

ESL Q4 EBIT tops estimates

Aspo's headline EUR 8.8m Q4 EBIT missed estimates, however the shortfall stemmed from Leipurin's EUR 4.3m impairment loss. Telko's EBIT was a bit soft relative to what we expected, but ESL topped our estimate by a considerable margin.

- Aspo Q4 revenue amounted to EUR 160.0m, compared to the EUR 153.2m/148.1m Evli/consensus estimates. EBIT, including Kauko, landed at EUR 8.8m vs the EUR 10.8m/10.8m Evli/consensus estimates.
- ESL Q4 revenue was EUR 54.7m vs our EUR 49.3m estimate, while EBIT came in at EUR 9.8m vs our EUR 6.5m estimate.
- Telko's revenue amounted to EUR 73.6m, compared to our EUR 74.5m estimate. EBIT was EUR 4.4m vs our EUR 5.1m estimate. Telko's short-term outlook remains positive but involves significant uncertainties due to the pandemic and the geopolitical situation in Eastern Europe.
- Leipurin revenue was EUR 31.7m vs our EUR 29.4m estimate, while EBIT was EUR -3.6m vs our EUR 0.7m estimate. Leipurin recorded an impairment loss to the tune of EUR 4.3m. The foodservice business accounted for EUR 3.0m of the loss, while the remaining EUR 1.3m was attributable to machine manufacturing.
- Other operations cost EUR 1.9m, compared to our EUR 1.5m estimate.
- Aspo guides flat EBIT for FY '22 (EUR 42.4m in FY '21).
- The BoD proposes EUR 0.23 per share dividend to be distributed, in addition to another distribution no more than EUR 0.22 per share at a later time, compared to the EUR 0.40/0.44 Evli/consensus estimates.

Rating					+ BUY
Q4'21	Actual	Evli	Year ago	Q3'21	
Revenue	160.0	153.2	133.5	148.0	
EBIT	8.8	10.8	7.6	7.6	
EBIT-%	5.5 %	7.0 %	5.7 %	5.1 %	
PTP	7.7	9.9	6.4	6.6	
EPS	0.17	0.27	0.19	0.16	
Share price, EUR (Last trading day's closing price)					10.20
Target price, EUR					14.0
Latest change in recommendation					02-Dec-21
Latest report on company					02-Dec-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					320
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

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
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	11.4	0.8	13.0	6.6	0.40
2022E	610.4	42.4	7.0%	45.4	1.09	9.4	0.7	10.2	14.2	0.45
2023E	635.3	48.1	7.6%	52.5	1.27	8.1	0.6	8.2	16.4	0.50
Market cap, EURm	320			BV per share 2021E, EUR		111.9	CAGR EPS 2020-23, %		43.7	
Net debt 2021E, EURm	146			Price/book 2021E		2.5	CAGR sales 2020-23, %		8.3	
Enterprise value, EURm	467			Dividend yield 2021E, %		3.9	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	

All the important disclosures can be found on the last pages of this report.

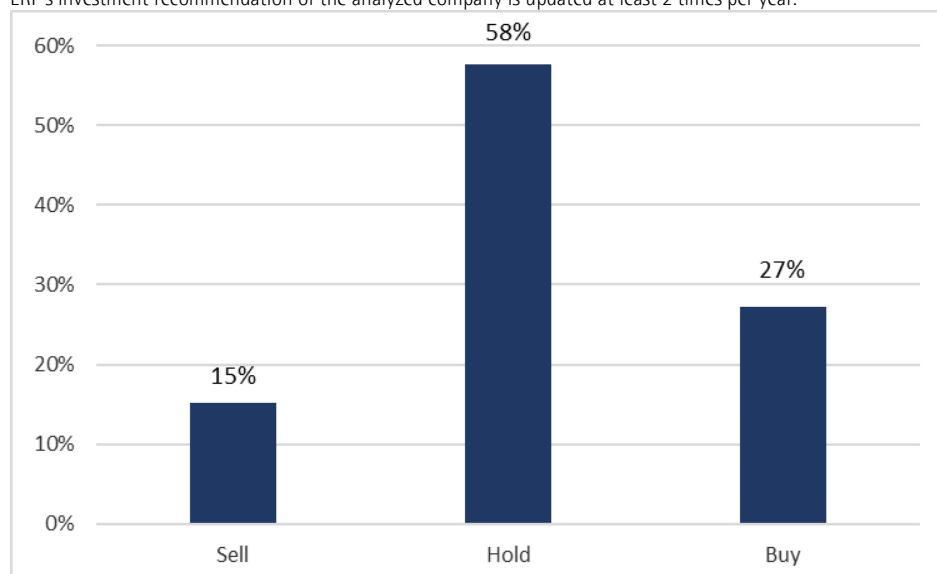
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Investment recommendations are defined as follows:

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.

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