

Performance is now appreciated

ESL helped Aspo Q4 EBIT top estimates. Both ESL and Telko now perform, but we see valuation already appreciates this fact. Our TP is now EUR 9.5 (8.75), rating HOLD (BUY).

ESL and Telko have now performed around target levels

Aspo's EUR 133.5m Q4 revenue was in line with estimates (EUR 129.3m/132.9m Evli/cons.) while the EUR 7.6m EBIT was a positive surprise relative to the EUR 7.0m/7.1m Evli/cons. estimates. The EBIT beat was driven by ESL. The Q4 improvement in ESL's operating environment didn't come as a surprise, but in our opinion the EUR 4.8m Q4 EBIT was significantly better than expected (we estimated EUR 3.2m) considering the EUR -0.1m Q3 figure and the fact that top line and cargo volumes were still down from a year ago. ESL's EBIT was indeed up from the EUR 4.4m comparative figure thanks to cost savings measures. Telko continued to perform close to expectations and posted a strong 6.2% operating margin. Meanwhile Leipuri EBIT declined to EUR 0.2m from the EUR 1.1m comparison figure.

Aspo didn't issue numerical EBIT guidance range for FY '21

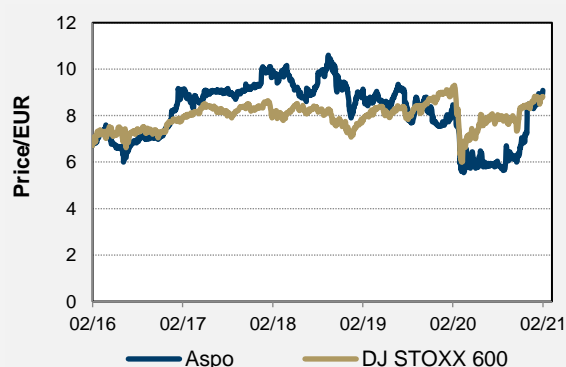
ESL's strong Q4 profitability (already close to the 12% long-term margin target) is encouraging as there's now sound evidence Aspo's two main cylinders are firing and can perform close to their long-term target levels. In our view the recent performance levels indicate ESL and Telko should by themselves help Aspo reach EUR 30m EBIT this year. Aspo however didn't give any numerical EBIT guidance range. According to the guidance EBIT will be higher this year, and as such the statement isn't very informative. In our view ESL's EBIT will improve a lot this year but is probably not going to reach EUR 20m yet. We revise our FY '21 EBIT estimate for ESL only from EUR 16.3m to EUR 16.4m as environmental equipment installations mean there'll be more lay-ups than usual. We expect Telko FY '21 EBIT to grow by 9%.

We consider current valuation to land within a neutral area

We revise our Aspo FY '21 EBIT estimate up only a bit to EUR 29.7m. This means ca. EUR 10m annual gain and in terms of EBITDA 25% y/y growth. In our opinion Aspo's valuation, at least in terms of SOTP, already reflects significant earnings growth for this year. There's likely to be more potential beyond '21, however we don't see these gains should be fully valued right now. Our new TP is EUR 9.5 (8.75) per share, rating HOLD (BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 9.08

Target price, EUR 9.5

Latest change in recommendation	12-Feb-21
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	285
Free float, %	-
Exchange rate EUR/RUB	-
Reuters code	ASPO.HE
Bloomberg code	ASPO FH
Average daily volume, EURm	0.3
Next interim report	05-May-21
Web site	www.aspo.com

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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
2019	587.7	21.1	3.6%	25.5	0.51	16.4	0.8	21.2	9.7	0.22
2020	500.7	19.3	3.9%	47.5	0.43	19.7	0.8	21.8	18.0	0.35
2021E	519.9	29.7	5.7%	31.6	0.72	12.6	0.8	14.2	11.1	0.40
2022E	535.8	33.0	6.2%	58.6	0.79	11.5	0.7	11.4	20.5	0.45
2023E	547.9	36.9	6.7%	27.4	0.93	9.8	0.7	9.8	9.6	0.50
Market cap, EURm	285			Gearing 2021E, %	108.6			CAGR EPS 2020-23, %	29.4	
Net debt 2021E, EURm	136			Price/book 2021E	2.3			CAGR sales 2020-23, %	3.0	
Enterprise value, EURm	421			Dividend yield 2021E, %	4.4			ROE 2021E, %	19.0	
Total assets 2021E, EURm	378			Tax rate 2021E, %	10.0			ROCE 2021E, %	10.1	
Goodwill 2021E, EURm	49			Equity ratio 2021E, %	33.1			PEG, P/E 21/CAGR	1.2	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		20	21	20	21	20	21
Algoma Central	374	5.4x	5.5x	12.7x	11.4x	0.9x	1.0x
Diana Shipping	215	14.1x	9.3x		23.0x	0.6x	0.6x
Eagle Bulk Ship	252	13.7x	7.1x		16.1x	0.6x	0.6x
Genco Shipping & Trading	307	9.2x	6.1x	376.5x	17.1x	0.5x	0.5x
Golden Ocean Group	646	11.2x	7.6x	85.6x	13.5x	0.6x	0.6x
Navios Maritime Partners	164	8.0x	4.2x	26.3x	7.5x	0.3x	0.3x
Pangaea Logistics	111	7.3x	6.0x	13.0x	10.3x		
Safe Bulkers	191	10.4x	5.8x	66.5x	10.5x	0.5x	0.5x
Eneti	194	47.2x	54.8x		36.1x		0.5x
SFL	731					1.0x	0.9x
Star Bulk Carriers	936	10.6x	6.0x	31.0x	9.3x	0.7x	0.7x
Peer Group Average	375	13.7x	11.2x	87.4x	15.5x	0.6x	0.6x
Peer Group Median	252	10.5x	6.1x	31.0x	12.4x	0.6x	0.6x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		20	21	20	21	20	21
AKR Corporindo	773	10.5x	9.6x	13.9x	12.5x	6.7 %	6.7 %
Ashland Global Holdings	4223	11.6x	10.8x	21.3x	18.3x	12.6 %	14.5 %
Brenntag	10104	11.1x	10.9x	15.5x	15.0x	6.2 %	6.3 %
IMCD	5975	23.0x	19.4x	31.5x	25.4x	7.3 %	8.2 %
Univar Solutions	2818	9.1x	9.2x	15.2x	15.0x	4.7 %	4.7 %
Peer Group Average	4779	13.1x	12.0x	19.5x	17.3x	7.5 %	8.1 %
Peer Group Median	4223	11.1x	10.8x	15.5x	15.0x	6.7 %	6.7 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		20	21	20	21	20	21
Amsterdam Commodities	615	12.2x	7.6x	14.9x	9.3x	6.1 %	5.9 %
Chefs' Warehouse	918		28.6x		459.8x	-8.6 %	0.2 %
Marr	1255	31.0x	13.4x	282.0x	20.6x	0.4 %	4.7 %
Middleby	6178	18.5x	15.9x	23.8x	19.3x	14.9 %	17.0 %
Orkla	7823	13.2x	11.6x	17.9x	15.5x	11.3 %	12.0 %
Performance Food Group	5766	17.8x	14.0x	31.6x	23.2x	1.1 %	1.4 %
Sysco	32042	19.5x	16.3x	29.0x	22.7x	3.1 %	3.8 %
Tate & Lyle	3865	7.1x	7.7x	10.6x	11.5x	11.7 %	11.6 %
Total Produce	583	11.2x	11.9x	13.9x	14.8x	1.7 %	1.7 %
US Foods Holding	6559	19.5x	12.4x	49.3x	20.1x	1.1 %	2.6 %
Welbilt	1727	21.4x	17.0x	34.8x	24.3x	8.3 %	11.2 %
Peer Group Average	6121	17.1x	14.2x	50.8x	58.3x	4.7 %	6.5 %
Peer Group Median	3865	18.1x	13.4x	26.4x	20.1x	3.1 %	4.7 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'20	'20 *		'21e	'21e *	
ESL	7.6	31.0x	236	16.4	12.4x	203
Telko	14.9	15.5x	231	16.2	15.0x	243
Leipurin	1.4	26.4x	37	1.5	20.1x	30
Other operations	-4.6		-58	-4.4		-56
Total			446			421
Net debt (Evli YE est.)			157			136
Equity value			289			285
Per share			9.2			9.1

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.08 PV of Free Cash Flow	257 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	11.60 PV of Horizon value	264 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	27.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	12.9 Marketable securities	32 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	10.5 Debt - dividend	-189 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	50.6 Value of stock	365 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	501	520	536	548	559	571	579	588	597	606	612	618
<i>Sales growth, %</i>	-14.8	3.8	3.1	2.3	2.1	2.0	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	19	30	33	37	38	37	38	38	39	39	40	40
<i>Operating income margin, %</i>	3.9	5.7	6.2	6.7	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	29	31	26	22	22	20	19	19	19	19	19	17
EBITDA	48	61	59	59	60	57	57	57	57	58	57	
- Paid taxes	-2	-3	-3	-4	-4	-4	-4	-4	-4	-4	-4	-4
- Change in NWC	29	-10	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	5.7	7.4	7.5	7.6	7.6	7.7	7.7	7.7	7.8	7.8	7.8	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-9	-11	10	-22	-21	-20	-21	-21	-20	-6	-18	
<i>opCAPEX / Sales, %</i>	4.7	2.2	-1.8	4.1	3.9	3.6	3.7	3.6	3.5	1.0	3.0	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	0
= FCFF	66	35	63	31	32	32	30	31	31	47	34	535
= Discounted FCFF		33	55	25	24	22	20	19	18	25	17	264
= DFCF min WACC		33	56	25	25	23	20	19	18	26	18	300
= DFCF max WACC		33	55	25	24	22	19	18	17	24	16	234

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	133.2	115.6	118.4	133.5	500.7	131.3	127.4	127.2	134.0	519.9	535.8	547.9
EBITDA	11.3	11.3	10.7	15.0	48.3	14.5	14.3	15.4	16.3	60.5	58.8	58.9
<i>EBITDA margin (%)</i>	<i>8.5</i>	<i>9.8</i>	<i>9.0</i>	<i>11.2</i>	<i>9.6</i>	<i>11.1</i>	<i>11.2</i>	<i>12.1</i>	<i>12.2</i>	<i>11.6</i>	<i>11.0</i>	<i>10.7</i>
EBIT	4.0	4.1	3.6	7.6	19.3	6.8	6.6	7.7	8.6	29.7	33.0	36.9
<i>EBIT margin (%)</i>	<i>3.0</i>	<i>3.5</i>	<i>3.0</i>	<i>5.7</i>	<i>3.9</i>	<i>5.2</i>	<i>5.2</i>	<i>6.1</i>	<i>6.4</i>	<i>5.7</i>	<i>6.2</i>	<i>6.7</i>
Net financial items	-1.1	-1.1	-1.1	-1.2	-4.5	-0.8	-0.8	-0.8	-0.8	-3.2	-4.2	-3.3
Pre-tax profit	2.9	3.0	2.5	6.4	14.8	6.0	5.8	6.9	7.8	26.5	28.8	33.6
Tax	-0.3	-0.3	-0.5	-0.3	-1.4	-0.6	-0.6	-0.7	-0.8	-2.7	-2.9	-3.4
<i>Tax rate (%)</i>	<i>10.3</i>	<i>10.0</i>	<i>20.0</i>	<i>4.7</i>	<i>9.5</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>
Net profit	2.6	2.7	2.0	6.1	13.4	5.1	4.9	5.9	6.7	22.7	24.7	29.1
EPS	0.08	0.09	0.06	0.19	0.43	0.16	0.16	0.19	0.21	0.72	0.79	0.93
EPS adjusted (diluted no. of shares)	0.08	0.09	0.06	0.19	0.43	0.16	0.16	0.19	0.21	0.72	0.79	0.93
Dividend per share	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.40	0.45	0.50
SALES, EURm												
ESL Shipping	42.7	32.9	31.6	41.2	148.4	41.6	36.4	36.1	41.7	155.8	160.5	163.7
Leipurin	26.9	23.2	24.3	26.6	101.0	25.3	24.6	26.0	28.1	104.0	106.1	108.2
Telko	63.6	59.5	62.5	65.7	251.3	64.3	66.5	65.1	64.3	260.1	269.2	275.9
Total	133.2	115.6	118.4	133.5	500.7	131.3	127.4	127.2	134.0	519.9	535.8	547.9
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>-2.3</i>	<i>-22.8</i>	<i>-27.2</i>	<i>-9.1</i>	<i>-15.2</i>	<i>-2.5</i>	<i>10.6</i>	<i>14.4</i>	<i>1.2</i>	<i>5.0</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>3.9</i>	<i>-17.1</i>	<i>-18.7</i>	<i>-16.6</i>	<i>-12.7</i>	<i>-5.8</i>	<i>5.9</i>	<i>7.1</i>	<i>5.6</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>
<i>Telko</i>	<i>-11.5</i>	<i>-26.2</i>	<i>-16.3</i>	<i>-5.9</i>	<i>-15.4</i>	<i>1.1</i>	<i>11.7</i>	<i>4.1</i>	<i>-2.2</i>	<i>3.5</i>	<i>3.5</i>	<i>2.5</i>
<i>Total</i>	<i>-5.9</i>	<i>-23.5</i>	<i>-20.0</i>	<i>-9.2</i>	<i>-14.8</i>	<i>-1.5</i>	<i>10.2</i>	<i>7.5</i>	<i>0.4</i>	<i>3.8</i>	<i>3.1</i>	<i>2.3</i>
EBIT, EURm												
ESL Shipping	2.3	0.6	-0.1	4.8	7.6	3.6	3.4	4.3	5.1	16.4	17.7	19.6
Leipurin	0.6	0.3	0.3	0.2	1.4	0.4	0.3	0.4	0.4	1.5	4.2	5.1
Telko	2.4	4.2	4.2	4.1	14.9	3.9	4.0	4.1	4.2	16.2	15.5	16.6
Other operations	-1.3	-1.0	-0.8	-1.5	-4.6	-1.1	-1.1	-1.1	-1.1	-4.4	-4.4	-4.4
Total	4.0	4.1	3.6	7.6	19.3	6.8	6.6	7.7	8.6	29.7	33.0	36.9
EBIT margin, %												
<i>ESL Shipping</i>	<i>5.4</i>	<i>1.8</i>	<i>-0.3</i>	<i>11.7</i>	<i>5.1</i>	<i>8.6</i>	<i>9.3</i>	<i>11.9</i>	<i>12.2</i>	<i>10.5</i>	<i>11.0</i>	<i>12.0</i>
<i>Leipurin</i>	<i>2.2</i>	<i>1.3</i>	<i>1.2</i>	<i>0.8</i>	<i>1.4</i>	<i>1.6</i>	<i>1.2</i>	<i>1.5</i>	<i>1.4</i>	<i>1.4</i>	<i>4.0</i>	<i>4.8</i>
<i>Telko</i>	<i>3.8</i>	<i>7.1</i>	<i>6.7</i>	<i>6.2</i>	<i>5.9</i>	<i>6.1</i>	<i>6.0</i>	<i>6.3</i>	<i>6.5</i>	<i>6.2</i>	<i>5.8</i>	<i>6.0</i>
<i>Total</i>	<i>3.0</i>	<i>3.5</i>	<i>3.0</i>	<i>5.7</i>	<i>3.9</i>	<i>5.2</i>	<i>5.2</i>	<i>6.1</i>	<i>6.4</i>	<i>5.7</i>	<i>6.2</i>	<i>6.7</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	457.4	502.4	540.9	587.7	500.7	519.9	535.8	547.9
<i>Sales growth (%)</i>	<i>2.6</i>	<i>9.8</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>3.8</i>	<i>3.1</i>	<i>2.3</i>
EBITDA	32.0	35.0	37.1	49.7	48.3	60.5	58.8	58.9
<i>EBITDA margin (%)</i>	<i>7.0</i>	<i>7.0</i>	<i>6.9</i>	<i>8.5</i>	<i>9.6</i>	<i>11.6</i>	<i>11.0</i>	<i>10.7</i>
Depreciation	-11.6	-11.9	-11.7	-28.6	-29.0	-30.8	-25.8	-21.9
EBITA	20.4	23.1	25.4	21.1	19.3	29.7	33.0	36.9
Goodwill amortization / writedown	0.0	0.0	-4.8	0.0	0.0	0.0	0.0	0.0
EBIT	20.4	23.1	20.6	21.1	19.3	29.7	33.0	36.9
<i>EBIT margin (%)</i>	<i>4.5</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.9</i>	<i>5.7</i>	<i>6.2</i>	<i>6.7</i>
Reported EBIT	20.4	23.1	20.6	21.1	19.3	29.7	33.0	36.9
<i>EBIT margin (reported) (%)</i>	<i>4.5</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.9</i>	<i>5.7</i>	<i>6.2</i>	<i>6.7</i>
Net financials	-3.0	-2.0	-4.2	-2.9	-4.5	-3.2	-4.2	-3.3
Pre-tax profit	17.4	21.1	16.4	18.2	14.8	26.5	28.8	33.6
Taxes	-1.5	-1.7	-2.2	-2.1	-1.4	-2.7	-2.9	-3.4
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	15.9	19.4	14.2	16.1	13.4	22.7	24.7	29.1
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	124	128	185	190	177	157	121	121
Goodwill	43	42	43	43	49	49	49	49
Right of use assets	0	0	37	22	20	21	22	22
Inventory	57	61	71	56	42	57	59	60
Receivables	60	70	78	75	63	68	70	71
Liquid funds	23	20	19	24	32	26	27	27
Total assets	310	321	436	410	384	378	347	351
Liabilities								
Shareholder's equity	90	87	92	122	113	125	137	152
Minority interest	0	0	0	0	0	0	0	0
Convertibles	25	25	25	0	0	0	0	0
Lease liabilities	0	0	0	9	7	21	22	22
Deferred taxes	4	0	0	0	0	0	0	0
Interest bearing debt	125	137	199	200	182	141	95	82
Non-interest bearing current liabilities	64	68	105	61	64	73	75	77
Other interest-free debt	1	4	8	18	18	18	18	18
Total liabilities	310	321	430	410	384	378	347	351
CASH FLOW, EURm								
+ EBITDA	32	35	37	50	48	61	59	59
- Net financial items	-2	-2	-4	-3	-4	-3	-4	-3
- Taxes	-2	-3	-2	0	-2	-3	-3	-3
- Increase in Net Working Capital	-11	-13	-11	-14	29	-10	-2	-1
+/- Other	-4	-2	0	0	0	-1	-1	-1
= Cash flow from operations	13	16	20	33	71	43	49	50
- Capex	-6	-18	-75	-7	-23	-12	10	-22
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	7	-2	-55	25	48	32	59	27
+/- New issues/buybacks	4	-9	4	28	-15	0	0	0
- Paid dividend	-13	-13	-13	-14	-7	-11	-13	-14
+/- Other	1	21	64	-35	-17	-27	-45	-13
Change in cash	-1	-3	-1	4	9	-6	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	310	265	263	264	285	285	285
Net debt (excl. convertibles)	117	180	185	157	136	90	77
Enterprise value	451	470	448	420	421	375	362
Sales	502	541	588	501	520	536	548
EBITDA	35	37	50	48	61	59	59
EBIT	23	21	21	19	30	33	37
Pre-tax	21	16	18	15	27	29	34
Earnings	19	14	16	13	23	25	29
Equity book value (excl. minorities)	87	92	122	113	125	137	152
Valuation multiples							
EV/sales	0.9	0.9	0.8	0.8	0.8	0.7	0.7
EV/EBITDA	12.9	12.7	9.0	8.7	7.0	6.4	6.1
EV/EBITA	19.5	18.5	21.2	21.8	14.2	11.4	9.8
EV/EBIT	19.5	22.8	21.2	21.8	14.2	11.4	9.8
EV/OCF	29.0	23.2	13.8	5.9	9.7	7.7	7.3
EV/FCFF	564.3	-15.2	17.5	6.4	11.9	6.0	11.7
P/FCFE	-144.8	-4.9	10.3	5.6	9.0	4.9	10.4
P/E	16.0	18.7	16.4	19.7	12.6	11.5	9.8
P/B	3.5	2.9	2.2	2.3	2.3	2.1	1.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.2	6.6	6.4
Target EV/EBIT	0.0	0.0	0.0	0.0	14.6	11.8	10.2
Target EV/FCF	0.0	0.0	0.0	0.0	13.7	6.6	13.7
Target P/B	0.0	0.0	0.0	0.0	2.4	2.2	2.0
Target P/E	0.0	0.0	0.0	0.0	13.2	12.1	10.3
Per share measures							
Number of shares	30,976	31,420	31,420	31,420	31,420	31,420	31,420
Number of shares (diluted)	30,976	31,420	31,420	31,420	31,420	31,420	31,420
EPS	0.63	0.45	0.51	0.43	0.72	0.79	0.93
Operating cash flow per share	0.50	0.65	1.04	2.26	1.38	1.56	1.58
Free cash flow per share	-0.07	-1.74	0.81	1.51	1.01	1.86	0.87
Book value per share	2.82	2.92	3.88	3.61	3.98	4.37	4.85
Dividend per share	0.43	0.44	0.22	0.35	0.40	0.45	0.50
Dividend payout ratio, %	68.7	97.4	42.9	82.1	55.5	57.2	54.0
Dividend yield, %	4.3	5.2	2.6	3.9	4.4	5.0	5.5
FCF yield, %	-0.7	-20.6	9.7	18.0	11.1	20.5	9.6
Efficiency measures							
ROE	21.9	15.9	15.1	11.4	19.0	18.8	20.1
ROCE	9.5	7.3	6.5	6.1	10.1	12.2	14.5
Financial ratios							
Inventories as % of sales	12.1	13.2	9.5	8.5	11.0	11.0	11.0
Receivables as % of sales	14.0	14.4	12.8	12.6	13.0	13.0	13.0
Non-interest bearing liabilities as % of sales	13.6	19.4	10.4	12.8	14.0	14.0	14.0
NWC/sales, %	12.5	8.0	9.7	5.7	7.4	7.5	7.6
Operative CAPEX/sales, %	3.5	13.8	1.2	4.7	2.2	-1.8	4.1
CAPEX/sales (incl. acquisitions), %	3.5	13.8	1.2	4.7	2.2	-1.8	4.1
FCFF/EBITDA	0.0	-0.8	0.5	1.4	0.6	1.1	0.5
Net debt/EBITDA, book-weighted	3.3	4.9	3.7	3.2	2.2	1.5	1.3
Debt/equity, market-weighted	0.4	0.8	0.8	0.7	0.5	0.3	0.3
Equity ratio, book-weighted	35.0	27.2	29.8	29.5	33.1	39.6	43.4
Gearing, %	103.9	154.3	151.6	137.9	108.6	65.5	50.3

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 Leipuri's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,262,941	29.628	10.4%
Aev Capital Holding Oy	3,160,935	28.701	10.1%
Varma Mutual Pension Insurance Company	1,423,076	12.922	4.5%
Vehmas Tapio	1,275,827	11.585	4.1%
Nordea Bank ABP	941,721	8.551	3.0%
Ilmarinen Mutual Pension Insurance Company	875,226	7.947	2.8%
Nyberg Gustav	851,524	7.732	2.7%
Nordea Nordic Small Cap Fund	721,040	6.547	2.3%
Procurator-Holding Oy	514,882	4.675	1.6%
Mandatum Life Insurance Company Limited	415,058	3.769	1.3%
Ten largest	13,442,230	122.055	43%
Residual	17,977,549	163.236	57%
Total	31,419,779	285.292	100%

EARNINGS CALENDAR

May 05, 2021	Q1 report
August 11, 2021	Q2 report
October 27, 2021	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

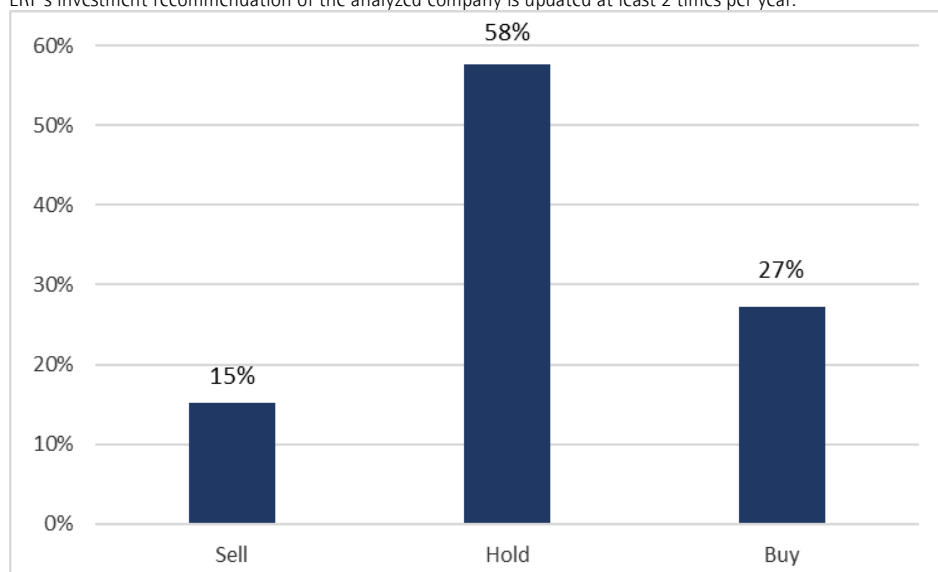
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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