The company had 3,605 shareholders at the end of the review period. Nominee-registered shares accounted for 2.8 percent of the total shares.

OUTLOOK FOR THE FUTURE

The COVID-19 pandemic is having a profound impact on the supply chains of the electronics industry and on customer orders. Due to the major uncertainties and growth in risks related to customer demand, the outlook for 2020 involves a significantly higher risk than normal. The European car industry is in an especially difficult position.

The company’s full-year guidance, announced on July 16, 2020, remains unchanged. Aspocomp estimates that its net sales and operating result for 2020 will fall significantly short of 2019. In 2019, net sales amounted to EUR 31.2 million and the operating result to EUR 3.4 million.

ASSESSMENT OF SHORT-TERM BUSINESS RISKS

A major share of Aspocomp’s net sales is generated by quick-turn deliveries and R&D series, and thus the company’s order book is short. The company's aim is to systematically expand its services to cover the PCB needs of customers over the entire life cycle and thereby balance out variations in demand and the order book.

Impact of the coronavirus pandemic on the electronics supply chain

The coronavirus pandemic that began in China has a major impact on the supply chains of the entire electronics industry. The availability of the PCBs subcontracted by the company in China might weaken significantly and their delivery times become considerably longer. At the same time, the coronavirus pandemic may affect the availability of parts and components required by electronic assemblers, which would weaken demand.

Dependence on key customers

Aspocomp’s customer base is concentrated; over half of sales are generated by five key customers. This exposes the company to significant fluctuations in demand.

Market trends

Although Aspocomp is a marginal player in the global electronics market, changes in global PCB demand also have an impact on the company’s business. Competition for quick-turn deliveries and short production series will accelerate as the market for PCBs weakens and continues to have a negative impact on both total demand and market prices.

Aspocomp’s main market area comprises Northern and Central Europe. In case Aspocomp’s clients would transfer their R&D and manufacturing out of Europe, demand for Aspocomp’s offerings might weaken significantly.

PUBLICATION OF FINANCIAL RELEASES FOR 2020

Aspocomp Group Plc.'s financial information publication schedule for 2020 is:

Interim report January-September 2020: Wednesday, November 4, 2020

The interim report will be published at around 9:00 a.m. (EET) on the given date.

Aspocomp's silent period commences 30 days prior to the publication of its financial information.

Espoo, August 12, 2020

ASPOCOMP GROUP PLC
Board of Directors

Some statements in this stock exchange release are forecasts and actual results may differ materially from those stated. Statements in this stock exchange release relating to matters that are not historical facts are forecasts. All forecasts involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Aspocomp Group to be materially different from any future results, performances or achievements expressed or implied by such forecasts. Such factors include general economic and business conditions, fluctuations in currency exchange rates, increases and changes in PCB industry capacity and competition, and the ability of the company to implement its investment program.

ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICES

The reported operations include the Group’s parent company, Aspocomp Group Plc. The figures presented for the review period have not been audited. This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting), following the same accounting principles as in the annual financial statements for 2019; however, the company complies with the standards and amendments that came into effect as from January 1, 2020.

R&D
R&D costs comprise general production development costs. These costs do not fulfill the IAS 38 definition of either development or research and are therefore booked into plant overheads.

Amendments to IAS 1 and IAS 8 Definition of Material

The IASB has issued the following new or revised standards and interpretations that the Group has not yet applied. The Group adopts them from the effective date of each standard and interpretation, or, if the effective date is other than the first day of the financial year, from the beginning of the financial year following the effective date.

The IASB has amended IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to use a uniform definition of materiality throughout

IRFSs and the Conceptual Framework for Financial Reporting, clarifying when information is material and includes guidance on irrelevant information.

In particular, the amendments clarify:

• that the reference to obscuring information applies to situations where the effect is similar to the omission or misstatement of that information and that the entity assesses materiality in the light of the financial statements as a whole; and

• that "primary users of financial statements for general use" means those to whom the financial statements are addressed and include "many current and potential investors, lenders and other creditors" who are largely required to meet their financial information needs through publicly available financial statements.

Any other IFRS or IFRIC interpretation already issued but not yet effective is not expected to have a material impact on the Group.

PROFIT & LOSS STATEMENT **April-June 2020**

1 000 €	4-6/2020		4-6/2019		Change
Net sales	**7,100**	***100%***	**8,709**	***100%***	***-18%***
Other operating income	48	*1%*	65	*1%*	*-27%*
Materials and services	-3,383	*-48%*	-3,564	*-41%*	*-5%*
Personnel expenses	-2,080	*-29%*	-2,233	*-26%*	*-7%*
Other operating costs	-1,044	*-15%*	-1,241	*-14%*	*-16%*
Depreciation and amortization	-387	*-5%*	-313	*-4%*	*24%*
Operating result	**254**	***4%***	**1,423**	***16%***	***-82%***
Financial income and expenses	-45	*-1%*	-53	*-1%*	
Profit/loss before tax	**209**	***3%***	**1,370**	***16%***	***-85%***
Income taxes	-1	*0%*	-2	*0%*	
Profit/loss for the period	**208**	***3%***	**1,369**	***16%***	***-85%***
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans					
Income tax relating these items					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences	0	*0%*	1	*0%*	
Total other comprehensive income	0	*0%*	1	*0%*	

Total comprehensive income	**207**	***3%***	**1,370**	***16%***	***-85%***
Earnings per share (EPS)					
Basic EPS	0.03 €		0.20 €		*-85%*
Diluted EPS	0.03 €		0.20 €		*-85%*

PROFIT & LOSS STATEMENT January-June 2020

1 000 €	1-6/2020		1-6/2019		Change	1-12/2019	
Net sales	**13,836**	***100%***	**16,331**	***100%***	***-15%***	**31,189**	***100%***
Other operating income	49	*0%*	66	*0%*	*-25%*	73	*0%*
Materials and services	-6,847	*-49%*	-6,988	*-43%*	*-2%*	-13,963	*-45%*
Personnel expenses	-4,101	*-30%*	-4,094	*-25%*	*0%*	-7,763	*-25%*
Other operating costs	-2,340	*-17%*	-2,437	*-15%*	*-4%*	-4,881	*-16%*
Depreciation and amortization	-772	*-6%*	-594	*-4%*	*30%*	-1,263	*-4%*
Operating result	**-174**	***-1%***	**2,283**	***14%***	***-108%***	**3,393**	***11%***
Financial income and expenses	-64	*0%*	-69	*0%*	*-7%*	-136	*0%*
Profit/loss before tax	**-238**	***-2%***	**2,213**	***14%***	*-111%*	**3,257**	***10%***
Income taxes	-2	*0%*	-2	*0%*		683	*2%*
Profit/loss for the period	**-240**	***-2%***	**2,211**	***14%***	***-111%***	**3,940**	***13%***
Other comprehensive income							
Items that will not be reclassified to profit or loss Remeasurements of defined benefit pension							
plans						50	0%
Income tax relating these items Items that may be reclassified subsequently to profit or loss:						-8	0%
Currency translation differences	-1	*0%*	-1	*0%*	-	-2	0%
Other comprehensive income, net of tax	-1	*0%*	-1	*0%*	-	40	*0%*
Total comprehensive income	**-240**	***-2%***	**2,210**	***14%***	***-111%***	**3,979**	***29%***
Earnings per share (EPS)							
Basic EPS	-0.04 €		0.33 €		*-112%*	0.59 €	
Diluted EPS	-0.04 €		0.33 €		*-112%*	0.59 €	

CONSOLIDATED BALANCE SHEET

1 000 €	6/2020	6/2019	Change	12/2019
Assets				
Non-current assets				
Intangible assets	3,250	3,266	*0%*	3,260
Tangible assets	5,848	4,676	*25%*	5,607
Right-of-use assets	1,113	1,138	*-2%*	1,333
Financial assets at fair value through profit or loss	15	15	*0%*	15
Deferred income tax assets	4,673	3,985	*17%*	4,673
Total non-current assets	**14,900**	**13,081**	***14%***	**14,888**
Current assets				
Inventories	2,993	2,652	*13%*	3,321
Short-term receivables	7,661	9,079	*-16%*	8,937
Cash and bank deposits	3,466	2,327	*49%*	2,382
Total current assets	**14,119**	**14,058**	***0%***	**14,639**
Total assets	**29,019**	**27,139**	***7%***	**29,527**
Equity and liabilities				
Share capital	1,000	1,000	*0%*	1,000
Reserve for invested non-restricted equity	4,689	4,517	*4%*	4,534
Remeasurements of defined benefit pension plans	-12	-53	*-78%*	-12
Retained earnings	12,334	10,847	*14%*	12,574
Total equity	**18,011**	**16,310**	***10%***	**18,096**
Long-term financing loans	4,854	3,852	*26%*	4,326
Other non-current liabilities	355	424	*-16%*	355
Deferred income tax liabilities	25	21	*18%*	25
Short-term financing loans	1,222	1,213	*1%*	1,486
Trade and other payables	4,553	5,318	*-14%*	5,239
Total liabilities	**11,008**	**10,829**	***2%***	**11,431**
Total equity and liabilities	**29,019**	**27,139**	***7%***	**29,527**

CONSOLIDATED CHANGES IN EQUITY

January-June 2020

1000 €	Share capital	Other reserve	Remeasurements of employee benefits	Translation differences	Retained earnings	**Total equity**

Balance at Jan. 1, 2020	**1,000**	**4,534**	**-12**	**2**	**12,572**	**18,096**
Comprehensive income						
Comprehensive income for the period					-240	**-240**
Other comprehensive income for the period, net of tax						
Translation differences				-1		**-1**
Total comprehensive income for the period	**0**	**0**	**0**	**-1**	**-240**	**-240**
Business transactions with owners						
Dividends paid						**0**
Share-based payment		155				**155**
Business transactions with owners, total	**0**	**155**	**0**	**0**	**0**	**155**
Balance at June 30, 2020	**1,000**	**4,689**	**-12**	**2**	**12,332**	**18,011**

January-June 2019

Balance at Jan. 1, 2019	**1,000**	**4,504**	**-53**	**4**	**9,432**	**14,888**
Comprehensive income						
Comprehensive income for the period					2,211	**2,211**
Other comprehensive income for the period, net of tax						
Translation differences				-1		**-1**
Total comprehensive income for the period	**0**	**0**	**0**	**-1**	**2,211**	**2,210**
Business transactions with owners						
Dividends paid					-800	**-800**
Share-based payment		12			0	**12**
Business transactions with owners, total	**0**	**12**	**0**	**0**	**-800**	**-788**
Balance at June 30, 2019	**1,000**	**4,517**	**-53**	**4**	**10,843**	**16,310**

CONSOLIDATED CASH FLOW STATEMENT **January-June**

1 000 €	1-6/2020	1-6/2019	1-12/2019
Profit for the period	**-240**	**2,211**	**3,940**
Adjustments	823	607	658
Change in working capital	1,418	-44	-159
Received interest income	0	0	0
Paid interest expenses	-63	-58	-151
Paid taxes	-2	-2	-1

Cash flow from operating activities	**1,936**	**2,713**	**4,287**
Investments	-1,298	-1,662	-3,548
Proceeds from sale of property, plant and equipment	0	63	66
Cash flow from investing activities	**-1,298**	**-1,599**	**-3,482**
Increase in financing	3,000	0	1,000
Decrease in financing	-2,512	-373	-828
Decrease in lease liabilities	-204	-179	-356
Stock options exercised	139	0	0
Dividends paid	0	-800	-800
Cash flow from financing activities	**423**	**-1,352**	**-983**
Change in cash and cash equivalents	1,061	-238	-179
Cash and cash equivalents at the beginning of period	2,382	2,565	2,565
Effects of exchange rate changes on cash and cash equivalents	23	0	-5
Cash and cash equivalents at the end of period	**3,466**	**2,327**	**2,382**

KEY INDICATORS

	Q2/2020	Q1/2020	Q4/2019	Q3/2019	2019
Net sales, M€	7.1	6.7	8.2	6.7	31.2
Operating result before depreciation (EBITDA), M€	0.6	0.0	1.0	0.8	4.7
Operating result (EBIT), M€	0.3	-0.4	0.7	0.5	3.4
of net sales, %	*4%*	*-6%*	*8%*	*7%*	*11%*
Profit/loss before taxes, M€	0.2	-0.4	0.6	0.5	3.3
of net sales, %	*3%*	*-7%*	*7%*	*7%*	*10%*
Net profit/loss for the period, M€	0.2	-0.4	1.3	0.5	3.9
of net sales, %	*3%*	*-7%*	*16%*	*7%*	*13%*
Equity ratio, %	62%	64%	61%	63%	61%
Gearing, %	14%	21%	19%	6%	19%
Gross investments in fixed assets, M€	0.3	1.0	1.8	0.5	3.5
of net sales, %	5%	14%	21%	8%	11%
Personnel, end of the quarter	144	139	132	130	132
Earnings/share (EPS), €	0.03	-0.07	0.19	0.07	0.59
Equity/share, €	2.63	2.60	2.70	2.50	2.70

The Alternative Performance Measures (APM) used by the Group

Aspocomp presents in its financial reporting alternative performance measures, which describe the businesses' financial performance and its development as well as investments and return on equity. In addition to accounting measures which are defined or specified in IFRS, alternative performance measures complement and explain presented information. Aspocomp presents in its financial reporting the following alternative performance measures:

EBITDA	=	Earnings before interests, taxes, depreciations and amortizations *EBITDA indicates the result of operations before depreciations, financial items and income taxes. It is an important key figure, as it shows the profit margin on net sales after operating expenses are deducted.*
Operating result	=	Earnings before income taxes and financial income and expenses presented in the IFRS consolidated income statement. *The operating result indicates the financial profitability of operations and their development.*
Profit/loss before taxes	=	The result before income taxes presented in the IFRS consolidated statements.
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$ *Gearing indicates the ratio of capital invested in the company by shareholders and interest-bearing debt to financiers. A high gearing ratio is a risk factor that may limit a company's growth opportunities and financial latitude.*
Gross investments	=	Acquisitions of long-term intangible and tangible assets (gross amount).
Order book	=	Undelivered customer orders at the end of the financial period.
Cash flow from operating activities	=	Profit for the period + non-cash transactions +- other adjustments +- change in working capital + received interest income – paid interest expenses – paid taxes

CONTINGENT LIABILITIES

1 000 €	6/2020	6/2019	12/2019
Business mortgage	6,000	4,000	6,000
Collateral note	1,200	1,200	1,200
Guaranteed contingent liability towards the Finnish Customs	35	35	35
Total	**7,235**	**5,235**	**7,235**

All figures are unaudited.

Further information
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Aspocomp – heart of technology

A printed circuit board (PCB) is used for electrical interconnection and as a component assembly platform in electronic devices. Aspocomp provides PCB technology design, testing and logistics services over the entire lifecycle of a product. The company's own production and extensive international partner network guarantee cost-effectiveness and reliable deliveries.

Aspocomp's customers are companies that design and manufacture telecommunication systems and equipment, automotive and industrial electronics, and systems for testing semiconductor components for security technology. The company has customers around the world and most of its net sales are generated by exports.

Aspocomp is headquartered in Espoo and its plant is in Oulu, one of Finland's major technology hubs.

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