



ASPOCOMP'S INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2016

Key figures 7-9/2016 in brief

	7-9/2016	7-9/2015	Change *
Net sales	5.6 M€	3.8 M€	1.8 M€
EBITDA	0.4 M€	-0.2 M€	0.6 M€
Operating result	0.2 M€	-0.5 M€	0.6 M€
<i>% of net sales</i>	2.7 %	-12.4 %	15.2 ppts
Earnings per share	0.02 €	-0.08 €	0.10 €

Key figures 1-9/2016 in brief

	1-9/2016	1-9/2015	Change *
Net sales	15.0 M€	12.7 M€	2.3 M€
EBITDA	0.6 M€	0.0 M€	0.6 M€
Comparable operating result	-0.1 M€	-0.7 M€	0.5 M€
<i>% of net sales</i>	-0.8 %	-5.2 %	4.4 ppts
Operating result	-0.1 M€	-0.9 M€	0.7 M€
Earnings per share	-0.03 €	-0.14 €	0.11 €
Operative cash flow	-0.3 M€	0.2 M€	-0.5 M€
Equity ratio	64.1 %	74.7 %	-10.6 ppts
Order book at the end of period	1.8 M€	1.6 M€	0.2 M€

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

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

"Aspocomp's sales continued to see strong growth in the third quarter, driven by automotive industry customers and the German market. The automotive industry became the company's largest customer group during the quarter, outperforming telecommunications. The R&D needs of telecommunication customers slowed down in July-August, as typical, but clear signs of improved demand were seen at the end of the third quarter. The company increased

its sales successfully in all customer groups as compared to the previous year. In relative terms, growth was strongest in the automotive industry and the most moderate in telecommunications.

Aspocomp's sales in the third quarter increased by 47 percent compared to the previous year, amounting to EUR 5.6 million (EUR 3.8 million 7-9/2015). In January-September 2016, net sales increased by 18 percent compared with the corresponding period of 2015, reaching EUR 15.0 million (EUR 12.7 million).

Aspocomp's operating profit was EUR 0.2 million in the third quarter, while a year ago it was EUR 0.5 million in the red, an improvement of slightly over EUR 0.6 million. In January-September 2016, the operating result was still EUR 0.1 million in the red (EUR -0.9 million), despite the improvement.

Although sales developed very well, there was clearly room for improvement in the operating result. The most significant factors that influenced the result were the maintenance and device installation downtime at the Oulu plant in August as well as decreased demand for high technology printed circuit boards during the summer season, which weakened the product mix.

Aspocomp's customer base is expanding in accordance with the strategic plans, supporting the growth and stability of net sales. Optimization of the product portfolio and the improvement of profitability will play a key role after a sufficient and steady business volume is achieved.”

NET SALES AND EARNINGS

July - September 2016

Third-quarter net sales amounted to EUR 5.6 million, a year-on-year increase of 47 percent. The five largest customers accounted for 57 percent of net sales (51% 7-9/2015). In geographical terms, 94 percent of net sales were generated in Europe (94%), 4 percent in Asia (4%) and 2 percent in North America (2%).

Sales continued to increase in the third quarter, driven by automotive industry customers and the German market. Compared to the corresponding quarter of the previous year, sales increased in all customer groups.

Although sales grew well, there was room for improvement in profitability. The most significant factors that influenced the result were the maintenance and device installation downtime at the Oulu plant in August as well as decreased demand for high technology printed circuit boards during the summer season, which weakened the product mix.

The operating result for the third quarter amounted to EUR 0.2 million (EUR -0.5 million 7-9/2015). Third-quarter comparable operating result was EUR 0.6 million higher than a year earlier.

Net financial expenses for the third quarter amounted to EUR 0.0 million (EUR 0.0 million 7-9/2015). Earnings per share were EUR 0.02 (EUR -0.08).

January - September 2016

Net sales amounted to EUR 15.0 million, a year-on-year increase of 18 percent.

The five largest customers accounted for 52 percent of net sales (47% 1-9/2015). In geographical terms, 92 percent of net sales were generated in Europe (94%), 5 percent in Asia (5%) and 3 percent in North America (1%).

Operating result amounted to EUR -0.1 million (EUR -0.9 million 1-9/2015). The comparable operating result was EUR -0.1 million (EUR -0.7 million 1-9/2015, including the Teuva plant's shutdown costs).

Net financial expenses amounted to EUR 0.1 million (EUR 0.1 million). Earnings per share were EUR -0.03 (EUR -0.14).

INVESTMENTS AND R&D

Investments during the review period amounted to EUR 0.2 million (EUR 0.4 million 1-9/2015).

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 -0.3 million (EUR 0.2 million 1-9/2015).

Cash flow after investments was EUR -0.5 million (EUR -0.0 million).

Cash assets amounted to EUR 0.4 million at the end of the period (EUR 0.3 million 9/2015). Interest-bearing liabilities amounted to EUR 1.9 million (EUR 0.8 million 9/2015). Gearing was 16.0 percent (5.4%). Non-interest-bearing liabilities amounted to EUR 3.3 million (EUR 2.5 million). At the end of the period, the Group's equity ratio amounted to 64.1 percent (74.7%).

The company also has a EUR 0.75 million credit facility, of which EUR 0.2 million was in use on the closing date. In addition, the company has a recourse factoring agreement, of which EUR 1.0 million was in use (EUR 0.0 million).

PERSONNEL

During the review period, the company had an average of 105 employees (123 in 1-9/2015). The personnel count on September 30, 2016 was 109 (108 in 9/2015). Of them, 68 (67) were non-salaried and 41 (41) 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 September 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 449,932 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to September 30, 2016. The aggregate value of the shares exchanged was EUR 604,359. The shares traded at a low of EUR 1.13 and a high of EUR 1.50. The average share price was EUR 1.34. The closing price at September 30, 2016 was EUR 1.36, which translates into market capitalization of EUR 8.7 million.

Nominee-registered shares accounted for 5.5 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.

EVENTS AFTER THE FINANCIAL PERIOD

No significant reportable events after the financial period.

ACCOUNTING POLICIES

The reported operations include the Group's parent company, Aspocomp Group Plc. All figures are unaudited. The interim 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

July - September

	1 000 €	7-9/2016		7-9/2015		Change
Net sales	5,564	100%	3,776	100%	47%	
Other operating income	1	0%	7	0%	-80%	
Materials and services	-2,617	-47%	-1,577	-42%	66%	
Personnel expenses	-1,393	-25%	-1,360	-36%	2%	
Other operating costs	-1,148	-21%	-1,023	-27%	12%	
Depreciation and amortization	-255	-5%	-293	-8%	-13%	
Operating result	153	3%	-470	-12%	-133%	
Financial income and expenses	-21	0%	-46	-1%	-54%	
Profit/loss before tax	132	2%	-516	-14%	-126%	
Income taxes	0	0%	0	0%		
Profit/loss for the period	132	2%	-516	-14%	-125%	
<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	1	0%	1	0%	-46%	
Total other comprehensive income	1	0%	1	0%	-46%	
Total comprehensive income	132	2%	-515	-14%	-126%	
Earnings per share (EPS)						
Basic EPS	0.02 €		-0.08 €		-125%	
Diluted EPS	0.02 €		-0.08 €		-125%	

January - September

	1 000 €	1-9/2016		1-9/2015		Change	1-12/2015	
Net sales		15,032	100%	12,698	100%	18%	17,452	100%
Other operating income		21	0%	146	1%	-86%	161	1%
Materials and services		-6,620	-44%	-4,900	-39%	35%	-7,124	-41%
Personnel expenses		-4,565	-30%	-4,480	-35%	2%	-5,923	-34%
Other operating costs		-3,228	-21%	-3,422	-27%	-6%	-4,593	-26%
Depreciation and amortization		-766	-5%	-900	-7%	-15%	-1,168	-7%
Operating result		-125	-1%	-858	-7%	-85%	-1,194	-7%
Financial income and expenses		-66	0%	-67	-1%	-1%	-102	-1%
Profit/loss before tax		-192	-1%	-925	-7%	-79%	-1,295	-7%
Income taxes		-1	0%	-1	0%		277	2%
Profit/loss for the period		-192	-1%	-926	-7%	-79%	-1,018	-6%
<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		3	0%	0	0%	542%	0	0%
Total other comprehensive income		3	0%	0	0%	542%	0	0%
Total comprehensive income		-189	-1%	-925	-7%	-80%	-1,018	-6%
Earnings per share (EPS)								
Basic EPS		-0.03 €		-0.14 €		-79%	-0.16 €	
Diluted EPS		-0.03 €		-0.14 €		-79%	-0.16 €	

CONSOLIDATED BALANCE SHEET

	1 000 €	9/2016	9/2015	Change	12/2015
Assets					
Non-current assets					
Intangible assets		3,118	3,060	2%	3,066
Tangible assets		1,992	2,383	-16%	2,156
Available for sale investments		15	15	0%	15
Deferred income tax assets		2,595	2,311	12%	2,595
Total non-current assets		7,720	7,770	-1%	7,833
Current assets					
Inventories		2,445	2,313	6%	2,384
Short-term receivables		3,969	2,777	43%	3,311
Cash and bank deposits		384	255	50%	268
Total current assets		6,798	5,345	27%	5,963
Total assets		14,517	13,115	11%	13,796
Equity and liabilities					
Share capital		1,000	1,000	0%	1,000
Reserve for invested non-restricted equity		4,154	4,097	1%	4,117
Retained earnings		4,159	4,699	-11%	4,348
Total equity		9,313	9,797	-5%	9,465
Long-term financing loans		353	214	65%	129
Other non-current liabilities		402	103	290%	358
Deferred income tax liabilities		12	8	46%	12
Short-term financing loans		1,525	573	166%	1,176
Trade and other payables		2,913	2,420	20%	2,656
Total liabilities		5,205	3,318	57%	4,331
Total equity and liabilities		14,517	13,115	11%	13,796

CONSOLIDATED CHANGES IN EQUITY

January-September 2016

1000 €	Share capital	Other reserve	Translation differences	Retained earnings	Total equity
Balance at Jan. 1, 2016	1,000	4,117	-3	4,351	9,465
Comprehensive income					
Comprehensive income for the period				-192	-192
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			3		3
Total comprehensive income for the period	0	0	3	-192	-189
Business transactions with owners					
Share-based payment		37		0	37
Business transactions with owners, total	0	37	0	0	37
Balance at September 30, 2016	1,000	4,154	0	4,159	9,313

January-September 2015

Balance at Jan. 1, 2015	1,000	4,030	-3	5,628	10,655
Comprehensive income					
Comprehensive income for the period				-926	-926
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			0		0
Total comprehensive income for the period	0	0	0	-926	-925
Business transactions with owners					
Share-based payment		67		0	67
Business transactions with owners, total	0	67	0	0	67
Balance at September 30, 2015	1,000	4,097	-3	4,702	9,797

CONSOLIDATED CASH FLOW STATEMENT

	1 000 €	1-9/2016	1-9/2015	1-12/2015
Profit for the period		-192	-926	-1,018
Adjustments		898	862	1,064
Change in working capital		-915	340	-28
Received interest income		23	28	33
Paid interest expenses		-89	-95	-135
Paid taxes		-1	-1	-3
Cash flow from operating activities		-276	207	-88
Investments		-207	-416	-469
Proceeds from sale of property, plant and equipment		3	181	47
Cash flow from investing activities		-204	-235	-422
Increase in financing		925	7	747
Decrease in financing		-330	-459	-704
Cash flow from financing activities		595	-452	43
Change in cash and cash equivalents		115	-480	-467
Cash and cash equivalents at the beginning of period		268	735	735
Cash and cash equivalents at the end of period		384	255	268

KEY FINANCIAL INDICATORS

	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015
Net sales, M€	5.6	5.3	4.1	4.8	3.8
EBITDA, M€	0.4	0.4	-0.2	-0.1	-0.2
Operating result (EBIT), M€	0.2	0.2	-0.4	-0.3	-0.5
<i>of net sales, %</i>	3%	3%	-11%	-7%	-12%
Profit/loss before taxes, M€	0.1	0.1	-0.5	-0.4	-0.5
<i>of net sales, %</i>	2%	3%	-11%	-8%	-14%
Net profit/loss for the period, M€	0.1	0.1	-0.5	-0.1	-0.5
<i>of net sales, %</i>	2%	3%	-11%	-2%	-14%
Equity ratio, %	64%	66%	66%	69%	75%
Gearing, %	16%	15%	18%	11%	5%
Gross investments in fixed assets, M€	0.1	0.1	0.0	0.1	0.1
<i>of net sales, %</i>	2%	1%	1%	1%	2%
Personnel, end of the quarter	109	105	104	106	108
Earnings/share (EPS), €	0.02	0.02	-0.07	-0.01	-0.08
Equity/share, €	1.45	1.43	1.41	1.48	1.53

A reconciliation of comparable operating result

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

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 €	9/2016	9/2015	12/2015
Business mortgage		4,000	4,000	4,000
Operating lease liabilities		549	781	740
Other liabilities		1,962	40	792
Total		6,511	4,821	5,532

All figures are unaudited.

Espoo, October 28, 2016

Board of Directors of Aspocomp Group Plc.

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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

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