

## Sailing towards EUR 40m EBIT

Aspo specified guidance and told Q2 EBIT was headstrong. In our view the latest update dispels any remaining doubts about ESL's and Telko's financial performance.

### Aspo now guides EUR 30-36m in FY '21 EBIT

The guidance range midpoint is a positive surprise compared to the EUR 31.2m/30.9m Evli/cons. estimates before the release, not by that much but the guidance appears on the conservative side considering Aspo achieved EUR 9.6m in Q2 EBIT. This record quarterly EBIT topped the EUR 7.1m/7.0m Evli/cons. estimates by a mile and in our opinion Aspo seems poised towards the upper end of the new guidance range. Steel and forest industry customers in particular drive high cargo volumes for ESL. We also believe Telko has once again reached an above 7% EBIT margin; there might still be some long-term downward pressure on such a high profitability level, but nonetheless the prolonged strong performance makes the long-term 6% target seem a bit modest.

### Both ESL and Telko are hitting long-term margin targets

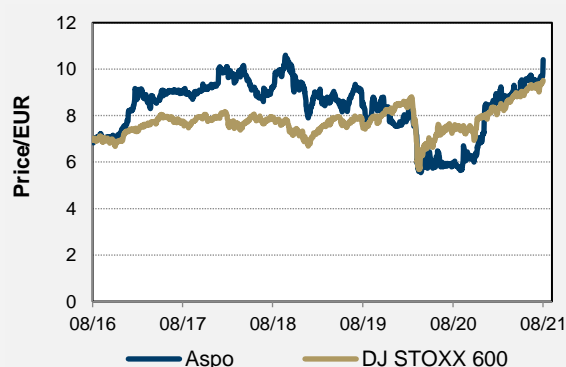
We estimate EUR 35.7m in FY '21 EBIT. We see H2 EBIT at EUR 18.2m and so only a bit above the EUR 17.5m H1 figure. H2 EBIT has tended to be meaningfully higher than that for H1, and perhaps Telko's recent high profitability faces some headwinds going forward. ESL's dockings this summer will dent Q3 EBIT, but Q4 is shaping up to be another record and in our view the carrier's Q4 EBIT could touch EUR 6m. We estimate ESL to reach its 12% long-term EBIT target this year, thus see ESL FY '21 EBIT at EUR 20.1m (prev. EUR 18.3m) and estimate another EUR 1.5m gain next year. We expect Telko to reach EUR 18.4m (prev. EUR 16.2m) in FY '21 EBIT. Telko may find it hard to improve from such levels, at least in terms of margin expansion, as it has already reached the 6% long-term EBIT margin target level.

### Stable performance and cash flow turn valuation attractive

Aspo could reach EUR 40m annual EBIT in a few years. We expect EBIT to gain some further EUR 3m next year. Going forward we see relatively stable performance for ESL and Telko, while it remains to be seen how much Leipurin can improve. Aspo is valued ca. 7x EV/EBITDA and 13x EV/EBIT on our FY '21 estimates; we see further earnings growth and deleveraging, thanks to cash flow generation, helping the multiples lower in the years to come. Our TP is now EUR 11.5 (10.5), retain our BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price)	10.40
Target price, EUR	11.5

Latest change in recommendation	06-May-21
Latest report on company	06-May-21
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	327
Free float, %	-
Exchange rate EUR/RUB	-
Reuters code	ASPO.HE
Bloomberg code	ASPO FH
Average daily volume, EURm	0.1
Next interim report	11-Aug-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%	50.1	0.43	19.7	0.8	21.8	19.0	0.35
2021E	546.2	35.7	6.5%	29.5	0.89	11.6	0.9	13.0	9.0	0.40
2022E	567.9	38.9	6.8%	43.6	0.99	10.5	0.8	11.2	13.4	0.45
2023E	584.2	40.5	6.9%	46.5	1.05	9.9	0.7	9.9	14.2	0.50
Market cap, EURm	327			Gearing 2021E, %	105.7			CAGR EPS 2020-23, %	35.2	
Net debt 2021E, EURm	138			Price/book 2021E	2.5			CAGR sales 2020-23, %	5.3	
Enterprise value, EURm	465			Dividend yield 2021E, %	3.8			ROE 2021E, %	23.0	
Total assets 2021E, EURm	390			Tax rate 2021E, %	9.7			ROCE 2021E, %	11.9	
Goodwill 2021E, EURm	49			Equity ratio 2021E, %	33.5			PEG, P/E 21/CAGR	2.2	

## Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		21	22	21	22	21	22
Algoma Central	399	6.1x	5.6x	12.5x	10.3x	1.0x	0.9x
Diana Shipping	315	6.6x	3.6x	11.8x	4.6x	0.7x	0.6x
Eagle Bulk Ship	474	3.7x	4.1x	5.2x	5.7x	0.8x	0.7x
Genco Shipping & Trading	621	5.0x	4.8x	7.4x	6.8x	0.9x	1.5x
Golden Ocean Group	1632	4.4x	4.7x	5.9x	6.6x	0.9x	0.9x
Navios Maritime Partners	436	2.6x	2.2x	3.3x	2.7x	0.4x	0.3x
Pangaea Logistics	189	4.8x	3.5x	6.4x	4.3x	0.9x	0.7x
Safe Bulkers	344					0.6x	0.6x
Eneti							
SFL	751	8.7x	9.0x	15.7x	15.8x	1.0x	0.9x
Star Bulk Carriers	1655	4.5x	4.4x	5.7x	5.5x	1.1x	1.0x
Peer Group Average	682	<b>5.2x</b>	<b>4.7x</b>	<b>8.2x</b>	<b>6.9x</b>	<b>0.8x</b>	<b>0.8x</b>
Peer Group Median	455	<b>4.8x</b>	<b>4.4x</b>	<b>6.4x</b>	<b>5.7x</b>	<b>0.9x</b>	<b>0.8x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	824	9.1x	8.1x	11.3x	9.9x	6.7 %	6.9 %
Ashland Global Holdings	4271	11.1x	9.9x	19.5x	16.5x	13.6 %	15.0 %
Brenntag	13238	12.3x	11.5x	16.9x	15.4x	6.9 %	7.1 %
IMCD	8950	25.9x	24.1x	33.6x	30.9x	8.6 %	8.8 %
Univar Solutions	3432	8.9x	8.4x	12.5x	11.6x	5.7 %	5.9 %
Peer Group Average	6143	<b>13.5x</b>	<b>12.4x</b>	<b>18.8x</b>	<b>16.9x</b>	<b>8.3 %</b>	<b>8.8 %</b>
Peer Group Median	4271	<b>11.1x</b>	<b>9.9x</b>	<b>16.9x</b>	<b>15.4x</b>	<b>6.9 %</b>	<b>7.1 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	703						
Chefs' Warehouse	890	26.0x	13.6x	214.2x	25.7x	0.4 %	2.9 %
Marr	1453	19.8x	14.4x	34.0x	17.8x	3.5 %	5.6 %
Middleby	9100	17.0x	15.3x	20.2x	17.5x	18.5 %	20.0 %
Orkla	7690	12.5x	11.9x	16.6x	15.7x	11.8 %	12.0 %
Performance Food Group	4806	12.0x	10.0x	18.7x	15.0x	1.4 %	1.6 %
Sysco	31300	15.9x	11.9x	21.5x	15.0x	3.8 %	4.8 %
Tate & Lyle	4002	8.0x	8.0x	12.1x	12.1x	11.5 %	11.3 %
Total Produce	727	9.8x	9.7x	18.6x	18.3x	1.5 %	1.5 %
US Foods Holding	6137	12.0x	8.9x	19.2x	12.6x	2.4 %	3.4 %
Welbilt	2783	17.8x	14.8x	23.8x	18.6x	13.3 %	15.7 %
Peer Group Average	6326	<b>15.1x</b>	<b>11.8x</b>	<b>39.9x</b>	<b>16.8x</b>	<b>6.8 %</b>	<b>7.9 %</b>
Peer Group Median	4002	<b>14.2x</b>	<b>11.9x</b>	<b>19.7x</b>	<b>16.6x</b>	<b>3.7 %</b>	<b>5.2 %</b>

Segment	EBIT '21e	EV/EBIT '21e *	EV	EBIT '22e	EV/EBIT '22e *	EV
ESL	20.1	6.4x	129	21.6	5.7x	123
Telko	18.4	16.9x	311	17.8	15.4x	274
Leipurin	1.9	19.7x	37	4.2	16.6x	70
Other operations	-4.7		-57	-4.8		-55
Total			420			413
Net debt (Evli YE est.)			138			107
Equity value			282			306
Per share			9.0			9.7

\*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.40 PV of Free Cash Flow	281 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	12.87 PV of Horizon value	291 WACC, %	7.4 Market risk premium, %
Share price potential, %	23.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	14.3 Marketable securities	32 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	11.7 Debt - dividend	-200 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	50.9 Value of stock	404 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	501	546	568	584	596	608	618	627	636	646	652	659
<i>Sales growth, %</i>	-14.8	9.1	4.0	2.9	2.1	2.0	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	19	36	39	41	41	40	40	41	41	42	42	43
<i>Operating income margin, %</i>	3.9	6.5	6.8	6.9	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	29	31	26	26	23	22	20	20	20	20	18	
EBITDA	48	66	65	67	64	61	61	61	61	62	60	
- Paid taxes	-2	-3	-4	-4	-4	-4	-4	-4	-4	-4	-4	
- Change in NWC	29	-13	-2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	5.7	7.5	7.6	7.7	7.8	7.8	7.8	7.9	7.9	7.9	7.9	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-9	-11	-11	-11	-22	-21	-22	-22	-22	-6	-19	
<i>opCAPEX / Sales, %</i>	4.2	3.0	2.1	2.0	3.8	3.6	3.7	3.6	3.5	1.0	3.0	
- 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	-1	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	66	38	47	49	35	34	32	33	33	50	36	571
= Discounted FCFF		37	43	42	28	25	22	21	19	27	19	291
= DFCF min WACC		37	43	42	28	25	22	21	20	28	19	330
= DFCF max WACC		37	42	41	27	24	21	20	19	26	18	258

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	133.2	115.6	118.4	133.5	500.7	132.3	133.6	135.6	144.7	546.2	567.9	584.2
EBITDA	11.3	11.3	10.7	15.0	48.3	15.3	17.3	16.2	17.4	66.2	65.3	67.0
<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>11.6</i>	<i>13.0</i>	<i>12.0</i>	<i>12.0</i>	<i>12.1</i>	<i>11.5</i>	<i>11.5</i>
EBIT	4.0	4.1	3.6	7.6	19.3	7.9	9.6	8.5	9.7	35.7	38.9	40.5
<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>6.0</i>	<i>7.2</i>	<i>6.3</i>	<i>6.7</i>	<i>6.5</i>	<i>6.8</i>	<i>6.9</i>
Net financial items	-1.1	-1.1	-1.1	-1.2	-4.5	-0.9	-0.9	-0.9	-0.9	-3.6	-3.0	-2.4
Pre-tax profit	2.9	3.0	2.5	6.4	14.8	7.0	8.7	7.6	8.8	32.1	35.9	38.1
Tax	-0.3	-0.3	-0.5	-0.3	-1.4	-0.6	-0.9	-0.8	-0.9	-3.1	-3.6	-3.8
<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>8.6</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>9.7</i>	<i>10.0</i>	<i>10.0</i>
Net profit	2.6	2.7	2.0	6.1	13.4	6.4	7.5	6.5	7.6	28.1	31.1	33.1
EPS	0.08	0.09	0.06	0.19	0.43	0.20	0.24	0.21	0.24	0.89	0.99	1.05
EPS adjusted (diluted no. of shares)	0.08	0.09	0.06	0.19	0.43	0.20	0.24	0.21	0.24	0.89	0.99	1.05
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
<b>SALES, EURm</b>												
ESL Shipping	42.7	32.9	31.6	41.2	148.4	43.4	38.9	39.3	44.7	166.3	173.0	178.1
Leipurin	26.9	23.2	24.3	26.6	101.0	27.9	27.4	29.4	30.6	115.3	121.1	125.3
Telko	63.6	59.5	62.5	65.7	251.3	61.0	67.3	66.9	69.4	264.6	273.9	280.7
Total	133.2	115.6	118.4	133.5	500.7	132.3	133.6	135.6	144.7	546.2	567.9	584.2
<b>SALES GROWTH, Y/Y %</b>												
<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>1.6</i>	<i>18.2</i>	<i>24.4</i>	<i>8.5</i>	<i>12.1</i>	<i>4.0</i>	<i>3.0</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>3.7</i>	<i>18.1</i>	<i>21.0</i>	<i>15.0</i>	<i>14.2</i>	<i>5.0</i>	<i>3.5</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>-4.1</i>	<i>13.1</i>	<i>7.0</i>	<i>5.6</i>	<i>5.3</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>-0.7</i>	<i>15.6</i>	<i>14.5</i>	<i>8.4</i>	<i>9.1</i>	<i>4.0</i>	<i>2.9</i>
<b>EBIT, EURm</b>												
ESL Shipping	2.3	0.6	-0.1	4.8	7.6	4.5	5.2	4.5	5.9	20.1	21.6	21.8
Leipurin	0.6	0.3	0.3	0.2	1.4	0.3	0.6	0.5	0.5	1.9	4.2	6.0
Telko	2.4	4.2	4.2	4.1	14.9	4.5	4.9	4.6	4.4	18.4	17.8	17.5
Other operations	-1.3	-1.0	-0.8	-1.5	-4.6	-1.4	-1.1	-1.1	-1.1	-4.7	-4.8	-4.8
Total	4.0	4.1	3.6	7.6	19.3	7.9	9.6	8.5	9.7	35.7	38.9	40.5
<b>EBIT margin, %</b>												
<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>10.4</i>	<i>13.4</i>	<i>11.5</i>	<i>13.2</i>	<i>12.1</i>	<i>12.5</i>	<i>12.3</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>1.1</i>	<i>2.2</i>	<i>1.7</i>	<i>1.6</i>	<i>1.6</i>	<i>3.5</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>7.4</i>	<i>7.3</i>	<i>6.9</i>	<i>6.3</i>	<i>7.0</i>	<i>6.5</i>	<i>6.3</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>6.0</i>	<i>7.2</i>	<i>6.3</i>	<i>6.7</i>	<i>6.5</i>	<i>6.8</i>	<i>6.9</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	457.4	502.4	540.9	587.7	500.7	546.2	567.9	584.2
<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>9.1</i>	<i>4.0</i>	<i>2.9</i>
EBITDA	32.0	35.0	37.1	49.7	48.3	66.2	65.3	67.0
<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>12.1</i>	<i>11.5</i>	<i>11.5</i>
Depreciation	-11.6	-11.9	-11.7	-28.6	-29.0	-30.5	-26.4	-26.5
EBITA	20.4	23.1	25.4	21.1	19.3	35.7	38.9	40.5
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	35.7	38.9	40.5
<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>6.5</i>	<i>6.8</i>	<i>6.9</i>
Reported EBIT	20.4	23.1	20.6	21.1	19.3	35.7	38.9	40.5
<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>6.5</i>	<i>6.8</i>	<i>6.9</i>
Net financials	-3.0	-2.0	-4.2	-2.9	-4.5	-3.6	-3.0	-2.4
Pre-tax profit	17.4	21.1	16.4	18.2	14.8	32.1	35.9	38.1
Taxes	-1.5	-1.7	-2.2	-2.1	-1.4	-3.1	-3.6	-3.8
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	28.1	31.1	33.1
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	124	128	185	190	177	161	145	129
Goodwill	43	42	43	43	49	49	49	49
Right of use assets	0	0	37	22	20	22	23	23
Inventory	57	61	71	56	42	60	62	64
Receivables	60	70	78	75	63	71	74	76
Liquid funds	23	20	19	24	32	27	28	29
Total assets	310	321	436	410	384	390	382	371
<b>Liabilities</b>								
Shareholder's equity	90	87	92	122	113	131	149	168
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	22	23	23
Deferred taxes	4	0	0	0	0	0	0	0
Interest bearing debt	125	137	199	200	182	143	113	80
Non-interest bearing current liabilities	64	68	105	61	64	76	80	82
Other interest-free debt	1	4	8	18	18	18	18	18
Total liabilities	310	321	430	410	384	390	382	371
<b>CASH FLOW, EURm</b>								
+ EBITDA	32	35	37	50	48	66	65	67
- Net financial items	-2	-2	-4	-3	-4	-4	-3	-2
- Taxes	-2	-3	-2	0	-2	-3	-4	-4
- Increase in Net Working Capital	-11	-13	-11	-14	29	-13	-2	-2
+/- Other	-4	-2	0	0	0	-1	-1	-1
= Cash flow from operations	13	16	20	33	71	46	55	58
- Capex	-6	-18	-75	-7	-21	-16	-12	-11
- 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	50	30	44	47
+/- 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	-20	-24	-30	-32
Change in cash	-1	-3	-1	4	9	-5	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	310	265	263	264	327	327	327
Net debt (excl. convertibles)	117	180	185	157	138	107	75
Enterprise value	451	470	448	420	465	434	401
Sales	502	541	588	501	546	568	584
EBITDA	35	37	50	48	66	65	67
EBIT	23	21	21	19	36	39	41
Pre-tax	21	16	18	15	32	36	38
Earnings	19	14	16	13	28	31	33
Equity book value (excl. minorities)	87	92	122	113	131	149	168
<b>Valuation multiples</b>							
EV/sales	0.9	0.9	0.8	0.8	0.9	0.8	0.7
EV/EBITDA	12.9	12.7	9.0	8.7	7.0	6.6	6.0
EV/EBITA	19.5	18.5	21.2	21.8	13.0	11.2	9.9
EV/EBIT	19.5	22.8	21.2	21.8	13.0	11.2	9.9
EV/OCF	29.0	23.2	13.8	5.9	10.2	7.8	6.9
EV/FCFF	564.3	-15.2	17.5	6.4	12.3	9.2	8.1
P/FCFE	-144.8	-4.9	10.3	5.3	11.1	7.5	7.0
P/E	16.0	18.7	16.4	19.7	11.6	10.5	9.9
P/B	3.5	2.9	2.2	2.3	2.5	2.2	1.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.5	7.2	6.5
Target EV/EBIT	0.0	0.0	0.0	0.0	14.0	12.1	10.8
Target EV/FCF	0.0	0.0	0.0	0.0	16.9	10.7	9.4
Target P/B	0.0	0.0	0.0	0.0	2.8	2.4	2.2
Target P/E	0.0	0.0	0.0	0.0	12.9	11.6	10.9
<b>Per share measures</b>							
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	0.89	0.99	1.05
Operating cash flow per share	0.50	0.65	1.04	2.26	1.45	1.76	1.85
Free cash flow per share	-0.07	-1.74	0.81	1.59	0.94	1.39	1.48
Book value per share	2.82	2.92	3.88	3.61	4.16	4.74	5.35
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	44.7	45.5	47.4
Dividend yield, %	4.3	5.2	2.6	4.2	3.8	4.3	4.8
FCF yield, %	-0.7	-20.6	9.7	19.0	9.0	13.4	14.2
<b>Efficiency measures</b>							
ROE	21.9	15.9	15.1	11.4	23.0	22.2	20.9
ROCE	9.5	7.3	6.5	6.1	11.9	13.4	14.6
<b>Financial ratios</b>							
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	7.5	7.6	7.7
Operative CAPEX/sales, %	3.5	13.8	1.2	4.2	3.0	2.1	2.0
CAPEX/sales (incl. acquisitions), %	3.5	13.8	1.2	4.2	3.0	2.1	2.0
FCFF/EBITDA	0.0	-0.8	0.5	1.4	0.6	0.7	0.7
Net debt/EBITDA, book-weighted	3.3	4.9	3.7	3.2	2.1	1.6	1.1
Debt/equity, market-weighted	0.4	0.8	0.8	0.7	0.4	0.3	0.2
Equity ratio, book-weighted	35.0	27.2	29.8	29.5	33.5	39.0	45.2
Gearing, %	103.9	154.3	151.6	137.9	105.7	71.7	44.4

**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 Leipuri's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,262,941	33.935	10.4%
Aev Capital Holding Oy	3,160,935	32.874	10.1%
Varma Mutual Pension Insurance Company	1,423,076	14.800	4.5%
Vehmas Tapio	1,275,827	13.269	4.1%
Nordea Bank ABP	941,721	9.794	3.0%
Ilmarinen Mutual Pension Insurance Company	875,226	9.102	2.8%
Nyberg Gustav	851,524	8.856	2.7%
Nordea Nordic Small Cap Fund	721,040	7.499	2.3%
Procurator-Holding Oy	514,882	5.355	1.6%
Mandatum Life Insurance Company Limited	415,058	4.317	1.3%
Ten largest	13,442,230	139.799	43%
Residual	17,977,549	186.967	57%
Total	31,419,779	326.766	100%

#### EARNINGS CALENDAR

August 11, 2021

Q2 report

October 27, 2021

Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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## 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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Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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

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