

ASPOCOMP

Heart of your technology



Aspocomp's Financial Statements Release 2019
Presentation

March 10, 2020
Mikko Montonen, President and CEO

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- Aspocomp in brief
- Markets and growth drivers
- Competitive edge
- Financials
- Outlook

Aspocomp - Heart of your technology

Technological
advantage in
demanding
printed circuit
boards

Competitive
manufacturing
partner
network

Net sales
growth
7%
(2019)

Full life-cycle
from
R&D to
volume
production

High-tech
PCB
technology

Shortening
Time-to-
market

Own high-tech
production
site
in Finland

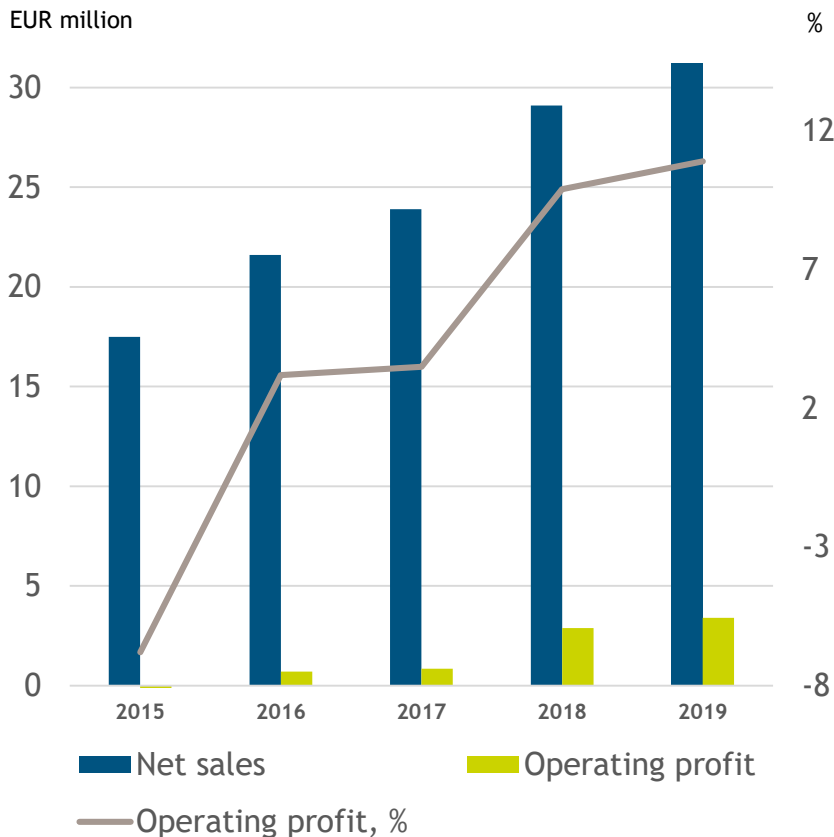
Nasdaq Helsinki
since 1999

PCB = Printed circuit board

Aspocomp in brief



Net sales and profitability



- Aspocomp develops and sells PCBs and manufacturing services, helping customers to create optimal designs and shortening time-to-market for customers' products.
- Aspocomp offers cost-efficient access to all PCB technologies together with its own production site in Oulu and strong partner network.

Aspocomp - Serving customers worldwide

Head office in Espoo, Finland

Production site in Oulu, Finland

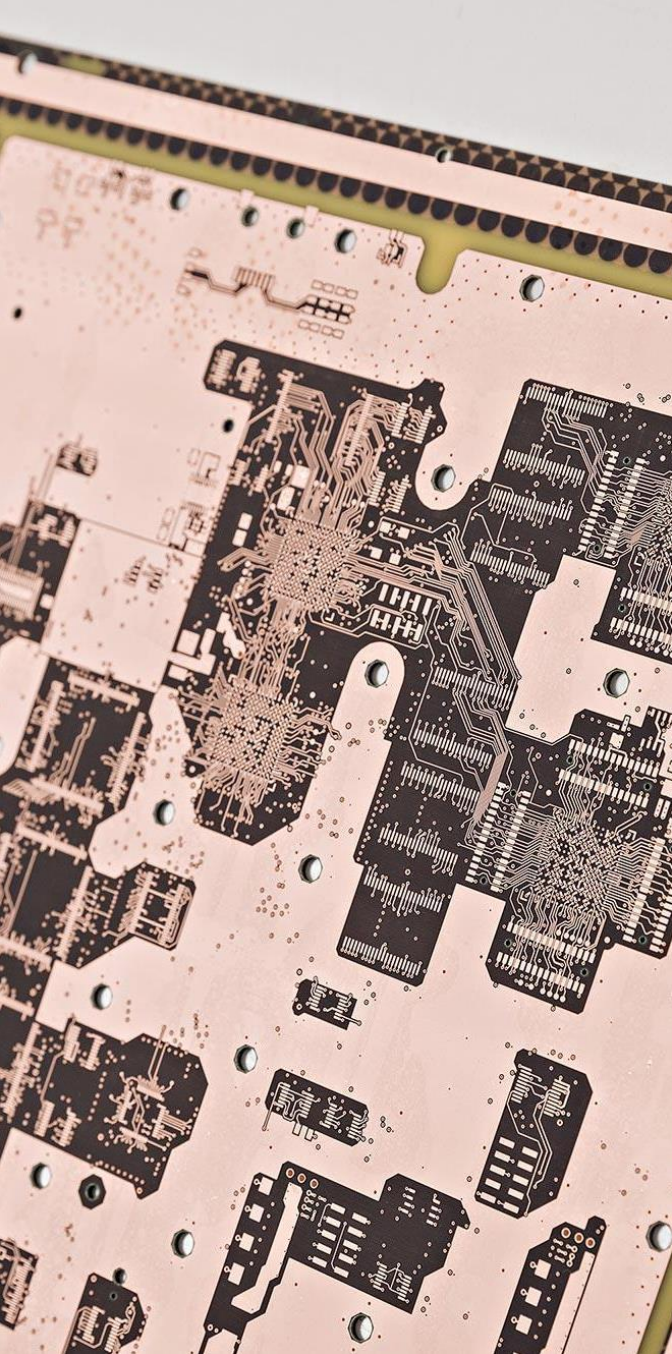
Main markets Northern and Central Europe

Global supply chain with partner network in Europe and China. Customer support in Europe.

Presence in Germany, UK, Switzerland and Sweden

Market size for PCB
\$90 billion
by 2024

(Sep. 2019,
Lucitel & Industry Arc)



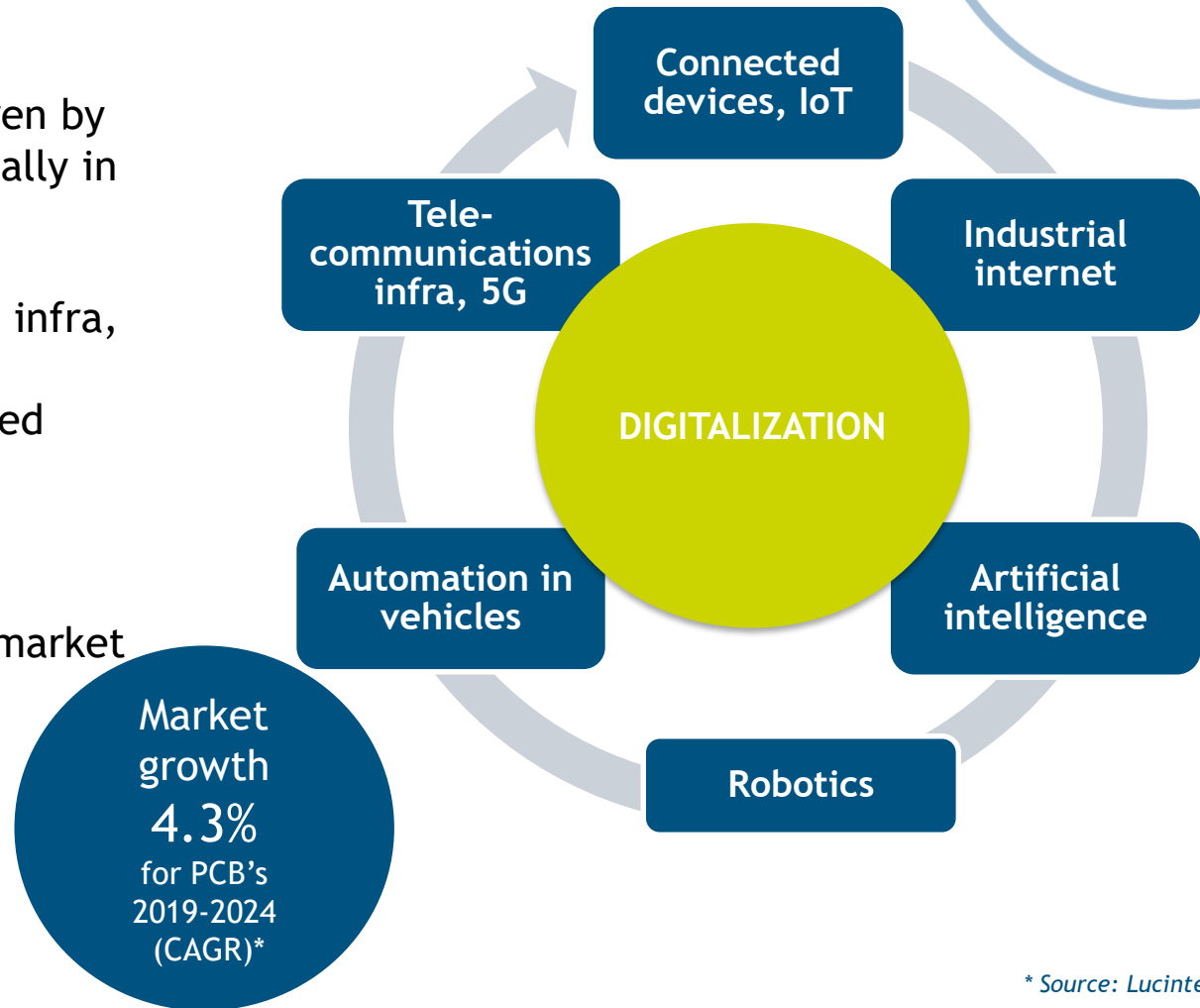
Markets and growth drivers

Increasing use of PCBs in electronic appliances drive the industry.

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.

Digitalization continues to drive global growth for PCBs

- Industry growth driven by digitalization especially in vehicle automation, instruments, telecommunications infra, security, defence & aviation and advanced semiconductor technologies.
- Shortening time-to-market increasingly critical



* Source: Lucintel 9/2019

Market for PCBs growing along with smart devices, telecom infra and automation

The PCB market is expected to grow by 4.3% (CAGR) from 2019 to 2024.*

Market size is expected to reach \$89.7 billion by 2024.*

In Europe average growth rate 2.6% (CAGR) 2016-2024*

Asia Pacific is expected to remain the largest market and witness the largest growth *

Main market drivers for growth

- Advancement of internet of things
- Increased adoption of smart devices
- Wearable electronics
- Telecommunications infra and 5G
- Increased automation in industrial applications
- Advancement in automotive electronics

However, some signs of growth slowing down are visible.

Outbreak of Coronavirus disease may limit availability of electronics component

Also geopolitical concerns, trade tariffs and Brexit may have an impact.

**Source: Lucintel Sep. 2019*

Aspocomp's competitive edge

Why customers love us?





Accelerate **TIME-TO-MARKET** of our customers' products

Bringing added value to customers by providing PCB technology services from the R&D phase to volume production.

Focus on customers' concerns

Customers have

Complex technical PCB requirements

Need for a reliable PCB partner who can support them in all technologies and volumes

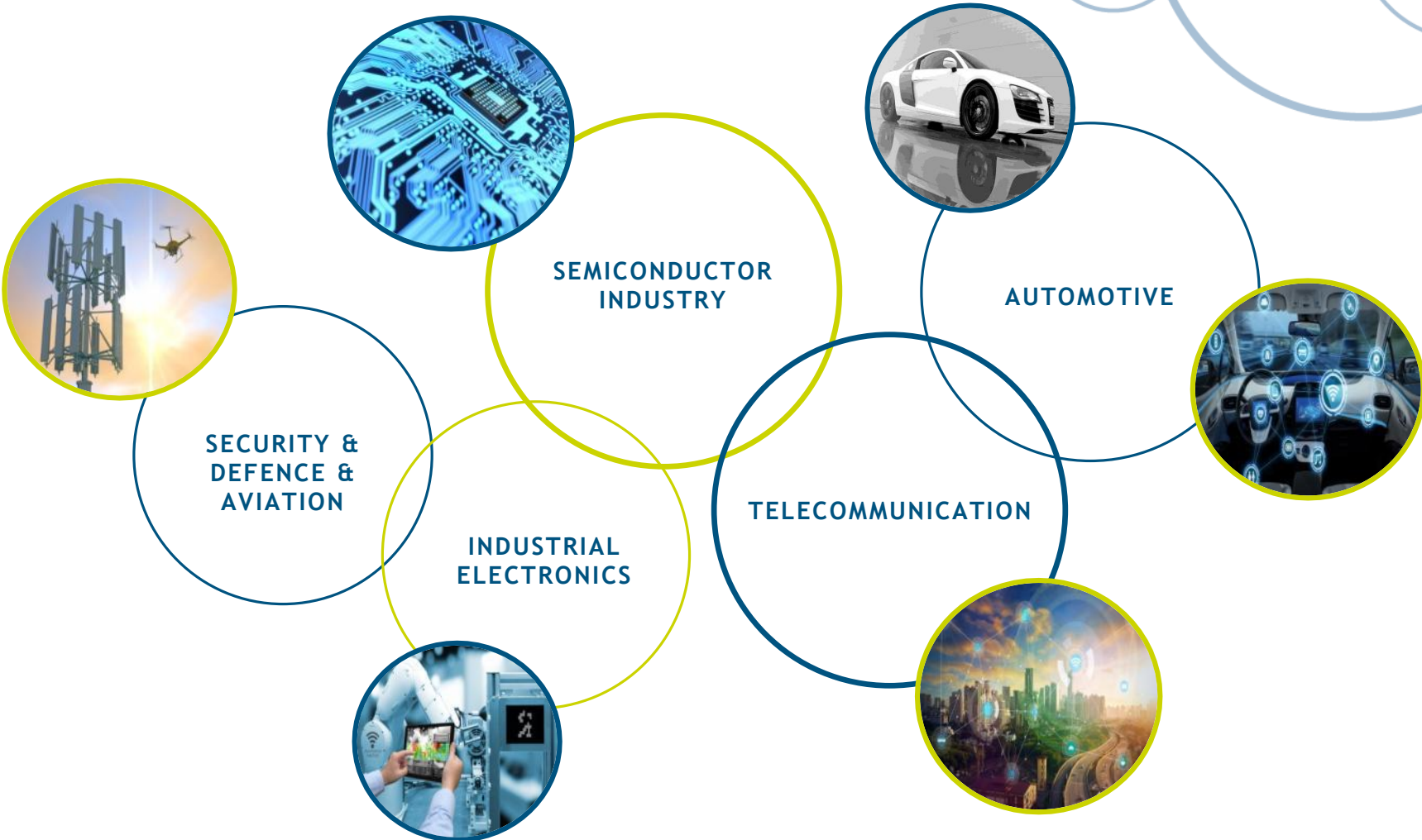
Critical time requirements



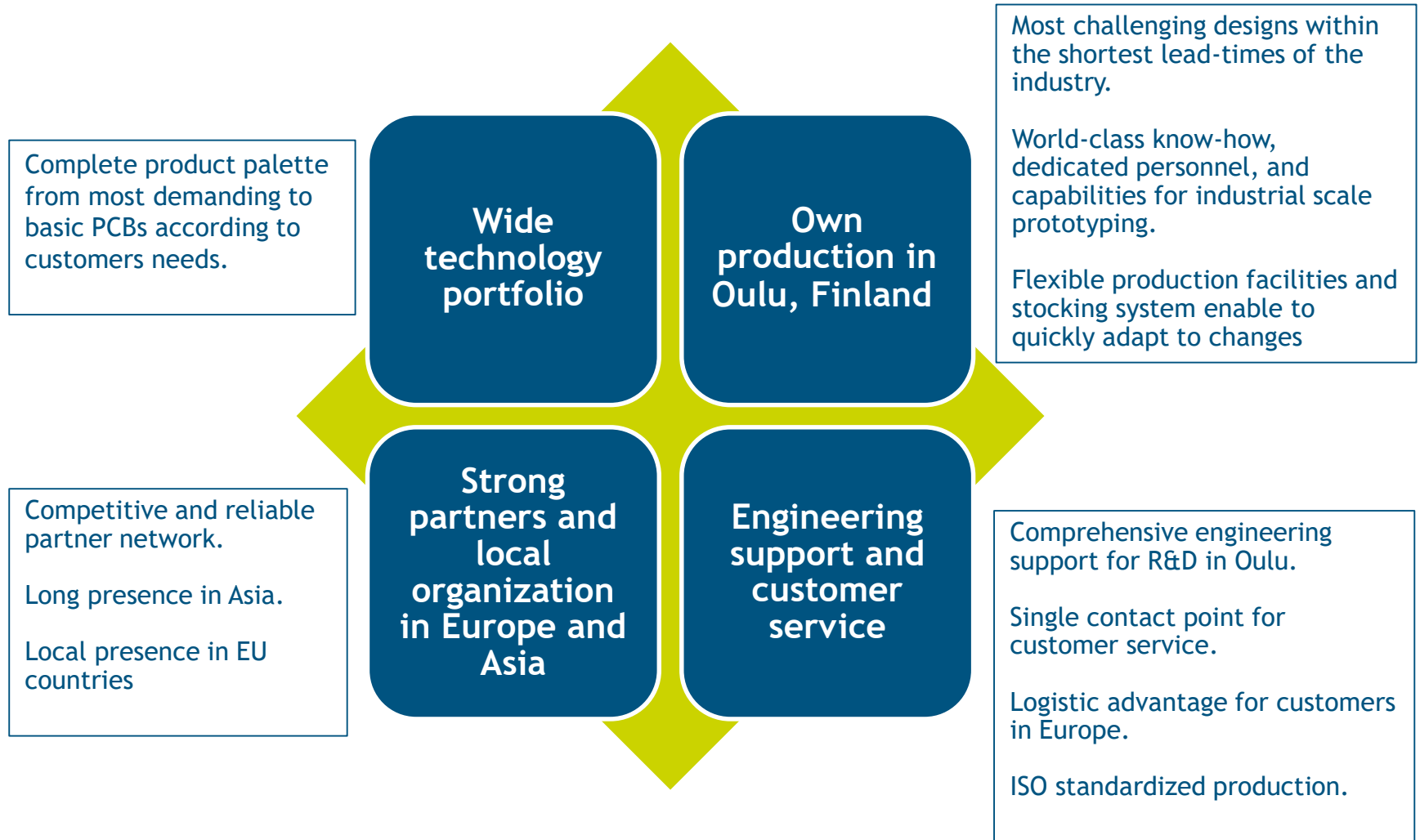
We have

- 1) Superb technology and manufacturing knowledge from design to production
- 2) Strong world-class partner network and own production
- 3) Fast deliveries, flexibility in operations
- 4) Certified quality standards

Key Customer Segments for Aspocomp



Aspocomp's key strengths



Financials

Strong growth and profitability



Q4 Financial results

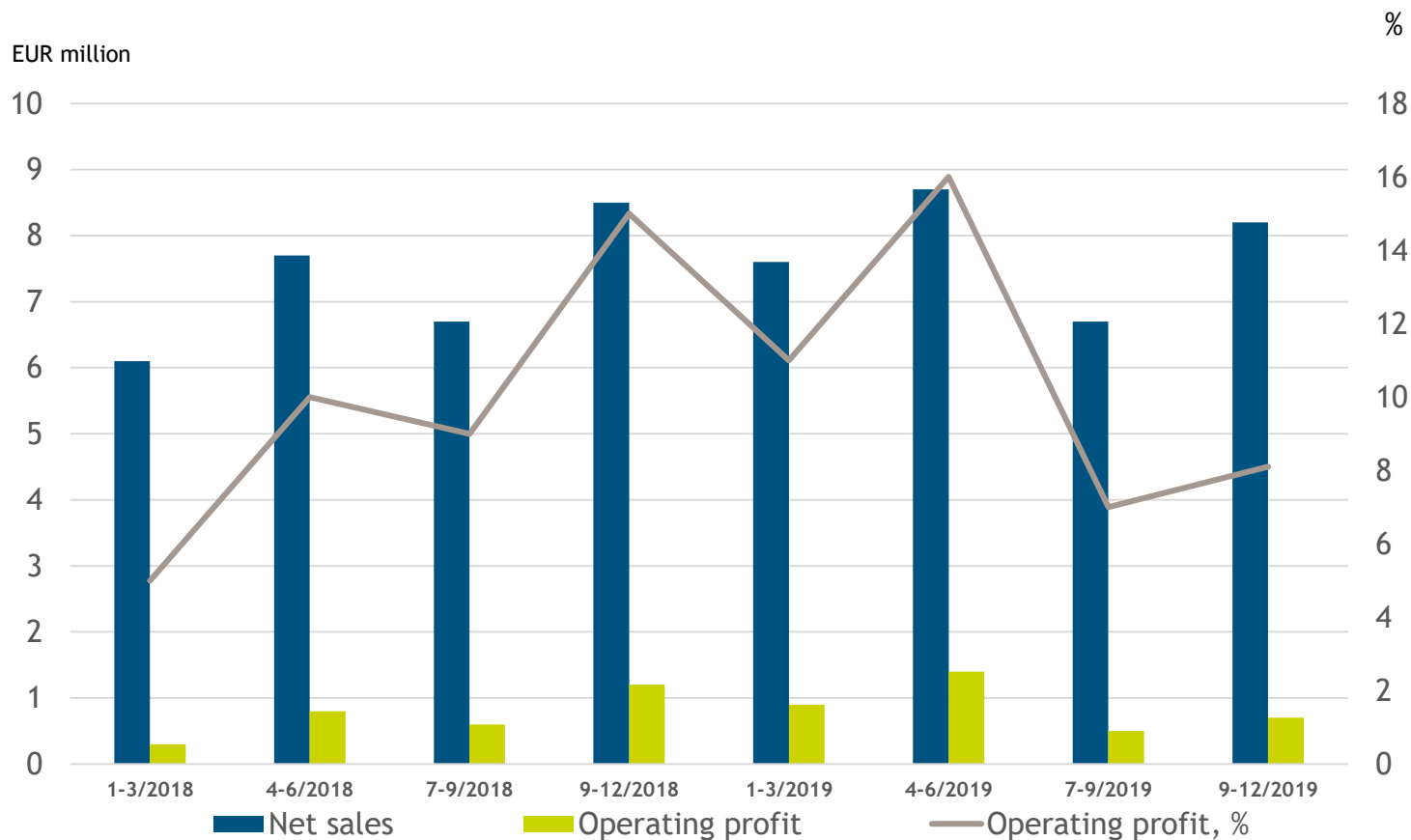
	10-12/2019	10-12/2018	Change *
Net Sales	8.2 M€	8.5 M€	-4 %
Operating result	0.7 M€	1.2 M€	-47 %
% of net sales	8.1 %	14.5 %	-6 ppts
Order Book, end of period	4.4 M€	2.8 M€	59 %

- Net Sales decreased by 4% compared to strong Q4 2018
- Operating result 0.5 M€ lower due to less demand in high value added R&D PCB's and higher costs in new product development
- Order book at very good level in the end of year

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

Quarterly performance

Quarterly net sales and profitability of Aspocomp



2019 Financial results

	1-12/2019	1-12/2018	Change *
Net sales	31.2 M€	29.1 M€	+7 %
Operating result	3.4 M€	2.9 M€	+18 %
% of net sales	10.9 %	9.9 %	+1 ppts
Operative cash flow	4.3 M€	2.0 M€	+110 %

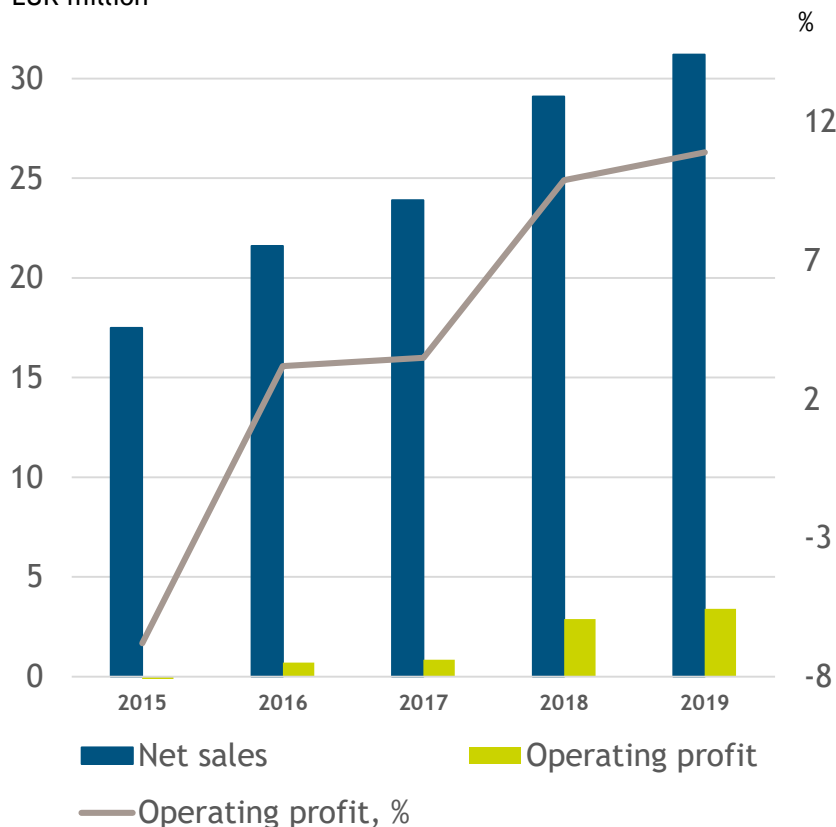
- Net Sales increased by 7% in challenging market conditions
 - Overall global market growth around 0%
- Operating result increased by 18%
- Operative cash flow more than doubled

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

Key drivers for performance in 2019

Net sales and profitability of Aspocomp

EUR million



↑ ✓ Volumes increased in both R&D and volume production

↑ ✓ Improved efficiency

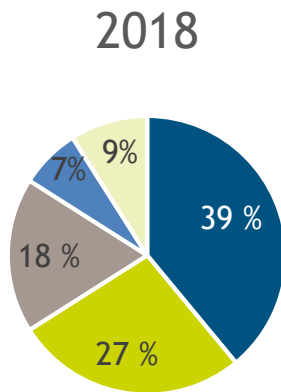
↑ ✓ Improved product mix

↓ ➤ Longer lead times of materials

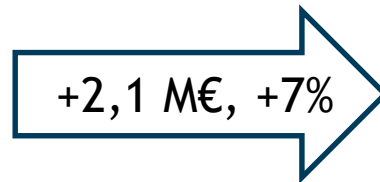
↓ ➤ Higher new product development cost

↓ ➤ European market slowing

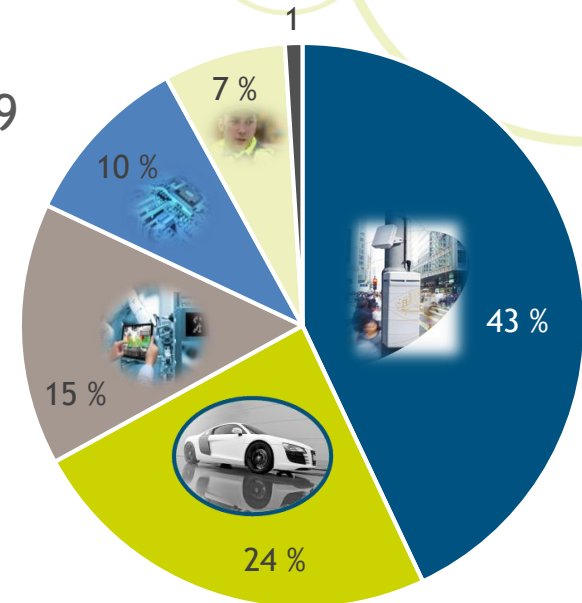
Seeking for high growth in selected customer segments



- Telecommunication
- Automotive
- Industrial electronics
- Semiconductor Industry
- Security, Defence and Aviation
- Others



2019



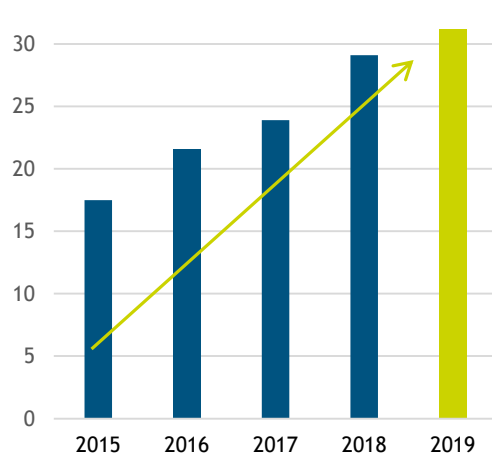
- Telecommunication
- Automotive
- Industrial electronics
- Semiconductor Industry
- Security, Defence and Aviation
- Others

Growth continued - transformation strategy successfully implemented

- Net sales increased by 7% y-o-y driven by strong demand for targeted products
- Faster than overall market growth (global PCB market appr. 0% growth)
- Profitability showed double digits growth
- Order book significantly strengthened

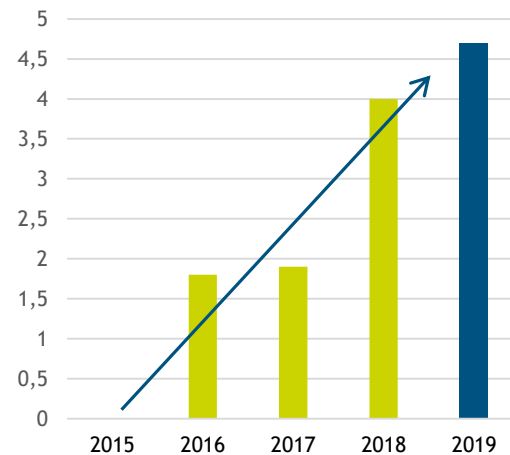
NET SALES

EUR million



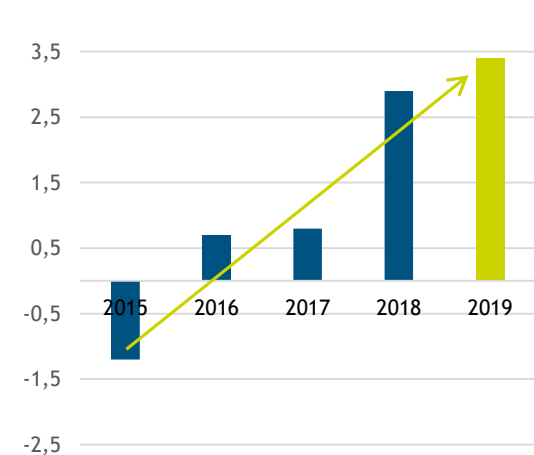
EBITDA

EUR million



EBIT

EUR million

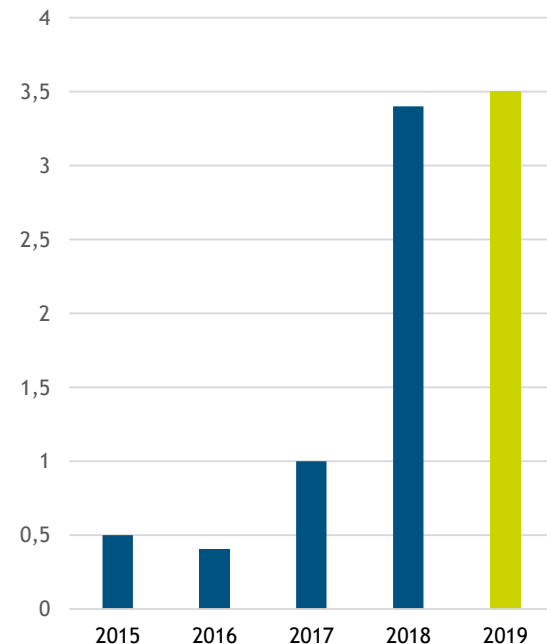


Investments of EUR 10 million in total in Oulu site progressing as planned

- On-going investments in Oulu to respond to the increased demand, in the first stage, to enhance the capability and, in the second stage, to increase the capacity - with the aim to optimize the product mix.
- Most part of the first stage investment has completed by end of 2019.
- The investment is partially funded by EU 2014-2020 program.
- In 2018, investments included the acquisition of the production facility in Oulu.

INVESTMENTS

EUR million

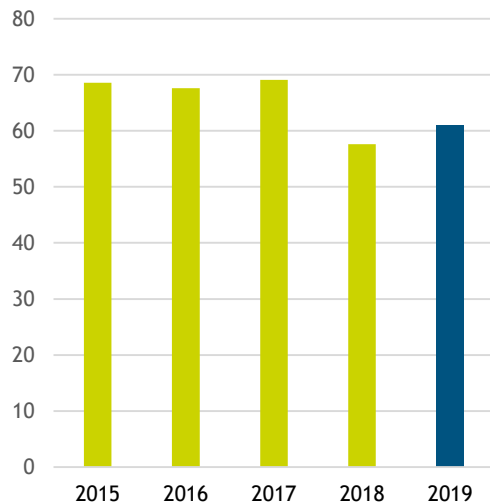


Strong financial position, equity ratio at 61%

- Operative cash flow significantly increased to EUR 4.3m
- Gearing remained at a good level at 19%

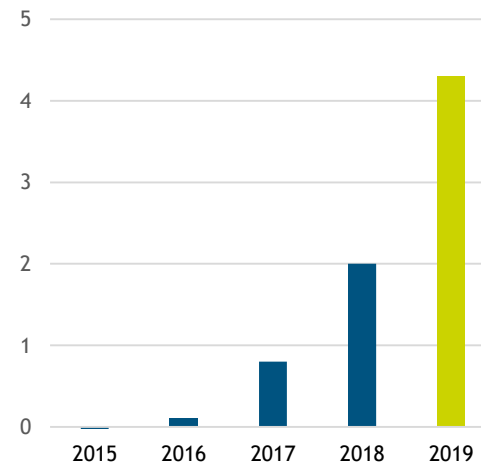


EQUITY RATIO, %



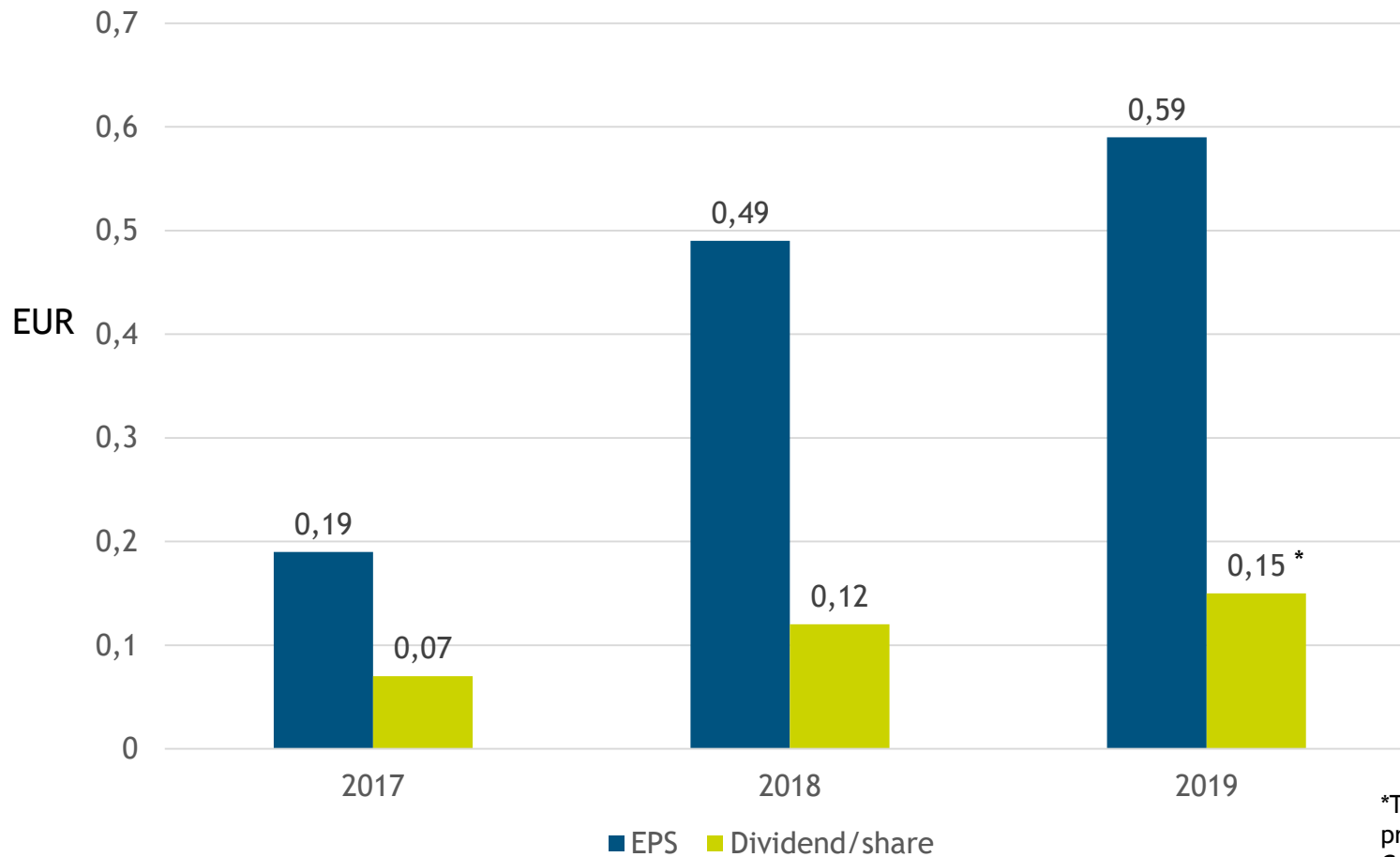
CASH FLOW FROM OPERATIONS

EUR million



2019
Equity per share
€2.70
Earnings per share
€0.59

Earnings Per Share and Profit Sharing



*The Board of Directors' proposal to the Annual General meeting

Key indicators

EUR million	2019	2018	2017
Net sales	31.2	29.1	23.9
EBITDA	4.7	4.0	1.9
Operating profit (EBIT)	3.4	2.9	0.8
% of net sales	10.9%	9.9%	3.5%
Net profit for the period	3.9	3.2	1.3
Earnings per share, EUR	0.59	0.49	0.19
Operative cash flow	4.5	2.0	0.8
Equity ratio, %	61.3%	57.6%	69.1%
Order book at the end of the period	4.4	2.8	2.5
Personnel	132	117	111

- Net sales grew by 7%
- Profitability improved, operating profit margin 10.9%
- Operative cash flow of EUR 4.5 million, more than doubled y-o-y
- Order book at EUR 4.4 million

Mitigating business risks

Impact of coronavirus on the electronics supply chain

Dependence on key customers

Changes in market trends

- -Own production site in Finland supports customers urgent demand.
-Stock availability, pre-orders, and merchant stock are used to anticipate changes in material availability and lead times
- -Aim to increase the number of large customers and customer segments. Strengthen long-term customer relations.
- -Technical capability, flexibility and efficiency in own production site helps to adapt to market changes.

Growth strategy

To be the number one partner for our customers.



Outlook for 2020

The outbreak of coronavirus disease will affect the availability and delivery times of the circuit boards purchased by Aspocomp from China. The outbreak of coronavirus disease is also having a profound impact on the supply chains of the electronics industry and on customer orders. Due to this situation, the outlook for 2020 involves a significantly higher risk than normal.

Aspocomp estimates its net sales and the operating result for 2020 to be at the same level as in 2019. In 2019, net sales amounted to EUR 31.2 million and the operating result to 3.4 million.

Why to invest in Aspocomp

Growing market for PCB

Profitable growth

Becoming the
number one
partner for our
customers

Superior technical
expertise

Focus on
more comprehensive
customer service

Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

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Thank you!