



## ASPOCOMP'S HALF YEAR FINANCIAL REPORT 2017

### Key figures 4-6/2017 in brief

	4-6/2017	4-6/2016	Change *
Net sales	5.6 M€	5.3 M€	0.3 M€
EBITDA	0.3 M€	0.4 M€	-0.1 M€
Operating result	0.1 M€	0.2 M€	-0.1 M€
<i>% of net sales</i>	1.1 %	3.1 %	-1.9 pts
Earnings per share	0.01 €	0.02 €	-0.02 €

### Key figures 1-6/2017 in brief

	1-6/2017	1-6/2016	Change *
Net sales	11.3 M€	9.5 M€	1.8 M€
EBITDA	0.8 M€	0.2 M€	0.6 M€
Operating result	0.3 M€	-0.3 M€	0.5 M€
<i>% of net sales</i>	2.3 %	-2.9 %	5.2 pts
Earnings per share	0.04 €	-0.05 €	0.09 €
Operative cash flow	1.1 M€	-0.2 M€	1.3 M€
Equity ratio	69.6 %	65.7 %	3.9 pts
Order book at the end of period	2.4 M€	2.4 M€	0.1 M€

\* The total 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 2017, net sales are expected to grow approximately 10 percent and the operating margin to be better than in 2016. In 2016, net sales amounted to EUR 21.6 million and the operating result was 3 percent of net sales.

### CEO'S REVIEW

“Sales growth continued in the second quarter. Net sales amounted to EUR 5.6 million (EUR 5.3 million 4-6/2016), representing a year-on-year increase of EUR 0.3 million or 5 percent.

Growth in net sales was driven largely by volume production in the second quarter, a year-on-year increase of approximately 55 percent. Similarly, deliveries of own production decreased slightly due to the timing of customer product development projects.

The strongest growth in the second quarter was generated by industrial electronics and automotive products. PCBs supplied to the security and defense industry as well as for use in semiconductor component testing were also on the rise. In telecommunication infrastructure, demand fell slightly.

First-half growth increased to 19 percent, with sales value of EUR 11.3 million (EUR 9.5 million 1-6/2016).

Second-quarter operating result amounted to EUR 0.1 million (EUR 0.2 million 4-6/2016). The operating result was particularly affected by fluctuations in demand in own production and by higher-than-usual maintenance costs in June. First-half operating result rose to EUR 0.3 million (EUR -0.3 million 1-6/2016).

Cash flow remained strong as the amount of tied-up working capital decreased and in the first half of the year amounted to EUR 1.1 million (EUR -0.2 million).

Customer acquisition continued to be positive in the first part of the year. The company has received several valuation orders and supplier approvals from new major customer.

The company's order book increased by 9 percent from the previous quarter and was at the same level of EUR 2.4 million as a year earlier. The order book is expected to support the positive trend in net sales and operating profit during the rest of the year.”

## NET SALES AND EARNINGS

### April-June 2017

Second-quarter net sales amounted to EUR 5.6 million (EUR 5.3 million 4-6/2016), a year-on-year increase of 5 percent. Demand for PCBs was concentrated on volume production in the second quarter. Due to the timing of customer product development projects, deliveries of own production decreased slightly.

The strongest growth was generated by industrial electronics and automotive products. Growth was also seen in sales of PCBs to the security and defense industry as well as for use in semiconductor component testing. Deliveries to telecommunication infrastructure customers decreased slightly.

The five largest customers accounted for 51 percent of net sales (52% 4-6/2016). In geographical terms, 96 percent of net sales were generated in Europe (92%), 1 percent in Asia (6%) and 3 percent in North America (2%).

The operating result for the second quarter amounted to EUR 0.1 million (EUR 0.2 million 4-6/2016). Seasonal fluctuations in demand in own production and the Oulu plant's higher-than-usual maintenance costs reduced operating profit.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.01 (EUR 0.02).

### First half of 2017

First-half net sales amounted to EUR 11.3 million (EUR 9.5 million 1-6/2016), a year-on-year increase of 19 percent.

The five largest customers accounted for 51 percent of net sales (50% 1-6/2016). In geographical terms, 97 percent of net sales were generated in Europe (90%), 1 percent in Asia (6%) and 2 percent in North America (4%).

First-half operating result amounted to EUR 0.3 million (EUR -0.3 million 1-6/2016).

Net financial expenses amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.04 (EUR -0.05).

## INVESTMENTS AND R&D

Investments during the review period amounted to EUR 0.3 million (EUR 0.1 million 1-6/2016).

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 remained strong as the amount of tied-up working capital decreased and in the first half of the year amounted to EUR 1.1 million (EUR -0.2 million 1-6/2016).

Cash flow after investments was EUR 0.8 million (EUR -0.3 million).

Cash assets amounted to EUR 0.5 million at the end of the period (EUR 0.3 million 6/2016). Interest-bearing liabilities amounted to EUR 0.9 million (EUR 1.6 million 6/2016). Gearing was 4.2 percent (14.6%). Non-interest-bearing liabilities amounted to EUR 3.8 million (EUR 3.2 million). At the end of the period, the Group's equity ratio amounted to 69.6 percent (65.7%).

The company also has a EUR 0.5 million credit facility, which was not in use at the end of the review period. In addition, the company has a recourse factoring agreement, of which EUR 0.0 million was in use (EUR 0.6 million).

## PERSONNEL

During the review period, the company had an average of 109 employees (104 in 1-6/2016). The personnel count on June 30, 2017 was 113 (105 in 6/2016). Of them, 70 (66) were non-salaried and 43 (39) salaried employees.

## ANNUAL GENERAL MEETING 2017

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 March 23, 2017.

## SHARES

The total number of Aspocomp's shares at June 30, 2017 was 6,496,505 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares.

A total of 3,351,976 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to June 30, 2017. The aggregate value of the shares exchanged was EUR 8,030,259. The shares traded at a low of EUR 1.59 and a high of EUR 3.19. The average share price was EUR 2.40. The closing price at June 30, 2017 was EUR 2.71, which translates into market capitalization of EUR 17.6 million.

Nominee-registered shares accounted for 4.7 percent of the total shares.

## ASPOCOMP'S BUSINESS OPERATIONS

Aspocomp specializes in demanding PCB technologies, serving its customers throughout the entire life cycle of a product. Aspocomp sells and manufactures PCBs and also provides related design and logistics services as well as technology solutions. Aspocomp creates value

for its customers with unique products and solutions, strong manufacturing and technology expertise, as well as fast and reliable deliveries.

Aspocomp has expanded its operations to serve numerous industries and market areas. Aspocomp's customers are companies that design and manufacture telecom systems and equipment, automotive and industrial electronics, security technology and semiconductor testing systems.

Aspocomp offers a wide range of PCB design and manufacturing services, together with selected partners. A wide network of expert partners together with Aspocomp's own manufacturing enables its customers to cost-effectively buy their PCBs from a single provider over the entire life cycle of a product. 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.

Aspocomp's manufacturing unit in Oulu focuses on prototype and quick-turn deliveries and the commercialization of new PCB technologies in cooperation with customers' product design departments. 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 and therefore is able to help its customers in their very diverse and demanding needs.

## 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's aim is to systematically expand its services to cover the PCB needs of customers over the entire life cycle and thereby balance out variations in demand and the order book.

The company's full-year guidance remains unchanged. In 2017, net sales are expected to grow approximately 10 percent and the operating margin to be better than in 2016. In 2016, net sales amounted to EUR 21.6 million and the operating result was 3 percent of net sales.

## 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

Although the Group's liquidity has improved markedly due to the improvement in operating profit, the company still remains dependent on the net sales generated by its key customers. Liquidity risk is managed, if necessary, with a recourse factoring agreement and credit facility.

## PUBLICATION OF FINANCIAL RELEASES

Aspocomp Group Plc.'s financial information publication schedule for 2017 is:

- Interim report for January-September: Thursday, October 26, 2017

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, 2016 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, 2017. 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 €	4-6/2017		4-6/2016		Change
<b>Net sales</b>	<b>5,591</b>	<b>100%</b>	<b>5,331</b>	<b>100%</b>	<b>5%</b>	
Other operating income	2	0%	17	0%	-88%	
Materials and services	-2,541	-45%	-2,287	-43%	11%	
Personnel expenses	-1,643	-29%	-1,603	-30%	2%	
Other operating costs	-1,076	-19%	-1,047	-20%	3%	
Depreciation and amortization	-271	-5%	-248	-5%	9%	
<b>Operating result</b>	<b>62</b>	<b>1%</b>	<b>163</b>	<b>3%</b>	<b>-62%</b>	
Financial income and expenses	-13	0%	-19	0%	-34%	
<b>Profit/loss before tax</b>	<b>50</b>	<b>1%</b>	<b>144</b>	<b>3%</b>	<b>-65%</b>	
Income taxes	-2	0%	0	0%		
<b>Profit/loss for the period</b>	<b>48</b>	<b>1%</b>	<b>144</b>	<b>3%</b>	<b>-67%</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	5	0%	0	0%		
Total other comprehensive income	5	0%	0	0%		
<b>Total comprehensive income</b>	<b>53</b>	<b>1%</b>	<b>144</b>	<b>3%</b>	<b>-63%</b>	
<b>Earnings per share (EPS)</b>						
Basic EPS	0.01 €		0.02 €		-50%	
Diluted EPS	0.01 €		0.02 €		-50%	

## January-June

	1 000 €	1-6/2017	1-6/2016	Change	1-12/2016		
<b>Net sales</b>	<b>11,260</b>	<b>100%</b>	<b>9,468</b>	<b>100%</b>	<b>19%</b>	<b>21,623</b>	<b>100%</b>
Other operating income	21	0%	20	0%	6%	38	0%
Materials and services	-5,043	-45%	-4,004	-42%	26%	-9,159	-42%
Personnel expenses	-3,179	-28%	-3,171	-33%	0%	-6,216	-29%
Other operating costs	-2,255	-20%	-2,080	-22%	8%	-4,530	-21%
Depreciation and amortization	-549	-5%	-511	-5%	8%	-1,066	-5%
<b>Operating result</b>	<b>253</b>	<b>2%</b>	<b>-278</b>	<b>-3%</b>	<b>191%</b>	<b>690</b>	<b>3%</b>
Financial income and expenses	-25	0%	-45	0%	-45%	-68	0%
<b>Profit/loss before tax</b>	<b>229</b>	<b>2%</b>	<b>-323</b>	<b>-3%</b>	<b>171%</b>	<b>622</b>	<b>3%</b>
Income taxes	-3	0%	-1	0%		412	2%
<b>Profit/loss for the period</b>	<b>225</b>	<b>2%</b>	<b>-324</b>	<b>-3%</b>	<b>170%</b>	<b>1,034</b>	<b>5%</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	5	0%	2	0%	-	2	0%
Total other comprehensive income	5	0%	2	0%	-	2	0%
<b>Total comprehensive income</b>	<b>230</b>	<b>2%</b>	<b>-321</b>	<b>-3%</b>	<b>172%</b>	<b>1,036</b>	<b>5%</b>
<b>Earnings per share (EPS)</b>							
Basic EPS	0.04 €		-0.05 €		180%	0.16 €	
Diluted EPS	0.04 €		-0.05 €		180%	0.16 €	

## CONSOLIDATED BALANCE SHEET

	1 000 €	6/2017	6/2016	Change	12/2016
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets		3,253	3,115	4%	3,216
Tangible assets		2,179	1,803	21%	2,499
Available for sale investments		15	15	0%	15
Deferred income tax assets		3,017	2,595	16%	3,017
<b>Total non-current assets</b>		<b>8,465</b>	<b>7,528</b>	<b>12%</b>	<b>8,747</b>
<b>Current assets</b>					
Inventories		2,693	2,365	14%	2,622
Short-term receivables		3,995	3,792	5%	4,117
Cash and bank deposits		485	270	80%	258
<b>Total current assets</b>		<b>7,174</b>	<b>6,426</b>	<b>12%</b>	<b>6,998</b>
<b>Total assets</b>		<b>15,639</b>	<b>13,955</b>	<b>12%</b>	<b>15,744</b>
<b>Equity and liabilities</b>					
Share capital		1,000	1,000	0%	1,000
Reserve for invested non-restricted equity		4,266	4,141	3%	4,255
Retained earnings		5,615	4,027	39%	5,384
<b>Total equity</b>		<b>10,881</b>	<b>9,168</b>	<b>19%</b>	<b>10,639</b>
Long-term financing loans		751	108	596%	819
Other non-current liabilities		357	358	0%	357
Deferred income tax liabilities		19	12	65%	19
Short-term financing loans		191	1,505	-87%	693
Trade and other payables		3,439	2,804	23%	3,217
<b>Total liabilities</b>		<b>4,758</b>	<b>4,787</b>	<b>-1%</b>	<b>5,105</b>
<b>Total equity and liabilities</b>		<b>15,639</b>	<b>13,955</b>	<b>12%</b>	<b>15,744</b>



## CONSOLIDATED CHANGES IN EQUITY

### January-June 2017

1000 €	Share capital	Other reserve	Translation differences	Retained earnings	Total equity
<b>Balance at Jan. 1, 2017</b>	<b>1,000</b>	<b>4,255</b>	<b>-1</b>	<b>5,386</b>	<b>10,639</b>
<b>Comprehensive income</b>					
Comprehensive income for the period				225	225
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			5		5
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>225</b>	<b>230</b>
<b>Business transactions with owners</b>					
Share-based payment		11		0	11
<b>Business transactions with owners, total</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>Balance at June 30, 2017</b>	<b>1,000</b>	<b>4,266</b>	<b>4</b>	<b>5,611</b>	<b>10,881</b>

### January-June 2016

<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>

**CONSOLIDATED CASH FLOW STATEMENT**

	1 000 €	1-6/2017	1-6/2016	1-12/2016
<b>Profit for the period</b>		<b>225</b>	<b>-324</b>	<b>1,034</b>
Adjustments		577	601	795
Change in working capital		320	-440	-1,658
Received interest income		1	19	0
Paid interest expenses		-38	-64	-78
Paid taxes		-3	-1	-2
<b>Cash flow from operating activities</b>		<b>1,081</b>	<b>-208</b>	<b>91</b>
Investments		-332	-86	-397
Proceeds from sale of property, plant and equipment		35	3	20
<b>Cash flow from investing activities</b>		<b>-298</b>	<b>-83</b>	<b>-377</b>
Increase in financing		0	512	1,046
Decrease in financing		-557	-219	-860
Stock options exercised		0	0	89
<b>Cash flow from financing activities</b>		<b>-557</b>	<b>293</b>	<b>276</b>
Change in cash and cash equivalents		227	1	-10
Cash and cash equivalents at the beginning of period		258	268	268
<b>Cash and cash equivalents at the end of period</b>		<b>485</b>	<b>270</b>	<b>258</b>

## KEY FINANCIAL INDICATORS

	Q2/2017	Q1/2017	Q4/2016	Q3/2016	Q2/2016
Net sales, M€	5.6	5.7	6.6	5.6	5.3
Operating result before depreciation (EBITDA), M€	0.3	0.5	1.1	0.4	0.4
Operating result (EBIT), M€	0.1	0.2	0.8	0.2	0.2
of net sales, %	1%	3%	12%	3%	3%
Profit/loss before taxes, M€	0.0	0.2	0.8	0.1	0.1
of net sales, %	1%	3%	12%	2%	3%
Net profit/loss for the period, M€	0.0	0.2	1.2	0.1	0.1
of net sales, %	1%	3%	19%	2%	3%
Equity ratio, %	70%	70%	68%	64%	66%
Gearing, %	4%	6%	12%	16%	15%
Gross investments in fixed assets, M€	0.2	0.1	0.2	0.1	0.1
of net sales, %	3%	3%	3%	2%	1%
Personnel, end of the quarter	113	106	108	109	105
Earnings/share (EPS), €	0.01	0.03	0.19	0.02	0.02
Equity/share, €	1.67	1.67	1.64	1.45	1.43

### 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

## CONTINGENT LIABILITIES

	1 000 €	6/2017	6/2016	12/2016
Business mortgage		2,000	4,000	4,000
Operating lease liabilities		460	551	466
Other liabilities		21	1,528	21
<b>Total</b>		<b>2,481</b>	<b>6,079</b>	<b>4,487</b>

All figures are unaudited.

*Espoo, August 11, 2017*

**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.

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**ASPOCOMP - A SERVICE COMPANY SPECIALIZING IN PCB TECHNOLOGIES**

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Aspocomp specializes in demanding PCB technologies, serving its customers throughout the entire life cycle of a product. Aspocomp sells and manufactures PCBs and also provides related design and logistics services as well as technology solutions. Aspocomp creates value for its customers with unique products and solutions, strong manufacturing and technology expertise, as well as fast and reliable deliveries. A wide network of expert partners together with Aspocomp's own manufacturing enables its customers to cost-effectively buy their PCBs from a single provider over the entire life cycle of a product.

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 customers are companies that design and manufacture telecom systems and equipment, automotive and industrial electronics, security technology and semiconductor testing systems.

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

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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.