

ESL drove a sharp rebound

Aspo's Q4 EBIT topped estimates thanks to ESL's strong profitability. It is clear EBIT is set to improve this year, however Aspo did not disclose numerical EBIT guidance range.

- Aspo Q4 revenue amounted to EUR 133.5m, compared to the EUR 129.3m/132.9m Evli/consensus estimates. Top line therefore declined by 9% y/y.
- Aspo Q4 EBIT was EUR 7.6m vs the EUR 7.0m/7.1m Evli/consensus estimates.
- ESL Q4 revenue was EUR 41.2m, whereas we estimated EUR 40.8m. EBIT was EUR 4.8m vs our EUR 3.2m estimate. EBIT increased from the EUR 4.4m comparative figure despite a small decline in cargo volumes (from 4.0mt to 3.8mt). The result was thus already close to the 12% long-term EBIT margin target. Demand for loading and unloading operations was very high in Q4.
- Telko's top line stood at EUR 65.7m, compared to our EUR 60.9m estimate. Meanwhile EBIT was EUR 4.1m vs our EUR 4.3m estimate.
- Leipuri Q4 revenue amounted to EUR 26.6m, while we expected EUR 27.6m. EBIT was recorded at EUR 0.2m vs our EUR 0.6m estimate.
- Other operations cost EUR 1.5m vs our EUR 1.0m estimate.
- Guidance: according to Aspo operating profit in 2021 will be higher than in 2020 (EUR 19.3m). The guidance as such has very limited informational value.
- The Board of Directors proposes EUR 0.35 per share dividend distribution, compared to our EUR 0.44 expectation.

Rating				+ BUY
Q4'20	Actual	Evli	Year ago	Q3'20
Revenue	133.5	129.3	147.0	118.4
EBIT	7.6	7.0	5.4	3.6
EBIT-%	5.7 %	5.4 %	3.7 %	3.0 %
PTP	6.4	6.3	4.5	2.5
EPS	0.19	0.19	0.10	0.05
Share price, EUR (Last trading day's closing price)				8.92
Target price, EUR				8.75
Latest change in recommendation				15-Sep-20
Latest report on company				10-Dec-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				280
Free float, %				-
Exchange rate EUR/RUB				-
Reuters code				ASPO.HE
Bloomberg code				ASPO FH
Average daily volume, EURm				0.3
Next interim report				11-Feb-21
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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	496.5	18.7	3.8%	47.5	0.42	21.1	0.9	22.7	17.0	0.44
2021E	515.6	29.2	5.7%	39.3	0.71	12.6	0.8	13.7	14.0	0.45
2022E	531.3	33.1	6.2%	62.4	0.81	11.1	0.7	10.6	22.3	0.46
Market cap, EURm	280			BV per share 2020E, EUR	112.5		CAGR EPS 2019-22, %		16.3	
Net debt 2020E, EURm	144			Price/book 2020E	2.2		CAGR sales 2019-22, %		-3.3	
Enterprise value, EURm	425			Dividend yield 2020E, %	4.9		ROE 2020E, %		10.6	
Total assets 2020E, EURm	385			Tax rate 2020E, %	9.5		ROCE 2020E, %		6.0	
Goodwill 2020E, EURm	43			Equity ratio 2020E, %	33.3		PEG, P/E 20/CAGR		0.7	

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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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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