

# **ASPOCOMP**

**Heart of your technology**

Investor presentation, Mar. 10, 2022

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# I: Basic information

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Triple Vision Technology™ Magic Technology™



# Aspocomp in brief

- Aspocomp is a manufacturer and supplier of printed circuit boards (PCBs) used in a vast number of applications.
- Aspocomp's customers are global, leading technology companies in their fields.
- Aspocomp runs its own factory in Oulu, Finland, focusing on advanced, high-tech PCBs.
- A comprehensive manufacturing partner network in Europe and China complements the offering and enables Aspocomp to serve its customers throughout the product life cycle.

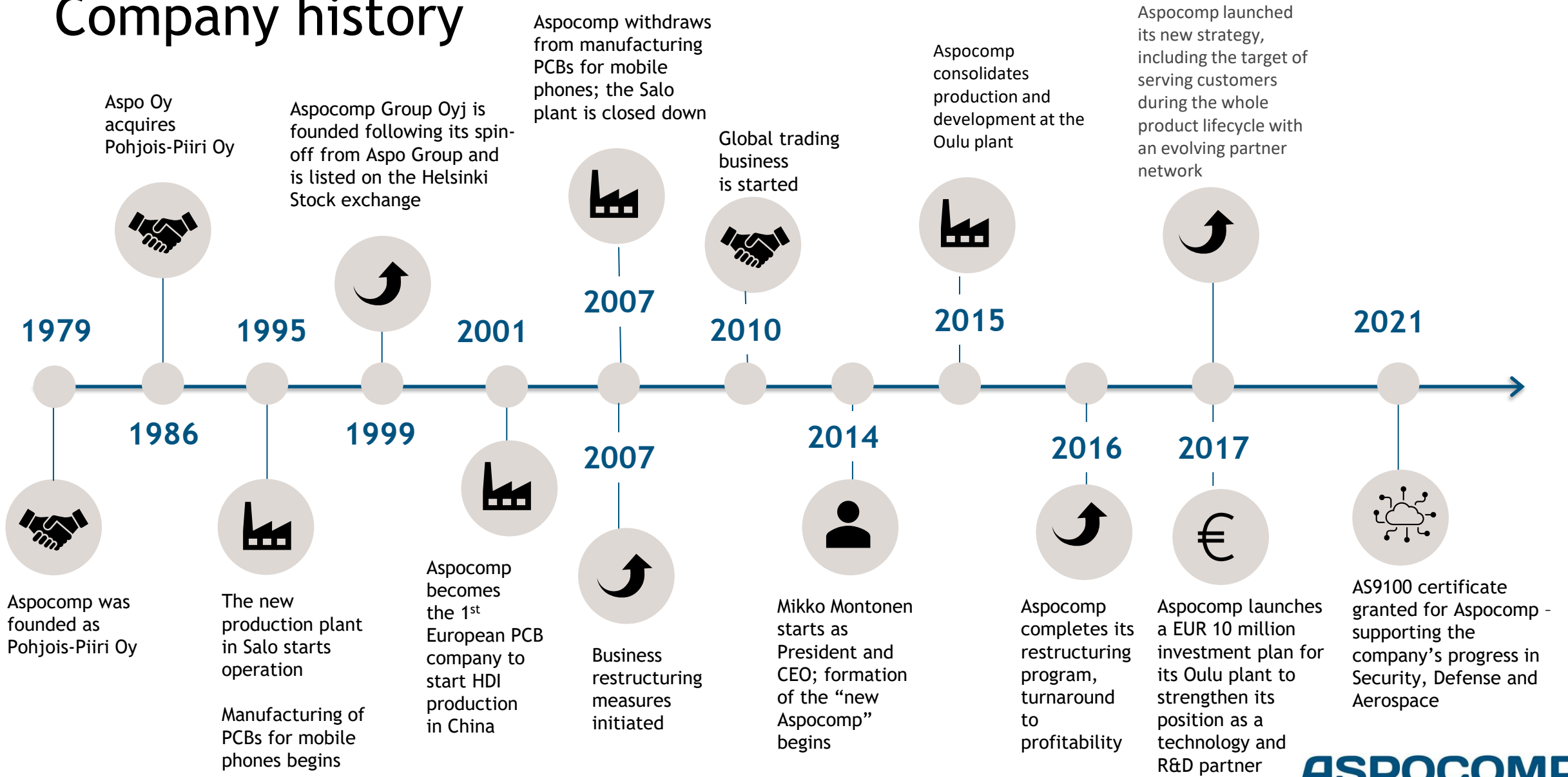
**MEUR 33.2**  
Net sales

**MEUR 2.2**  
Operating result

**145**  
No. of personnel (end of 2021)

All figures from financial year 2021.

# Company history





# Company fundamentals: Mission, vision, values

## Mission

We use our deep PCB knowledge to build advanced technology products with our customers.

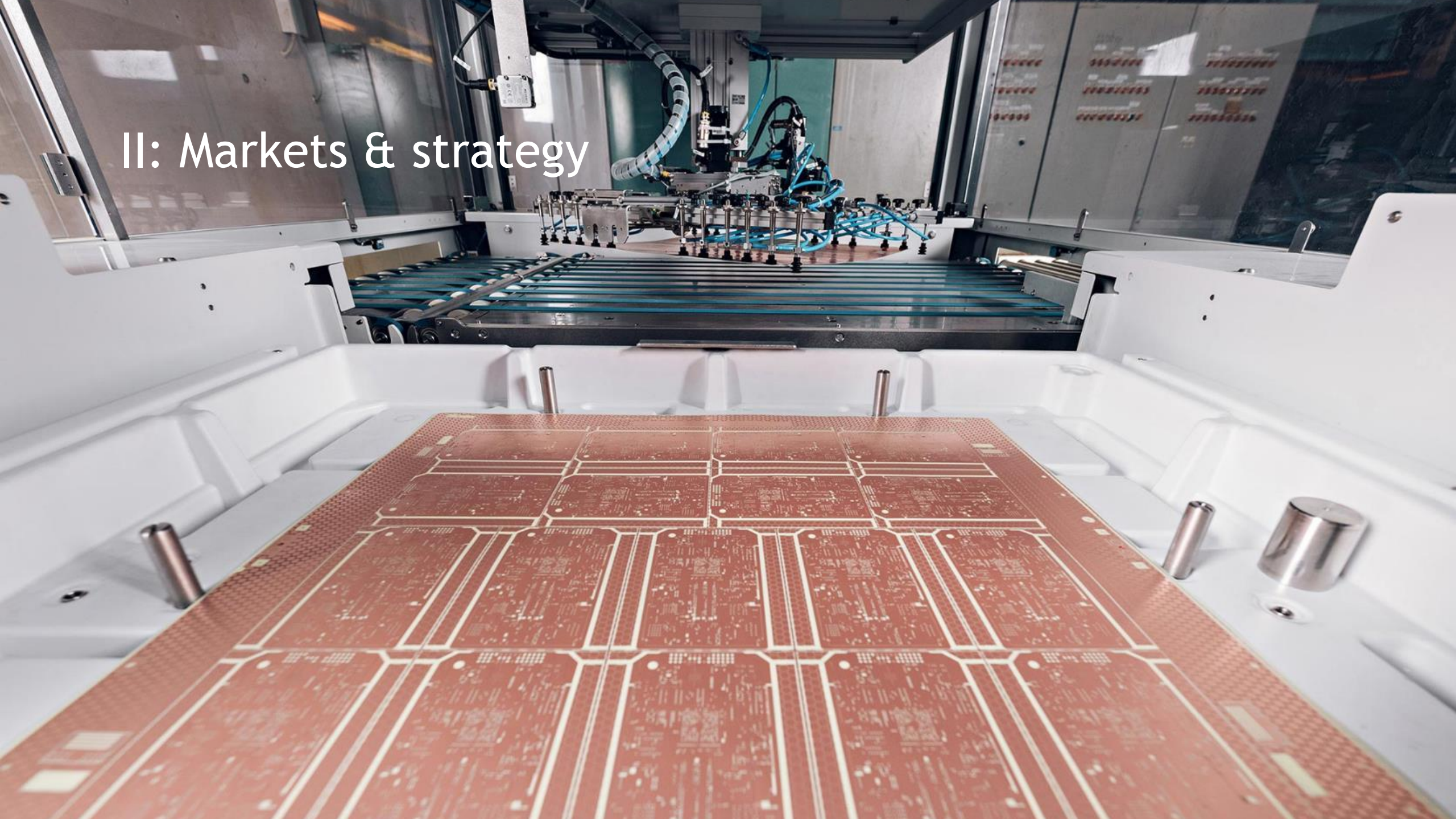
## Vision

Aspocomp is one of the market leaders in Europe and the obvious trusted PCB partner for leading companies in advanced technologies.

## Values

We provide the world's best PCB service.  
Being streamlined makes us more efficient.  
Continuous development keeps us going.  
The working community is our strength.

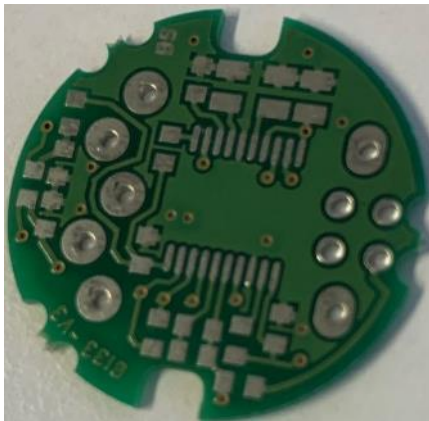
## II: Markets & strategy





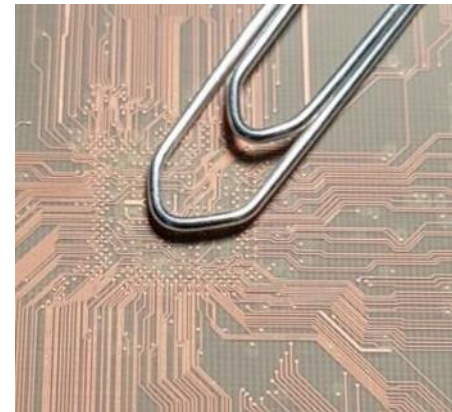
# What is a printed circuit board (PCB)?

- A Printed Circuit Board is a complex combination of materials that provides a stable mechanical and thermal platform for the electrical interconnection of components.
- PCBs are used in all electrical devices from simple coffee makers to extremely complex machines. **PCBs are the nerves and veins of the device.**



Simple PCB

- Diameter 20 mm
- 2 layers (sides)



Complex PCB

- 16 - 32 layers
- Space between traces 50 micrometers
- Size 500 \* 585 mm
- Up to million holes (including laser holes)
- Up to 10 000 components



# Asia dominates in volume production

Total market size:  
USD ~80 billion

Americas:  
Regional  
market;  
PCB usage  
>10bn  
PCB production  
~3bn

Europe:  
Regional  
advanced/R&D  
production,  
PCB usage <10bn  
PCB production  
~2bn

Asia: focus on  
volumes,  
PCB usage  
<60bn  
PCB production  
~75bn

Estimated PCB market growth 4.8% (CAGR 2021-26), some 1,700 manufacturers  
Market share: Share of the local producers of the global market  
(Aspocomp estimate, based on industry sources)

# PCB market: a diverse industry with a variety of players

## Own manufacturing

Large volumes  
Mass products  
Long lead times  
Relatively high entry barrier  
Mainly in Asia

## Own manufacturing and trading

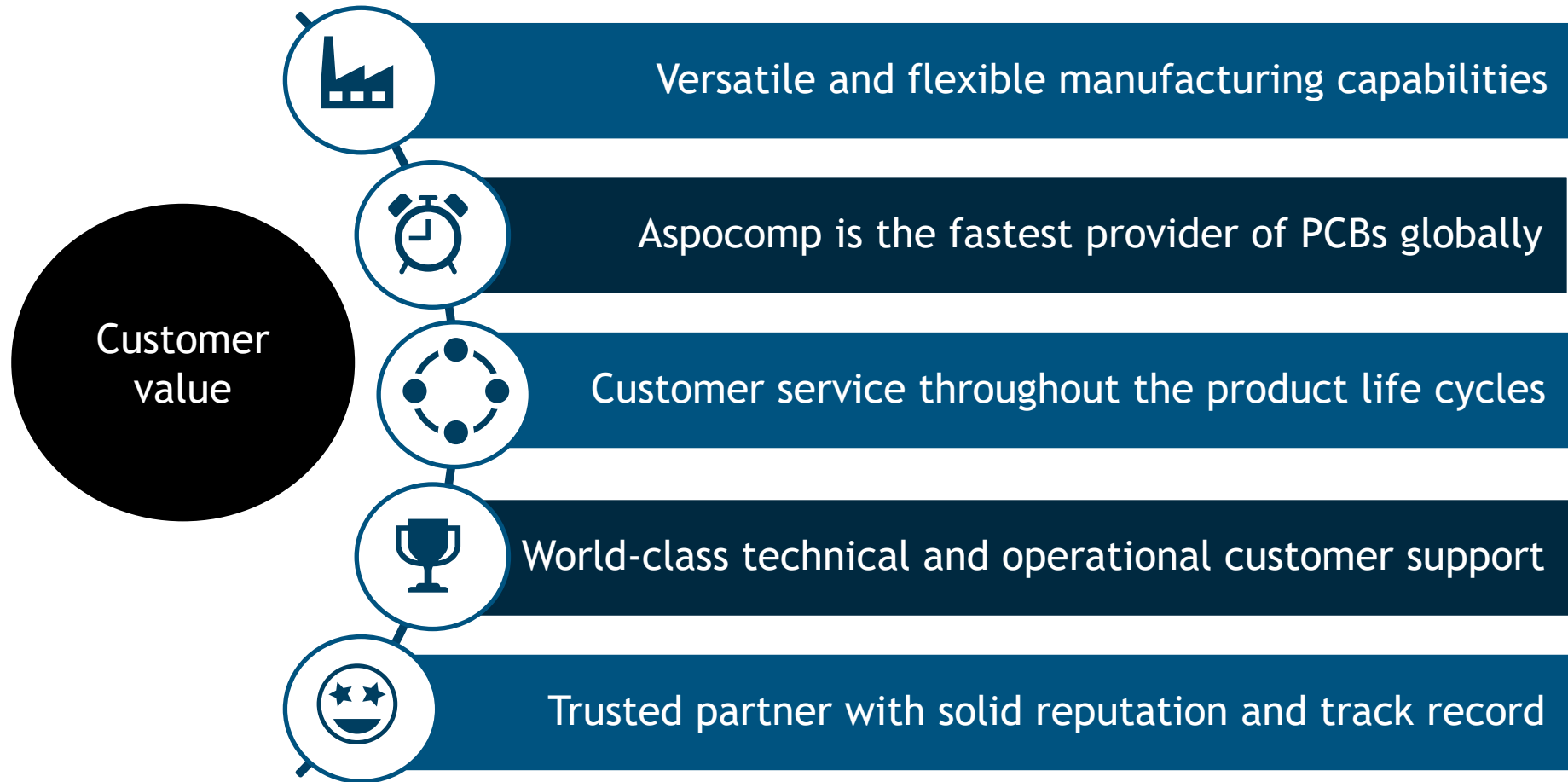
Medium volumes  
Niche products  
Short lead times, more flexibility  
High entry barrier  
Mainly in Europe & USA

## Trading only

Low volume, high mix  
Business model is to purchase and sell PCBs  
Alternative to customer's own sourcing operations

Aspocomp's position

# Dimensions of Aspocomp's competitive edge







## Aspocomp's strategy - key components

- Customer Oriented Service Company
- Seeking high growth in selected customer segments
- Expanding to new markets
- Improving operational excellence
- Investigating inorganic business opportunities

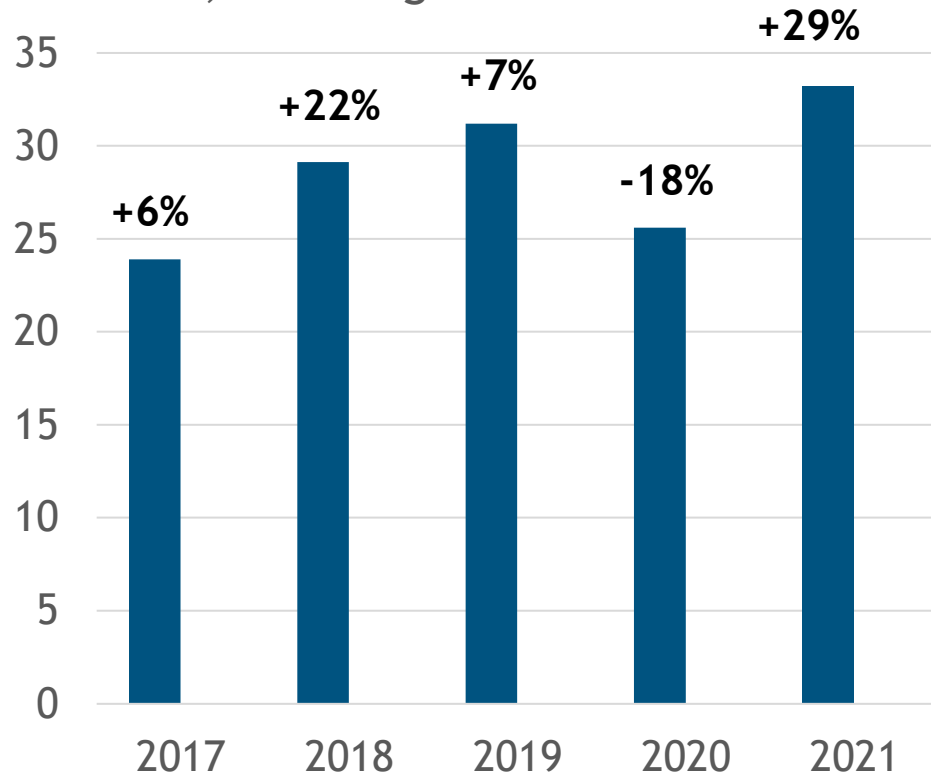
# Strategy execution: key actions

Strategic focus area	Key actions
Customer Oriented Service Company	<ul style="list-style-type: none"><li>• World-class service throughout the product life cycle</li><li>• A comprehensive manufacturing partner network in Europe and Asia</li></ul>
Seeking high growth in selected customer segments	<ul style="list-style-type: none"><li>• Active new customer acquisition, focus on larger customers in EMEA</li><li>• Strengthening utilization of digital marketing</li><li>• Increasing customer understanding, especially in security, defense &amp; aerospace</li></ul>
Expanding to new markets	<ul style="list-style-type: none"><li>• Technology roadmap</li><li>• AS9100 certification</li></ul>
Improving operational excellence	<ul style="list-style-type: none"><li>• Increasing the advanced capacity in Oulu</li><li>• Optimizing product mix during the strategy period</li><li>• Digitalization and robotization in HW and SW</li></ul>
Investigating inorganic business opportunities	<ul style="list-style-type: none"><li>• Exploring opportunities for M&amp;As</li></ul>

# Strategy execution: Progress in financial targets

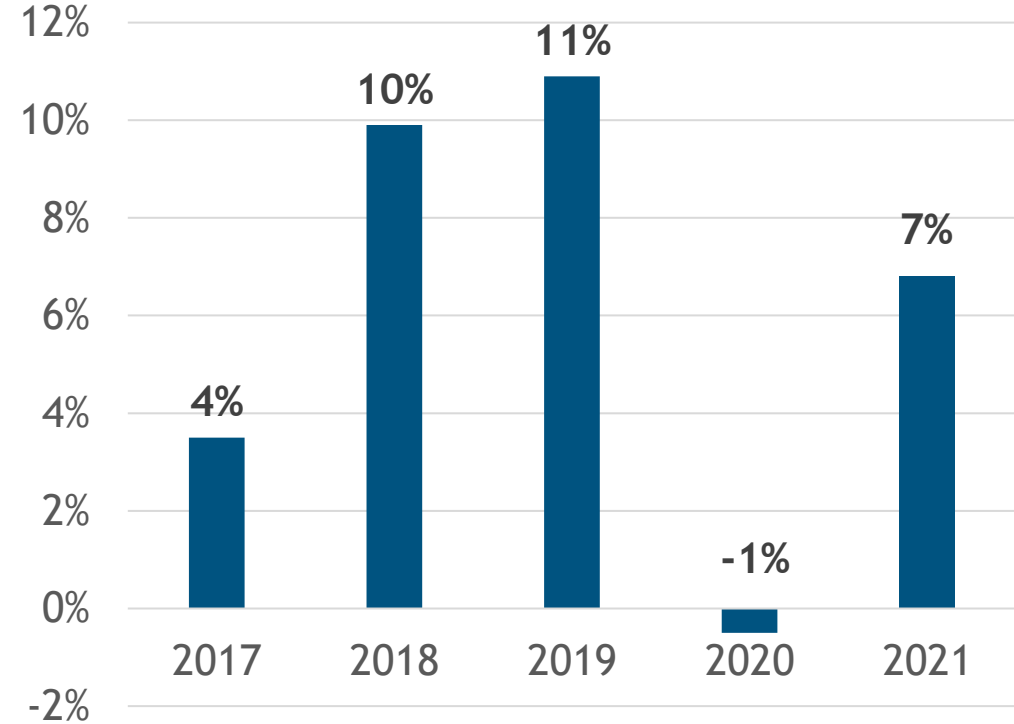
## Target: Net sales growth on average 10% per year

Net sales, M€ and growth%



## Target: EBIT margin >7% (by 2022)

EBIT, %



Targets set in the beginning of the current strategy period 2017 - 2022





III: Business & Sustainability



# Customer segments in nutshell



Other electronics 2%

# Megatrends drive demand growth in all customer segments

Automotive	Industrial Electronics	Security, Defense and Aerospace	Semiconductor Industry	Tele-communications
Safe driving and sustainable mobility	Digitalization	Geopolitical and Regional Trends	Digitalization	5G
Infotainment, Autonomous Driving, Electric Vehicles, Low emission, Car-to-Car communication, ADAS, Radar/LIDAR	IOT, M2M, AI, AR/VR, Big Data, Digital twins, Industry 4.0 and robotics	Trade wars, cyber activities, protectionism and surveillance are central themes in geopolitics	Growth of the electronics industry	New applications, faster data speed, lower latencies





# Automotive

Aspocomp serves Tier-1 and Tier-2 companies manufacturing solutions for commercial vehicles and passenger cars

## Drivers for segment growth

- Move into renewable energy sources
- And better fuel economy
- Increase of digitalization inside the vehicles
  - Radars, cameras, safety systems, infotainment
- Connectivity to smart traffic systems
  - Autonomous driving levels 1 - 5
- Estimated PCB market growth in Automotive
  - CAGR 2021 - 2026 7.2% (Aspocomp estimate based on industry sources)



# Industrial Electronics

Aspocomp serves a wide range of businesses that manufacture devices and products for industrial applications

- The drivers for the segment are
  - Increased intelligence in all products
  - IoT and other connectivity solutions
  - Smart manufacturing and AI
  - Streaming and broadcasting
- Estimated PCB market growth in Industrial Electronics is
  - CAGR 2021 - 2026 3.7% (Aspocomp estimate based on industry sources)





# Security, Defense & Aerospace

Aspocomp serves multiple large companies in this segment. New space companies comprise the newest customer group inside the Security, Defense and Aerospace segment.

- Growth drivers are
  - Increased civil security demands
  - Protectionism, trade disputes and regional needs
  - Increased risks for cyber attacks
  - Global environmental monitoring business
  - Growth of space exploration
- Estimated PCB market growth in this segment is
  - CAGR 2021 - 2026 3.2% (Aspocomp estimate based on industry sources)



# Semiconductor Industry



- Aspocomp serves global high tech semiconductor device companies and semiconductor equipment manufacturers.
- Largest customers operate in the semiconductor test equipment market
- Growth drivers are
  - Increased digitalization and miniaturization (SoC)
  - Big data, data transfer and storage. Cloud and edge computing. IoT and 5G
  - Ongoing investments are increasing component capacity
- Estimated PCB market growth in Semiconductor Industry is
  - CAGR 2021 - 2023 7.5% (Aspocomp estimate based on industry sources)



# Telecommunications

- Aspocomp serves global leading companies in the telecommunications systems and infrastructure market in the R&D and early market introduction phase
- Largest customers are 5G suppliers
- Growth drivers are
  - 5G, IoT, real-time data systems
  - Global data transfer needs
  - Importance of time to market
- Estimated PCB market growth in this segment is
  - CAGR 2021 - 2026 5.2% (Aspocomp estimate based on industry sources)

# Sustainability at Aspocomp

EMISSIONS	WATER USED IN MANUFACTURING	RAW MATERIALS & WASTE	PRODUCT LIFECYCLE IMPACT	Action plan with targets for next two years under review
<p>Review &amp; action plan</p> <p>69% of energy from fossil-free sources (62% in 2020)</p>	<p>100% of wastewater treated at our own treatment plants</p>	<p>Focus on material optimization and waste recovery</p> <p>Waste/production -16% in 2021</p> <p>Recovery rate 65% in 2021 (65% in 2020)</p>	<p>Environmental data to customers and authorities</p> <p>Recycling support for customers</p> <p>Cooperation within the supply chain</p>	

ISO 14011 Environmental management system

Use of Ecovadis (Bronze medal) and CDP as measurement and improvement tool

LEED Platinum



# IV: Summary and key takeaways

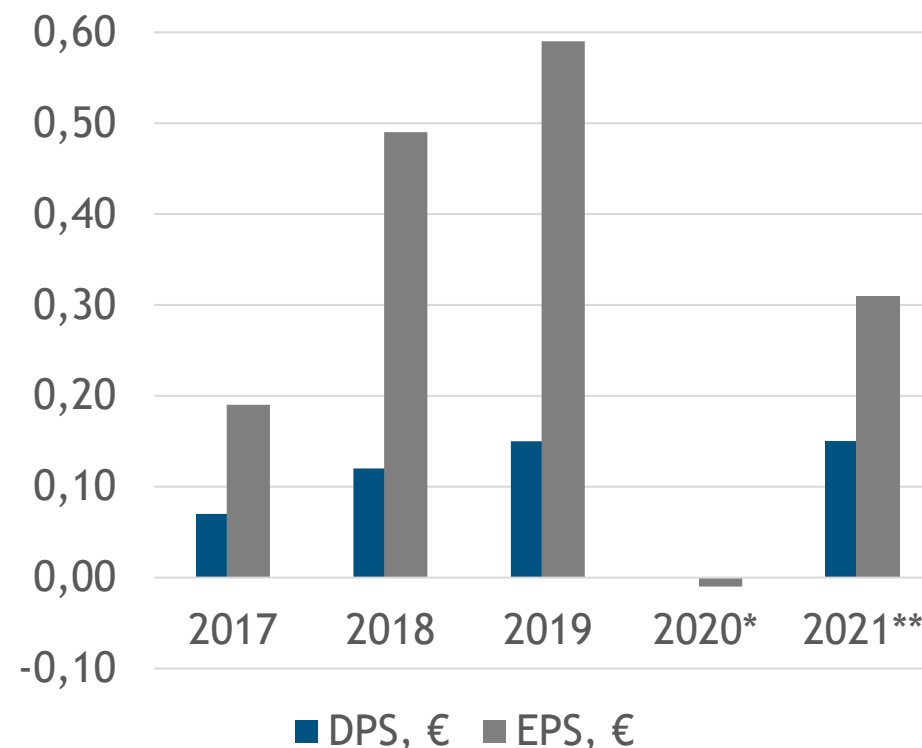




# Why invest in Aspocomp?

- Operating in growing global digitalization market with high technology
- Proven track record in strategy execution and financial performance
- Visibility for order book strongly improved
- Clear competitive advantages such as strong expertise and agile deliveries
- Dividend grows with profit
- Growth company

## Dividend and earnings/share



\* The AGM authorized the Board to decide on the distribution of up to EUR 0.07 per share. The authorization is valid until the beginning of the next Annual General Meeting.

\*\* Board proposal

# Next events & IR contact

Mar 10 Financial Statement Release 2021

Mar 17 Good Marketing, Investor meeting

Mar 22 Annual Report 2021

Apr 26 Annual General Meeting

May 9 Pörssisäätiö, Pienet Helmet

July 20 Half-Year Financial Report 2022





THANK YOU!





# Appendices

- Latest quarterly presentation
- Dividend policy
- TOP10 shareholders
- Board of Directors
- Management Team



# ASPOCOMP

Heart of your technology

Q4 2021 Financial result presentation

March 10, 2022 Mikko Montonen, CEO



# Our agenda today

- Q4 highlights
- Full-year 2021 highlights
- Q4 and 2021 financial performance:
  - Order book
  - Net sales
  - Operating result
  - Dividend
- Customer segment reviews
- Outlook
- Key takeaways
- Q&A



## Q4: Record-high demand, net sales grew by 81% and operating result improved clearly

- Net sales grew by 81% to MEUR 10.8
- Operating result improved clearly to MEUR 1.2, 11.5% of net sales
- Order book continued to grow and amounted to MEUR 16.5
- Q4 was successful and the outlook for the coming quarters remains positive due to the strong order book



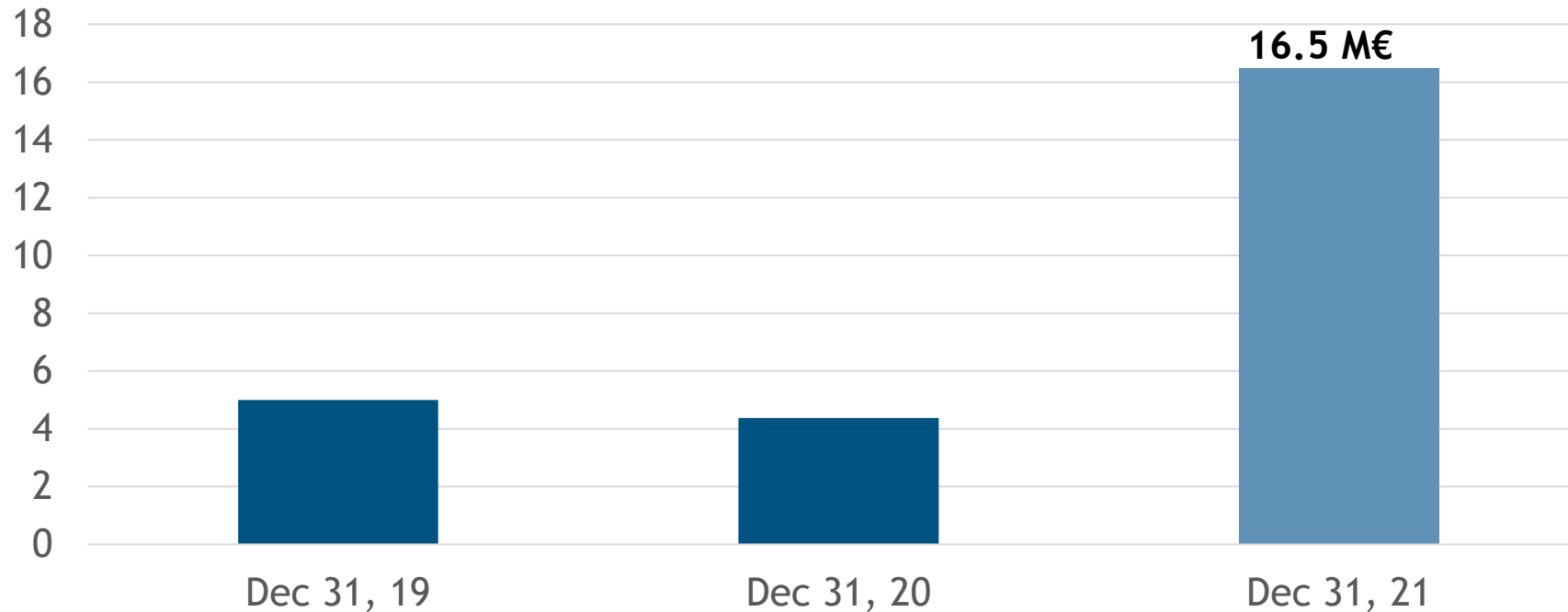


# Financial year 2021: Clear turnaround after H1

- COVID19 slowdown impacted H1 net sales and result.
- H2 was significantly stronger, resulting in 11.5% operating margin and MEUR 19.7 net sales
- Net sales grew by 29% to MEUR 33.2
- Operating result improved clearly to MEUR 2.2, 6.8% of net sales. 2020 operating result was MEUR -0.1
- Order book grew from MEUR 4.4 at the end of 2020 to MEUR 16.5 at the end of 2021, increase of MEUR 12.1

# Order book grew to a record level

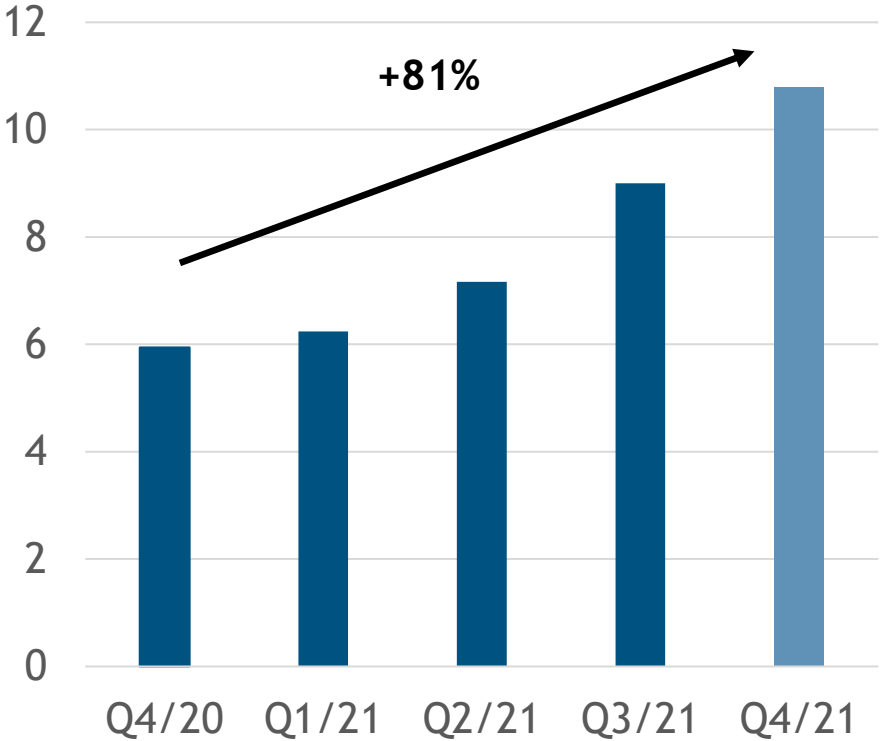
Order book (M€), deliveries next year



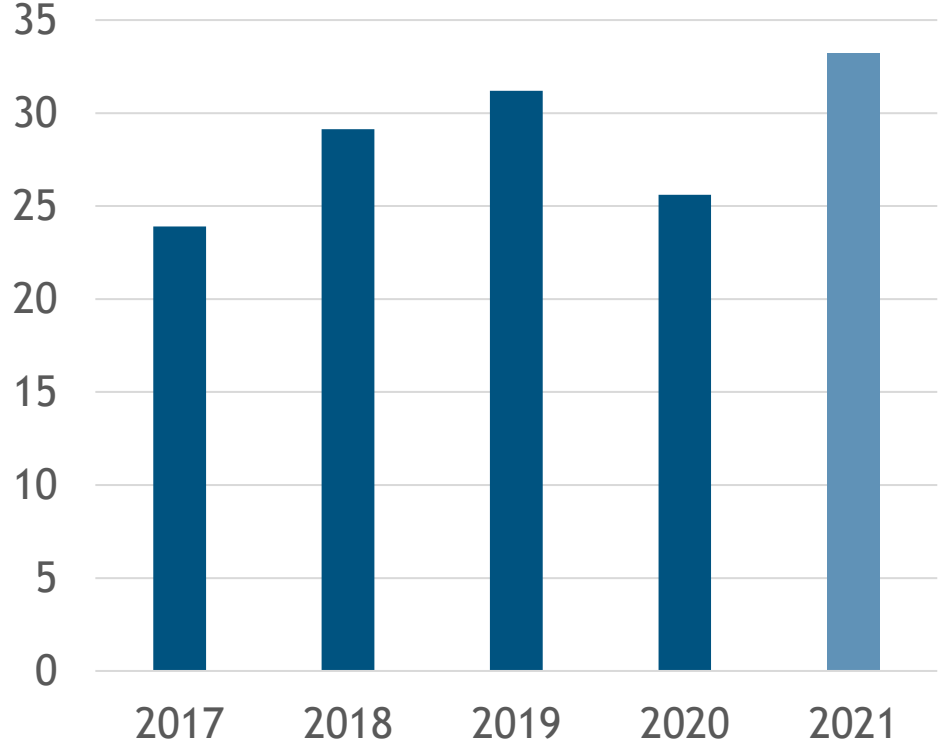
- Customer orders confirmed earlier than before:
  - Longer delivery times of raw materials used in PCB production
  - PCB delivery times have lengthened globally
- Semiconductor and automotive industries emphasized in the order book

# Stronger order book boosted growth

Quarterly net sales (M€)



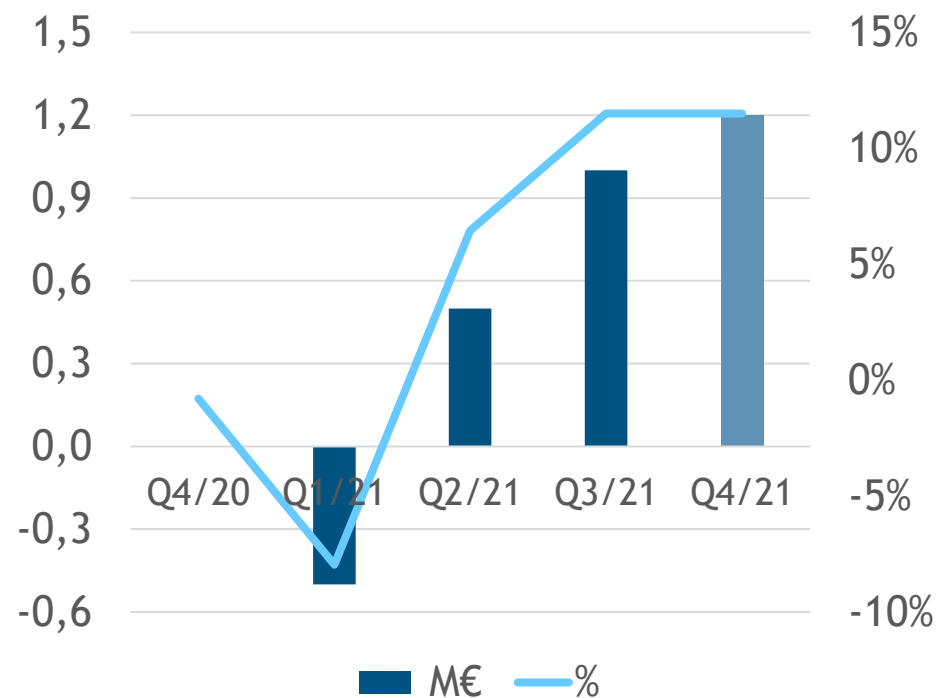
Annual net sales (M€)



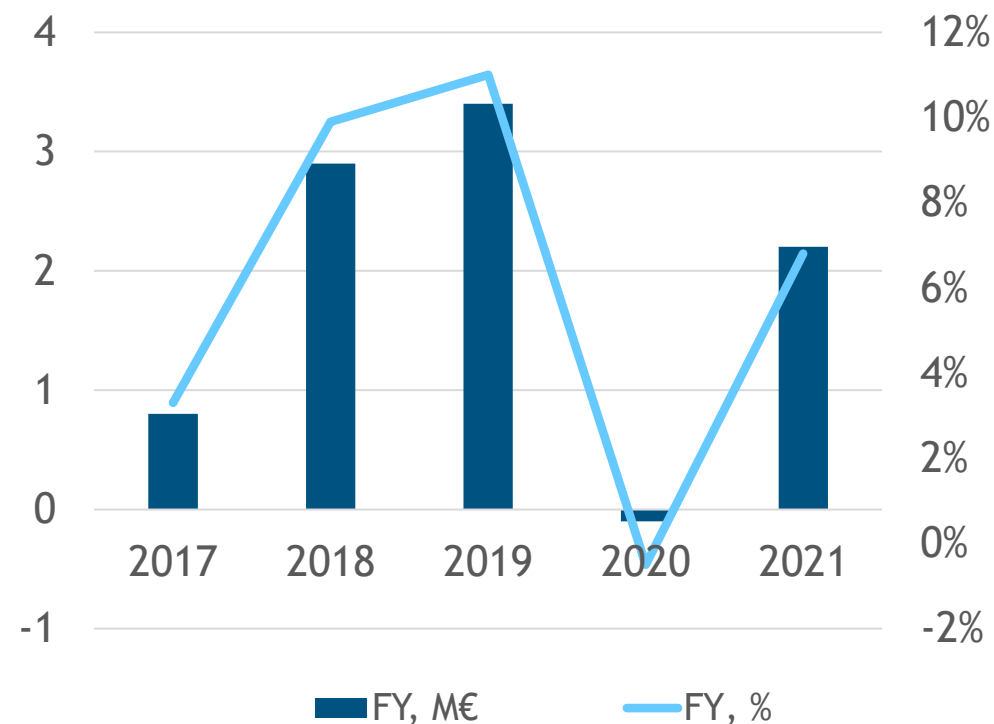


# Clear improvement in operating result

Operating result, M€ and %



Yearly operating result, M€ and %

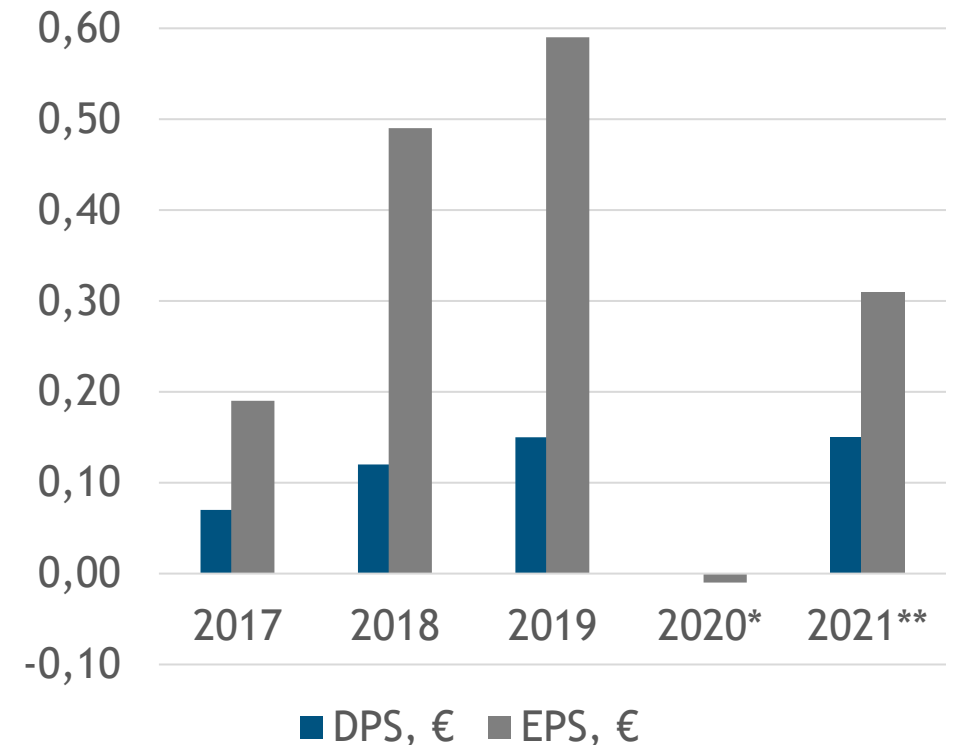


- COVID19 slowdown eased in H2
- End customer demand in Aspocomp's customer segments improved significantly
- Increased share of more advanced PCBs improved the operating result
- The share of quick-turn deliveries still remained below the pre-pandemic level

# Dividend proposal for AGM 2022

- Dividend policy target is to distribute at least 1/3 of the profit for the period as dividends
- The Board of Directors will propose to the Annual General Meeting on April 26, 2022, that the Annual General Meeting decide on the distribution of EUR 0.15 per share.
- The proposed dividend for fiscal year 2021 is nearly half of the profit for the period.

Dividend and earnings/share



\* The AGM authorized the Board to decide on the distribution of up to EUR 0.07 per share. The authorization is valid until the beginning of the next Annual General Meeting.

\*\* Board proposal

# Customer segment reviews and net sales Q4 2021

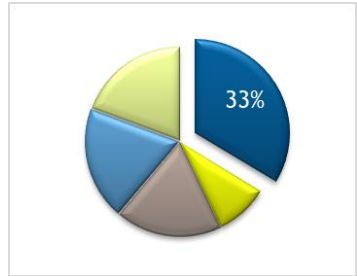


Other electronics 2%



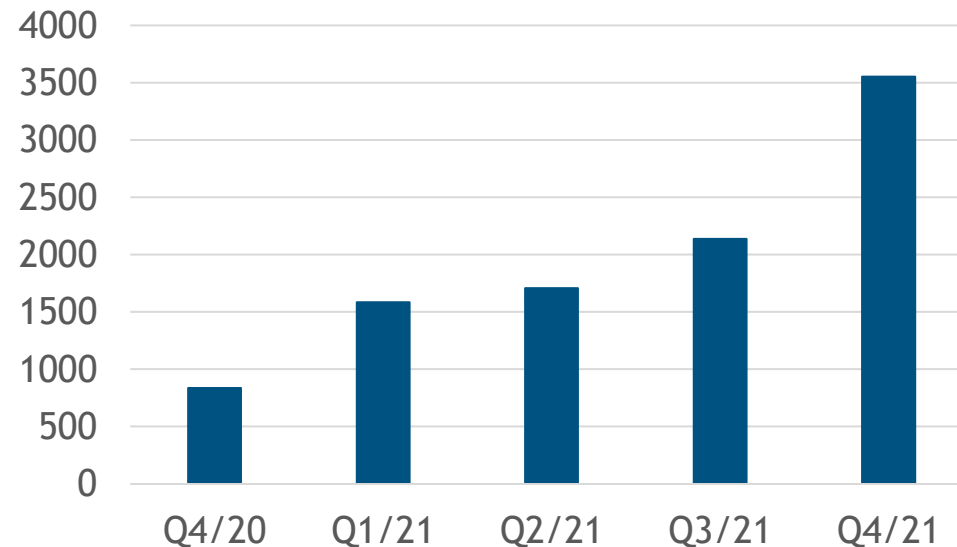


# Significant growth in Q4



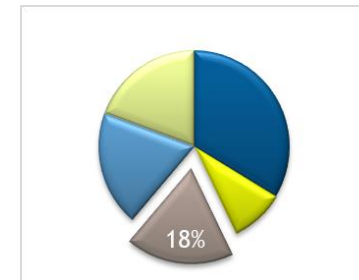
- Automotive supply chain prepares for growth by building material inventory
- In Q4, net sales of the Automotive segment grew from MEUR 0.9 to 3.6

Net sales, M€



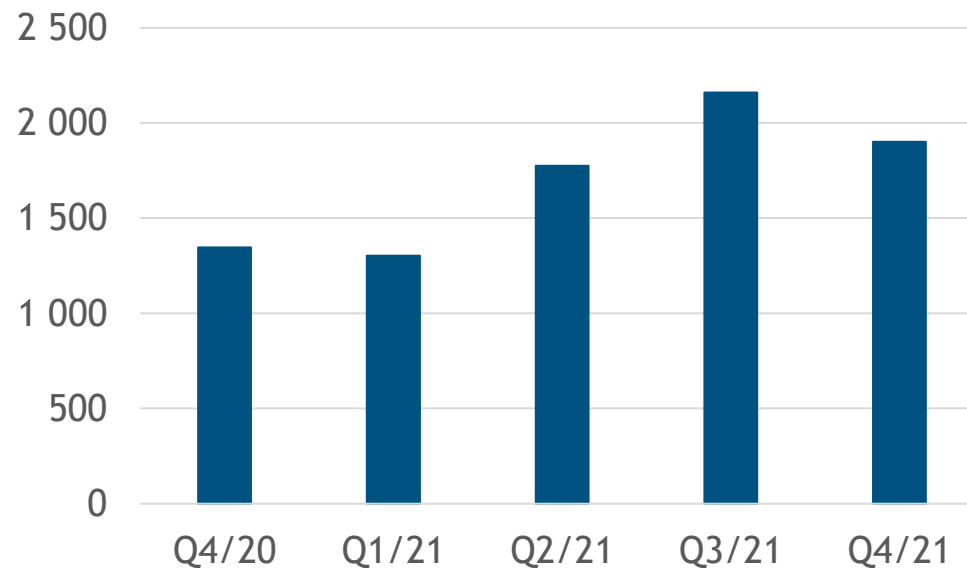


# Recovery and increased digitalization



- New investments in industry sector and increased level of digitalization drive growth
- Q4 net sales growth of the Industrial Electronics segment was 41%, resulting in MEUR 1.9

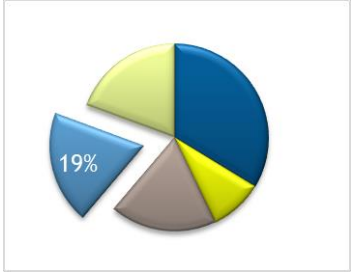
Net sales, M€





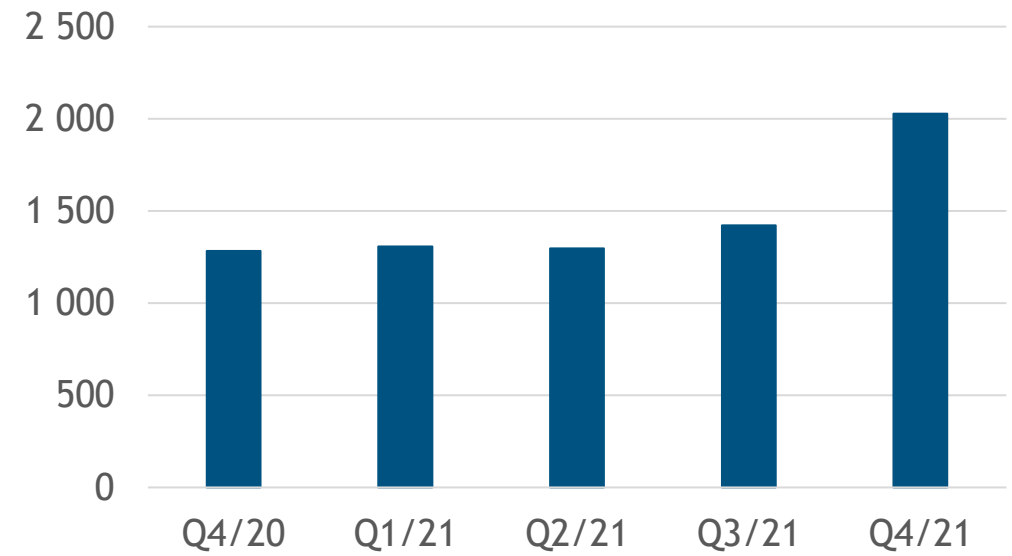


# Security, Defense & Aerospace requests local production



- New customers and local sourcing drive growth
- In Q4, net sales of the segment grew by 58% to MEUR 2.0

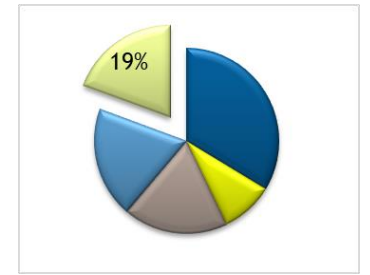
Net sales, M€





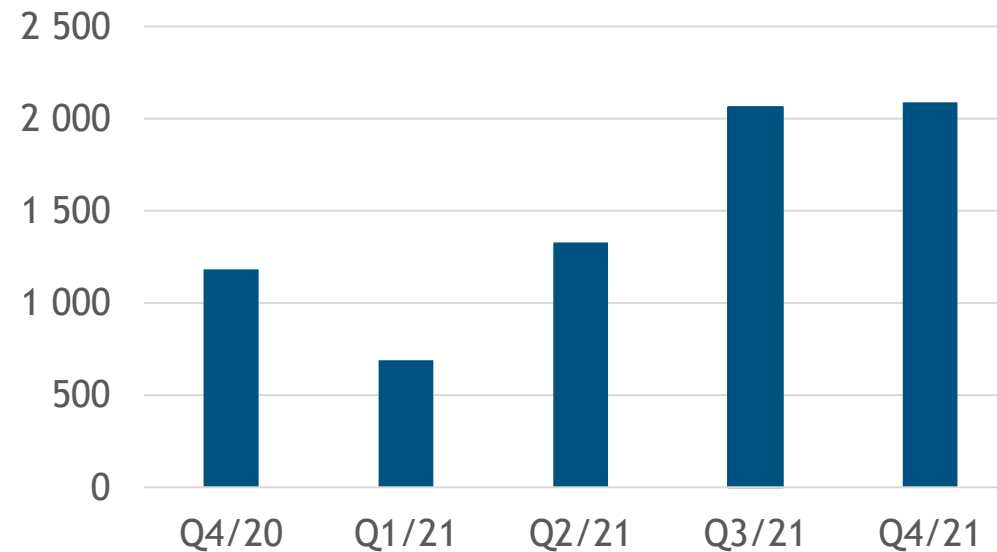


# Long-term investment boom in the Semiconductor Industry



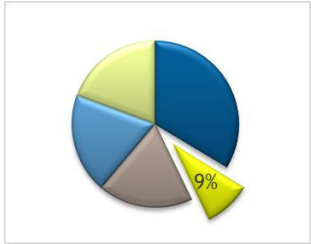
- Strong order book growth
- In Q4, net sales of the segment grew by 77% to MEUR 2.1

Net sales, M€



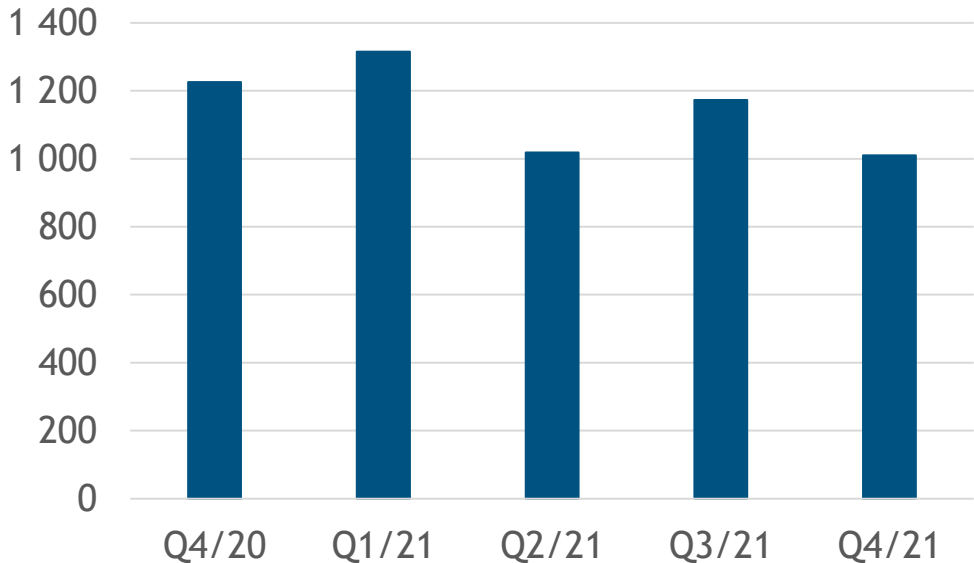


# Telecommunications, weak Q4



- Global component availability impacted product development cycles
- In Q4, net sales of the segment reduced by 18% to MEUR 1.0

Net sales, M€



# Outlook for 2022

- Demand is expected to improve in all customer segments. However, the global shortage of components may limit growth in customer demand.
- Aspocomp estimates that its net sales for 2022 will increase and its operating result for 2022 will improve from 2021.
- In 2021, net sales amounted to EUR 33.2 million and the operating result to EUR 2.2 million.





## Q4: Key takeaways

- Net sales grew by 81% to MEUR 10.8
- Operating result improved clearly to MEUR 1.2, 11.5% of net sales
- Order book continued to grow and amounted to MEUR 16.5
- Q4 was successful and the outlook for the coming quarters remains positive due to the strong order book



Q&A

# TOP10 shareholders on Dec. 31, 2021

Shareholder		Shares	%
1	Joensuun Kauppa ja Kone Oy	1,143,000	16.71
2	Etola Group Oy	1,001,004	14.63
3	Montonen Mikko Juhani	390,000	5.70
4	Mandatum Henkivakuutusosakeyhtiö	333,258	4.87
5	Etola Erkki Olavi	300,000	4.39
6	Nordea Henkivakuutus Suomi Oy	275,000	4.02
7	Lahdenperä Matti Kustaa	137,100	2.00
8	Lähdesmäki Tuomo Juhani	135,000	1.97
9	Citibank Europe Plc (Nomineereg.)	117,275	1.71
10	Koskinen Jouni Ilmari	114,716	1.68



# Board of Directors



[Päivi Marttila](#)

Chairman



[Kaarina Muurinen](#)

Vice Chairman



[Jukka Huuskonen](#)

Member



[Anssi Korhonen](#)

Member

# Management Team



[Mikko Montonen](#)  
President and CEO



[Antti Ojala](#)  
COO and Deputy CEO



[Ari Beilinson](#)  
VP, Sales and Marketing



[Jouni Kinnunen](#)  
CFO



[Mitri Mattila](#)  
CTO