



## ASPOCOMP'S HALF YEAR FINANCIAL REPORT 2016

### Key figures 4-6/2016 in brief

	4-6/2016	4-6/2015	Change
Net sales	5.3 M€	4.4 M€	1.0 M€
EBITDA	0.4 M€	-0.2 M€	0.6 M€
Comparable operating result	0.2 M€	-0.3 M€	0.5 M€
<i>% of net sales</i>	3.1 %	-7.0 %	10.1 ppts
Operating result	0.2 M€	-0.5 M€	0.7 M€
<i>% of net sales</i>	3.1 %	-11.6 %	14.6 ppts
Earnings per share	0.02 €	-0.08 €	0.11 €

### Key figures 1-6/2016 in brief

	1-6/2016	1-6/2015	Change
Net sales	9.5 M€	8.9 M€	0.5 M€
EBITDA	0.2 M€	0.2 M€	0.0 M€
Comparable operating result	-0.3 M€	-0.2 M€	-0.1 M€
<i>% of net sales</i>	-2.9 %	-2.1 %	-0.8 ppts
Operating result	-0.3 M€	-0.4 M€	0.1 M€
Earnings per share	-0.05 €	-0.06 €	0.01 €
Operative cash flow	-0.2 M€	0.2 M€	-0.4 M€
Equity ratio	65.7 %	74.0 %	-8.3 ppts
Order book at the end of period	2.4 M€	1.1 M€	1.3 M€

### OUTLOOK FOR THE FUTURE

The company's full-year guidance remains unchanged. In 2016, net sales are expected to grow and the operating result to be in the black. In 2015, net sales amounted to EUR 17.5 million and the operating result to EUR -1.2 million.

### CEO'S REVIEW

"Sales increased during the second quarter to EUR 5.3 million and were EUR 1.2 million higher than in the first quarter. Growth was 22 percent in comparison to the previous year's second quarter, or almost EUR 1.0 million. Demand improved, driven especially by automotive industry customers, but demand for printed circuit boards that support telecommunications customers' product development also picked up after a weak start to

the year. The focus of growth during the second quarter was on Central Europe and especially Germany, which is Europe's largest printed circuit board market.

The company's order book continued to grow throughout the second quarter and was EUR 2.4 million at the end of the reporting period. The increase in the order book was mainly due to new projects in the automotive industry.

Second-quarter operating profit increased to EUR 0.2 million, representing slightly more than 3 percent of net sales. Comparable operating profit saw a year-on-year improvement of EUR 0.5 million. Operating result for the first half of the year was still EUR 0.3 million in the red. The strong order book is expected to support favorable result performance during the latter half of the year.”

## NET SALES AND EARNINGS

### April-June 2016

Second-quarter net sales amounted to EUR 5.3 million, a year-on-year increase of 22 percent. The five largest customers accounted for 52 percent of net sales (48% 4-6/2015). In geographical terms, 92 percent of net sales were generated in Europe (92%), 6 percent in Asia (7%) and 2 percent in North America (1%). Orders from automotive industry customers increased significantly and deliveries to telecommunications customers improved after a weak start to the year.

The operating result for the second quarter amounted to EUR 0.2 million (EUR -0.5 million 4-6/2015).

Second quarter comparable operating result was EUR 0.5 million higher than a year earlier.

Net financial expenses for the second quarter amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.02 (EUR -0.08).

### First half of 2016

First-half net sales amounted to EUR 9.5 million (EUR 8.9 million 1-6/2015), a year-on-year increase of 6 percent.

The five largest customers accounted for 50 percent of net sales (47% 1-6/2015). In geographical terms, 90 percent of net sales were generated in Europe (94%), 6 percent in Asia (5%) and 4 percent in North America (1%).

First-half operating result amounted to EUR -0.3 million (EUR -0.4 million 1-6/2015). The comparable operating result was EUR -0.3 million (EUR -0.2 million 1-6/2015, including the Teuva plant's shutdown costs).

Net financial expenses amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR -0.05 (EUR -0.06).

## INVESTMENTS AND R&D

Investments during the review period amounted to EUR 0.1 million (EUR 0.4 million 1-6/2015).

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.

## CASH FLOW AND FINANCING

Cash flow from operations during the period was EUR -0.2 million (EUR 0.2 million 1-6/2015).

Cash flow after investments was EUR -0.3 million (EUR -0.2 million).

Cash assets amounted to EUR 0.3 million at the end of the period (EUR 0.4 million 6/2015). Interest-bearing liabilities amounted to EUR 1.6 million (EUR 0.9 million 6/2015). Gearing was 14.6 percent (4.7%). Non-interest-bearing liabilities amounted to EUR 3.2 million (EUR 2.5 million). At the end of the period, the Group's equity ratio amounted to 65.7 percent (74.0%).

The company also has a EUR 0.75 million credit facility, of which EUR 0.6 million was in use on the closing date. In addition, the company has a recourse factoring agreement, of which EUR 0.6 million was in use.

## PERSONNEL

During the review period, the company had an average of 104 employees (130 in 1-6/2015). The personnel count on June 30, 2016 was 105 (110 in 6/2015). Of them, 66 (67) were non-salaried and 39 (43) salaried employees.

## ANNUAL GENERAL MEETING 2016

The decisions of the Annual General Meeting, the authorizations given to the Board of Directors by the AGM and the decisions relating to the organization of the Board of Directors have been published in separate stock exchange releases on April 7, 2016.

## SHARES

The total number of Aspocomp's shares at June 30, 2016 was 6,406,505 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares.

A total of 2,130,611 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to June 30, 2016. The aggregate value of the shares exchanged was EUR 2,542,860. The shares traded at a low of EUR 0.97 and a high of EUR 1.55. The average share price was EUR 1.19. The closing price at June 30, 2016 was EUR 1.13, which translates into market capitalization of EUR 7.2 million.

Nominee-registered shares accounted for 6 percent of the total shares.

## ASPOCOMP'S BUSINESS OPERATIONS

Aspocomp sells and manufactures PCBs and offers related design and logistics services. The company's own manufacturing unit in Oulu comprises the core of its business operations. The Oulu plant focuses on prototype and quick-turn deliveries and the commercialization of new PCB technologies in cooperation with customers' product design departments. In addition, operating as a service business, Aspocomp provides technology solutions and more competitive products.

Aspocomp's customers are companies that design and manufacture telecom systems and equipment, industrial and automotive electronics, and healthcare systems.

The Oulu plant manufactures HDI (*High Density Interconnection*), multilayer and special material PCBs. It is capable of very fast deliveries, even in the case of structurally complex

PCBs. Aspocomp's HDI product development and commercialization are centralized in Oulu. In addition, the Oulu plant develops technologies for heat management on PCBs.

Electronics supply chains are occasionally hit by disturbances that result in urgent needs. For instance, PCB deliveries might be hindered by overdemand, accidents, natural catastrophes or holiday seasons. Furthermore, problems with deliveries of any of the components assembled on PCBs could lead to layout changes in PCBs. Fulfilling urgent needs due to such changes is difficult and cost-ineffective for high-volume PCB suppliers that manufacture long series. In such situations, the Oulu plant can step in to plug these urgent high-volume needs.

In addition to its in-house manufacture, Aspocomp also offers PCB trading services to its customers. These services include the selection of the most suitable high-volume manufacturer, provision of the technical specifications of the product, quality assurance and logistics services. These trading services round out Aspocomp's own manufacturing, enabling customers to cost-effectively buy their PCBs from a single provider over the entire life cycle of a product. Aspocomp's own production operations in Oulu keep it up to date on developments in PCB technology – customers can thus rest assured that the company will provide them with the best knowledge and service.

## OUTLOOK FOR THE FUTURE

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 seeks 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.

The company estimates that the pick-up in demand that started in February will continue and that the full year as a whole will be better than 2015. The company expects to grow particularly in the automotive industry, industrial electronics and different kinds of security applications. Furthermore, next-generation R&D projects are anticipated to generate growth in telecom equipment.

The company's full-year guidance remains unchanged. In 2016, net sales are expected to grow and the operating result to be in the black. In 2015, net sales amounted to EUR 17.5 million and the operating result to EUR -1.2 million.

## ASSESSMENT OF SHORT-TERM BUSINESS RISKS

### Dependence on key customers

Aspocomp's customer base is concentrated; the majority of sales are generated by a small number of key customers. Aspocomp does not as yet have enough medium-sized customers and still remains too dependent on its 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. A prolonged downturn has increased competition in quick-turn deliveries and short production series and has had a negative impact on both demand and prices. Correspondingly, overdemand for PCBs increases the need for quick-turn deliveries and decreases competition in short series, as high-volume manufacturers seek to optimize their capacity utilization ratios.

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.

### Liquidity

On the basis of the cash flow forecast prepared monthly, the company estimates that it has enough working capital to meet its needs during the next 12 months, provided that the company's sales and production cost structure develop as predicted and the availability of financing does not weaken unexpectedly.

### PUBLICATION OF FINANCIAL RELEASES

Aspocomp Group Plc.'s financial information publication schedule for 2016 is:

- Interim report for January-September: Thursday, October 28, 2016

Interim report will be published at around 9:00 a.m.

### ACCOUNTING POLICIES

The reported operations include the Group's parent company, Aspocomp Group Plc. All figures are unaudited. The half-year financial report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles that were applied in the preparation of the financial statements of December 31, 2015 have been applied in the preparation of this report. However, the company complies with new or modified standards that came into effect as of January 1, 2016. The company has determined that these amendments do not have an impact on the consolidated financial statements.

## PROFIT AND LOSS STATEMENT

April- June

	1 000 €	4-6/2016		4-6/2015		Change
<b>Net sales</b>	<b>5,331</b>	<b>100%</b>	<b>4,365</b>	<b>100%</b>	<b>22%</b>	
Other operating income	17	0%	5	0%	237%	
Materials and services	-2,287	-43%	-1,793	-41%	28%	
Personnel expenses	-1,603	-30%	-1,579	-36%	2%	
Other operating costs	-1,047	-20%	-1,211	-28%	-14%	
Depreciation and amortization	-248	-5%	-292	-7%	-15%	
<b>Operating result</b>	<b>163</b>	<b>3%</b>	<b>-505</b>	<b>-12%</b>	<b>-132%</b>	
Financial income and expenses	-19	0%	-30	-1%	-35%	
<b>Profit/loss before tax</b>	<b>144</b>	<b>3%</b>	<b>-535</b>	<b>-12%</b>	<b>-127%</b>	
Income taxes	0	0%	0	0%		
<b>Profit/loss for the period</b>	<b>144</b>	<b>3%</b>	<b>-535</b>	<b>-12%</b>	<b>-127%</b>	
<i>Other comprehensive income</i>						
Items that will not be reclassified to profit or loss	0	0%	0	0%		
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences	0	0%	2	0%	-91%	
Total other comprehensive income	0	0%	2	0%	-91%	
<b>Total comprehensive income</b>	<b>144</b>	<b>3%</b>	<b>-534</b>	<b>-12%</b>	<b>-127%</b>	
<b>Earnings per share (EPS)</b>						
Basic EPS	0.02 €		-0.08 €		-125%	
Diluted EPS	0.02 €		-0.08 €		-125%	

## January- June

	1 000 €	1-6/2016		1-6/2015		Change	1-12/2015	
<b>Net sales</b>	<b>9,468</b>	<b>100%</b>	<b>8,922</b>	<b>100%</b>	<b>6%</b>	<b>17,452</b>	<b>100%</b>	
Other operating income	20	0%	139	2%	-86%	161	1%	
Materials and services	-4,004	-42%	-3,323	-37%	20%	-7,124	-41%	
Personnel expenses	-3,171	-33%	-3,120	-35%	2%	-5,923	-34%	
Other operating costs	-2,080	-22%	-2,399	-27%	-13%	-4,593	-26%	
Depreciation and amortization	-511	-5%	-606	-7%	-16%	-1,168	-7%	
<b>Operating result</b>	<b>-278</b>	<b>-3%</b>	<b>-388</b>	<b>-4%</b>	<b>-28%</b>	<b>-1,194</b>	<b>-7%</b>	
Financial income and expenses	-45	0%	-21	0%	117%	-102	-1%	
<b>Profit/loss before tax</b>	<b>-323</b>	<b>-3%</b>	<b>-409</b>	<b>-5%</b>	<b>-21%</b>	<b>-1,295</b>	<b>-7%</b>	
Income taxes	-1	0%	-1	0%		277	2%	
<b>Profit/loss for the period</b>	<b>-324</b>	<b>-3%</b>	<b>-409</b>	<b>-5%</b>	<b>-21%</b>	<b>-1,018</b>	<b>-6%</b>	
<i>Other comprehensive income</i>								
Items that will not be reclassified to profit or loss	0	0%	0	0%		0	0%	
Items that may be reclassified subsequently to profit or loss:								
Currency translation differences	2	0%	-1	0%	-469%	0	0%	
Total other comprehensive income	2	0%	-1	0%	-469%	0	0%	
<b>Total comprehensive income</b>	<b>-321</b>	<b>-3%</b>	<b>-410</b>	<b>-5%</b>	<b>-22%</b>	<b>-1,018</b>	<b>-6%</b>	
<b>Earnings per share (EPS)</b>								
Basic EPS	-0.05 €		-0.06 €		-17%	-0.16 €		
Diluted EPS	-0.05 €		-0.06 €		-17%	-0.16 €		

**CONSOLIDATED BALANCE SHEET**

	1 000 €	6/2016	6/2015	Change	12/2015
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets		3,115	3,061	2%	3,066
Tangible assets		1,803	2,611	-31%	2,156
Available for sale investments		15	15	0%	15
Deferred income tax assets		2,595	2,311	12%	2,595
<b>Total non-current assets</b>		<b>7,528</b>	<b>7,998</b>	<b>-6%</b>	<b>7,833</b>
<b>Current assets</b>					
Inventories		2,365	2,170	9%	2,384
Short-term receivables		3,792	3,316	14%	3,311
Cash and bank deposits		270	415	-35%	268
<b>Total current assets</b>		<b>6,426</b>	<b>5,902</b>	<b>9%</b>	<b>5,963</b>
<b>Total assets</b>		<b>13,955</b>	<b>13,900</b>	<b>0%</b>	<b>13,796</b>
<b>Equity and liabilities</b>					
Share capital		1,000	1,000	0%	1,000
Reserve for invested non-restricted equity		4,141	4,075	2%	4,117
Retained earnings		4,027	5,215	-23%	4,348
<b>Total equity</b>		<b>9,168</b>	<b>10,290</b>	<b>-11%</b>	<b>9,465</b>
Long-term financing loans		108	321	-66%	129
Other non-current liabilities		358	108	231%	358
Deferred income tax liabilities		12	8	46%	12
Short-term financing loans		1,505	581	159%	1,176
Trade and other payables		2,804	2,359	19%	2,656
<b>Total liabilities</b>		<b>4,787</b>	<b>3,378</b>	<b>42%</b>	<b>4,331</b>
<b>Total equity and liabilities</b>		<b>13,955</b>	<b>13,900</b>	<b>0%</b>	<b>13,796</b>



## CONSOLIDATED CHANGES IN EQUITY

### January-June 2016

1000 €	Share capital	Other reserve	Translation differences	Retained earnings	Total equity
<b>Balance at Jan. 1, 2016</b>	<b>1,000</b>	<b>4,117</b>	<b>-3</b>	<b>4,351</b>	<b>9,465</b>
<b>Comprehensive income</b>					
Comprehensive income for the period				-324	-324
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			2		2
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>-324</b>	<b>-321</b>
<b>Business transactions with owners</b>					
Share-based payment		25		0	25
<b>Business transactions with owners, total</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>25</b>
<b>Balance at June 30, 2016</b>	<b>1,000</b>	<b>4,141</b>	<b>0</b>	<b>4,027</b>	<b>9,168</b>

### January-June 2015

<b>Balance at Jan. 1, 2015</b>	<b>1,000</b>	<b>4,030</b>	<b>-3</b>	<b>5,628</b>	<b>10,655</b>
<b>Comprehensive income</b>					
Comprehensive income for the period				-409	-409
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			-1		-1
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-409</b>	<b>-410</b>
<b>Business transactions with owners</b>					
Share-based payment		45		0	45
<b>Business transactions with owners, total</b>	<b>0</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>45</b>
<b>Balance at June 30, 2015</b>	<b>1,000</b>	<b>4,075</b>	<b>-4</b>	<b>5,219</b>	<b>10,290</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	1 000 €	1-6/2016	1-6/2015	1-12/2015
<b>Profit for the period</b>		<b>-324</b>	<b>-409</b>	<b>-1,018</b>
Adjustments		601	509	1,064
Change in working capital		-440	122	-28
Received interest income		19	28	33
Paid interest expenses		-64	-49	-135
Paid taxes		-1	-1	-3
<b>Cash flow from operating activities</b>		<b>-208</b>	<b>200</b>	<b>-88</b>
Investments		-86	-358	-469
Proceeds from sale of property, plant and equipment		3	175	47
<b>Cash flow from investing activities</b>		<b>-83</b>	<b>-183</b>	<b>-422</b>
Increase in financing		512	15	747
Decrease in financing		-219	-352	-704
<b>Cash flow from financing activities</b>		<b>293</b>	<b>-337</b>	<b>43</b>
Change in cash and cash equivalents		1	-320	-467
Cash and cash equivalents at the beginning of period		268	735	735
<b>Cash and cash equivalents at the end of period</b>		<b>270</b>	<b>415</b>	<b>268</b>

## KEY FINANCIAL INDICATORS

	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015
Net sales, M€	5.3	4.1	4.8	3.8	4.4
EBITDA, M€	0.4	-0.2	-0.1	-0.2	-0.2
Operating result (EBIT), M€	0.2	-0.4	-0.3	-0.5	-0.5
<i>of net sales, %</i>	3%	-11%	-7%	-12%	-12%
Profit/loss before taxes, M€	0.1	-0.5	-0.4	-0.5	-0.5
<i>of net sales, %</i>	3%	-11%	-8%	-14%	12%
Net profit/loss for the period, M€	0.1	-0.5	-0.1	-0.5	-0.5
<i>of net sales, %</i>	3%	-11%	-2%	-14%	-12%
Equity ratio, %	66%	66%	69%	75%	74%
Gearing, %	15%	18%	11%	5%	5%
Gross investments in fixed assets, M€	0.1	0.0	0.1	0.1	0.3
<i>of net sales, %</i>	1%	1%	1%	2%	6%
Personnel, end of the quarter	105	104	106	108	110
Earnings/share (EPS), €	0.02	-0.07	-0.01	-0.08	-0.08
Equity/share, €	1.43	1.41	1.48	1.53	1.61

### A reconciliation of comparable operating result

Operating result (EBIT), M€	0.2	-0.4	-0.3	-0.5	-0.5
Plant shutdown costs	0.0	0.0	0.0	0.0	-0.2
Adjusted operating result, M€	0.2	-0.4	-0.3	-0.5	-0.3

Aspocomp presents alternative performance measures to reflect the underlying business performance and to enhance comparability from period to period. The alternative performance measures should not be considered as substitutes for performance measures defined in IFRS. As from Q1 2016, Aspocomp has relabeled the previously used "excluding non-recurring items" non-IFRS financial measures as "comparable" performance measures. Comparable performance measures exclude the income statement impacts of certain non-operational items affecting comparability. Substantial restructuring costs and impairment losses are items that are reported in comparable operating profit.

### Formulas and definitions

Equity/share, €	=	$\frac{\text{Equity attributable to shareholders}}{\text{Number of shares at the end of period}}$
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing, %	=	$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$
Earnings/share (EPS), €	=	$\frac{\text{Profit attributable to equity shareholders}}{\text{Adjusted weighted average number of shares outstanding}}$
EBITDA	=	Earnings before interests, taxes, depreciations and amortisations
Comparable operating result	=	Earnings before interests, taxes and shutdown costs

## CONTINGENT LIABILITIES

	1 000 €	6/2016	6/2015	12/2015
Business mortgage		4,000	4,000	4,000
Operating lease liabilities		551	917	740
Other liabilities		1,528	40	792
<b>Total</b>		<b>6,079</b>	<b>4,957</b>	<b>5,532</b>

All figures are unaudited.

*Espoo, August 4, 2016*

**Board of Directors of Aspocomp Group Plc.**

For further information, please contact Mikko Montonen, CEO,  
tel. +358 20 775 6860, mikko.montonen(at)aspocomp.com.

---

### ASPOCOMP - PCB TECHNOLOGY COMPANY

---

Aspocomp develops and sells PCB manufacturing services, focusing on the end-to-end fulfillment of customers' PCB needs. Our seasoned professionals help customers to create the most optimal PCB designs, both in terms of performance and cost. Our trimmed production lines produce the most challenging designs with the shortest lead-times in the industry. Operating as a service business, we provide one-stop access to technology solutions and competitive products for all PCB technologies.

A printed circuit board (PCB) is the principal interconnection method in electronic devices. PCBs are used for electrical interconnection and as a component assembly platform in most electronic applications. Aspocomp's PCBs are used in many applications, such as telecommunication networks and devices, automotive electronics, security and medical systems, chipset development and industrial automation.

---

[www.aspocomp.com](http://www.aspocomp.com)

---

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.

**ASPOCOMP**