

## EBIT miss attributable to Telko

Aspo reported Q4 EBIT at EUR 5.4m i.e. missing our and consensus estimate by about EUR 1.0m. In our view the EBIT miss was wholly attributable to Telko.

- Group revenue amounted to EUR 147.0m in Q4, compared to EUR 150.5m/152.5m Evli/consensus estimates.
- Aspo posted EUR 5.4m Q4 EBIT whereas the expectation was EUR 6.4m/6.6m Evli/consensus.
- ESL Shipping's Q4 revenue stood at EUR 45.3m, while we expected EUR 44.5m. ESL Q4 EBIT was EUR 4.4m vs our EUR 4.3m estimate.
- Telko's revenue amounted to EUR 69.8m in Q4 vs our EUR 71.9m expectation. Meanwhile Q4 EBIT was recorded at EUR 0.9m, in comparison to our EUR 2.2m estimate. Aspo says Telko's EBIT was burdened by measures aiming to address the low-margin low-turnover material inventories (to the tune of EUR 0.9m). The figure was also burdened by decreased volumes and raw materials prices as well as FX (a combined EUR 0.9m).
- Leipurin's Q4 revenue was EUR 31.9m, compared to our EUR 34.1m estimate. Leipurin posted EUR 1.1m in Q4 EBIT vs our EUR 1.0m expectation.
- The BoD proposes EUR 0.45 dividend per share to be distributed in two installments.
- Aspo guides operating profit to increase this year compared to the EUR 21.1m figure last year.

Rating				🟡 HOLD
Q4'19	Actual	Evli	Year ago	Q3'19
Revenue	147.0	150.5	156.6	148.0
EBIT	5.4	6.4	2.6	6.7
EBIT-%	3.7 %	4.3 %	1.7 %	4.5 %
PTP	4.5	5.6	1.5	5.4
EPS	0.10	0.12	0.02	0.16
Share price, EUR (Last trading day's closing price)				8.38
Target price, EUR				8.25
Latest change in recommendation				30-Oct-19
Latest report on company				27-Nov-19
Research paid by issuer:				YES
No. of shares outstanding, '000's				31,420
No. of shares fully diluted, '000's				31,420
Market cap, EURm				263
Free float, %				-
Exchange rate EUR/RUB				-
Reuters code				ASPO.HE
Bloomberg code				ASPO FH
Average daily volume, EURm				0.1
Next interim report				13-Feb-20
Web site				www.aspo.com
Analyst				Joonas Ilvonen
E-mail				joonas.ilvonen@evli.com
Telephone				+358 44 430 9071

🟢 BUY 🟡 HOLD 🔴 SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2017	502.4	23.1	4.6%	-2.1	0.63	16.0	0.9	19.5	-0.7	0.43
2018	540.9	20.6	3.8%	-54.5	0.45	18.7	0.9	22.8	-20.6	0.44
2019E	591.2	22.1	3.7%	4.2	0.51	16.3	0.8	22.0	1.6	0.50
2020E	594.5	32.1	5.4%	32.7	0.74	11.3	0.8	14.6	12.4	0.55
2021E	613.8	36.9	6.0%	44.9	0.89	9.4	0.7	11.9	17.1	0.58
Market cap, EURm	263		BV per share 2019E, EUR		235.4	CAGR EPS 2018-21, %		25.5		
Net debt 2019E, EURm	221		Price/book 2019E		2.8	CAGR sales 2018-21, %		4.3		
Enterprise value, EURm	485		Dividend yield 2019E, %		6.0	ROE 2019E, %		17.4		
Total assets 2019E, EURm	436		Tax rate 2019E, %		9.9	ROCE 2019E, %		6.7		
Goodwill 2019E, EURm	43		Equity ratio 2019E, %		27.3	PEG, P/E 19/CAGR		0.6		

All the important disclosures can be found on the last pages of this report.

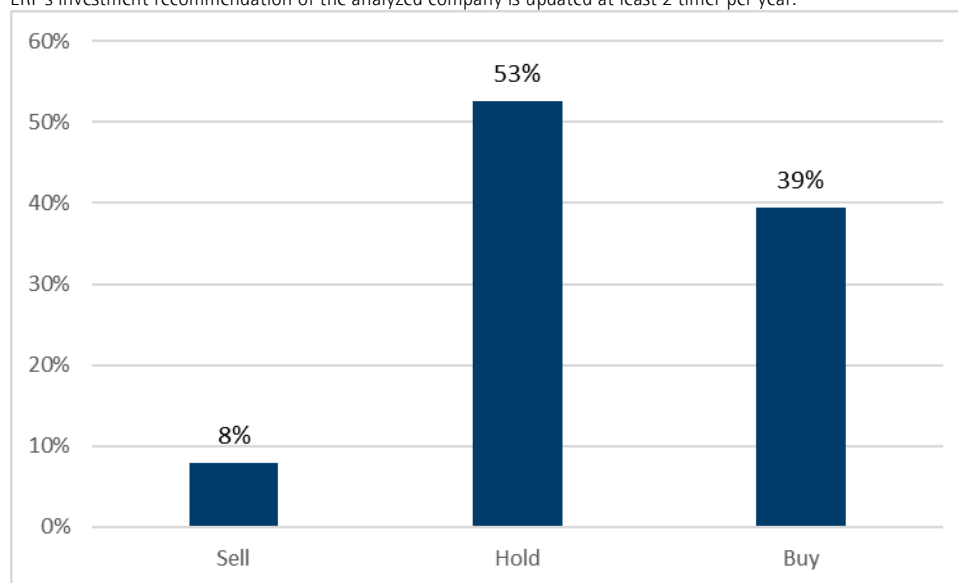
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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## Name(s) of the analyst(s): Ilvonen

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February 13, 2020

## Contact information

### SALES, TRADING AND RESEARCH

#### Equity Sales

Ari Laine +358 9 4766 9115  
Lauri Ahokanto +358 9 4766 9117  
Niclas Henelius +358 9 4766 9116

#### Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Roankanen +358 9 4766 9120

#### ETFs and Derivatives

Joachim Dannberg +358 9 4766 9123  
Kimmo Lijja +358 9 4766 9130

#### Structured Investments

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

#### Equity Research

Jonas Forslund +358 9 4766 9314  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149  
Anna-Liisa Rissanen +358 40 157 9919

#### Evli Investment Solutions

Johannes Asuja +358 9 4766 9205  
Markku Reinikainen +358 9 4766 9669



**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001