

## Valuation leaves Telko very cheap

The war raises questions around Telko and Leipurin, but we view the recent sell-off a bit overdone despite the risks.

### The crisis affects Telko and Leipurin in various ways

Aspo withdrew guidance as the war in Ukraine and situation in Russia limit visibility. The uncertainty directly concerns Telko and Leipurin, while ESL ships only limited amounts of cargo from Russia and hence the situation affects the dry bulk business mostly indirectly. Russia and other CIS countries, including Ukraine, amounted to EUR 155m in FY '21 Aspo revenue. Telko and Leipurin both distribute basic raw materials and have managed to navigate challenging market conditions before, but the full-scale war and dismal prospects for the Russian economy mean the hit is bound to be larger this time. Both companies are asset-light i.e. inventories and trade receivables constitute their assets. There is also no dependency on any large customer accounts. The Russian sanctions shouldn't concern Leipurin that much as the company sources for the most part local raw materials; Telko is more vulnerable in this sense as it connects small local customers with Western principals.

### We revise our FY '22 EBIT estimate down by EUR 7.9m

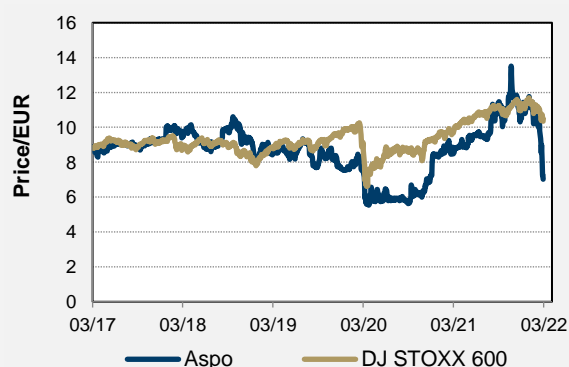
We leave our FY '22 estimates for ESL unchanged at this point, however we revise our revenue estimates for Telko and Leipurin down by a combined EUR 50m. In our view Leipurin will be especially affected by the Russian end-market challenges as the local consumers struggle with hyperinflation. The situation is a lot more unclear for Telko as e.g. elevated oil prices lift raw materials prices, which by itself should support margins. Our new FY '22 EBIT estimate for Telko is EUR 10.1m (prev. EUR 16.8m) and EUR 1.1m for Leipurin (prev. EUR 2.3m). We note Telko also operates in 13 other countries besides Russia and Ukraine.

### In our view Telko is now undervalued despite the risks

There are no very useful peer multiples as the strong global dry bulk earnings translate to multiples which we view too low to be applied to ESL. In our view ESL is worth close to EUR 350m, or some 11-12x EBIT. This would imply the current valuation puts very little value on Telko; there are risks, but the EUR 155m CIS revenue represents 41% of the FY '21 combined Telko and Leipurin revenue. We thus view the recent sell-off somewhat overdone. Our new TP is EUR 8 (14); we retain our BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 7.02

Target price, EUR 8.0

Latest change in recommendation 02-Dec-21

Latest report on company 17-Feb-22

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 221

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.2

Next interim report 04-May-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
2020	500.7	16.7	3.3%	47.5	0.34	24.4	0.8	25.2	18.0	0.35
2021	573.3	36.9	6.4%	9.3	0.90	12.6	0.9	13.8	2.6	0.23
2022E	558.0	35.5	6.4%	53.4	0.89	7.9	0.6	9.2	24.2	0.45
2023E	580.4	40.5	7.0%	48.7	1.05	6.7	0.5	7.2	22.1	0.50
2024E	595.2	47.8	8.0%	51.5	1.26	5.6	0.4	5.4	23.4	0.76
Market cap, EURm	221			Gearing 2022E, %	71.2			CAGR EPS 2021-24, %	11.7	
Net debt 2022E, EURm	107			Price/book 2022E	1.5			CAGR sales 2021-24, %	1.3	
Enterprise value, EURm	327			Dividend yield 2022E, %	6.4			ROE 2022E, %	19.9	
Total assets 2022E, EURm	390			Tax rate 2022E, %	10.0			ROCE 2022E, %	12.1	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	38.5			PEG, P/E 22/CAGR	0.4	

**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	476	5.4x	5.3x	10.6x	12.9x		
Diana Shipping	392	6.1x	3.3x	10.1x	3.9x	1.0x	0.7x
Eagle Bulk Ship	675	3.1x	3.8x	3.6x	4.8x	1.2x	1.0x
Genco Shipping & Trading	789	3.2x	3.8x	3.9x	4.9x	1.0x	1.7x
Golden Ocean Group	2153	4.6x	5.5x	5.6x	6.7x	1.1x	1.1x
Navios Maritime Partners	874	4.5x	2.8x	5.5x	3.7x	0.6x	0.4x
Pangaea Logistics	212	4.5x	4.1x	5.9x	5.8x	0.8x	0.6x
Safe Bulkers	476	3.2x	3.6x	4.1x	4.8x	0.7x	0.7x
Eneti	207	5.6x	2.0x		11.9x		0.3x
SFL	1161					1.3x	1.3x
Star Bulk Carriers	2671	3.8x	4.4x	4.6x	5.4x	1.4x	1.4x
Peer Group Average	917	<b>4.4x</b>	<b>3.9x</b>	<b>6.0x</b>	<b>6.5x</b>	<b>1.0x</b>	<b>0.9x</b>
Peer Group Median	675	<b>4.5x</b>	<b>3.8x</b>	<b>5.5x</b>	<b>5.1x</b>	<b>1.0x</b>	<b>0.8x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	930	15.5x	8.9x	19.2x	11.1x	5.1 %	6.2 %
Ashland Global Holdings	4675	12.1x	13.1x	22.9x	24.2x	11.4 %	13.1 %
Brenntag	11133	9.7x	9.4x	13.4x	12.4x	5.7 %	7.3 %
IMCD	8071	19.8x	19.9x	27.2x	25.0x	6.5 %	9.2 %
Univar Solutions	4719	9.3x	8.5x	13.5x	11.0x	5.2 %	6.8 %
Peer Group Average	5906	<b>13.3x</b>	<b>12.0x</b>	<b>19.2x</b>	<b>16.7x</b>	<b>6.8 %</b>	<b>8.5 %</b>
Peer Group Median	4719	<b>12.1x</b>	<b>9.4x</b>	<b>19.2x</b>	<b>12.4x</b>	<b>5.7 %</b>	<b>7.3 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	706						
Chefs' Warehouse	1132	26.9x	15.3x	132.6x	28.5x	0.7 %	2.7 %
Marr	1056	16.2x	9.9x	24.5x	12.7x	4.0 %	5.3 %
Middleby	8974	18.6x	14.5x	23.1x	16.9x	17.8 %	18.4 %
Orkla	8058	12.9x	11.2x	16.8x	14.9x	12.2 %	12.0 %
Performance Food Group	7915	14.1x	12.1x	20.5x	16.3x	1.4 %	1.5 %
Sysco	40283	18.6x	15.1x	25.4x	19.2x	3.4 %	4.3 %
Tate & Lyle	4060	9.6x	13.3x	16.3x	19.8x	12.3 %	12.7 %
Total Produce							
US Foods Holding	7820	13.0x	11.3x	20.6x	16.2x	2.3 %	2.8 %
Welbilt	3057	17.1x	14.1x	22.1x	16.9x	13.7 %	17.4 %
Peer Group Average	8306	<b>16.3x</b>	<b>13.0x</b>	<b>33.5x</b>	<b>17.9x</b>	<b>7.5 %</b>	<b>8.6 %</b>
Peer Group Median	5940	<b>16.2x</b>	<b>13.3x</b>	<b>22.1x</b>	<b>16.9x</b>	<b>4.0 %</b>	<b>5.3 %</b>

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'21	'21 *		'22e	'22e *	
ESL	26.8	5.5x	147	29.9	5.1x	152
Telko	20.4	19.2x	392	10.1	12.4x	125
Leipurin <sup>1)</sup>	1.9	22.1x	42	1.1	16.9x	19
Other operations	-7.9		-57	-5.6		-55
Total			524			241
Net debt (Evli YE est.)			153			107
Equity value			371			134
Per share			11.8			4.3

\*Peer group median (FactSet)

1) excl. the impairment loss

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	7.02 PV of Free Cash Flow	321 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	15.20 PV of Horizon value	309 WACC, %	7.4 Market risk premium, %
Share price potential, %	116.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	16.7 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	13.9 Debt - dividend	-171 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	49.1 Value of stock	478 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	573	558	580	595	607	616	625	635	644	654	661	667
<i>Sales growth, %</i>	<i>14.5</i>	<i>-2.7</i>	<i>4.0</i>	<i>2.6</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	37	36	40	48	57	46	44	44	45	46	46	47
<i>Operating income margin, %</i>	<i>6.4</i>	<i>6.4</i>	<i>7.0</i>	<i>8.0</i>	<i>9.4</i>	<i>7.5</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	35	27	29	25	22	20	20	20	20	18	18	
EBITDA	71	63	70	73	79	67	64	64	65	64	64	
- Paid taxes	-5	-4	-4	-5	-6	-5	-4	-4	-5	-5	-5	
- Change in NWC	-23	8	-2	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>7.7</i>	<i>7.8</i>	<i>7.8</i>	<i>7.9</i>	<i>7.9</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	<i>8.1</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-10	-11	-12	-21	-22	-22	-22	-6	-19	-19	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>1.8</i>	<i>2.0</i>	<i>2.0</i>	<i>3.5</i>	<i>3.7</i>	<i>3.6</i>	<i>3.5</i>	<i>1.0</i>	<i>3.0</i>	<i>2.9</i>	
- 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	28	56	52	54	49	38	35	36	53	37	40	625
= Discounted FCFF		52	45	44	38	27	23	22	30	20	20	309
= DFCF min WACC		53	46	45	38	27	24	23	31	21	21	351
= DFCF max WACC		52	45	44	37	26	23	21	29	19	19	274

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	132.3	142.9	148.0	150.1	573.3	141.1	131.2	136.4	149.2	558.0	580.4	595.2
EBITDA	15.3	17.1	18.3	20.7	71.4	15.7	14.6	15.5	17.3	63.0	69.7	73.3
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>12.0</i>	<i>12.4</i>	<i>13.8</i>	<i>12.5</i>	<i>11.1</i>	<i>11.1</i>	<i>11.3</i>	<i>11.6</i>	<i>11.3</i>	<i>12.0</i>	<i>12.3</i>
EBIT	7.9	9.6	7.6	11.8	36.9	8.8	7.7	8.6	10.4	35.5	40.5	47.8
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>6.7</i>	<i>5.1</i>	<i>7.9</i>	<i>6.4</i>	<i>6.2</i>	<i>5.9</i>	<i>6.3</i>	<i>7.0</i>	<i>6.4</i>	<i>7.0</i>	<i>8.0</i>
Net financial items	-0.9	-1.0	-1.0	-0.9	-3.8	-0.8	-0.8	-0.8	-0.8	-3.2	-2.4	-2.5
Pre-tax profit	7.0	8.6	6.6	10.9	33.1	8.0	6.9	7.8	9.6	32.3	38.1	45.3
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-0.8	-0.7	-0.8	-1.0	-3.2	-3.8	-4.5
<i>Tax rate (%)</i>	<i>8.6</i>	<i>9.3</i>	<i>18.2</i>	<i>19.3</i>	<i>14.2</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	6.4	7.8	5.4	8.8	28.4	6.9	5.9	6.7	8.3	27.9	33.1	39.6
EPS	0.20	0.25	0.17	0.28	0.90	0.22	0.19	0.21	0.27	0.89	1.05	1.26
EPS adjusted (diluted no. of shares)	0.20	0.25	0.17	0.28	0.90	0.22	0.19	0.21	0.27	0.89	1.05	1.26
Dividend per share	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.45	0.50	0.76
<b>SALES, EURm</b>												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	50.7	46.4	46.4	56.4	200.0	206.0	210.1
Leipurin	27.9	25.8	27.7	31.7	113.1	25.9	23.7	25.2	27.6	102.4	106.0	108.6
Telko	61.0	71.1	73.0	63.7	268.8	64.5	61.1	64.8	65.2	255.6	268.4	276.4
Total	132.3	142.9	148.0	150.1	573.3	141.1	131.2	136.4	149.2	558.0	580.4	595.2
<b>SALES GROWTH, Y/Y %</b>												
<i>ESL Shipping</i>	<i>1.6</i>	<i>39.8</i>	<i>49.7</i>	<i>32.8</i>	<i>29.0</i>	<i>16.8</i>	<i>1.0</i>	<i>-1.8</i>	<i>3.2</i>	<i>4.5</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>3.7</i>	<i>11.2</i>	<i>14.0</i>	<i>19.2</i>	<i>12.0</i>	<i>-7.2</i>	<i>-8.1</i>	<i>-9.0</i>	<i>-12.9</i>	<i>-9.5</i>	<i>3.5</i>	<i>2.5</i>
<i>Telko</i>	<i>-4.1</i>	<i>19.5</i>	<i>16.8</i>	<i>-3.0</i>	<i>7.0</i>	<i>5.7</i>	<i>-14.1</i>	<i>-11.2</i>	<i>2.4</i>	<i>-4.9</i>	<i>5.0</i>	<i>3.0</i>
<i>Total</i>	<i>-0.7</i>	<i>23.6</i>	<i>25.0</i>	<i>12.4</i>	<i>14.5</i>	<i>6.6</i>	<i>-8.2</i>	<i>-7.8</i>	<i>-0.6</i>	<i>-2.7</i>	<i>4.0</i>	<i>2.6</i>
<b>EBIT, EURm</b>												
ESL Shipping	4.5	5.4	7.1	9.8	26.8	7.5	6.7	7.2	8.5	29.9	26.8	28.4
Leipurin	0.3	0.3	0.6	-3.6	-2.4	0.2	0.2	0.3	0.4	1.1	3.2	4.3
Telko	4.5	5.5	2.5	7.9	20.4	2.5	2.2	2.5	2.9	10.1	16.1	20.7
Other operations	-1.4	-1.6	-2.6	-2.3	-7.9	-1.4	-1.4	-1.4	-1.4	-5.6	-5.6	-5.6
Total	7.9	9.6	7.6	11.8	36.9	8.8	7.7	8.6	10.4	35.5	40.5	47.8
<b>EBIT margin, %</b>												
<i>ESL Shipping</i>	<i>10.4</i>	<i>11.7</i>	<i>15.0</i>	<i>17.9</i>	<i>14.0</i>	<i>14.8</i>	<i>14.4</i>	<i>15.5</i>	<i>15.1</i>	<i>14.9</i>	<i>13.0</i>	<i>13.5</i>
<i>Leipurin</i>	<i>1.1</i>	<i>1.2</i>	<i>2.2</i>	<i>-11.4</i>	<i>-2.1</i>	<i>0.8</i>	<i>0.8</i>	<i>1.2</i>	<i>1.4</i>	<i>1.1</i>	<i>3.0</i>	<i>4.0</i>
<i>Telko</i>	<i>7.4</i>	<i>7.7</i>	<i>3.4</i>	<i>12.4</i>	<i>7.6</i>	<i>3.9</i>	<i>3.6</i>	<i>3.9</i>	<i>4.4</i>	<i>4.0</i>	<i>6.0</i>	<i>7.5</i>
<i>Total</i>	<i>6.0</i>	<i>6.7</i>	<i>5.1</i>	<i>7.9</i>	<i>6.4</i>	<i>6.2</i>	<i>5.9</i>	<i>6.3</i>	<i>7.0</i>	<i>6.4</i>	<i>7.0</i>	<i>8.0</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	558.0	580.4	595.2
<i>Sales growth (%)</i>	<i>9.8</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>-2.7</i>	<i>4.0</i>	<i>2.6</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	63.0	69.7	73.3
<i>EBITDA margin (%)</i>	<i>7.0</i>	<i>6.9</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>11.3</i>	<i>12.0</i>	<i>12.3</i>
Depreciation	-11.9	-11.7	-28.6	-29.0	-34.5	-27.5	-29.3	-25.5
EBITA	23.1	25.4	21.1	16.7	36.9	35.5	40.5	47.8
Goodwill amortization / writedown	0.0	-4.8	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	23.1	20.6	21.1	16.7	36.9	35.5	40.5	47.8
<i>EBIT margin (%)</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.4</i>	<i>7.0</i>	<i>8.0</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	35.5	40.5	47.8
<i>EBIT margin (reported) (%)</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.4</i>	<i>7.0</i>	<i>8.0</i>
Net financials	-2.0	-4.2	-2.9	-4.5	-3.8	-3.2	-2.4	-2.5
Pre-tax profit	21.1	16.4	18.2	12.2	33.1	32.3	38.1	45.3
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-3.2	-3.8	-4.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	19.4	14.2	16.1	10.8	28.4	27.9	33.1	39.6
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>								
Assets								
Fixed assets	128	185	190	177	175	158	139	125
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	20	21	21
Inventory	61	71	56	42	69	61	64	65
Receivables	70	78	75	63	83	81	84	86
Liquid funds	20	19	24	32	18	28	29	30
Total assets	321	436	410	384	406	390	378	369
Liabilities								
Shareholder's equity	87	92	122	113	129	150	169	193
Minority interest	0	0	0	0	0	0	0	0
Convertibles	25	25	0	0	0	0	0	0
Lease liabilities	0	0	9	7	7	20	21	21
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	115	80	45
Non-interest bearing current liabilities	68	105	61	64	79	78	81	83
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	390	378	369
<b>CASH FLOW, EURm</b>								
+ EBITDA	35	37	50	46	71	63	70	73
- Net financial items	-2	-4	-3	-4	-4	-3	-2	-3
- Taxes	-3	-2	0	-2	-5	-3	-4	-5
- Increase in Net Working Capital	-13	-11	-14	29	-23	8	-2	-1
+/- Other	-2	0	0	0	0	-1	-1	-1
= Cash flow from operations	16	20	33	68	40	63	60	64
- Capex	-18	-75	-7	-21	-31	-10	-11	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-2	-55	25	48	9	53	49	52
+/- New issues/buybacks	-9	4	28	-12	-1	0	0	0
- Paid dividend	-13	-13	-14	-7	-11	-7	-14	-16
+/- Other	21	64	-35	-20	-11	-36	-33	-35
Change in cash	-3	-1	4	9	-15	10	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	221	221	221
Net debt (excl. convertibles)	180	185	157	153	107	72	36
Enterprise value	470	448	420	510	327	293	257
Sales	541	588	501	573	558	580	595
EBITDA	37	50	46	71	63	70	73
EBIT	21	21	17	37	36	40	48
Pre-tax	16	18	12	33	32	38	45
Earnings	14	16	11	28	28	33	40
Equity book value (excl. minorities)	92	122	113	129	150	169	193
<b>Valuation multiples</b>							
EV/sales	0.9	0.8	0.8	0.9	0.6	0.5	0.4
EV/EBITDA	12.7	9.0	9.2	7.1	5.2	4.2	3.5
EV/EBITA	18.5	21.2	25.2	13.8	9.2	7.2	5.4
EV/EBIT	22.8	21.2	25.2	13.8	9.2	7.2	5.4
EV/OCF	23.2	13.8	6.2	12.7	5.2	4.9	4.0
EV/FCFF	-15.2	17.5	6.7	18.2	5.9	5.7	4.7
P/FCFE	-4.9	10.3	5.6	38.4	4.1	4.5	4.3
P/E	18.7	16.4	24.4	12.6	7.9	6.7	5.6
P/B	2.9	2.2	2.3	2.8	1.5	1.3	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.7	4.6	3.9
Target EV/EBIT	0.0	0.0	0.0	0.0	10.1	8.0	6.0
Target EV/FCF	0.0	0.0	0.0	0.0	6.7	6.6	5.6
Target P/B	0.0	0.0	0.0	0.0	1.7	1.5	1.3
Target P/E	0.0	0.0	0.0	0.0	9.0	7.6	6.3
<b>Per share measures</b>							
Number of shares	31,420	31,420	31,420	31,420	31,420	31,420	31,420
Number of shares (diluted)	31,420	31,420	31,420	31,420	31,420	31,420	31,420
EPS	0.45	0.51	0.34	0.90	0.89	1.05	1.26
Operating cash flow per share	0.65	1.04	2.17	1.28	2.01	1.91	2.02
Free cash flow per share	-1.74	0.81	1.51	0.30	1.70	1.55	1.64
Book value per share	2.92	3.88	3.61	4.12	4.78	5.38	6.14
Dividend per share	0.44	0.22	0.35	0.23	0.45	0.50	0.76
Dividend payout ratio, %	97.4	42.9	101.8	25.4	50.7	47.5	60.0
Dividend yield, %	5.2	2.6	4.2	3.3	6.4	7.1	10.8
FCF yield, %	-20.6	9.7	18.0	2.6	24.2	22.1	23.4
<b>Efficiency measures</b>							
ROE	15.9	15.1	9.2	23.4	19.9	20.7	21.9
ROCE	7.3	6.5	5.3	12.3	12.1	14.6	18.1
<b>Financial ratios</b>							
Inventories as % of sales	13.2	9.5	8.5	12.0	11.0	11.0	11.0
Receivables as % of sales	14.4	12.8	12.6	14.4	14.5	14.4	14.4
Non-interest bearing liabilities as % of sales	19.4	10.4	12.8	13.8	14.0	14.0	14.0
NWC/sales, %	8.0	9.7	5.7	8.9	7.7	7.8	7.8
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	1.8	2.0	2.0
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	1.8	2.0	2.0
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.9	0.7	0.7
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.7	1.0	0.5
Debt/equity, market-weighted	0.8	0.8	0.7	0.5	0.5	0.4	0.2
Equity ratio, book-weighted	27.2	29.8	29.5	31.8	38.5	44.7	52.2
Gearing, %	154.3	151.6	137.9	118.2	71.2	42.8	18.9

**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	22.906	10.4%
Aev Capital Holding Oy	3,213,535	22.559	10.2%
Varma Mutual Pension Insurance Company	1,423,076	9.990	4.5%
Vehmas Tapio	1,275,827	8.956	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	6.144	2.8%
Nyberg Gustav	851,524	5.978	2.7%
Nordea Nordic Small Cap Fund	721,040	5.062	2.3%
Procurator-Holding Oy	514,882	3.614	1.6%
Nordea Bank ABP	462,710	3.248	1.5%
Mandatum Life Insurance Company Limited	426,946	2.997	1.4%
Ten largest	13,027,707	91.455	41%
Residual	18,392,072	129.112	59%
Total	31,419,779	220.567	100%

**EARNINGS CALENDAR**

May 04, 2022	Q1 report
August 10, 2022	Q2 report
November 02, 2022	Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Jansson Rolf  
CFO: Meitsalo Arto  
IR: Keränen Keijo

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



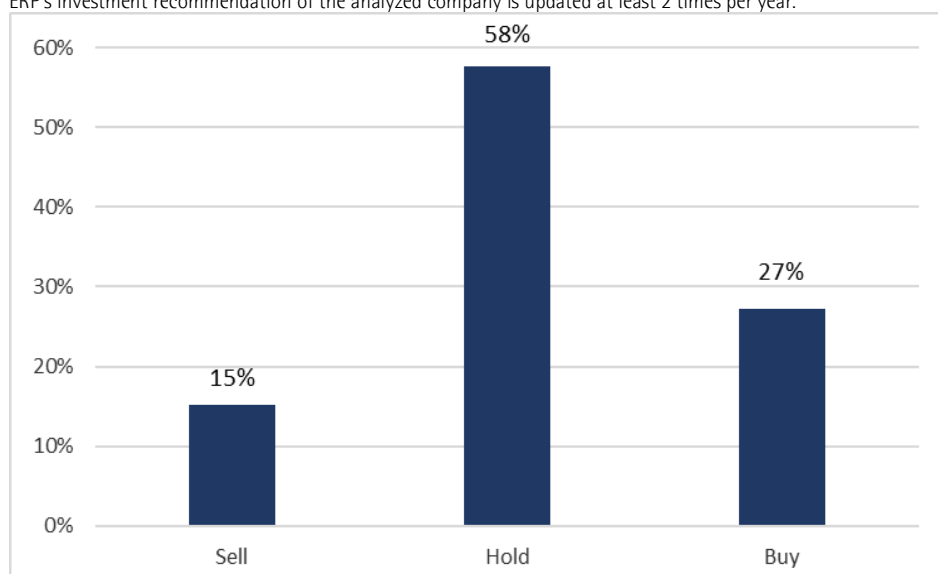
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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