

Q3 EBIT clearly above expectations

Aspo's Q3 EBIT meaningfully topped expectations as Telko continued to perform strong.

- Aspo Q3 revenue was EUR 118.4m vs the EUR 117.7m/122.3m Evli/consensus estimates.
- Aspo Q3 EBIT stood at EUR 3.6m, compared to the EUR 1.7m/1.1m Evli/consensus estimates. The expectations implied quite steep q/q EBIT drop for Q3, and now we see the overall H2 development will be rather flat.
- ESL Q3 top line amounted to EUR 31.6m, compared to our EUR 33.8m estimate. EBIT was EUR -0.1m while we expected EUR -0.2m.
- Telko revenue was EUR 62.5m vs our EUR 56.8m estimate. Meanwhile EBIT amounted to EUR 4.2m vs our 2.3m estimate. The continued strong performance (of which a lot are due to internal measures) looks promising, however there are still many macro uncertainties.
- Leipurin posted EUR 24.3m in Q3 revenue, while we expected EUR 27.2m. EBIT was EUR 0.3m, compared to our EUR 0.7m estimate.
- Other operations cost EUR 0.8m vs our EUR 1.1m estimate.
- Aspo specifies guidance to the new range of EUR 14-16m for FY '20, compared to the earlier EUR 12-16m range.

Rating					+ BUY
Q3'20	Actual	Evli	Year ago	Q2'20	
Revenue	118.4	117.7	148.0	115.6	
EBIT	3.6	1.7	6.7	4.1	
EBIT-%	3.0 %	1.4 %	4.5 %	3.5 %	
PTP	2.5	0.9	5.4	3.0	
EPS	0.05	0.02	0.16	0.08	
Share price, EUR (Last trading day's closing price)					6.00
Target price, EUR					7.25
Latest change in recommendation					15-Sep-20
Latest report on company					15-Sep-20
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					189
Free float, %					-
Exchange rate EUR/RUB					-
Reuters code					ASPO.HE
Bloomberg code					ASPO FH
Average daily volume, EURm					0.1
Next interim report					29-Oct-20
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+ 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
2018	540.9	20.6	3.8%	-54.5	0.45	18.7	0.9	22.8	-20.6	0.44
2019	587.7	21.1	3.6%	25.5	0.51	16.4	0.8	21.2	9.7	0.22
2020E	491.1	14.6	3.0%	44.3	0.31	19.4	0.7	23.0	23.5	0.45
2021E	509.9	24.6	4.8%	38.6	0.58	10.4	0.6	12.7	20.5	0.37
2022E	525.4	28.9	5.5%	56.7	0.68	8.8	0.5	9.2	30.1	0.41
Market cap, EURm	189			BV per share 2020E, EUR	118.2			CAGR EPS 2019-22, %	10.0	
Net debt 2020E, EURm	148			Price/book 2020E	1.5			CAGR sales 2019-22, %	-3.7	
Enterprise value, EURm	336			Dividend yield 2020E, %	7.5			ROE 2020E, %	7.9	
Total assets 2020E, EURm	384			Tax rate 2020E, %	11.0			ROCE 2020E, %	4.7	
Goodwill 2020E, EURm	43			Equity ratio 2020E, %	32.5			PEG, P/E 20/CAGR	0.4	

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

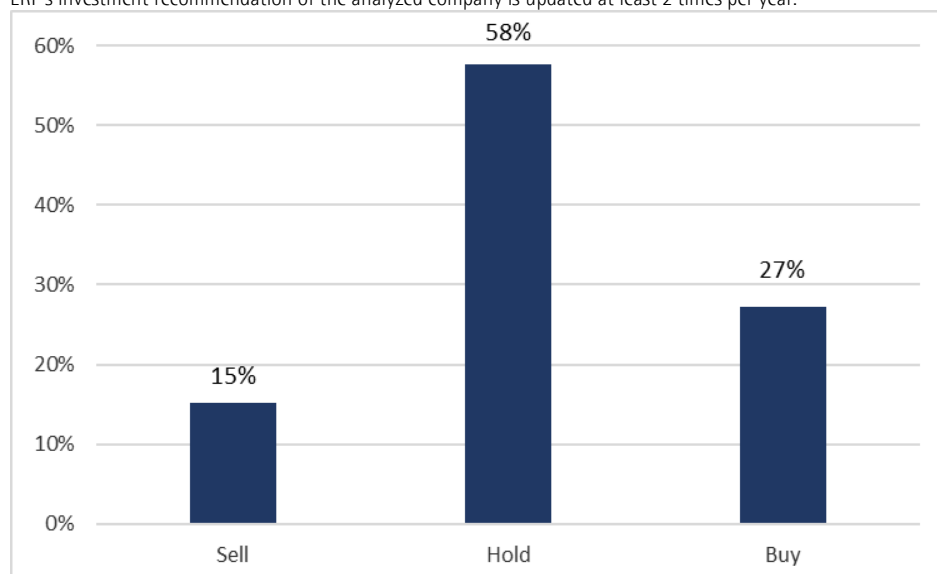
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Investment recommendations are defined as follows:

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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