

CMD notes

Aspo reaffirmed its long-term financial targets for FY '23. The CMD didn't disclose any drastic news but we are slightly more positive than before regarding the earnings rebound. Our TP is now EUR 8.00 (7.25), retain BUY rating.

ESL's long-term 12% EBIT margin potential is still there

While the dry bulk cargo market has been hit by the pandemic ESL has not lost market share. Large vessel operations have been especially challenging due to a lack of cargo demand, however smaller vessel types, such as those of AtoB@C, have performed better. ESL in fact reports the business has won market share in e.g. wood-based products shipments. The fleet can also serve e.g. the Baltic wind power industry in the effort to scale up renewable energy production in the area. In the long-term the Arctic area (incl. Russia) holds strong cargo volume potential for larger vessels. Such vessels' cargo volumes began to increase in late Q3. ESL's capacity is now fully in use. In our opinion dry bulk cargo markets are already on track to normalize in tandem with many industrial sectors even if the pandemic is yet to fade away from more everyday life. ESL also says it has achieved admin costs reductions that are not just one-offs in nature.

Telko already achieved long-term margin targets

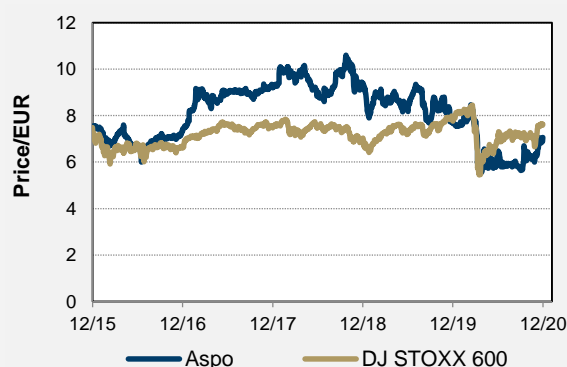
Telko's recent working capital management and pricing control measures have already produced significant results in cash conversion cycle, and there remains some more room for improvement relative to certain benchmarks. Telko now has established the lubricants business besides the plastics and chemicals ones. We believe lubricants is an area that can deliver more good results in the long-term as the business is still quite small relative to plastics and chemicals. We see Telko's reinforced core is now better positioned to capture profitable volumes. Telko has indeed already managed to top the 6% EBIT margin target during the last two quarters. Leipurin however is yet to deliver gains towards its 5% EBIT margin target.

Significant EBIT improvement appears possible next year

Although the long-term financial target confirmation is good news as such focus nevertheless remains on more short-term profitability development. Our TP is now EUR 8.00 (7.25); we retain our BUY rating since profitability continues to improve and SOTP valuation supports further upside potential.

Rating

BUY



Share price, EUR (Last trading day's closing price) 7.06

Target price, EUR 8.0

Latest change in recommendation 15-Sep-20

Latest report on company 30-Oct-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 222

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 11-Feb-21

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BUY HOLD SELL

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	491.9	15.8	3.2%	45.3	0.33	21.4	0.7	23.3	20.4	0.44
2021E	510.7	25.6	5.0%	39.5	0.60	11.7	0.7	13.4	17.8	0.45
2022E	526.3	30.7	5.8%	57.8	0.73	9.6	0.6	9.7	26.1	0.46
Market cap, EURm	222			Gearing 2020E, %	116.9			CAGR EPS 2019-22, %	12.8	
Net debt 2020E, EURm	147			Price/book 2020E	1.8			CAGR sales 2019-22, %	-3.6	
Enterprise value, EURm	368			Dividend yield 2020E, %	6.2			ROE 2020E, %	8.4	
Total assets 2020E, EURm	383			Tax rate 2020E, %	11.9			ROCE 2020E, %	5.0	
Goodwill 2020E, EURm	43			Equity ratio 2020E, %	32.7			PEG, P/E 20/CAGR	0.5	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		19	20	19	20	19	20
Algoma Central	307	5.2x	5.1x	14.0x	11.8x	0.7x	0.7x
Diana Shipping	125	7.7x	12.4x	17.7x		0.3x	0.3x
Eagle Bulk Ship	172	15.4x	12.5x	120.6x		0.4x	0.4x
Genco Shipping & Trading	263	10.8x	8.9x	211.9x	89.1x	0.3x	0.4x
Golden Ocean Group	510	10.4x	10.9x	19.7x	200.9x	0.4x	0.4x
Navios Maritime Partners	72	5.9x	7.3x	11.2x	25.2x		0.1x
Pangaea Logistics	99	6.4x	13.4x	10.0x	92.4x		0.8x
Safe Bulkers	102	7.2x	10.2x	15.4x	63.4x	0.3x	0.3x
Scorpio Bulkers	177	16.0x	38.2x	73.3x		0.1x	0.3x
SFL	684	12.5x		23.5x		0.7x	0.9x
Star Bulk Carriers	659	11.3x		26.5x		0.5x	0.5x
Peer Group Average	288	9.9x	13.2x	49.4x	80.5x	0.4x	0.5x
Peer Group Median	177	10.4x	10.9x	19.7x	76.2x	0.4x	0.4x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		19	20	19	20	19	20
AKR Corporindo	699	15.5x	10.0x	19.2x	13.6x	5.1 %	6.6 %
Ashland Global Holdings	3807	12.1x	11.3x	22.9x	20.9x	11.4 %	12.4 %
Brenntag	9752	9.7x	11.1x	13.4x	15.5x	5.7 %	6.2 %
IMCD	5912	19.8x	23.2x	27.2x	31.1x	6.5 %	7.4 %
Univar Solutions	2530	9.3x	8.9x	13.5x	14.9x	5.2 %	4.6 %
Peer Group Average	4540	13.3x	12.9x	19.2x	19.2x	6.8 %	7.4 %
Peer Group Median	3807	12.1x	11.1x	19.2x	15.5x	5.7 %	6.6 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		19	20	19	20	19	20
Amsterdam Commodities	526		12.4x		15.2x		6.1 %
Chefs' Warehouse	728	17.2x		28.1x		3.4 %	-5.8 %
Marr	1046	12.2x	30.5x	15.6x	160.2x	5.8 %	0.7 %
Middleby	6322	12.6x	19.4x	15.1x	25.3x	17.8 %	14.6 %
Orkla	8162	14.5x	13.2x	21.6x	18.1x	10.4 %	11.1 %
Performance Food Group	4842	16.2x	16.4x	25.8x	29.4x	1.2 %	1.0 %
Sysco	30356	17.8x	17.6x	24.5x	25.2x	3.9 %	3.4 %
Tate & Lyle	3337	8.3x	7.0x	12.4x	10.6x	11.4 %	11.4 %
Total Produce	550	12.0x	11.6x	12.1x	14.5x	2.2 %	1.7 %
US Foods Holding	5812	11.9x	17.0x	16.8x	37.7x	3.3 %	1.4 %
Welbilt	1118	12.3x	18.0x	16.8x	28.9x	13.1 %	8.4 %
Peer Group Average	5709	13.5x	16.3x	18.9x	36.5x	7.3 %	4.9 %
Peer Group Median	3337	12.4x	16.7x	16.8x	25.2x	4.9 %	3.4 %

Segment	EBIT '19	EV/EBIT '19 *	EV	EBIT '20e	EV/EBIT '20e *	EV
ESL	14.6	19.7x	288	4.5	76.2x	346
Telko	8.0	19.2x	154	13.6	15.5x	212
Leipurin	3.0	16.8x	50	1.7	25.2x	44
Other operations	-4.5		-60	-4.1		-58
Total			432			543
Net debt (Evli YE est.)			185			147
Equity value			247			396
Per share			7.8			12.6

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.06 PV of Free Cash Flow	283 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	10.75 PV of Horizon value	247 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	52.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	11.9 Marketable securities	24 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	9.7 Debt - dividend	-216 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	46.7 Value of stock	338 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	588	492	511	526	538	549	560	568	577	585	591	597
<i>Sales growth, %</i>	<i>8.7</i>	<i>-16.3</i>	<i>3.8</i>	<i>3.0</i>	<i>2.2</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	21	16	26	31	36	36	34	34	35	35	35	36
<i>Operating income margin, %</i>	<i>3.6</i>	<i>3.2</i>	<i>5.0</i>	<i>5.8</i>	<i>6.6</i>	<i>6.5</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>
+ Depreciation+amort.	29	29	34	32	21	20	18	18	18	18	19	
EBITDA	50	44	60	62	57	56	51	52	53	53	54	
- Paid taxes	-1	-2	-3	-3	-4	-4	-3	-3	-3	-4	-4	
- Change in NWC	-14	21	-2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>9.7</i>	<i>7.4</i>	<i>7.5</i>	<i>7.5</i>	<i>7.6</i>	<i>7.6</i>	<i>7.7</i>	<i>7.7</i>	<i>7.7</i>	<i>7.8</i>	<i>7.8</i>	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-7	-5	-11	5	-21	-20	-17	-19	-20	-20	-20	
<i>opCAPEX / Sales, %</i>	<i>1.2</i>	<i>2.9</i>	<i>2.3</i>	<i>-0.9</i>	<i>4.1</i>	<i>3.7</i>	<i>3.2</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>	<i>3.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	26	59	43	62	30	30	28	27	27	28	30	474
= Discounted FCFF		58	40	53	24	23	20	17	16	16	16	247
= DFCF min WACC		58	40	54	24	23	20	18	17	16	16	280
= DFCF max WACC		58	40	53	23	22	19	17	16	15	15	220

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	141.5	151.2	148.0	147.0	587.7	133.2	115.6	118.4	124.7	491.9	510.7	526.3
EBITDA	11.8	11.2	14.0	12.7	49.7	11.3	11.3	10.7	11.1	44.4	59.5	62.4
<i>EBITDA margin (%)</i>	<i>8.3</i>	<i>7.4</i>	<i>9.5</i>	<i>8.6</i>	<i>8.5</i>	<i>8.5</i>	<i>9.8</i>	<i>9.0</i>	<i>8.9</i>	<i>9.0</i>	<i>11.7</i>	<i>11.8</i>
EBIT	4.9	4.1	6.7	5.4	21.1	4.0	4.1	3.6	4.1	15.8	25.6	30.7
<i>EBIT margin (%)</i>	<i>3.5</i>	<i>2.7</i>	<i>4.5</i>	<i>3.7</i>	<i>3.6</i>	<i>3.0</i>	<i>3.5</i>	<i>3.0</i>	<i>3.3</i>	<i>3.2</i>	<i>5.0</i>	<i>5.8</i>
Net financial items	-1.0	0.3	-1.3	-0.9	-2.9	-1.1	-1.1	-1.1	-0.7	-4.0	-3.2	-3.8
Pre-tax profit	3.9	4.4	5.4	4.5	18.2	2.9	3.0	2.5	3.4	11.8	22.4	27.0
Tax	-0.4	-0.4	-0.5	-0.8	-2.1	-0.3	-0.3	-0.5	-0.3	-1.4	-2.2	-2.7
<i>Tax rate (%)</i>	<i>10.3</i>	<i>9.1</i>	<i>9.3</i>	<i>17.8</i>	<i>11.5</i>	<i>10.3</i>	<i>10.0</i>	<i>20.0</i>	<i>8.9</i>	<i>11.9</i>	<i>10.0</i>	<i>10.0</i>
Net profit	3.5	4.0	4.9	3.7	16.1	2.6	2.7	2.0	3.1	10.4	19.0	23.1
EPS	0.11	0.13	0.16	0.12	0.51	0.08	0.09	0.06	0.10	0.33	0.60	0.73
EPS adjusted (diluted no. of shares)	0.11	0.13	0.16	0.12	0.51	0.08	0.09	0.06	0.10	0.33	0.60	0.73
Dividend per share	0.00	0.00	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.44	0.45	0.46
SALES, EURm												
ESL Shipping	43.7	42.6	43.4	45.3	175.0	42.7	32.9	31.6	37.1	144.3	151.5	156.1
Leipurin	25.9	28.0	29.9	31.9	115.7	26.9	23.2	24.3	27.6	102.0	105.1	107.2
Telko	71.9	80.6	74.7	69.8	297.0	63.6	59.5	62.5	59.9	245.5	254.1	263.0
Total	141.5	151.2	148.0	147.0	587.7	133.2	115.6	118.4	124.7	491.9	510.7	526.3
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>113.2</i>	<i>88.5</i>	<i>41.8</i>	<i>-2.4</i>	<i>45.7</i>	<i>-2.3</i>	<i>-22.8</i>	<i>-27.2</i>	<i>-18.0</i>	<i>-17.5</i>	<i>5.0</i>	<i>3.0</i>
<i>Leipurin</i>	<i>-14.2</i>	<i>-10.3</i>	<i>6.8</i>	<i>0.9</i>	<i>-4.4</i>	<i>3.9</i>	<i>-17.1</i>	<i>-18.7</i>	<i>-13.4</i>	<i>-11.8</i>	<i>3.0</i>	<i>2.0</i>
<i>Telko</i>	<i>24.6</i>	<i>12.4</i>	<i>11.0</i>	<i>0.4</i>	<i>11.6</i>	<i>-11.5</i>	<i>-26.2</i>	<i>-16.3</i>	<i>-14.2</i>	<i>-17.3</i>	<i>3.5</i>	<i>3.5</i>
<i>Kauko</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Total	22.7	13.9	8.6	-6.1	8.7	-5.9	-23.5	-20.0	-15.2	-16.3	3.8	3.0
EBIT, EURm												
ESL Shipping	3.2	2.6	4.4	4.4	14.6	2.3	0.6	-0.1	1.7	4.5	14.4	16.4
Leipurin	0.5	0.6	0.8	1.1	3.0	0.6	0.3	0.3	0.5	1.7	2.9	4.3
Telko	2.4	2.3	2.4	0.9	8.0	2.4	4.2	4.2	2.8	13.6	12.7	14.5
Other operations	-1.2	-1.4	-0.9	-1.0	-4.5	-1.3	-1.0	-0.8	-1.0	-4.1	-4.4	-4.4
Total	4.9	4.1	6.7	5.4	21.1	4.0	4.1	3.6	4.1	15.8	25.6	30.7
EBIT margin, %												
<i>ESL Shipping</i>	<i>7.3</i>	<i>6.1</i>	<i>10.1</i>	<i>9.7</i>	<i>8.3</i>	<i>5.4</i>	<i>1.8</i>	<i>-0.3</i>	<i>4.7</i>	<i>3.1</i>	<i>9.5</i>	<i>10.5</i>
<i>Leipurin</i>	<i>1.9</i>	<i>2.1</i>	<i>2.7</i>	<i>3.4</i>	<i>2.6</i>	<i>2.2</i>	<i>1.3</i>	<i>1.2</i>	<i>1.9</i>	<i>1.7</i>	<i>2.8</i>	<i>4.0</i>
<i>Telko</i>	<i>3.3</i>	<i>2.9</i>	<i>3.2</i>	<i>1.3</i>	<i>2.7</i>	<i>3.8</i>	<i>7.1</i>	<i>6.7</i>	<i>4.8</i>	<i>5.6</i>	<i>5.0</i>	<i>5.5</i>
Total	3.5	2.7	4.5	3.7	3.6	3.0	3.5	3.0	3.3	3.2	5.0	5.8

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	445.8	457.4	502.4	540.9	587.7	491.9	510.7	526.3
<i>Sales growth (%)</i>	-7.7	2.6	9.8	7.7	8.7	-16.3	3.8	3.0
EBITDA	33.1	32.0	35.0	37.1	49.7	44.4	59.5	62.4
<i>EBITDA margin (%)</i>	7.4	7.0	7.0	6.9	8.5	9.0	11.7	11.8
Depreciation	-12.5	-11.6	-11.9	-11.7	-28.6	-28.6	-33.9	-31.6
EBITA	20.6	20.4	23.1	25.4	21.1	15.8	25.6	30.7
Goodwill amortization / writedown	0.0	0.0	0.0	-4.8	0.0	0.0	0.0	0.0
EBIT	20.6	20.4	23.1	20.6	21.1	15.8	25.6	30.7
<i>EBIT margin (%)</i>	4.6	4.5	4.6	3.8	3.6	3.2	5.0	5.8
Reported EBIT	20.6	20.4	23.1	20.6	21.1	15.8	25.6	30.7
<i>EBIT margin (reported) (%)</i>	4.6	4.5	4.6	3.8	3.6	3.2	5.0	5.8
Net financials	0.7	-3.0	-2.0	-4.2	-2.9	-4.0	-3.2	-3.8
Pre-tax profit	21.3	17.4	21.1	16.4	18.2	11.8	22.4	27.0
Taxes	-1.5	-1.5	-1.7	-2.2	-2.1	-1.4	-2.2	-2.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	19.8	15.9	19.4	14.2	16.1	10.4	19.0	23.1
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	128	124	128	185	190	179	156	119
Goodwill	43	43	42	43	43	43	43	43
Right of use assets	0	0	0	37	22	18	19	19
Inventory	48	57	61	71	56	54	56	58
Receivables	58	60	70	78	75	64	66	68
Liquid funds	24	23	20	19	24	25	26	26
Total assets	305	310	321	436	410	383	367	335
Liabilities								
Shareholder's equity	83	90	87	92	122	125	131	140
Minority interest	0	0	0	0	0	0	0	0
Convertibles	20	25	25	25	0	0	0	0
Lease liabilities	0	0	0	0	9	18	19	19
Deferred taxes	5	4	0	0	0	0	0	0
Interest bearing debt	128	125	137	199	200	153	128	84
Non-interest bearing current liabilities	68	64	68	105	61	69	72	74
Other interest-free debt	2	1	4	8	18	18	18	18
Total liabilities	305	310	321	430	410	383	367	335
CASH FLOW, EURm								
+ EBITDA	33	32	35	37	50	44	60	62
- Net financial items	5	-2	-2	-4	-3	-4	-3	-4
- Taxes	-2	-2	-3	-2	0	-1	-2	-3
- Increase in Net Working Capital	-4	-11	-13	-11	-14	21	-2	-2
+/- Other	-6	-4	-2	0	0	0	-1	-1
= Cash flow from operations	26	13	16	20	33	60	51	53
- Capex	-15	-6	-18	-75	-7	-15	-12	5
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	11	7	-2	-55	25	45	39	58
+/- New issues/buybacks	-9	4	-9	4	28	0	0	0
- Paid dividend	-12	-13	-13	-13	-14	-7	-14	-14
+/- Other	15	1	21	64	-35	-37	-25	-43
Change in cash	5	-1	-3	-1	4	1	1	1

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	250	310	265	263	222	222	222
Net debt (excl. convertibles)	103	117	180	185	147	121	77
Enterprise value	378	451	470	448	368	343	299
Sales	457	502	541	588	492	511	526
EBITDA	32	35	37	50	44	60	62
EBIT	20	23	21	21	16	26	31
Pre-tax	17	21	16	18	12	22	27
Earnings	16	19	14	16	10	19	23
Equity book value (excl. minorities)	90	87	92	122	125	131	140
Valuation multiples							
EV/sales	0.8	0.9	0.9	0.8	0.7	0.7	0.6
EV/EBITDA	11.8	12.9	12.7	9.0	8.3	5.8	4.8
EV/EBITA	18.5	19.5	18.5	21.2	23.3	13.4	9.7
EV/EBIT	18.5	19.5	22.8	21.2	23.3	13.4	9.7
EV/OCF	28.1	29.0	23.2	13.8	6.2	6.7	5.6
EV/FCFF	37.6	564.3	-15.2	17.5	6.3	8.0	4.8
P/FCFE	35.0	-144.8	-4.9	10.3	4.9	5.6	3.8
P/E	15.7	16.0	18.7	16.4	21.4	11.7	9.6
P/B	2.8	3.5	2.9	2.2	1.8	1.7	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.0	6.3	5.3
Target EV/EBIT	0.0	0.0	0.0	0.0	25.2	14.6	10.7
Target EV/FCF	0.0	0.0	0.0	0.0	8.8	9.4	5.7
Target P/B	0.0	0.0	0.0	0.0	2.0	1.9	1.8
Target P/E	0.0	0.0	0.0	0.0	24.2	13.2	10.9
Per share measures							
Number of shares	30,579	30,976	31,420	31,420	31,420	31,420	31,420
Number of shares (diluted)	30,579	30,976	31,420	31,420	31,420	31,420	31,420
EPS	0.52	0.63	0.45	0.51	0.33	0.60	0.73
Operating cash flow per share	0.44	0.50	0.65	1.04	1.90	1.62	1.69
Free cash flow per share	0.23	-0.07	-1.74	0.81	1.44	1.26	1.84
Book value per share	2.93	2.82	2.92	3.88	3.99	4.16	4.44
Dividend per share	0.42	0.43	0.44	0.22	0.44	0.45	0.46
Dividend payout ratio, %	80.8	68.7	97.4	42.9	133.4	74.5	62.6
Dividend yield, %	5.1	4.3	5.2	2.6	6.2	6.4	6.5
FCF yield, %	2.9	-0.7	-20.6	9.7	20.4	17.8	26.1
Efficiency measures							
ROE	18.5	21.9	15.9	15.1	8.4	14.8	17.1
ROCE	8.7	9.5	7.3	6.5	5.0	8.9	11.8
Financial ratios							
Inventories as % of sales	12.4	12.1	13.2	9.5	11.0	11.0	11.0
Receivables as % of sales	13.1	14.0	14.4	12.8	13.0	13.0	13.0
Non-interest bearing liabilities as % of sales	14.0	13.6	19.4	10.4	14.0	14.0	14.0
NWC/sales, %	11.3	12.5	8.0	9.7	7.4	7.5	7.5
Operative CAPEX/sales, %	1.4	3.5	13.8	1.2	2.9	2.3	-0.9
CAPEX/sales (incl. acquisitions), %	1.4	3.5	13.8	1.2	2.9	2.3	-0.9
FCFF/EBITDA	0.3	0.0	-0.8	0.5	1.3	0.7	1.0
Net debt/EBITDA, book-weighted	3.2	3.3	4.9	3.7	3.3	2.0	1.2
Debt/equity, market-weighted	0.5	0.4	0.8	0.8	0.7	0.6	0.4
Equity ratio, book-weighted	37.0	35.0	27.2	29.8	32.7	35.6	41.7
Gearing, %	89.8	103.9	154.3	151.6	116.9	92.7	55.4

COMPANY DESCRIPTION: Aspo is a conglomerate featuring three independent wholly-owned business-to-business segments each operating in regions surrounding the Baltic Sea. The three segments engage in providing logistics solutions, such as maritime transportation and raw materials wholesale distribution. Aspo's goal is to help each of its operating segments to build long-lasting customer relationships. Aspo aims to create value by developing and internationalizing its subsidiary businesses while proactively considering potential acquisitions and divestitures.

INVESTMENT CASE: Aspo's key segment, ESL, has invested heavily in recent years by commissioning two LNG-powered vessels and acquiring a dry bulk carrier named Ato@B (which specializes in time-chartered smaller vessels suitable for biofuel shipments). Given ESL's stable long-term customer relationships and a fleet tailored for demanding Baltic Sea conditions, we expect the dry bulk carrier will post significantly higher operating profits going forward. We expect Telko, a chemical distributor, to achieve materially higher profitability following its cost efficiency program once the market situation stabilizes. We also see good scope for Leipurin's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,162,941	22.330	10.1%
Vehmas Tatu Antti Aleksi	2,306,676	16.285	7.3%
Varma Mutual Pension Insurance Company	1,423,076	10.047	4.5%
Vehmas Tapio	1,375,827	9.713	4.4%
Ilmarinen Mutual Pension Insurance Company	875,226	6.179	2.8%
Nyberg Gustav	851,524	6.012	2.7%
Robinson Joanna	754,259	5.325	2.4%
Nordea Nordic Small Cap Fund	721,040	5.091	2.3%
Procurator-Holding Oy	514,882	3.635	1.6%
Madremar Ab	444,255	3.136	1.4%
Ten largest	12,429,706	87.754	40%
Residual	18,990,073	134.070	60%
Total	31,419,779	221.824	100%

EARNINGS CALENDAR

February 11, 2021	FY 2020 Results
May 05, 2021	Q1 report
August 11, 2021	Q2 report
October 27, 2021	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Meitsalo Arto	Tel: +358 9 5,211
IR: Keränen Keijo	

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

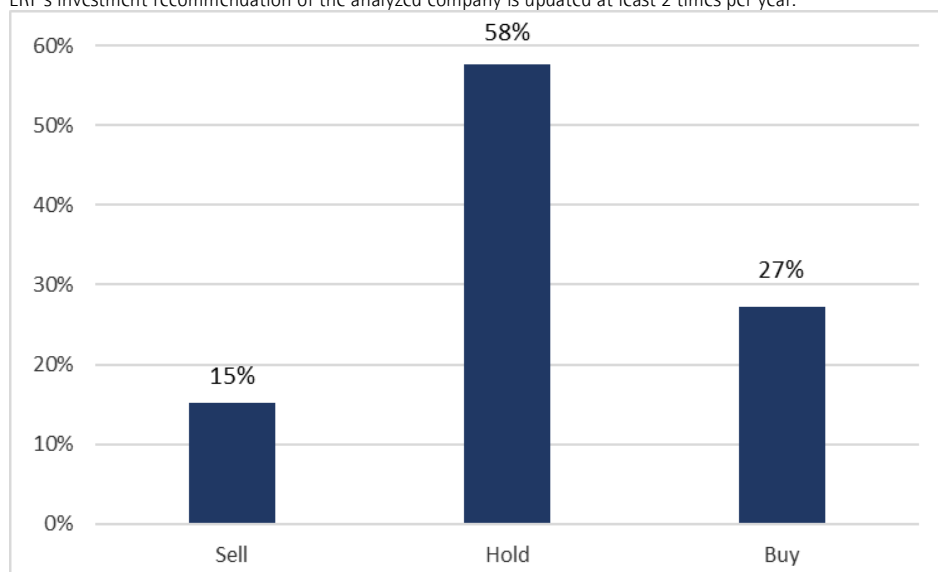
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Investment recommendations are defined as follows:

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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