

EBIT is headed above EUR 40m

Aspo's Q3 EBIT was EUR 12.8m without the one-offs. Valuation is still not very high as we see scope for well above EUR 40m EBIT next year, but we consider multiples neutral. Our TP is EUR 14.0 (12.5), rating HOLD (BUY).

There were some EUR 5.2m in one-off Q3 items

ESL posted a record EUR 7.1m Q3 EBIT vs our EUR 4.5m estimate. The market is very favorable as cargo volumes grew by 26% y/y and freight rates are now good across the entire fleet. In our view the Supramaxes are already generating very high margins, while smaller vessels' pricing should continue to advance from here on. Leipurin results were a bit better than we expected, while Telko achieved EUR 5.9m EBIT (vs our EUR 4.9m estimate) excl. the EUR 3.4m Kauko impairment. There was also the EUR 1.75m one-off item due to the CEO change-related costs.

Strong performance should continue for quite some time

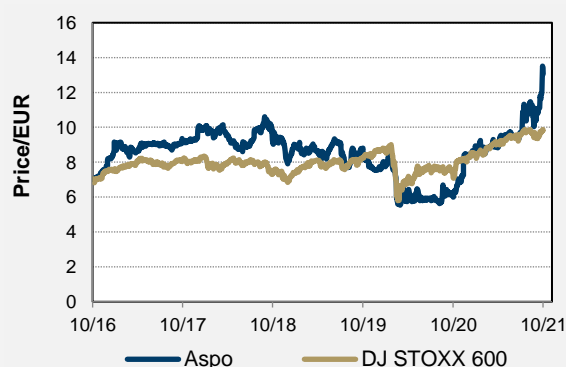
We revise our estimates and now see EUR 10.8m in Q4 EBIT (prev. EUR 9.8m). The guidance constitutes in essence a positive revision and we wouldn't be surprised to see Aspo upgrade the range more in the coming months (Q4 hasn't historically paled in comparison to Q3). Port logistics challenges may limit ESL's Q4 potential, but we view our EUR 6.5m EBIT estimate conservative. ESL and Telko now enjoy very favorable markets, therefore some softening could be due next year. Both subsidiaries nonetheless continue to progress strategy-wise. ESL's new EUR 70m investments (financing will be some combination of own cash and external pooled funds) are to be ready in '23 and we view the six small hybrid vessels a good strategy fit. Meanwhile Telko continues to focus on higher margin solutions with its latest acquisition of a small Estonian lubricant distributor.

FY '22 EBIT should have no trouble topping EUR 40m

Our new FY '22 EBIT estimate is EUR 40.9m (prev. EUR 39.7m), and on this basis Aspo is valued ca. 13x EV/EBIT. The level is not that high considering cash flow generation and further value creation potential yet reflects present strong conditions. We view our EUR 40.9m estimate a bit conservative as we model only flat EBIT for ESL: we see a reasonable chance for a well above EUR 25m ESL FY '22 EBIT. Telko has continued to surprise but for now we don't expect much more than EUR 18m EBIT going forward. Our new TP is EUR 14.0 (12.5), and our rating is now HOLD (BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 13.04

Target price, EUR 14.0

Latest change in recommendation 28-Oct-21

Latest report on company 12-Aug-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 410

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 16-Feb-22

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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	576.4	35.9	6.2%	21.3	0.90	14.5	1.0	15.5	5.2	0.40
2022E	599.2	40.9	6.8%	45.8	1.04	12.5	0.9	12.8	11.2	0.45
2023E	616.3	43.0	7.0%	49.1	1.12	11.6	0.8	11.4	12.0	0.50
Market cap, EURm	410			Gearing 2021E, %	111.9			CAGR EPS 2020-23, %	38.0	
Net debt 2021E, EURm	146			Price/book 2021E	3.1			CAGR sales 2020-23, %	7.2	
Enterprise value, EURm	556			Dividend yield 2021E, %	3.1			ROE 2021E, %	23.1	
Total assets 2021E, EURm	404			Tax rate 2021E, %	11.2			ROCE 2021E, %	11.8	
Goodwill 2021E, EURm	49			Equity ratio 2021E, %	32.3			PEG, P/E 21/CAGR	1.9	

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	473	6.0x	5.8x			1.1x	1.0x
Diana Shipping	383	7.0x	3.5x	11.7x	4.6x	1.0x	0.7x
Eagle Bulk Ship	501	3.0x	3.3x	3.7x	4.6x	0.8x	0.6x
Genco Shipping & Trading	604	3.9x	3.6x	5.2x	4.9x	0.8x	1.4x
Golden Ocean Group	1562	5.0x	5.2x	6.5x	6.9x	0.9x	0.9x
Navios Maritime Partners	659	2.5x	1.5x	3.1x	1.9x	0.5x	0.4x
Pangaea Logistics	175	4.9x	3.3x	6.3x	4.2x	0.7x	0.5x
Safe Bulkers	460	3.7x	3.8x	4.9x	5.3x	0.8x	0.8x
Eneti	238	-1.3x	-0.8x	-1.7x	-1.4x		
SFL	894					1.1x	1.1x
Star Bulk Carriers	1797	4.1x	4.0x	5.0x	5.1x	1.1x	1.1x
Peer Group Average	704	3.9x	3.3x	5.0x	4.0x	0.9x	0.8x
Peer Group Median	501	4.0x	3.6x	5.0x	4.6x	0.8x	0.8x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	1071	11.2x	9.8x	14.1x	12.2x	6.5 %	6.5 %
Ashland Global Holdings	5042	13.0x	12.1x	23.5x	21.1x	13.0 %	14.2 %
Brenntag	12743	11.4x	10.7x	15.5x	14.3x	7.1 %	7.2 %
IMCD	10984	29.7x	28.0x	39.1x	36.5x	9.0 %	9.0 %
Univar Solutions	3786	9.3x	8.8x	13.0x	12.2x	5.7 %	6.0 %
Peer Group Average	6725	14.9x	13.9x	21.0x	19.3x	8.3 %	8.6 %
Peer Group Median	5042	11.4x	10.7x	15.5x	14.3x	7.1 %	7.2 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	719	9.0x	8.8x	11.5x	11.1x	6.8 %	6.7 %
Chefs' Warehouse	1099	30.0x	15.6x	246.6x	29.6x	0.4 %	2.9 %
Marr	1376	16.9x	12.9x	28.8x	16.9x	3.8 %	5.3 %
Middleby	8529	15.9x	13.8x	19.2x	15.7x	18.0 %	20.1 %
Orkla	7963	12.0x	11.5x	16.0x	15.4x	11.7 %	11.8 %
Performance Food Group	6110	11.7x	9.0x	17.1x	12.2x	1.3 %	1.4 %
Sysco	34219	16.6x	12.4x	22.2x	15.5x	3.8 %	4.8 %
Tate & Lyle	3593	11.9x	14.9x	17.2x	21.0x		
Total Produce							
US Foods Holding	6787	12.0x	9.3x	18.8x	12.9x	2.4 %	3.3 %
Welbilt	2901	17.5x	14.4x	23.3x	18.0x	13.5 %	16.1 %
Peer Group Average	7330	15.4x	12.3x	42.1x	16.8x	6.9 %	8.0 %
Peer Group Median	4852	13.9x	12.6x	19.0x	15.6x	3.8 %	5.3 %

Segment	EBIT '21e	EV/EBIT '21e *	EV	EBIT '22e	EV/EBIT '22e *	EV
ESL	23.5	5.0x	118	23.2	4.6x	107
Telko	17.6	15.5x	273	18.8	14.3x	269
Leipurin	1.9	19.0x	36	4.1	15.6x	64
Other operations	-7.1		-57	-5.2		-55
Total			369			384
Net debt (Evli YE est.)			146			113
Equity value			223			271
Per share			7.1			8.6

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	13.04 PV of Free Cash Flow	296 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	14.03 PV of Horizon value	312 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	7.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	15.5 Marketable securities	32 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	12.8 Debt - dividend	-200 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	51.3 Value of stock	441 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	576	599	616	629	642	651	661	671	681	688	695
<i>Sales growth, %</i>	-14.8	15.1	3.9	2.9	2.1	2.0	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	19	36	41	43	44	42	42	43	44	44	45	45
<i>Operating income margin, %</i>	3.9	6.2	6.8	7.0	6.9	6.5	6.5	6.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	29	33	27	27	24	23	22	21	21	21	19	
EBITDA	48	69	68	70	67	65	64	64	65	66	64	
- Paid taxes	-2	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	
- Change in NWC	29	-16	-2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	5.7	7.7	7.8	7.8	7.9	7.9	7.9	8.0	8.0	8.0	8.1	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-9	-11	-11	-11	-27	-22	-24	-23	-23	-6	-20	
<i>opCAPEX / Sales, %</i>	4.2	4.2	2.0	1.9	4.3	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	0	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	66	38	50	52	34	36	34	34	35	53	38	602
= Discounted FCFF		37	46	45	27	26	23	22	21	29	20	312
= DFCF min WACC		37	46	45	27	27	24	23	22	30	21	353
= DFCF max WACC		37	45	44	26	26	23	22	20	28	19	278

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3	2021Q4E	2021E	2022E	2023E
Net sales	133.2	115.6	118.4	133.5	500.7	132.3	142.9	148.0	153.2	576.4	599.2	616.3
EBITDA	11.3	11.3	10.7	15.0	48.3	15.3	17.1	18.3	18.5	69.2	68.0	70.1
<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>12.0</i>	<i>12.4</i>	<i>12.1</i>	<i>12.0</i>	<i>11.3</i>	<i>11.4</i>
EBIT	4.0	4.1	3.6	7.6	19.3	7.9	9.6	7.6	10.8	35.9	40.9	43.0
<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>6.7</i>	<i>5.1</i>	<i>7.0</i>	<i>6.2</i>	<i>6.8</i>	<i>7.0</i>
Net financial items	-1.1	-1.1	-1.1	-1.2	-4.5	-0.9	-1.0	-1.0	-0.9	-3.8	-3.2	-2.5
Pre-tax profit	2.9	3.0	2.5	6.4	14.8	7.0	8.6	6.6	9.9	32.1	37.7	40.4
Tax	-0.3	-0.3	-0.5	-0.3	-1.4	-0.6	-0.8	-1.2	-1.0	-3.6	-3.8	-4.0
<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>9.3</i>	<i>18.2</i>	<i>10.0</i>	<i>11.2</i>	<i>10.0</i>	<i>10.0</i>
Net profit	2.6	2.7	2.0	6.1	13.4	6.4	7.8	5.4	8.6	28.2	32.7	35.2
EPS	0.08	0.09	0.06	0.19	0.43	0.20	0.25	0.17	0.27	0.90	1.04	1.12
EPS adjusted (diluted no. of shares)	0.08	0.09	0.06	0.19	0.43	0.20	0.25	0.17	0.27	0.90	1.04	1.12
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	43.4	46.0	47.3	49.3	186.0	193.4	199.2
Leipurin	26.9	23.2	24.3	26.6	101.0	27.9	25.8	27.7	29.4	110.8	116.3	120.4
Telko	63.6	59.5	62.5	65.7	251.3	61.0	71.1	73.0	74.5	279.6	289.4	296.6
Total	133.2	115.6	118.4	133.5	500.7	132.3	142.9	148.0	153.2	576.4	599.2	616.3
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>1.6</i>	<i>39.8</i>	<i>49.7</i>	<i>19.7</i>	<i>25.3</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>11.2</i>	<i>14.0</i>	<i>10.5</i>	<i>9.7</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>19.5</i>	<i>16.8</i>	<i>13.4</i>	<i>11.3</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>23.6</i>	<i>25.0</i>	<i>14.8</i>	<i>15.1</i>	<i>3.9</i>	<i>2.9</i>
EBIT, EURm												
ESL Shipping	2.3	0.6	-0.1	4.8	7.6	4.5	5.4	7.1	6.5	23.5	23.2	23.9
Leipurin	0.6	0.3	0.3	0.2	1.4	0.3	0.3	0.6	0.7	1.9	4.1	5.7
Telko	2.4	4.2	4.2	4.1	14.9	4.5	5.5	2.5	5.1	17.6	18.8	18.5
Other operations	-1.3	-1.0	-0.8	-1.5	-4.6	-1.4	-1.6	-2.6	-1.5	-7.1	-5.2	-5.2
Total	4.0	4.1	3.6	7.6	19.3	7.9	9.6	7.6	10.8	35.9	40.9	43.0
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>10.4</i>	<i>11.7</i>	<i>15.0</i>	<i>13.2</i>	<i>12.6</i>	<i>12.0</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>1.1</i>	<i>1.2</i>	<i>2.2</i>	<i>2.4</i>	<i>1.7</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>7.7</i>	<i>3.4</i>	<i>6.8</i>	<i>6.3</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>6.7</i>	<i>5.1</i>	<i>7.0</i>	<i>6.2</i>	<i>6.8</i>	<i>7.0</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	457.4	502.4	540.9	587.7	500.7	576.4	599.2	616.3
<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>15.1</i>	<i>3.9</i>	<i>2.9</i>
EBITDA	32.0	35.0	37.1	49.7	48.3	69.2	68.0	70.1
<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>12.0</i>	<i>11.3</i>	<i>11.4</i>
Depreciation	-11.6	-11.9	-11.7	-28.6	-29.0	-33.3	-27.1	-27.1
EBITA	20.4	23.1	25.4	21.1	19.3	35.9	40.9	43.0
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	35.9	40.9	43.0
<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>6.2</i>	<i>6.8</i>	<i>7.0</i>
Reported EBIT	20.4	23.1	20.6	21.1	19.3	35.9	40.9	43.0
<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>6.2</i>	<i>6.8</i>	<i>7.0</i>
Net financials	-3.0	-2.0	-4.2	-2.9	-4.5	-3.8	-3.2	-2.5
Pre-tax profit	17.4	21.1	16.4	18.2	14.8	32.1	37.7	40.4
Taxes	-1.5	-1.7	-2.2	-2.1	-1.4	-3.6	-3.8	-4.0
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	28.2	32.7	35.2
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	165	149	132
Goodwill	43	42	43	43	49	49	49	49
Right of use assets	0	0	37	22	20	23	24	25
Inventory	57	61	71	56	42	63	66	68
Receivables	60	70	78	75	63	75	78	80
Liquid funds	23	20	19	24	32	29	30	31
Total assets	310	321	436	410	384	404	396	385
Liabilities								
Shareholder's equity	90	87	92	122	113	131	151	172
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	23	24	25
Deferred taxes	4	0	0	0	0	0	0	0
Interest bearing debt	125	137	199	200	182	152	119	84
Non-interest bearing current liabilities	64	68	105	61	64	81	84	86
Other interest-free debt	1	4	8	18	18	18	18	18
Total liabilities	310	321	430	410	384	404	396	385
CASH FLOW, EURm								
+ EBITDA	32	35	37	50	48	69	68	70
- Net financial items	-2	-2	-4	-3	-4	-4	-3	-3
- Taxes	-2	-3	-2	0	-2	-4	-4	-4
- Increase in Net Working Capital	-11	-13	-11	-14	29	-16	-2	-2
+/- Other	-4	-2	0	0	0	0	-1	-1
= Cash flow from operations	13	16	20	33	71	46	58	61
- Capex	-6	-18	-75	-7	-21	-24	-12	-12
- 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	21	46	49
+/- 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	-14	-32	-34
Change in cash	-1	-3	-1	4	9	-3	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	310	265	263	264	410	410	410
Net debt (excl. convertibles)	117	180	185	157	146	113	78
Enterprise value	451	470	448	420	556	523	488
Sales	502	541	588	501	576	599	616
EBITDA	35	37	50	48	69	68	70
EBIT	23	21	21	19	36	41	43
Pre-tax	21	16	18	15	32	38	40
Earnings	19	14	16	13	28	33	35
Equity book value (excl. minorities)	87	92	122	113	131	151	172
Valuation multiples							
EV/sales	0.9	0.9	0.8	0.8	1.0	0.9	0.8
EV/EBITDA	12.9	12.7	9.0	8.7	8.0	7.7	7.0
EV/EBITA	19.5	18.5	21.2	21.8	15.5	12.8	11.4
EV/EBIT	19.5	22.8	21.2	21.8	15.5	12.8	11.4
EV/OCF	29.0	23.2	13.8	5.9	12.2	9.1	8.0
EV/FCFF	564.3	-15.2	17.5	6.4	14.7	10.6	9.4
P/FCFE	-144.8	-4.9	10.3	5.3	19.3	9.0	8.3
P/E	16.0	18.7	16.4	19.7	14.5	12.5	11.6
P/B	3.5	2.9	2.2	2.3	3.1	2.7	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.5	8.1	7.4
Target EV/EBIT	0.0	0.0	0.0	0.0	16.3	13.5	12.1
Target EV/FCF	0.0	0.0	0.0	0.0	27.5	12.1	10.6
Target P/B	0.0	0.0	0.0	0.0	3.4	2.9	2.6
Target P/E	0.0	0.0	0.0	0.0	15.6	13.4	12.5
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	0.90	1.04	1.12
Operating cash flow per share	0.50	0.65	1.04	2.26	1.45	1.83	1.93
Free cash flow per share	-0.07	-1.74	0.81	1.59	0.68	1.46	1.56
Book value per share	2.82	2.92	3.88	3.61	4.16	4.80	5.47
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	44.6	43.2	44.6
Dividend yield, %	4.3	5.2	2.6	4.2	3.1	3.5	3.8
FCF yield, %	-0.7	-20.6	9.7	19.0	5.2	11.2	12.0
Efficiency measures							
ROE	21.9	15.9	15.1	11.4	23.1	23.3	21.8
ROCE	9.5	7.3	6.5	6.1	11.8	13.6	15.0
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	7.7	7.8	7.8
Operative CAPEX/sales, %	3.5	13.8	1.2	4.2	4.2	2.0	1.9
CAPEX/sales (incl. acquisitions), %	3.5	13.8	1.2	4.2	4.2	2.0	1.9
FCFF/EBITDA	0.0	-0.8	0.5	1.4	0.5	0.7	0.7
Net debt/EBITDA, book-weighted	3.3	4.9	3.7	3.2	2.1	1.7	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	32.3	38.1	44.7
Gearing, %	103.9	154.3	151.6	137.9	111.9	74.9	45.4

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	3,262,941	42.549	10.4%
Aev Capital Holding Oy	3,213,535	41.904	10.2%
Varma Mutual Pension Insurance Company	1,423,076	18.557	4.5%
Vehmas Tapio	1,275,827	16.637	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	11.413	2.8%
Nyberg Gustav	851,524	11.104	2.7%
Nordea Nordic Small Cap Fund	721,040	9.402	2.3%
Procurator-Holding Oy	514,882	6.714	1.6%
Nordea Bank ABP	462,710	6.034	1.5%
Mandatum Life Insurance Company Limited	426,946	5.567	1.4%
Ten largest	13,027,707	169.881	41%
Residual	18,392,072	239.833	59%
Total	31,419,779	409.714	100%

EARNINGS CALENDAR	
February 16, 2022	FY 2021 Results
May 04, 2022	Q1 report
August 10, 2022	Q2 report
November 02, 2022	Q3 report
OTHER EVENTS	
December 01, 2021	CMD

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

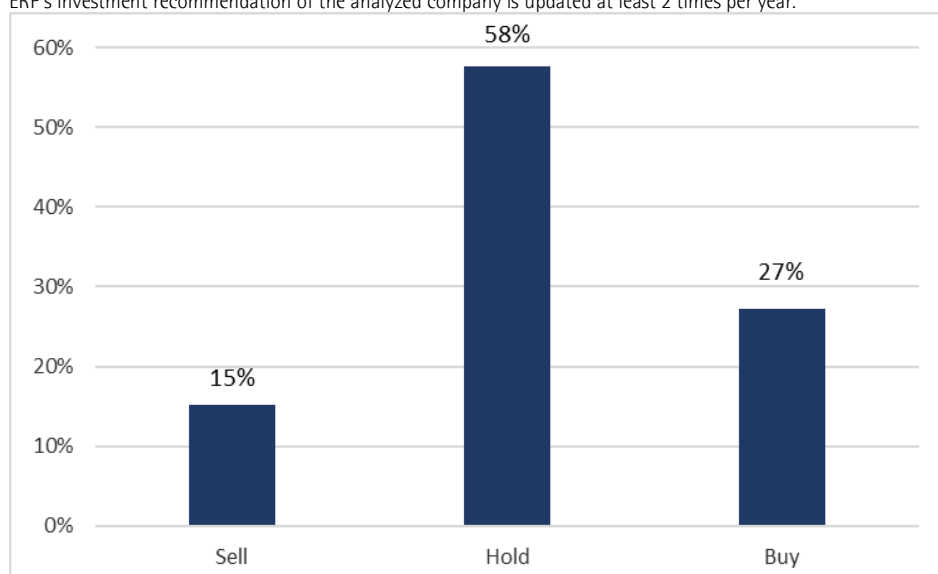
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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