

CMD notes

Aspo held its CMD, where the key message was that focus is more towards add-on M&A as opposed to exits (except for the sale of Kauko and Leipurin's Vulganus machines).

EBIT margin target raised to 8% from the previous 6%

Aspo's EBIT has gained a lot in the past year. Telko already had a strong '20, while the recovery has come through in ESL's figures this year. The revised ESL and Telko EBIT targets, both up by 200bps to 14% and 8% respectively, are thus not very surprising. Aspo introduced a 5-10% p.a. growth target, and we view this the major update because it signals a commitment to hold and grow Telko. We make upward estimate revisions to reflect the targets. ESL reached a 15% EBIT in Q3, and while demand remains strong, we believe the next quarters will see some softening since AtoB@C time charter costs are growing. ESL's performance is otherwise solid (e.g. contracts are better optimized from a logistics POV), and it has retained an advisor to source investors for a portion of the hybrid vessel capex. Leipurin retains its 5% EBIT target. There's still way to go until the target is reached, but Leipurin has a profit boost initiative (e.g. category management) while the Food Industry is a good growth driver.

Aspo remains very committed to Telko and exit is unlikely

Aspo's new 5-10% growth target reflects especially Telko add-on M&A potential. There's no major change in the sense that Eastern performance is to rely on organic growth, but it seems Telko is now ready for somewhat larger deals should a fitting target come up for sale. Telko's own profitability is already running so high that not every acquisition will provide an immediate boost to EBIT margin. The geographic scope has also been expanded a bit westward beyond the Nordics and Baltics. Aspo remains committed to the current three segments within logistics (ESL) and trade (Telko & Leipurin), however a new stand-alone subsidiary with an EV of some EUR 20-50m is also likely (B2C targets are not off the table). Aspo's focus is still to hold and grow its segments without any definite exit plans/schedules.

Earnings growth outlook is attractive

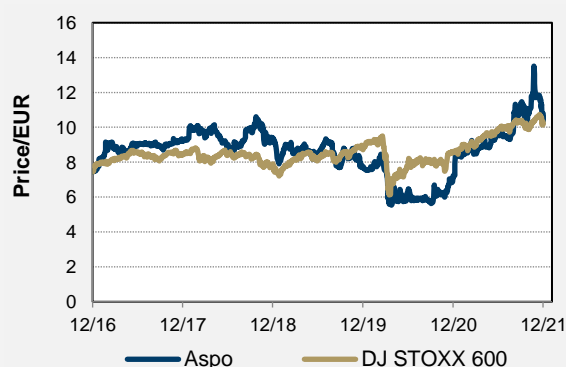
We now expect FY '22 EBIT margin at 7.0%, or EUR 42.4m (prev. EUR 40.9m). This represents an EV/EBIT of only about 11x, and there's still further earnings potential in the following years. We retain our EUR 14 TP. Our rating is now BUY (HOLD).

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	12.0	0.8	13.5	6.3	0.40
2022E	610.4	42.4	7.0%	45.4	1.09	9.9	0.7	10.7	13.4	0.45
2023E	635.3	48.1	7.6%	52.5	1.27	8.5	0.7	8.6	15.5	0.50
Market cap, EURm	339			Gearing 2021E, %	111.9			CAGR EPS 2020-23, %	43.7	
Net debt 2021E, EURm	146			Price/book 2021E	2.6			CAGR sales 2020-23, %	8.3	
Enterprise value, EURm	485			Dividend yield 2021E, %	3.7			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	0.7	

Rating

BUY



Share price, EUR (Last trading day's closing price) 10.78

Target price, EUR 14.0

Latest change in recommendation 02-Dec-21

Latest report on company 28-Oct-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 339

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

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	438	5.4x	5.3x				
Diana Shipping	314	6.0x	2.9x	10.1x	3.3x	0.8x	0.6x
Eagle Bulk Ship	475	2.8x	3.1x	3.3x	3.9x	0.8x	0.6x
Genco Shipping & Trading	541	3.4x	3.2x	4.4x	4.2x	0.7x	1.2x
Golden Ocean Group	1606	4.6x	4.9x	5.8x	6.4x	0.9x	0.9x
Navios Maritime Partners	610	2.1x	1.2x	2.5x	1.5x	0.4x	0.3x
Pangaea Logistics	151	4.5x	4.0x	5.9x	5.7x	0.6x	0.4x
Safe Bulkers	373	3.0x	3.1x	4.0x	4.2x	0.6x	0.6x
Eneti	284	-2.5x	-1.8x	-3.2x	-3.1x		
SFL	1012					1.1x	1.1x
Star Bulk Carriers	1838	3.9x	3.7x	4.6x	4.5x	1.1x	1.1x
Peer Group Average	695	3.3x	3.0x	4.1x	3.4x	0.8x	0.7x
Peer Group Median	475	3.6x	3.2x	4.4x	4.2x	0.8x	0.6x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	1017	11.0x	9.6x	14.1x	12.1x	6.0 %	6.1 %
Ashland Global Holdings	5116	15.8x	14.1x	26.8x	26.0x	12.8 %	13.3 %
Brenntag	11739	10.6x	9.9x	14.7x	13.5x	7.0 %	7.1 %
IMCD	10964	28.9x	26.9x	37.4x	34.2x	9.2 %	9.4 %
Univar Solutions	4029	8.8x	8.6x	12.0x	11.5x	6.1 %	6.2 %
Peer Group Average	6573	15.0x	13.8x	21.0x	19.4x	8.2 %	8.4 %
Peer Group Median	5116	11.0x	9.9x	14.7x	13.5x	7.0 %	7.1 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	714						
Chefs' Warehouse	1056	28.1x	14.8x	172.7x	26.9x	0.5 %	2.9 %
Marr	1216	16.1x	11.3x	24.2x	14.3x	3.9 %	5.4 %
Middleby	8800	16.5x	14.4x	20.9x	16.5x	17.4 %	19.6 %
Orkla	8038	12.4x	11.7x	16.4x	15.4x	11.9 %	12.1 %
Performance Food Group	5586	13.0x	9.9x	19.0x	13.6x	1.3 %	1.5 %
Sysco	31753	15.9x	11.8x	21.3x	14.8x	3.7 %	4.6 %
Tate & Lyle	3447	9.4x	11.2x	14.2x	15.4x	13.8 %	15.2 %
Total Produce							
US Foods Holding	6194	11.7x	8.8x	19.1x	12.7x	2.2 %	3.1 %
Welbilt	2962	17.3x	14.2x	22.5x	17.4x	13.8 %	16.5 %
Peer Group Average	6977	15.6x	12.0x	36.7x	16.3x	7.6 %	9.0 %
Peer Group Median	4517	15.9x	11.7x	20.9x	15.4x	3.9 %	5.4 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'21e	'21e *		'22e	'22e *	
ESL	23.5	4.4x	103	25.3	4.2x	106
Telko	17.6	14.7x	259	19.4	13.5x	263
Leipurin	1.9	20.9x	40	2.9	15.4x	45
Other operations	-7.1		-57	-5.2		-55
Total			345			359
Net debt (Evli YE est.)			146			113
Equity value			199			245
Per share			6.3			7.8

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.78 PV of Free Cash Flow	328 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	16.31 PV of Horizon value	352 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	51.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	18.0 Marketable securities	32 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	14.9 Debt - dividend	-200 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	51.7 Value of stock	512 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	610	635	652	665	675	685	695	706	713	720
<i>Sales growth, %</i>	-14.8	15.1	5.9	4.1	2.6	2.0	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	19	36	42	48	53	53	51	48	49	49	50	50
<i>Operating income margin, %</i>	3.9	6.2	7.0	7.6	8.2	8.0	7.5	7.0	7.0	7.0	7.0	7.0
+ Depreciation+amort.	29	33	27	27	24	24	22	22	22	22	20	
EBITDA	48	69	70	75	77	77	73	70	70	71	69	
- Paid taxes	-2	-4	-4	-5	-5	-5	-5	-5	-5	-5	-5	
- Change in NWC	29	-16	-3	-2	-2	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	5.7	7.7	7.8	7.9	7.9	8.0	8.0	8.0	8.1	8.1	8.1	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-9	-11	-11	-11	-31	-23	-24	-24	-24	-7	-21	
<i>opCAPEX / Sales, %</i>	4.2	4.2	2.0	1.9	4.9	3.6	3.7	3.6	3.5	1.0	3.0	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ 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	56	37	46	41	39	39	58	43	674
= Discounted FCFF		38	46	48	30	34	29	25	24	32	22	352
= DFCF min WACC		38	46	48	31	35	29	26	25	34	23	398
= DFCF max WACC		38	46	48	30	34	28	24	23	31	21	313

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	610.4	635.3
EBITDA	11.3	11.3	10.7	15.0	48.3	15.3	17.1	18.3	18.5	69.2	69.5	75.2
<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>11.4</i>	<i>11.8</i>
EBIT	4.0	4.1	3.6	7.6	19.3	7.9	9.6	7.6	10.8	35.9	42.4	48.1
<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>7.0</i>	<i>7.6</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	39.2	45.5
Tax	-0.3	-0.3	-0.5	-0.3	-1.4	-0.6	-0.8	-1.2	-1.0	-3.6	-3.9	-4.6
<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	34.1	39.8
EPS	0.08	0.09	0.06	0.19	0.43	0.20	0.25	0.17	0.27	0.90	1.09	1.27
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	1.09	1.27
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	194.4	200.2
Leipurin	26.9	23.2	24.3	26.6	101.0	27.9	25.8	27.7	29.4	110.8	116.9	121.0
Telko	63.6	59.5	62.5	65.7	251.3	61.0	71.1	73.0	74.5	279.6	299.2	314.1
Total	133.2	115.6	118.4	133.5	500.7	132.3	142.9	148.0	153.2	576.4	610.4	635.3
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>4.5</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>5.5</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>7.0</i>	<i>5.0</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>5.9</i>	<i>4.1</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	25.3	27.0
Leipurin	0.6	0.3	0.3	0.2	1.4	0.3	0.3	0.6	0.7	1.9	2.9	4.2
Telko	2.4	4.2	4.2	4.1	14.9	4.5	5.5	2.5	5.1	17.6	19.4	22.0
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	42.4	48.1
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>13.0</i>	<i>13.5</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>2.5</i>	<i>3.5</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>7.0</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>6.0</i>	<i>6.7</i>	<i>5.1</i>	<i>7.0</i>	<i>6.2</i>	<i>7.0</i>	<i>7.6</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	610.4	635.3
<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>5.9</i>	<i>4.1</i>
EBITDA	32.0	35.0	37.1	49.7	48.3	69.2	69.5	75.2
<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>11.4</i>	<i>11.8</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	42.4	48.1
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	42.4	48.1
<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>7.0</i>	<i>7.6</i>
Reported EBIT	20.4	23.1	20.6	21.1	19.3	35.9	42.4	48.1
<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>7.0</i>	<i>7.6</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	39.2	45.5
Taxes	-1.5	-1.7	-2.2	-2.1	-1.4	-3.6	-3.9	-4.6
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	34.1	39.8
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	133
Goodwill	43	42	43	43	49	49	49	49
Right of use assets	0	0	37	22	20	23	25	26
Inventory	57	61	71	56	42	63	67	70
Receivables	60	70	78	75	63	75	79	83
Liquid funds	23	20	19	24	32	29	31	32
Total assets	310	321	436	410	384	404	400	392
Liabilities								
Shareholder's equity	90	87	92	122	113	131	152	178
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	25	26
Deferred taxes	4	0	0	0	0	0	0	0
Interest bearing debt	125	137	199	200	182	152	119	81
Non-interest bearing current liabilities	64	68	105	61	64	81	85	89
Other interest-free debt	1	4	8	18	18	18	18	18
Total liabilities	310	321	430	410	384	404	400	392
CASH FLOW, EURm								
+ EBITDA	32	35	37	50	48	69	70	75
- Net financial items	-2	-2	-4	-3	-4	-4	-3	-3
- Taxes	-2	-3	-2	0	-2	-4	-4	-5
- Increase in Net Working Capital	-11	-13	-11	-14	29	-16	-3	-2
+/- Other	-4	-2	0	0	0	0	-1	-1
= Cash flow from operations	13	16	20	33	71	46	58	64
- 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	45	52
+/- 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	-31	-37
Change in cash	-1	-3	-1	4	9	-3	2	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	310	265	263	264	339	339	339
Net debt (excl. convertibles)	117	180	185	157	146	113	75
Enterprise value	451	470	448	420	485	452	414
Sales	502	541	588	501	576	610	635
EBITDA	35	37	50	48	69	70	75
EBIT	23	21	21	19	36	42	48
Pre-tax	21	16	18	15	32	39	46
Earnings	19	14	16	13	28	34	40
Equity book value (excl. minorities)	87	92	122	113	131	152	178
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	6.5	5.5
EV/EBITA	19.5	18.5	21.2	21.8	13.5	10.7	8.6
EV/EBIT	19.5	22.8	21.2	21.8	13.5	10.7	8.6
EV/OCF	29.0	23.2	13.8	5.9	10.6	7.8	6.4
EV/FCFF	564.3	-15.2	17.5	6.4	12.8	9.1	7.4
P/FCFE	-144.8	-4.9	10.3	5.3	15.9	7.5	6.5
P/E	16.0	18.7	16.4	19.7	12.0	9.9	8.5
P/B	3.5	2.9	2.2	2.3	2.6	2.2	1.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.5	8.0	6.9
Target EV/EBIT	0.0	0.0	0.0	0.0	16.3	13.0	10.7
Target EV/FCF	0.0	0.0	0.0	0.0	27.5	12.2	9.8
Target P/B	0.0	0.0	0.0	0.0	3.4	2.9	2.5
Target P/E	0.0	0.0	0.0	0.0	15.6	12.9	11.1
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	1.09	1.27
Operating cash flow per share	0.50	0.65	1.04	2.26	1.45	1.84	2.05
Free cash flow per share	-0.07	-1.74	0.81	1.59	0.68	1.45	1.67
Book value per share	2.82	2.92	3.88	3.61	4.16	4.85	5.66
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	41.4	39.5
Dividend yield, %	4.3	5.2	2.6	4.2	3.7	4.2	4.6
FCF yield, %	-0.7	-20.6	9.7	19.0	6.3	13.4	15.5
Efficiency measures							
ROE	21.9	15.9	15.1	11.4	23.1	24.1	24.1
ROCE	9.5	7.3	6.5	6.1	11.8	14.1	16.5
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	7.7	7.8	7.9
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	1.6	1.0
Debt/equity, market-weighted	0.4	0.8	0.8	0.7	0.4	0.4	0.2
Equity ratio, book-weighted	35.0	27.2	29.8	29.5	32.3	38.1	45.4
Gearing, %	103.9	154.3	151.6	137.9	111.9	74.5	42.2

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	35.175	10.4%
Aev Capital Holding Oy	3,213,535	34.642	10.2%
Varma Mutual Pension Insurance Company	1,423,076	15.341	4.5%
Vehmas Tapio	1,275,827	13.753	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	9.435	2.8%
Nyberg Gustav	851,524	9.179	2.7%
Nordea Nordic Small Cap Fund	721,040	7.773	2.3%
Procurator-Holding Oy	514,882	5.550	1.6%
Nordea Bank ABP	462,710	4.988	1.5%
Mandatum Life Insurance Company Limited	426,946	4.602	1.4%
Ten largest	13,027,707	140.439	41%
Residual	18,392,072	198.267	59%
Total	31,419,779	338.705	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**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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

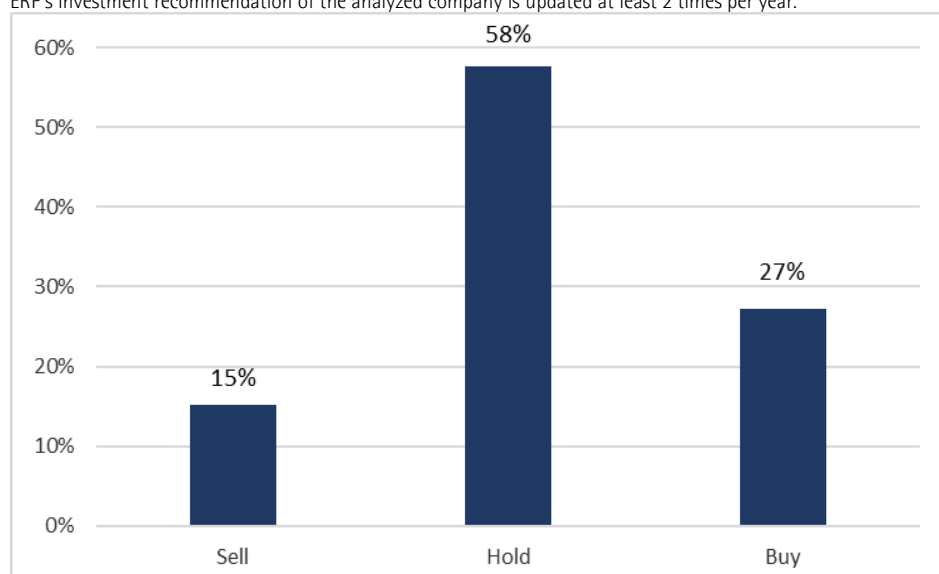
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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