

## ESL continues to support EBIT

Aspo resumed guidance relatively fast due to ESL's current strong positioning, however much uncertainty remains around Telko's performance in the coming few quarters.

### ESL's market outlook remains very favorable for now

Aspo reinstated guidance after a month-long hiatus. The war necessitated its withdrawal as the CIS countries generated a combined EUR 155m in FY '21 revenue for Telko and Leipurin. The situation causes uncertainty around their physical operations, while the acceleration in inflation poses both risks and opportunities for the raw material distribution businesses. ESL's outlook has however remained favorable, and we continue to expect EUR 29.9m EBIT for this year. The dry bulk cargo market doesn't seem to soften despite talks of Western stagflation. Cargo volume outlook still appears robust while freight rates are improving. In our view Aspo can now base its new EUR 27-34m EBIT guidance on ESL's strength, while uncertainty lingers especially around Telko in Russia and Ukraine as well as the Leipurin Russian business.

### We cut our Telko EBIT estimate by EUR 2.7m to EUR 7.4m

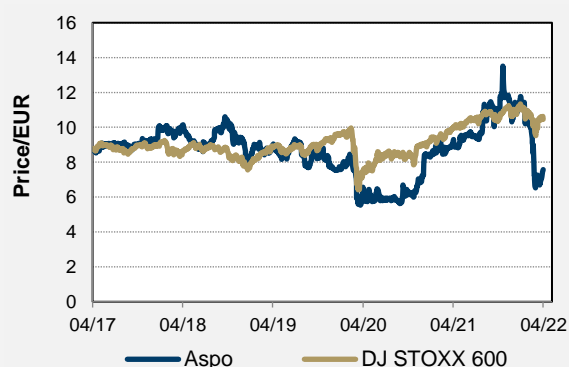
We revise our top line estimate for this year down from EUR 558m to EUR 541m. Our EBIT estimate is down to EUR 32.4m from EUR 35.5m, and we also make some downward revisions for the coming years, roughly to the tune of EUR 2m. It's unclear how much further ESL's performance can improve in the short to medium term, but the company continues to focus on its small vessel strategy as before and is set to receive the new hybrid vessels in the coming years. Telko and Leipurin have increasingly focused on Western markets in the past few years; the Russian challenges will organically hasten this development, and Telko is also likely to add some Western operations through M&A.

### Telko could potentially drive upside later this year

Aspo is valued closer to 11x EV/EBIT on our FY '22 estimates. Telko's implied value remains low while ESL shoulders a major part of estimated EBIT this year. Aspo's current valuation still reflects considerable caution and could turn out to be too low if Telko manages to perform better than expected in the coming few quarters. We believe the EUR 7m difference between the lower and upper points of the guidance range is mostly due to Telko. We retain our EUR 8 TP; our new rating is HOLD (BUY).

Rating

HOLD



Share price, EUR (Last trading day's closing price) 7.57

Target price, EUR 8.0

Latest change in recommendation 07-Apr-22

Latest report on company 04-Mar-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 238

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	540.6	32.4	6.0%	53.1	0.80	9.5	0.6	10.6	22.3	0.45
2023E	562.1	38.2	6.8%	46.8	0.99	7.7	0.6	8.2	19.7	0.50
2024E	576.4	45.8	7.9%	53.5	1.20	6.3	0.5	6.0	22.5	0.72
Market cap, EURm	238			Gearing 2022E, %	72.7			CAGR EPS 2021-24, %	9.9	
Net debt 2022E, EURm	107			Price/book 2022E	1.6			CAGR sales 2021-24, %	0.2	
Enterprise value, EURm	345			Dividend yield 2022E, %	5.9			ROE 2022E, %	18.1	
Total assets 2022E, EURm	384			Tax rate 2022E, %	10.0			ROCE 2022E, %	11.1	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	38.3			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	472	5.4x	5.1x	10.6x	12.6x		
Diana Shipping	393	6.1x	3.4x	10.0x	4.0x	1.0x	0.8x
Eagle Bulk Ship	788	3.5x	4.1x	4.0x	5.0x	1.2x	1.1x
Genco Shipping & Trading	850	3.2x	4.0x	3.9x	5.1x	1.0x	1.5x
Golden Ocean Group	2140	4.7x	5.9x	5.8x	7.4x	1.1x	1.1x
Navios Maritime Partners	887	4.5x	2.8x	5.5x	3.7x	0.6x	0.4x
Pangaea Logistics	203	4.6x	3.9x	6.0x	5.1x	0.8x	0.5x
Safe Bulkers	459	3.1x	3.3x	4.1x	4.5x	0.7x	0.6x
Eneti	218	5.6x	2.1x		12.5x		0.4x
SFL	1292	8.9x	9.8x	14.4x	16.2x	1.3x	1.3x
Star Bulk Carriers	2570	3.8x	4.3x	4.6x	5.2x	1.3x	1.3x
Peer Group Average	934	<b>4.9x</b>	<b>4.4x</b>	<b>6.9x</b>	<b>7.4x</b>	<b>1.0x</b>	<b>0.9x</b>
Peer Group Median	788	<b>4.6x</b>	<b>4.0x</b>	<b>5.6x</b>	<b>5.1x</b>	<b>1.0x</b>	<b>0.9x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	1163	15.5x	10.4x	19.2x	12.9x	5.1 %	6.0 %
Ashland Global Holdings	5099	12.1x	13.9x	22.9x	25.5x	11.4 %	13.1 %
Brenntag	10855	9.7x	8.7x	13.4x	11.4x	5.7 %	7.1 %
IMCD	8778	19.8x	21.1x	27.2x	26.7x	6.5 %	9.0 %
Univar Solutions	4909	9.3x	8.6x	13.5x	11.0x	5.2 %	6.7 %
Peer Group Average	6161	<b>13.3x</b>	<b>12.6x</b>	<b>19.2x</b>	<b>17.5x</b>	<b>6.8 %</b>	<b>8.4 %</b>
Peer Group Median	5099	<b>12.1x</b>	<b>10.4x</b>	<b>19.2x</b>	<b>12.9x</b>	<b>5.7 %</b>	<b>7.1 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	723		9.5x		12.2x		6.7 %
Chefs' Warehouse	1134	26.9x	15.0x	128.4x	27.9x	0.7 %	2.7 %
Marr	965	16.4x	9.9x	24.0x	12.8x	4.0 %	5.0 %
Middleby	7747	18.8x	12.9x	23.8x	15.2x	17.4 %	18.3 %
Orkla	8438	12.9x	11.2x	16.8x	14.8x	12.2 %	12.1 %
Performance Food Group	7067	14.1x	11.1x	20.4x	15.1x	1.4 %	1.5 %
Sysco	38273	18.6x	14.4x	25.5x	18.2x	3.4 %	4.3 %
Tate & Lyle	4223	9.6x	13.9x	16.3x	20.6x	12.3 %	12.7 %
Total Produce							
US Foods Holding	7428	13.0x	10.9x	20.8x	15.7x	2.2 %	2.7 %
Welbilt	3103	17.1x	14.1x	22.1x	16.8x	13.7 %	17.4 %
Peer Group Average	7910	<b>16.4x</b>	<b>12.3x</b>	<b>33.1x</b>	<b>16.9x</b>	<b>7.5 %</b>	<b>8.3 %</b>
Peer Group Median	5645	<b>16.4x</b>	<b>12.1x</b>	<b>22.1x</b>	<b>15.5x</b>	<b>4.0 %</b>	<b>5.9 %</b>

Segment	EBIT '21	EV/EBIT '21 *	EV	EBIT '22e	EV/EBIT '22e *	EV
ESL	26.8	5.6x	150	29.9	5.1x	152
Telko	20.4	19.2x	392	7.4	12.9x	95
Leipurin <sup>1)</sup>	1.9	22.1x	42	0.7	15.5x	11
Other operations	-7.9		-57	-5.6		-55
Total			527			204
Net debt (Evli YE est.)			153			107
Equity value			374			97
Per share			11.9			3.1

\*Peer group median (FactSet)

<sup>1)</sup> excl. the impairment loss

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.57 PV of Free Cash Flow	317 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	14.82 PV of Horizon value	302 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	95.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	16.3 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	13.5 Debt - dividend	-171 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	48.7 Value of stock	466 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	573	541	562	576	588	597	606	615	624	633	640	646
<i>Sales growth, %</i>	<i>14.5</i>	<i>-5.7</i>	<i>4.0</i>	<i>2.5</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	32	38	46	56	45	42	43	44	44	45	45
<i>Operating income margin, %</i>	<i>6.4</i>	<i>6.0</i>	<i>6.8</i>	<i>7.9</i>	<i>9.5</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	21	20	19	19	19	17	17	
EBITDA	71	60	67	71	77	64	62	62	63	62	62	
- Paid taxes	-5	-3	-4	-5	-6	-4	-4	-4	-4	-4	-4	
- Change in NWC	-23	10	-2	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>7.6</i>	<i>7.7</i>	<i>7.8</i>	<i>7.8</i>	<i>7.9</i>	<i>7.9</i>	<i>7.9</i>	<i>7.9</i>	<i>8.0</i>	<i>8.0</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-10	-11	-8	-20	-21	-21	-21	-6	-19	-19	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>1.7</i>	<i>2.0</i>	<i>1.4</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	55	50	56	49	36	34	35	51	36	39	606
= Discounted FCFF		52	44	46	37	26	23	21	29	19	19	302
= DFCF min WACC		52	44	47	38	27	23	22	30	20	20	342
= DFCF max WACC		52	44	46	37	25	22	21	28	19	18	267

## 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	132.2	131.2	131.7	145.5	540.6	562.1	576.4
EBITDA	15.3	17.1	18.3	20.7	71.4	14.9	13.9	14.8	16.4	59.9	67.5	71.2
<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>11.2</i>	<i>10.6</i>	<i>11.2</i>	<i>11.3</i>	<i>11.1</i>	<i>12.0</i>	<i>12.4</i>
EBIT	7.9	9.6	7.6	11.8	36.9	8.0	7.0	7.9	9.5	32.4	38.2	45.8
<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>6.1</i>	<i>5.3</i>	<i>6.0</i>	<i>6.5</i>	<i>6.0</i>	<i>6.8</i>	<i>7.9</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	7.2	6.2	7.1	8.7	29.2	35.9	43.2
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-0.7	-0.6	-0.7	-0.9	-2.9	-3.6	-4.3
<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	6.2	5.3	6.1	7.5	25.1	31.1	37.7
EPS	0.20	0.25	0.17	0.28	0.90	0.20	0.17	0.19	0.24	0.80	0.99	1.20
EPS adjusted (diluted no. of shares)	0.20	0.25	0.17	0.28	0.90	0.20	0.17	0.19	0.24	0.80	0.99	1.20
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	0.72
<b>SALES, EURm</b>												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	50.9	49.6	47.8	56.2	204.5	210.6	214.8
Leipurin	27.9	25.8	27.7	31.7	113.1	23.2	21.1	22.3	26.4	93.0	96.3	98.7
Telko	61.0	71.1	73.0	63.7	268.8	58.1	60.5	61.6	62.9	243.1	255.3	262.9
Total	132.3	142.9	148.0	150.1	573.3	132.2	131.2	131.7	145.5	540.6	562.1	576.4
<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>17.3</i>	<i>7.8</i>	<i>1.1</i>	<i>2.7</i>	<i>6.8</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>-16.8</i>	<i>-18.2</i>	<i>-19.5</i>	<i>-16.7</i>	<i>-17.8</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>-4.8</i>	<i>-14.9</i>	<i>-15.6</i>	<i>-1.3</i>	<i>-9.6</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>-0.1</i>	<i>-8.2</i>	<i>-11.0</i>	<i>-3.1</i>	<i>-5.7</i>	<i>4.0</i>	<i>2.5</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	27.4	29.0
Leipurin	0.3	0.3	0.6	-3.6	-2.4	0.1	0.1	0.2	0.3	0.7	2.4	3.9
Telko	4.5	5.5	2.5	7.9	20.4	1.8	1.6	1.9	2.1	7.4	14.0	18.4
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	8.0	7.0	7.9	9.5	32.4	38.2	45.8
<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>14.7</i>	<i>13.5</i>	<i>15.1</i>	<i>15.1</i>	<i>14.6</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>0.4</i>	<i>0.5</i>	<i>0.9</i>	<i>1.1</i>	<i>0.8</i>	<i>2.5</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>3.1</i>	<i>2.6</i>	<i>3.1</i>	<i>3.3</i>	<i>3.0</i>	<i>5.5</i>	<i>7.0</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>6.1</i>	<i>5.3</i>	<i>6.0</i>	<i>6.5</i>	<i>6.0</i>	<i>6.8</i>	<i>7.9</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	540.6	562.1	576.4
<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>-5.7</i>	<i>4.0</i>	<i>2.5</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	59.9	67.5	71.2
<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>11.1</i>	<i>12.0</i>	<i>12.4</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	32.4	38.2	45.8
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	32.4	38.2	45.8
<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>6.0</i>	<i>6.8</i>	<i>7.9</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	32.4	38.2	45.8
<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>6.0</i>	<i>6.8</i>	<i>7.9</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	29.2	35.9	43.2
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-2.9	-3.6	-4.3
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	25.1	31.1	37.7
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	122
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	20	20	21
Inventory	61	71	56	42	69	59	62	63
Receivables	70	78	75	63	83	79	81	83
Liquid funds	20	19	24	32	18	27	28	29
Total assets	321	436	410	384	406	384	372	359
Liabilities								
Shareholder's equity	87	92	122	113	129	147	164	186
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	20	21
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	115	82	45
Non-interest bearing current liabilities	68	105	61	64	79	76	79	81
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	384	372	359
<b>CASH FLOW, EURm</b>								
+ EBITDA	35	37	50	46	71	60	67	71
- Net financial items	-2	-4	-3	-4	-4	-3	-2	-3
- Taxes	-3	-2	0	-2	-5	-3	-4	-4
- Increase in Net Working Capital	-13	-11	-14	29	-23	10	-2	-1
+/- Other	-2	0	0	0	0	-1	-1	-1
= Cash flow from operations	16	20	33	68	40	62	58	62
- Capex	-18	-75	-7	-21	-31	-9	-11	-8
- 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	47	53
+/- 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	-37	-32	-37
Change in cash	-3	-1	4	9	-15	9	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	238	238	238
Net debt (excl. convertibles)	180	185	157	153	107	74	37
Enterprise value	470	448	420	510	345	312	275
Sales	541	588	501	573	541	562	576
EBITDA	37	50	46	71	60	67	71
EBIT	21	21	17	37	32	38	46
Pre-tax	16	18	12	33	29	36	43
Earnings	14	16	11	28	25	31	38
Equity book value (excl. minorities)	92	122	113	129	147	164	186
<b>Valuation multiples</b>							
EV/sales	0.9	0.8	0.8	0.9	0.6	0.6	0.5
EV/EBITDA	12.7	9.0	9.2	7.1	5.8	4.6	3.9
EV/EBITA	18.5	21.2	25.2	13.8	10.6	8.2	6.0
EV/EBIT	22.8	21.2	25.2	13.8	10.6	8.2	6.0
EV/OCF	23.2	13.8	6.2	12.7	5.5	5.4	4.4
EV/FCFF	-15.2	17.5	6.7	18.2	6.3	6.3	4.9
P/FCFE	-4.9	10.3	5.6	38.4	4.5	5.1	4.4
P/E	18.7	16.4	24.4	12.6	9.5	7.7	6.3
P/B	2.9	2.2	2.3	2.8	1.6	1.4	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.0	4.8	4.0
Target EV/EBIT	0.0	0.0	0.0	0.0	11.1	8.5	6.3
Target EV/FCF	0.0	0.0	0.0	0.0	6.7	7.0	5.4
Target P/B	0.0	0.0	0.0	0.0	1.7	1.5	1.4
Target P/E	0.0	0.0	0.0	0.0	10.0	8.1	6.7
<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	0.80	0.99	1.20
Operating cash flow per share	0.65	1.04	2.17	1.28	1.98	1.85	1.97
Free cash flow per share	-1.74	0.81	1.51	0.30	1.69	1.49	1.70
Book value per share	2.92	3.88	3.61	4.12	4.69	5.23	5.93
Dividend per share	0.44	0.22	0.35	0.23	0.45	0.50	0.72
Dividend payout ratio, %	97.4	42.9	101.8	25.4	56.4	50.6	60.0
Dividend yield, %	5.2	2.6	4.2	3.0	5.9	6.6	9.5
FCF yield, %	-20.6	9.7	18.0	2.6	22.3	19.7	22.5
<b>Efficiency measures</b>							
ROE	15.9	15.1	9.2	23.4	18.1	20.0	21.5
ROCE	7.3	6.5	5.3	12.3	11.1	13.9	17.7
<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	14.6	14.5	14.5
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	7.6	7.7	7.8
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	1.7	2.0	1.4
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	1.7	2.0	1.4
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.9	0.7	0.8
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.8	1.1	0.5
Debt/equity, market-weighted	0.8	0.8	0.7	0.5	0.5	0.3	0.2
Equity ratio, book-weighted	27.2	29.8	29.5	31.8	38.3	44.1	51.8
Gearing, %	154.3	151.6	137.9	118.2	72.7	45.3	19.7

**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	24.700	10.4%
Aev Capital Holding Oy	3,213,535	24.326	10.2%
Varma Mutual Pension Insurance Company	1,423,076	10.773	4.5%
Vehmas Tapio	1,275,827	9.658	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	6.625	2.8%
Nyberg Gustav	851,524	6.446	2.7%
Nordea Nordic Small Cap Fund	721,040	5.458	2.3%
Procurator-Holding Oy	514,882	3.898	1.6%
Nordea Bank ABP	462,710	3.503	1.5%
Mandatum Life Insurance Company Limited	426,946	3.232	1.4%
Ten largest	13,027,707	98.620	41%
Residual	18,392,072	139.228	59%
Total	31,419,779	237.848	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  
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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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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.

Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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.

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

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