Aspo Plc
Financial Statement Release
February 11, 2021 at 10 a.m.

Aspo Group Financial Statement Release, January 1 to December 31, 2020

Aspo Q4: A strong conclusion to a challenging year, record-high operating profit and cash flow during the quarter

October–December 2020

Figures from the corresponding period in 2019 are presented in brackets.

- Aspo's net sales decreased and were EUR 133.5 (147.0) million.
- Operating profit increased from the comparative period and was EUR 7.6 (5.4) million.
- Profit for the period increased and was EUR 6.1 (3.7) million.
- Earnings per share increased and were EUR 0.19 (0.10).
- Operating profit of ESL Shipping was EUR 4.8 (4.4) million, Leipurin EUR 0.2 (1.1) million, and Telko EUR 4.1 (0.9) million.
- Net cash from operating activities was EUR 25.1 (18.9) million.

January–December 2020

- Aspo's net sales decreased and were EUR 500.7 (587.7) million.
- Operating profit decreased and was EUR 19.3 (21.1) million.
- Profit for the period decreased and was EUR 13.4 (16.1) million.*
- Earnings per share decreased and were EUR 0.39 (0.47).*
- The operating profit of ESL Shipping was EUR 7.6 (14.6) million, Leipurin EUR 1.4 (3.0) million and Telko EUR 14.9 (8.0) million.
- Net cash from operating activities improved and was EUR 65.0 (52.5) million.

* The administrative court's decision made in 2019 to reduce the tax increase imposed on Telko in 2015 increased financial income in particular and improved earnings per share for 2019 by approximately five cents.

Guidance for 2021

Aspo's operating profit in 2021 will be higher than in 2020 (EUR 19.3 million).

Dividend proposal of the Board of Directors

The Board of Directors proposes that EUR 0.35 (0.22) per share is distributed in dividends for the 2020 financial year, and that the dividend is paid in two installments. Furthermore, the Board of Directors proposes that the first installment of EUR 0.18 per share is paid in April and the second installment of EUR 0.17 per share is paid in November.

More information about the proposed dividend distribution is available under "Dividend proposal".

Key figures

	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Net sales, MEUR	133.5	147.0	500.7	587.7
Operating profit, MEUR	7.6	5.4	19.3	21.1
Operating profit, %	5.7	3.7	3.9	3.6
ESL Shipping. operating profit. MEUR	4.8	4.4	7.6	14.6
Leipurin. operating profit. MEUR	0.2	1.1	1.4	3.0
Telko. operating profit. MEUR	4.1	0.9	14.9	8.0
Earnings per share (EPS), EUR	0.19	0.10	0.39	0.47
Profit before taxes, MEUR	6.4	4.5	14.8	18.2
Profit for the period, MEUR	6.1	3.7	13.4	16.1
Net cash from operating activities, MEUR	25.1	18.9	65.0	52.5
Free cash flow, MEUR	21.5	18.5	56.0	45.2
Return on equity (ROE), %			11.4	13.5
Equity ratio, %			30.1	30.1
Gearing, %			149.0	162.2
Equity per share, EUR			3.63	3.92

Aki Ojanen, CEO of Aspo Group, comments on the fourth quarter and the whole year 2020

The exceptionally challenging year came to a fine conclusion when Aspo’s operating profit increased to a record-high of EUR 7.6 million during the fourth quarter of 2020. As cargo markets started to return to normal, ESL Shipping was able to fulfill its potential, increased by investments and acquisitions, and reached strong results. Telko segment also continued its impressive profit development during the fourth quarter, with the segment’s full-year operating profit reaching a new record of EUR 14.9 million. Leipurin suffered almost the whole year from restrictions imposed due to the pandemic, which was reflected in a significant decrease in its net sales and operating profit.

Overall, we performed well during the exceptionally challenging year. Regardless of the impact of the coronavirus pandemic, Aspo’s full-year operating profit in 2020 was nearly at the previous year’s level, and net cash from operating activities reached a new record of EUR 65 million. In my opinion, this is an indication of the functioning of our conglomerate’s structure and strategy and of our ability to protect our results and recover quickly from market tumult, even during unexpected economic crises. I believe that Aspo will rise as an even stronger company from this crisis, as well. I am also proud of the Group’s new long-term responsibility goal defined by Aspo’s Board of Directors, according to which Aspo’s businesses will be forerunners in responsibility in their respective sectors. In recent years, we have taken significant steps in terms of responsibility, and we are now raising the bar even higher in our businesses. Going forward, we will also regularly report our progress in terms of responsibility.

The coronavirus pandemic had an unprecedented impact on Aspo’s business environment and society at large. In spring, the Group’s net sales decreased by nearly 30%, and demand remained low until early fall. By improving the efficiency of the management system and by taking quick and determined action, we were, however, able to minimize the impact of the poor market environment on our profitability. The operating profit rates of both Telko and ESL Shipping increased to the level of long-term financial targets during the fourth quarter. Aspo’s operating profit rate increased to 5.7% during the fourth quarter of 2020 – very close to the long-term target of 6% set for relative profitability.

Our personnel deserve the thanks for our success. They have worked hard in challenging conditions throughout the year and adapted excellently to the changed operating environment. The pandemic remains fairly critical in some of our operating countries, with official restrictions continuing to have an impact on our business operations. However, we expect operating conditions to improve as a whole during 2021.

ASPO GROUP

Aspo is a conglomerate that owns, leads and develops its businesses in Northern Europe and growth markets. Aspo's value comes from its wholly owned independent businesses, which specialize in demanding B-to-B customers. Aspo develops its group structure and businesses in the long term and believes that social responsibility as well as financially and environmentally sustainable business is a requirement for producing long-term value.

Aspo's businesses – ESL Shipping, Leipurin, Telko and Kauko – are strong business brands in the trade and logistics sectors, and they aim to be market leaders in their respective markets. They are responsible for their own operations and customer relationships, as well as for developing these. Kauko is reported as part of the Telko segment.

With its current structure, Aspo targets an operating profit rate of 6%, return on equity (ROE) of more than 20% on average and gearing of at most 130%. Aspo aims to reach the financial targets set in 2023.

Net sales by market area

	1-12/2020 MEUR	Share %	1-12/2019 MEUR	Share %	Change %
Finland	176.9	35.3	195.1	33.2	-9 %
Scandinavia	77.9	15.6	84.8	14.4	-8 %
Baltic countries	46.1	9.2	57.9	9.9	-20 %
Russia, other CIS countries and Ukraine	141.5	28.3	171.2	29.1	-17 %
Other countries	58.3	11.6	78.7	13.4	-26 %
Total	500.7	100.0	587.7	100.0	-15 %

The Group's main market areas are Finland, Scandinavia, the Baltic region, and eastern markets (Russia, other CIS countries, and Ukraine). Net sales decreased in all of Aspo's market areas. In the eastern market, the decrease in net sales was attributable not only to the coronavirus pandemic, but also to the significant decrease in the exchange rates of local currencies relative to the euro. In the market area of other countries, the decrease resulted from lower demand for raw materials and decreases in the shipping company's transportation volumes.

Operating environment

The operating environment in 2020 was historically challenging and very difficult to foresee. The coronavirus pandemic had a rapid and significant impact on the operating environment, as it reduced demand for products and services considerably. Changes in exchange rates contributed to the negative development of net sales. For example, the value of the Russian ruble decreased by more than 30%, reducing net sales translated into euros. Fluctuations in oil prices affected the production of raw materials and the prices of finished and semi-finished goods. Furthermore, slower and partially empty industrial supply chains have also had an impact on demand for logistics services. The operating environment started to recover during the fall, and the recovery intensified towards the end of the year, but it is still difficult to estimate how long the restrictions that reduce movement and financial activities remain in effect.

Results and financial position

Aspo's results started to increase during the fourth quarter of 2020. Demand for transportation services and raw materials, and the prices of raw materials increased. As sales margins remained at a sufficient level, while net sales increased, the Group's profitability improved towards the end of the year. Operational profitability, combined with decreased stocks and receivables, increased cash flows during the year.

Of Aspo's long-term financial targets, the operating profit rate increased in 2020 to 3.9% (3.6%), with the target being 6%. Return on equity decreased to 11.4% (13.5%), as results decreased from the comparative period relative to equity. The target is to have an average ROE of more than 20%.

Cash flow and financing

The Group's full-year cash flow from operating activities improved from the comparative period to EUR 65.0 (52.5) million. The effect of the change in working capital on the full-year cash flow was EUR 23.0 (9.3) million, with Telko's improved inventory management having a particularly positive impact on its improvement.

Free cash flow during the fourth quarter was EUR 21.5 (18.5) million. As a result of low investments, the Group's full-year free cash flow increased to EUR 56.0 (45.2) million.

	12/2020 MEUR	**12/2019** MEUR
Interest-bearing liabilities	201.4	221.6
Cash and cash equivalents	32.3	23.7
Net interest-bearing debt	169.1	197.9

Net interest-bearing liabilities decreased to EUR 169.1 (197.9) million, and gearing was 149.0% (162.2%). The Group's equity ratio at the end of the period was 30.1% (30.1%).

Net financial expenses totaled EUR -4.5 (-2.9) million. The adjustment of EUR 1.4 million related to Telko's taxation from 2015 increased financial income during the comparative period. The average rate of interest-bearing liabilities, excluding lease liabilities, was 1.5% (1.4%).

The Group's liquidity position remained strong. Cash and cash equivalents were EUR 32.3 million at the end of the review period. Committed revolving credit facilities, totaling EUR 55.0 million, were fully unused, as in the comparative period. EUR 11 million of Aspo's EUR 80 million commercial paper program was in use (12/2019: EUR 21 million). The efficiency of the Group's cash management was improved by adopting the Nordic multi-currency cash pool structure during the fourth quarter.

Aspo rearranged several loans during the year to improve the maturity structure of interest-bearing liabilities. During the second quarter, an additional one-year revolving credit facility of EUR 15 million was signed and the extension of the maturity of both a revolving credit facility of EUR 20 million and a term loan of EUR 25 million falling due during the second half of 2020 to the final quarter of 2021 was agreed upon. The aforementioned revolving credit facility of EUR 20 million and term loan of EUR 25 million were re-financed during the fourth quarter. The loans will now fall due in 2023 and 2024, and they also have options for a one-year extension.

In April, Aspo issued a new hybrid bond of EUR 20 million. The coupon rate of the new bond is 8.75% per annum. The bond has no maturity, but the company may exercise an early redemption option in May 2022 at the earliest. In connection with this transaction, Aspo repurchased part of its former hybrid bond of EUR 25 million at EUR 18.4 million in accordance with the tender offer regarding the bond. The repurchase was conditional on the issuance of a new hybrid bond. The unpurchased part of the former hybrid bond of EUR 6.6 million was repaid on May 27, 2020.

During the final quarter, the Board of Directors decided to distribute a second dividend of EUR 0.11 per share in accordance with the decision of the Annual Shareholders' Meeting. Aspo distributed a total of EUR 0.22 per share, or EUR 6.9 million, in dividends in 2020.

Short-term risks and uncertainties in business operations

The coronavirus pandemic and the measures taken to prevent coronavirus from spreading, both of which affect consumers, trade, industries and social structures, comprise the most significant short-term risk for Aspo's businesses and demand for their products and services. Lockdowns imposed in many countries, uncertainties over the duration of the pandemic, as well as new and recurrent infected areas, combined with virus mutations, the ongoing trade tensions and geopolitical uncertainties have an impact on the production decisions and logistics arrangements of Aspo's largest customers. Disturbances in supply chains resulting from the pandemic present a risk to Aspo's all businesses. Lower demand for transportation services and restrictions on movement have a general impact on the income of shipping companies, which may also reduce Aspo's results and cash flow. There may be corresponding effects in Aspo's all business segments, as customers' production cuts potentially reduce demand, even though the pandemic has had less impact on Aspo's results than what was initially suspected.

Restrictions on movement may affect the shipping company's operations and decelerate deliveries in other business segments. Aspo's results and balance sheet structure may weaken as a result of slowdown in economic activities, fluctuations in exchange rates and any restrictions on financing. The pandemic may have far-reaching consequences and a long-term impact on the operating environment, which may present a strategic risk to Aspo.

Geopolitical tensions and trade sanctions or restrictions also present significant challenges in the demand environment. Pricing pressures arising from the prevailing competitive situation continue to be a risk.

ASPO'S BUSINESSES

ESL Shipping

ESL Shipping is the leading dry bulk cargo company in the Baltic Sea region. ESL Shipping's operations are mainly based on long-term customer contracts and established customer relationships. At the end of the review period, the shipping company's fleet consisted of 50 vessels with a total capacity of 465,000 deadweight tonnage (dwt). Of these, 24 were wholly owned (75% of the tonnage), two were minority owned (2%) and the remaining 24 vessels (23%) were time chartered. ESL Shipping's competitive edge is based on its ability to responsibly secure product and raw material transportation for industries and energy production year-round, even in difficult conditions. The shipping company loads and unloads large ocean liners at sea as a special service.

	10-12/2020	10-12/2019	Change,%	1-12/2020	1-12/2019	Change,%
Net sales, MEUR	41.2	45.3	-9.1	148.4	175.0	-15.2
Operating profit, MEUR	4.8	4.4	9.1	7.6	14.6	-47.9
Operating profit, %	11.7	9.7		5.1	8.3	

ESL Shipping had a strong fourth quarter, with its operating profit improving to EUR 4.8 (4.4) million. Cargo volumes transported by the shipping company decreased slightly from the comparative period to 3.8 (4.0) million tons. Net sales decreased by 9% from the comparative period and stood at EUR 41.2 (45.3) million. The shipping company's vessel operations succeeded despite challenging wind conditions, and its cost efficiency improved from the comparative period as a result of measures and savings programs. The operating profit rate during the fourth quarter approached the long-term target, being 11.7% (9.7%).

Demand and transportation volumes among ESL Shipping's main customers started to increase during fall after the second and third quarters that were poor due to the coronavirus pandemic. In particular, raw material transportation volumes in the steel industry increased during the final quarter of the year. In the energy industry, transportation volumes decreased due to the exceptionally warm weather. Demand for loading and unloading operations for vessels at sea was very high during the quarter.

ESL Shipping's fleet was fully utilized since the end of October, as transportation volumes and cargo markets started to recover. International cargo levels improved during the fourth quarter, driven especially by raw material demand in China and higher raw material prices. Total transportation volumes in the largest vessel categories already exceeded the volumes recorded during the previous quarter and also in the comparative period. In smaller vessel categories, transportation volumes were still below the comparative period, but the vessel capacity available during the quarter was also smaller than in the comparative period. The profitability of all vessel categories improved significantly from the comparative period and from all previous quarters. One vessel of the smaller vessel category was docked during the fourth quarter.

ESL Shipping has succeeded in maintaining its normal service ability and in keeping the supply chains of its customers uninterrupted in the highly exceptional operating conditions, in which crew changes, maintenance and spare parts deliveries cannot be carried out normally due to travel restrictions and the lack of flight connections. Coronavirus infections among crew members were restricted by taking systematic action so that they did not have significant impact on vessel traffic during the review period. Advance testing and quarantine arrangements applied to crew members increased costs.

The deployment of crane automation on LNG-fueled vessels is still delayed due to the system supplier and the coronavirus pandemic. ESL Shipping's results for the fourth quarter includes an impairment loss of EUR 0.3 million related to the warranty repairs of *m/s Alppila* due to the shipyard's insolvency.

ESL Shipping's net sales in January–December decreased by 15% from the comparative period to EUR 148.4 (175.0) million due to lower demand resulting from the coronavirus pandemic. Despite the good fourth quarter, full-year operating profit remained at EUR 7.6 (14.6) million due to weak results during the second and third quarters.

Outlook 2021 for ESL Shipping

Demand for transportation in the company's main market area in Northern Europe has started to return towards a satisfactory level, and forecasts of transportation volumes are returning to normal in different customer segments. Most of the shipping company's transportation capacity has been secured in the Baltic Sea and Northern Europe through long-term agreements. ESL Shipping expects transportation volumes to increase from the previous year. The general development of cargo markets will have the highest impact on the performance of the shipping company's largest Supramax vessels. Cargo price levels for the largest vessels increased during fall, while they still remain at a historically low level.

The coronavirus pandemic continues to have a significant impact on operations in the company's main market areas. Any new measures and movement restrictions that would put a rein on societal activities may have a negative impact on demand shown by main customers. Travel restrictions and the lack of flight connections present additional challenges, particularly in crew changes and maintenance arrangements. So far, effects have been controllable but, if the situation persists, there may be delays and additional costs in vessel traffic.

ESL Shipping aims to improve its ability and flexibility to adapt its operations in accordance with the prevailing transportation demand. As a result of new customer agreements and improvements in general demand forecasts, the shipping company has increased its vessel capacity by time-chartering three new 6,000 dwt vessels of the smaller vessel category. The size and content of the time-chartering portfolio will be reviewed, also in the future, in accordance with any changes in the development and focus areas of customer demand. In the smaller vessel category, the price level of renewed and new time-chartering agreements is lower than last year overall, which improves the shipping company's profitability.

ESL Shipping is investigating different opportunities to have a presence, broader than at present, in markets in the Russian Arctic. In Northern Europe, customers are showing a considerably growing interest towards environmentally friendly sea transportation that produces as low carbon emissions as possible. The shipping company will continue its development activities to offer the most effective and environmentally friendly future transportation solutions on the markets. At the same time, ESL Shipping is investigating opportunities to use different new solutions related to the ownership and financing of vessels, used broadly in international shipping company operations, to speed up its operational development.

During 2021, significant environmental investments of roughly EUR 8 million will be targeted at a total of 14 vessels. As a result of equipment installation, the shipping company expects there to be more lay-ups in 2021 than normal, especially during summer.

Leipurin

Leipurin is a wholesaler specializing in bakery, food industry and foodservice solutions. Leipurin's business operations are divided into three areas: the bakery business, the machinery business and the foodservice business. The solutions offered by the bakery business comprise raw materials, recipes, product range development and training for bakeries and other food industries. As part of its machinery business, Leipurin designs, delivers and maintains production lines for the baking industry, baking units and other machinery and equipment required in the food industry. The machinery business also includes Vulganus Oy, a manufacturer specializing in freezing and cooling machines. In the foodservice business, Leipurin's product and service range consists of raw materials and service concepts, such as procurement and logistics services. Leipurin uses leading international producers and manufacturers as its raw material and machinery supply partners. Leipurin operates in Finland, Russia, the Baltic countries, Ukraine, Kazakhstan, and Belarus.

	10-12/2020	10-12/2019	Change,%	1-12/2020	1-12/2019	Change,%
Net sales, MEUR	26.6	31.9	-16.6	101.0	115.7	-12.7
Operating profit, MEUR	0.2	1.1	-81.8	1.4	3.0	-53.3
Operating profit, %	0.8	3.4		1.4	2.6	

During the fourth quarter, Leipurin's operating environment continued to be challenging due to the coronavirus pandemic. Bakery raw material trade is returning to normal in western and eastern markets, while regional restrictions have had a significant negative impact on foodservice and machinery operations.

Leipurin's net sales decreased to EUR 26.6 (31.9) million during the fourth quarter. The operating profit also decreased from the comparative period to EUR 0.2 (1.1) million. The operating profit rate during the fourth quarter was 0.8% (3.4%). Net sales in the market area of Russia, other CIS countries, and Ukraine decreased significantly by 27% to EUR 8.1 (11.1) million, while the operating profit rate in the market area remained high at roughly 8% (11%).

Net sales of the bakery business, comprising approximately 88% of Leipurin's total net sales, decreased by roughly 9% from the comparative period due to the coronavirus pandemic and resulting restrictions, as well as the decrease in the value of the Russian ruble. The decrease in sales also reduced the operating profit. Small bakeries, in particular, and bakeries that manufacture frozen bakery products and other products for the foodservice sector suffered significantly from restriction measures. The foodservice sector continues to suffer from remote working recommendations and restrictions on opening hours and customer capacity, which online and take away sales have not fully compensated.

Net sales of the machinery business remained low, particularly in Leipurin's own machinery production. Despite considerable adaptation measures, the machinery business produced a clear loss during the fourth quarter.

The foodservice business accounted for roughly 3% of Leipurin's total net sales during the fourth quarter. Net sales decreased as a result of restrictions imposed due to the coronavirus pandemic, and stood at EUR 0.8 (1.2) million.

The coronavirus pandemic reduced Leipurin's net sales and operating profit in January–December from the comparative period. Net sales stood at EUR 101.0 (115.7) million and operating profit at EUR 1.4 (3.0) million. The operating profit rate for January–December was 1.4% (2.6%). Net sales in the market area of Russia, other CIS countries, and Ukraine decreased by approximately 16% to EUR 31.7 (37.9) million, and the operating profit rate was approximately 7% (9%). The machinery business produced a loss, and its operations have been adapted and its structures have been changed permanently. Leipurin discontinued the loss-producing sales and maintenance operations of the machinery business in Russia during the third quarter.

Outlook 2021 for Leipurin

Coronavirus restrictions have varied in Leipurin's operating countries. It is still too early to assess the long-term impact of the pandemic on Leipurin's customers and markets. However, the situation involving Leipurin's customers and markets is expected to slowly return to normal if restrictions continue to be lifted. Leipurin is actively monitoring the development of demand and profitability and is prepared to further improve the efficiency of its operations and reduce expenses, if necessary.

The order book of the machinery business improved during the fourth quarter. Significant machine deliveries in Russia, planned for the first half of 2020, were further postponed to 2021 due to reasons independent of the company. During the fourth quarter, Leipurin's Vulganus Oy signed an agreement on a significant machine delivery to be recognized as revenue in 2021. The machinery business is expected to be profitable in 2021.

Leipurin will continue to invest in growth in eastern markets. The production unit for bakery raw materials in St. Petersburg will be developed further, and the product range will be developed to respond to the new market and price situation.

Telko

Telko is a leading expert in and supplier of plastic raw materials, industrial chemicals and lubricants. Kauko, reported as part of the Telko segment, is a specialist in demanding mobile knowledge work environments. Telko's operations are based on representing the best international principals, the expertise of personnel and long-standing customer relationships. The Telko segment has companies in Finland, the Baltic countries, Scandinavia, Germany, Poland, Romania, Russia, Belarus, Ukraine, Kazakhstan, Uzbekistan, Azerbaijan, and China.

	10-12/2020	10-12/2019	Change,%	1-12/2020	1-12/2019	Change,%
Net sales, MEUR	65.7	69.8	-5.9	251.3	297.0	-15.4
Operating profit, MEUR	4.1	0.9	355.6	14.9	8.0	86.3
Operating profit, %	6.2	1.3		5.9	2.7	

The global coronavirus pandemic and related restrictions continued to have a significant impact on the operating environment during the final quarter. However, demand decreased less from the comparative period during the final quarter than during previous quarters.

Prices of plastic raw materials and chemicals increased from the previous quarter to the comparative period's level. Prices were, however, lower than the long-term average. In lubricants, prices remained stable. Industrial demand, which decreased significantly in spring, started to slowly return to normal during the fourth quarter.

The net sales of the Telko segment decreased by 6% during the fourth quarter to EUR 65.7 (69.8) million. Net sales in the western markets increased by 2% to EUR 36.3 (35.7) million. Net sales in the market area of Russia, other CIS countries, and Ukraine decreased by 13% to EUR 27.4 (31.6) million.

During the fourth quarter, net sales of the Telko business decreased by 10% from the comparative period. The proportion of higher added value products and more capital-efficient operations increased clearly. Net sales decreased in all product areas and markets, apart from lubricants.

On October 1, 2020, Telko strengthened its position in lubricant markets in Sweden and Norway by acquiring all shares in Swedish ILS Nordic AB and its subsidiary Autolubes Nordic AB. More information on the business acquisition is available under “Financial information” in this financial statement release.

Net sales of the plastics business decreased by 10% to EUR 31.8 (35.4) million. Net sales of the chemicals business decreased by 21% to EUR 16.9 (21.5) million. Net sales of the lubricants business, including automotive chemicals, increased by 30% to EUR 9.1 (7.0) million.

The operating profit of the Telko segment increased significantly during the fourth quarter to EUR 4.1 (0.9) million. The operating profit rate improved to 6.2% (1.3%). Telko’s operating profit increased to EUR 3.2 (1.1) million. Kauko’s operating profit improved and was EUR 0.9 (-0.2) million. Kauko’s net sales and operating profit increased driven by IT solutions delivered to governmental authorities and high-quality protective equipment delivered to the public sector.

In 2020, Telko revised its strategic goals and updated its management system. Pricing was sharpened, the efficiency of the use of capital was improved, and costs were cut. In its operations, Telko has focused on higher added value products and partly discontinued any capital-binding operations with a low profit margin. The changes made during the year clearly improved Telko’s profitability and efficiency. In 2020, Telko produced a record-breaking operating profit despite the challenging market situation.

The Telko segment’s net sales decreased by 15% in January–December to EUR 251.3 (297.0) million. Operating profit grew significantly to EUR 14.9 (8.0) million. The operating profit rate approached the long-term target of 6%, being 5.9% (2.7%). The Telko segment’s net sales in eastern markets, i.e., Russia, other CIS countries and Ukraine, decreased in January–December by 21% to EUR 104.4 (132.8) million. Weakened local currencies and decreased demand due to the pandemic reduced net sales in eastern markets significantly. In western markets, net sales decreased by 11% to EUR 138.4 (155.8) million.

Net sales of the plastics business decreased by 19% to EUR 122.9 (152.2) million. Net sales of the chemicals business decreased by 17% to EUR 74.6 (90.1) million. Furthermore, net sales of the lubricants business decreased by 2% to EUR 27.4 (28.0) million.

The impact of Kauko, reported as part of the Telko segment, on net sales in January–December was EUR 26.4 (26.7) million, and EUR 2.3 (-0.2) million on operating profit. Significant increases in sales of protective equipment in the public and healthcare sectors improved Kauko’s profitability and net sales. The divestment of the loss-producing energy equipment business at the end of 2019 reduced Kauko’s net sales in 2020, while improving its profitability.

Outlook 2021 for Telko

The changes carried out place Telko in a strong position to start the new year. However, the future outlook for Telko’s customers is still associated with considerable uncertainties. Any deterioration in the coronavirus pandemic and the issuance of resulting restrictions may have a negative impact on the operating conditions of Telko’s customer companies and principals. Challenges are expected during the first half of the year in the availability of certain products and the shipping container capacity. Growing demand is expected to increase raw material prices.

Telko’s key goal is to maintain the relative profitability level achieved during 2020. According to its revised strategy, Telko is seeking an even stronger role in the value chain, focusing on cooperation with both customers and principals.

Production volumes of several industrial customers important for Telko decreased significantly during 2020, while demand is expected to recover this year. Demand in eastern markets is expected to remain unchanged or improve slightly. Changes in sanctions imposed on Russia due to the crisis in Ukraine may have an impact on Russian markets. Business operations in Ukraine are expected to remain stable.

Kauko will continue to invest in IT for demanding work environments, as well as in IT and protective equipment in the healthcare sector.

The integration of ILS Nordic AB into Telko generated costs during the quarter, while Telko expects the business acquisition to have a positive impact on results starting from the first quarter of 2021.

Other operations

Other operations include Aspo Group's administration, the financial and ICT service center, and a small number of other functions not covered by business units. The operating result of other operations decreased during the final quarter, being at the previous year's level at EUR -4.6 (-4.5) million in 2020.

COMPANY INFORMATION

Share capital and shares

Aspo Plc's registered share capital on December 31, 2020 was EUR 17,691,729.57, and the total number of shares was 31,419,779, of which the company held 161,650 shares, i.e. 0.5% of the share capital.

Aspo Plc has one share series. Each share entitles the shareholder to one vote at the Shareholders' Meeting. Aspo's share is quoted on Nasdaq Helsinki Ltd's Mid Cap segment under industrial products and services.

During January–December 2020, a total of 6,797,908 Aspo Plc shares, with a market value of EUR 46.2 million, were traded on Nasdaq Helsinki. In other words, 21.6% of the shares changed hands. During the review period, the share price reached a high of EUR 8.56 and a low of EUR 5.50. The average price was EUR 6.80 and the closing price at end of the review period was EUR 8.40. At the end of the review period, the market value, less treasury shares, was EUR 262.6 million.

At the end of the review period, the company had 10,904 shareholders. A total of 1,397,537 shares, or 4.5% of the share capital, were nominee registered or held by non-domestic shareholders.

Dividend proposal

Aspo's goal is to annually increase the amount of dividends. Aspo started to pay dividends twice a year in 2017.

The Board of Directors proposes that EUR 0.35 (0.22) per share is distributed in dividends for the 2020 financial year and that no dividend is paid for treasury shares held by Aspo Plc. On December 31, 2020, the parent company's distributable funds totaled EUR 44,628,058.04, of which the profit for the financial year was EUR 7,216,598.18. There are a total of 31,258,129 shares entitling to dividends on the publication date of this financial statement release.

The dividend will be paid in two installments. The first installment of EUR 0.18 per share will be paid to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of April 12, 2021. The Board of Directors proposes that the dividend is paid on April 19, 2021. The second installment of EUR 0.17 per share will be paid in November 2021 to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date. At its meeting to be held on October 27, 2021, the Board of Directors will decide on the record and payment dates of the second installment, in accordance with the rules of the Finnish book-entry securities system. According to the current system, the dividend record date would be October 29, 2021 and the payment date would be November 5, 2021.

Before the Board of Directors implements the decision made at the Annual Shareholders' Meeting, it must assess, as required in the Finnish Limited Liability Companies Act, whether the company's liquidity and/or financial position has changed after the decision was made at the Annual Shareholders' Meeting so that the prerequisites for the distribution of dividends stipulated in the Limited Liability Companies Act are no longer fulfilled. The fulfillment of the prerequisites stipulated in the Limited Liability Companies Act is a requirement for the implementation of the decision made at the Annual Shareholders' Meeting.

Rewarding

On June 18, 2020, Aspo Plc's Board of Directors decided on a new share-based incentive plan for the Group's key personnel. The reward from the Restricted Share Plan 2020 is based on the participant's valid employment or service and continuation of employment during the vesting period of 36 months, and is paid in company shares and a cash contribution not exceeding the value of the shares. The rewards payable under the plan correspond to a maximum total value of 340,000 Aspo Plc shares, also including the proportion to be paid in cash.

The cash proportion to be paid in addition to the company's shares is intended to cover taxes and tax-like payments arising from the remuneration to the key personnel, in addition to which no other cash contributions are paid to the key personnel. If a key person resigns during the vesting period, they must, as a general rule, return the shares issued as a reward to the company free of charge. The shares paid as a reward may not be transferred during the vesting period, which ends three years after the transfer of the shares to the key employee. The Restricted Share Plan 2020 is directed to approximately 10 people, including the members of the Group Executive Committee.

Decisions of the Annual Shareholders' Meeting

Dividend

Aspo Plc's Annual Shareholders' Meeting held on 4 May, 2020 decided, as proposed by the Board of Directors, that EUR 0.11 per share will be distributed in dividends for the 2019 financial year, and that no dividend will be paid for shares held by Aspo Plc. The payment date was May 13, 2020.

In addition, the Annual Shareholders' Meeting decided to authorize the Board of Directors to decide on the distribution of dividends of at most EUR 0.11 per share in one or more installments at a later date. Based on the authorization, Aspo Plc's Board of Directors decided on the payment of a second dividend of EUR 0.11 per share on October 1, 2020. The payment date was October 12, 2020.

Board of Directors, CEO and auditor

Mammu Kaario, Mikael Laine, Gustav Nyberg, Salla Pöyry and Tatu Vehmas were re-elected to the Board of Directors, and Heikki Westerlund was elected as a new member. At the Board's organizing meeting held after the Annual Shareholders' Meeting, Gustav Nyberg was elected as Chairman of the Board and Mammu Kaario as Vice Chairman. In addition, the Board decided to elect Gustav Nyberg as Chairman of the Remuneration Committee and Salla Pöyry and Tatu Vehmas as its members, Mammu Kaario as Chairman of the Audit Committee, and Mikael Laine, Tatu Vehmas and Heikki Westerlund as its members.

In 2020, the Board of Directors arranged 18 meetings. The number of meetings was higher than normal due to the coronavirus pandemic. The participation rate was 100%.

eMBA Aki Ojanen has acted as the CEO of the company. Aki Ojanen has announced to the Board of Directors to use the opportunity to retire in 2021 after turning 60.

The authorized public accountant firm Deloitte Oy has been the company's auditor. Jukka Vattulainen, APA, has been the auditor in charge. The auditor's fee will be paid in accordance with an accepted invoice.

Board authorizations

Authorization of the Board of Directors to decide on the acquisition of treasury shares

The Annual Shareholders' Meeting on May 4, 2020 authorized the Board of Directors to decide on the acquisition of no more than 500,000 treasury shares using the unrestricted equity of the company, representing about 1.6% of all the shares in the company. The authorization includes the right to accept treasury shares as a pledge. The authorization is valid until the Annual Shareholders' Meeting in 2021 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

Authorization of the Board of Directors to decide on a share issue of treasury shares

The Annual Shareholders' Meeting on May 4, 2020 authorized the Board of Directors to decide on a share issue, through one or several lots, to be executed by conveying treasury shares. An aggregate maximum amount of 900,000 shares may be conveyed based on the authorization. The authorization is valid until the Annual Shareholders' Meeting in 2021 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

Based on the share issue authorization given by the Annual Shareholders' Meeting, Aspo Plc transferred a total of 130,000 treasury shares on June 29, 2020 and 5,000 treasury shares on August 14, 2020, to participants in the restricted share-based incentive plan 2020. The shares were transferred gratuitously in accordance with the terms and conditions of the share-based incentive plan.

Authorization of the Board of Directors to decide on a share issue of new shares

The Annual General Meeting on May 4, 2020 authorized the Board of Directors to decide on a share issue of new shares against payment. The authorization includes the right of the Board of Directors to decide on all of the other terms and conditions of the conveyance and thus also includes the right to decide on a directed share issue, in deviation from the shareholders' pre-emptive right, if a compelling financial reason exists for the company to do so. The total number of new shares to be offered for subscription may not exceed 1,500,000. The authorization is valid until the Annual Shareholders' Meeting in 2021 but not more than 18 months from the approval at the Annual Shareholders' Meeting.

Proposals of the shareholders' Nomination Board for the Shareholders' Meeting

The shareholders' Nomination Board consists of the representatives of the four largest shareholders. According to the list of shareholders as of August 31, 2020, the following representatives of the largest shareholders were members of the Nomination Board which prepared proposals for the 2021 AGM: Roberto Lencioni, chair (Vehmas family, including AEV Capital Holding Oy); Veronica Timgren (Nyberg family, including Oy Havsudden Ab); Pekka Pajamo (Varma Mutual Pension Insurance Company); and Annika Ekman (Ilmarinen Mutual Pension Insurance Company).

In addition, Gustav Nyberg, chairman of Aspo's Board of Directors, has acted as an expert member of the Nomination Board.

Members of the Board

The Nomination Board of Aspo Plc's shareholders proposes to the Annual General Meeting of Aspo Plc to be held on April 8, 2021 that the Board of Directors will have six members.

The Nomination Board proposes that Mammu Kaario, Mikael Laine, Salla Pöyry, Tatu Vehmas and Heikki Westerlund, current members of the company's Board of Directors, will be re-elected as members of the Board of Directors for the term closing at the end of the 2022 Annual Shareholders' Meeting, and that Patricia Allam (née Nyberg) will be elected as a new member.

Gustav Nyberg has announced that he will not be available as a member of the Board of Directors at the 2021 Annual Shareholders' Meeting.

All of the aforementioned individuals proposed as members of the Board of Directors have given their consent to their appointment. The members of the Board of Directors elect a Chairman and a Vice Chairman from among its members. The proposed individuals have announced to the company that, if they are elected, they will elect Heikki Westerlund as the Chairman of the Board of Directors and Mammu Kaario as the Vice Chairman.

Remuneration paid to the members of the Board of Directors

The Nomination Board proposes that the monthly fees paid to members of the Board of Directors remain unchanged, being as follows:

- EUR 2,700 per month for members of the Board of Directors
- EUR 4,050 per month for the Vice Chairman
- EUR 5,400 per month for the Chairman

In addition, the Nomination Board proposes that the meeting fees paid to members and chairs of the Audit Committee and Remuneration Committee remain unchanged. The Nomination Board proposes that a meeting fee of EUR 700 per meeting be paid to members of the committees and a meeting fee of EUR 1,050 per meeting be paid to chairs of the committees. If the chair of a committee is also the Chairman or the Vice Chairman of the Board of Directors, the Nomination Board proposes that the fee paid to the chair of the committee is the same as that paid to members of the committee. Board members having a full-time position in an Aspo Group company are not paid a fee.

FINANCIAL INFORMATION

Aspo Group's condensed consolidated statement of comprehensive income

	10-12/2020 MEUR	10-12/2019 MEUR	1-12/2020 MEUR	1-12/2019 MEUR
Net sales	**133.5**	**147.0**	**500.7**	**587.7**
Other operating income	0.1	0.5	0.5	0.9
Share of profits accounted for using the equity method	-0.3	0.0	-0.4	0.0
Materials and services	-81.7	-96.3	-315.8	-389.1
Employee benefit expenses	-12.0	-10.5	-44.0	-45.1
Depreciation, amortization and impairment losses	-4.0	-4.0	-15.8	-14.9
Depreciation, right-of-use assets	-3.4	-3.3	-13.2	-13.7
Other operating expenses	-24.6	-28.0	-92.7	-104.7
Operating profit	**7.6**	**5.4**	**19.3**	**21.1**
Financial income and expenses	-1.2	-0.9	-4.5	-2.9
Profit before taxes	**6.4**	**4.5**	**14.8**	**18.2**
Income taxes	-0.3	-0.8	-1.4	-2.1
Profit	**6.1**	**3.7**	**13.4**	**16.1**
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-0.1	0.1	-7.7	4.4
Other comprehensive income for the period, net of taxes	-0.1	0.1	-7.7	4.4
Total comprehensive income	**6.0**	**3.8**	**5.7**	**20.5**
Profit attributable to shareholders	6.1	3.7	13.4	16.1
Total comprehensive income attributable to shareholders	6.0	3.8	5.7	20.5
Basic earnings per share, EUR	0.19	0.10	0.39	0.47
Diluted earnings per share, EUR	0.19	0.10	0.39	0.47

Aspo Group's condensed consolidated balance sheet

Assets	12/2020 MEUR	12/2019 MEUR
Intangible assets	55.2	51.2
Tangible assets	169.1	180.2
Right-of-use assets	20.1	21.5
Investments accounted for using the equity method	1.0	1.4
Other non-current assets	0.8	0.6
Total non-current assets	246.2	254.9
Inventories	42.4	55.9
Accounts receivable and other receivables	63.2	75.4
Cash and cash equivalents	32.3	23.7
Total current assets	137.9	155.0
Total assets	**384.1**	**409.9**
Equity and liabilities		
Share capital and premium	22.0	22.0
Other equity	91.5	100.1
Total equity	113.5	122.1
Loans and overdraft facilities	149.1	141.7
Lease liabilities	7.2	8.8
Other liabilities	4.5	4.9
Total non-current liabilities	160.8	155.4
Loans and overdraft facilities	32.5	58.2
Lease liabilities	13.4	13.0
Accounts payable and other liabilities	63.9	61.2
Total current liabilities	109.8	132.4
Total equity and liabilities	**384.1**	**409.9**

Aspo Group's condensed consolidated cash flow statement

	1-12/2020 MEUR	**1-12/2019** MEUR
CASH FLOWS FROM/USED IN OPERATING ACTIVITIES		
Operating profit	19.3	21.1
Adjustments to operating profit	29.2	28.1
Change in working capital	23.0	9.3
Interest paid	-4.4	-5.0
Interest received	0.7	1.7
Income taxes paid	-2.8	-2.7
Net cash from operating activities	**65.0**	**52.5**
CASH FLOWS FROM/USED IN INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-7.2	-5.4
Investment subsidy	2.5	0.0
Proceeds from sale of tangible assets	0.2	0.2
Acquisition of businesses	-4.7	-2.5
Divestment of businesses		0.3
Dividends received	0.1	0.1
Net cash used in investing activities	**-9.0**	**-7.3**
CASH FLOWS FROM/USED IN FINANCING ACTIVITIES		
Change in current loans	0.8	0.7
Proceeds from non-current loans		30.0
Repayments of non-current loans	-18.9	-29.5
Payments of lease liabilities*	-13.0	-27.7
Hybrid bond repayment	-25.0	
Proceeds from Hybrid bond issue	20.0	
Hybrid bond, interest paid	-1.6	-1.7
Hybrid bond, transaction costs paid	-0.3	
Dividends distributed	-6.9	-13.7
Net cash used in financing activities	**-44.9**	**-41.9**
Change in cash and cash equivalents	**11.1**	**3.3**
Cash and cash equivalents January 1	23.7	19.3
Translation differences	-2.5	1.1
Cash and cash equivalents at period-end	**32.3**	**23.7**

* The payment of the lease liability in 2019 was significantly higher in the comparative period due to the purchase of *m/s Alppila* by ESL Shipping in August 2019 in accordance with the terms and conditions of the lease agreement.

Aspo Group consolidated statement of changes in equity

MEUR	Share capital and premium	Other Reserves	Hybrid bond	Translation Differences	Retained Earnings	Total
Equity January 1, 2020	**22.0**	**16.4**	**25.0**	**-19.2**	**77.8**	**122.1**
Comprehensive income:						
Profit for the period					13.4	13.4
Translation differences		0.0		-7.8		-7.8
Cash flow hedging		0.1				0.1
Total comprehensive income		0.1		-7.8	13.4	5.7
Transactions with owners:						
Dividend payment					-6.9	-6.9
Hybrid bond			-5.0			-5.0
Hybrid bond interest and transacion costs					-2.0	-2.0
Share-based incentive plan					-0.5	-0.5
Total transactions with owners			-5.0		-9.3	-14.3
Equity December 31, 2020	**22.0**	**16.5**	**20.0**	**-27.0**	**81.9**	**113.5**
Equity January 1, 2019	**22.0**	**16.4**	**25.0**	**-23.6**	**76.9**	**116.6**
Impact of IFRS 16					0.0	0.0
Adjusted equity January 1, 2019	22.0	16.4	25.0	-23.6	76.9	116.7
Comprehensive income:						
Profit for the period					16.1	16.1
Translation differences				4.4		4.4
Cash flow hedging		0.0				0.0
Total comprehensive income				4.4	16.1	20.6
Transactions with owners:						
Dividend payment					-13.7	-13.7
Interest on hybrid bond					-1.7	-1.7
Share-based incentive plan					0.2	0.2
Total transactions with owners					-15.2	-15.2
Equity December 31, 2019	**22.0**	**16.4**	**25.0**	**-19.2**	**77.7**	**122.1**

Accounting principles

Aspo Plc's financial statement release has been prepared in accordance with the principles of IAS 34 – Interim Financial Reporting. As of January 1, 2020, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2019 consolidated financial statements. Intangible assets have been added to the scope of application of IFRS 16 – Leases since January 1, 2020. In addition, the temporary changes described below and caused by the coronavirus pandemic have been made to the measurement principles of accounts receivable and inventories. In other respects, the same accounting and measurement principles have been applied as in the consolidated financial statements of December 31, 2019. The information in this financial statement release is unaudited.

The coronavirus pandemic affects the inventory turnover and the payment schedules of accounts receivable. It is assumed that the exceptional circumstances may cause slow-moving inventories to slow even further. Considering accounts receivable, Aspo needs to prepare for situations where customers require more time for payments or may even lose their ability to pay.

The following temporary changes have been made to measurement principles, applied starting from March 31, 2020:

- ⇨ A 100% allowance for obsolescence will apply to slow-moving inventories of more than 18 months (previously 12 months).
- ⇨ If required, the bad debt allowance for accounts receivable will focus more on the counterparty risk, instead of using the statistical model as required in IFRS 9. This principle is in line with the statement issued by the European Securities and Market Authority (ESMA) on March 25, 2020.

The changes in the measurement and accounting principles have not been applied retroactively.

Aspo Plc applies the guidance on alternative key figures issued by ESMA. In addition to IFRS figures, the company releases other commonly used key figures which are mainly derived from the statement of comprehensive income and balance sheet. According to the management, key figures clarify the view drawn by the statement of comprehensive income and balance sheet of Aspo's financial performance and financial position. The calculation principles of key figures are explained on page 56 of the Aspo's Year 2019 publication.

Acquisition of businesses

On October 1, 2020, Telko strengthened its position in lubricant markets in Sweden and Norway by acquiring all shares in Swedish ILS Nordic AB and its subsidiary Autolubes Nordic AB. The purchase price of EUR 5.6 million was paid in full in cash. Telko's goodwill increased by EUR 2.8 million and it represents synergies that are expected to arise as a result of the transaction. The combined net sales of the acquired companies in 2020 were EUR 9.2 million, and their profit before taxes for the financial year was EUR 0.9 million. Aspo Group's figures include the net sales and profit of the acquired companies for the last three months of the year. Consolidated net sales of the acquired companies were EUR 2.4 million, and the consolidated profit before tax EUR 0.2 million.

Personnel

At the end of the year, Aspo Group had 896 employees (931 at the end of 2019).

Net sales and segment information

Aspo Group's reporting segments are ESL Shipping, Leipurin and Telko. Kauko is reported as part of the Telko segment.

Aspo Group disaggregation of net sales

Net sales by business area

	10-12/2020 MEUR	10-12/2019 MEUR	1-12/2020 MEUR	1-12/2019 MEUR
ESL Shipping				
ESL Shipping	41.2	45.3	148.4	175.0
	41.2	45.3	148.4	175.0
Leipurin				
Bakery business	23.4	25.7	87.4	95.7
Machinery business	2.4	5.0	10.4	15.3
Foodservice business	0.8	1.2	3.2	4.7
	26.6	31.9	101.0	115.7
Telko				
Plastics business	31.8	35.4	122.9	152.2
Chemicals business	16.9	21.5	74.6	90.1
Lubricants business	9.1	7.0	27.4	28.0
Kauko	7.9	5.9	26.4	26.7
	65.7	69.8	251.3	297.0
Total	133.5	147.0	500.7	587.7

Net sales by timing of revenue recognition

	10-12/2020 MEUR	10-12/2019 MEUR	1-12/2020 MEUR	1-12/2019 MEUR
ESL Shipping				
At a point in time	0.7	1.6	2.3	1.6
Over time	40.5	43.7	146.1	173.4
	41.2	45.3	148.4	175.0
Leipurin				
At a point in time	26.3	30.6	97.2	111.5
Over time	0.3	1.3	3.8	4.2
	26.6	31.9	101.0	115.7
Telko				
At a point in time	65.4	69.6	250.7	296.1
Over time	0.3	0.2	0.6	0.9
	65.7	69.8	251.3	297.0
Total				
At a point in time	92.4	101.8	350.2	409.2
Over time	41.1	45.2	150.5	178.5
	133.5	147.0	500.7	587.7

Net sales by market area

	10-12/2020 MEUR	10-12/2019 MEUR	1-12/2020 MEUR	1-12/2019 MEUR
ESL Shipping				
Finland	18.8	20.0	69.4	79.6
Scandinavia	11.4	12.1	41.3	46.9
Baltic countries	1.0	3.0	2.2	8.1
Russia, other CIS countries and Ukraine	2.2	0.1	5.4	0.5
Other countries	7.8	10.1	30.1	39.9
	41.2	45.3	148.4	175.0
Leipurin				
Finland	10.7	11.8	39.8	43.9
Scandinavia	0.0	0.3	0.0	0.7
Baltic countries	7.4	8.1	27.9	31.5
Russia, other CIS countries and Ukraine	8.1	11.1	31.7	37.9
Other countries	0.4	0.6	1.6	1.7
	26.6	31.9	101.0	115.7
Telko				
Finland	17.6	16.6	67.7	71.6
Scandinavia	10.3	8.6	36.6	37.2
Baltic countries	3.6	4.0	16.0	18.3
Russia, other CIS countries and Ukraine	27.4	31.6	104.4	132.8
Other countries	6.8	9.0	26.6	37.1
	65.7	69.8	251.3	297.0
Total				
Finland	47.1	48.4	176.9	195.1
Scandinavia	21.7	21.0	77.9	84.8
Baltic countries	12.0	15.1	46.1	57.9
Russia, other CIS countries and Ukraine	37.7	42.8	141.5	171.2
Other countries	15.0	19.7	58.3	78.7
	133.5	147.0	500.7	587.7

Segment information

Reconciliation of segment profit to the Group's profit before taxes

1-12/2020

MEUR	ESL Shipping	Leipurin	Telko	Unallocated items	Group total
Operating profit	7.6	1.4	14.9	-4.6	19.3
Net financial expenses					-4.5
Profit before taxes					14.8

1-12/2019

MEUR	ESL Shipping	Leipurin	Telko	Unallocated items	Group total
Operating profit	14.6	3.0	8.0	-4.5	21.1
Net financial expenses					-2.9
Profit before taxes					18.2

Investments by segment

MEUR		ESL Shipping	Leipurin	Telko	Unallocated items	Group total
Investments	1-12/2020	4.2*	0.0	0.5	0.0	4.7
Investments	1-12/2019	18.6	0.5	0.7	0.1	19.9

* The EU has subsidized ESL Shipping's energy-efficiency and environmental investments regarding the LNG-fueled vessels deployed in 2018. To obtain the subsidy, it was required that the activities listed in the agreement are carried out and that the arising costs are documented in an approved manner. In November 2020, ESL Shipping received a subsidy of EUR 2.5 million. The subsidy received has been recognized to reduce the acquisition costs of vessels and presented as a decrease in investments made in 2020. The subsidy will be recognized as income in the form of lower depreciation expense during the useful life of the vessels.

Segment assets and liabilities

MEUR	ESL Shipping	Leipurin	Telko	Unallocated items	Group total
Segment assets Jan 1, 2020	222.7	65.5	94.2	27.5	409.9
Segment assets Dec 31, 2020	210.4	59.9	77.7	36.1	384.1
Segment liabilities Jan 1, 2020	26.4	20.2	32.2	209.0	287.8
Segment liabilities Dec 31, 2020	27.7	19.9	31.9	191.1	270.6

Helsinki, February 11, 2021

ASPO Plc
Board of Directors

Press and analyst conference

A press and analyst conference will be arranged today, Thursday February 11, 2021 at 2:00 p.m.

The press conference can also be followed by a live webcast at https://aspo.videosync.fi/2020-q4-results, or by calling +358 9 817 10310 (32529535#) 5 to 10 minutes before the beginning of the press conference. The recording of the event will be available on the company's website later on the same day.

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting is scheduled to be held on Thursday April 8, 2021 at 10:00 a.m. in Helsinki.

Financial information in 2021

Aspo's financial statements 2020 will be published on March 5, 2021 at the latest in Finnish and in English. The financial statements and annual report can be read and ordered on the company's website at www.aspo.fi.

In 2021, Aspo Plc will publish two interim reports and a half year financial report:
- interim report for January–March 2021 on May 5, 2021
- half year financial report for January–June 2021 on August 11, 2021
- interim report for January–September 2021 on October 27, 2021

Helsinki, February 11, 2021

Aspo Plc

Aki Ojanen	Arto Meitsalo
CEO	CFO

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Aspo is a conglomerate that owns and develops businesses in Northern Europe and growth markets, focusing on demanding B-to-B customers. The aim of our strong corporate brands – ESL Shipping, Leipurin, Telko and Kauko – is to be the market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these. Together they generate Aspo's goodwill. Aspo's Group structure and business operations are developed persistently without any predefined schedules.