

Earnings to remain relatively high

Aspo's record high H1 results are to face headwinds in H2, but in our view EBIT may well stay above EUR 40m also next year thanks to ESL and developments in Leipurin.

Telko especially will meet headwinds in H2 and FY '23

Aspo's Q2 revenue grew by 16% y/y to EUR 161m vs the EUR 142m/148m Evli/cons. estimates. All segments hit revenues above our estimates, and the EUR 16.0m adj. EBIT clearly topped the EUR 9.3m/9.5m Evli/cons. estimates. H2 has typically been Aspo's stronger half in terms of profitability but this year will be different, however the company seems headed close to EUR 50m FY '22 EBIT despite some softening in H2. It's still very early innings in terms of Aspo's updated compounder strategy, but the company appears poised to make further progress with M&A as well as ESL's vessel pooling partnership.

ESL and Leipurin to deliver robust results in H2 and FY '23

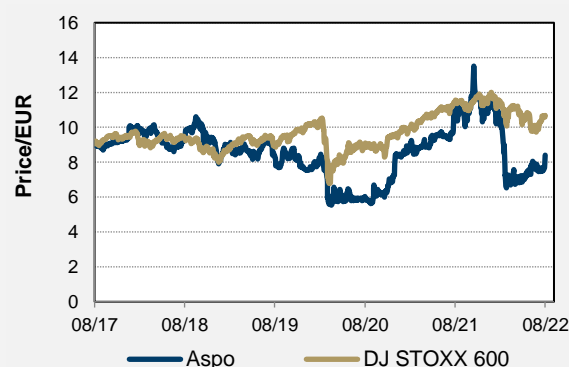
ESL may not improve next year given the EUR 17m adj. EBIT in H1'22, yet outlook remains strong enough so that we wouldn't expect a large EBIT decline either. Meanwhile Telko's quarterly EBIT has recently jumped to the EUR 7-8m ballpark, compared to earlier levels of EUR 4-5m before raw materials prices shot up. Telko's H2'22 EBIT may stay relatively high as most prices are yet to decline, but there's a risk of reversion to more moderate levels by next year. Telko has many different product categories, and the overall price outlook appears stable although the risks tilt more towards downside. Telko has also placed more Western volumes recently, and against this backdrop our ca. EUR 4m quarterly EBIT estimates seem conservative. Leipurin closes the Kobia acquisition on Sep 1, which adds to our estimates in addition to the recent relatively strong organic performance.

Valuation continues to be undemanding

Our estimate revisions for H2'22 and FY '23 come in relatively small. We estimate H2'22 EBIT at EUR 21.4m (prev. EUR 20.2m), while we see FY '23 EBIT at EUR 43.4m (prev. EUR 39.0m). The increases are especially due to Leipurin as the company is making progress with its acquisition as well as the divestiture of the machinery business. Multiples are still not demanding, despite the inevitable short to medium term softening in EBIT, as Aspo is valued only around 8x EV/EBIT on our FY '23 estimates. We update our TP to EUR 9.5 (8.5); we retain our BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 8.40

Target price, EUR 9.5

Latest change in recommendation 05-May-22

Latest report on company 16-Jun-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 264

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 02-Nov-22

Web site www.aspo.com

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

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	614.8	46.5	7.6%	41.1	1.09	7.7	0.6	8.2	15.6	0.45
2023E	620.7	43.4	7.0%	52.7	1.04	8.1	0.6	7.9	20.0	0.50
2024E	639.3	49.1	7.7%	51.3	1.29	6.5	0.5	6.3	19.4	0.70
Market cap, EURm	264			Gearing 2022E, %	76.2			CAGR EPS 2021-24, %	12.5	
Net debt 2022E, EURm	119			Price/book 2022E	1.7			CAGR sales 2021-24, %	3.7	
Enterprise value, EURm	383			Dividend yield 2022E, %	5.4			ROE 2022E, %	23.9	
Total assets 2022E, EURm	419			Tax rate 2022E, %	9.9			ROCE 2022E, %	15.3	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	37.3			PEG, P/E 22/CAGR	0.5	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		22	23	22	23	22	23
Algoma Central	489	5.1x	5.0x	12.5x	12.3x		
Diana Shipping	493	4.4x	5.0x	5.7x	6.7x	1.1x	1.0x
Eagle Bulk Ship	725	3.3x	5.0x	4.0x	6.7x	0.9x	0.9x
Genco Shipping & Trading	719	3.4x	3.6x	4.3x	4.8x	1.2x	1.2x
Golden Ocean Group	2228	5.8x	7.2x	7.3x	9.7x	1.1x	1.1x
Navios Maritime Partners	878					0.4x	0.3x
Pangaea Logistics	253	4.0x	5.2x	5.1x	7.1x	0.7x	0.7x
Safe Bulkers	444	3.2x	3.1x	4.0x	4.2x	0.6x	0.5x
Eneti	329	4.3x	4.9x	8.0x	9.3x	0.5x	0.5x
SFL	1376	9.5x	9.2x	17.4x	17.1x	1.3x	1.2x
Star Bulk Carriers	2651	4.0x	5.1x	4.7x	6.3x	1.3x	1.2x
Peer Group Average	962	4.7x	5.3x	7.3x	8.4x	0.9x	0.9x
Peer Group Median	719	4.2x	5.0x	5.4x	6.9x	1.0x	0.9x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
AKR Corporindo	1531	9.9x	8.7x	11.8x	10.4x	5.6 %	5.8 %
Ashland	5603	11.5x	10.9x	19.8x	18.7x	14.3 %	14.6 %
Brenntag	10667	7.5x	7.9x	9.5x	10.3x	7.7 %	7.3 %
IMCD	8473	18.6x	18.8x	22.5x	22.7x	10.1 %	9.6 %
Univar Solutions	4325	6.6x	7.1x	8.0x	8.9x	7.7 %	7.2 %
Peer Group Average	6120	10.8x	10.7x	14.3x	14.2x	9.1 %	8.9 %
Peer Group Median	5603	9.9x	8.7x	11.8x	10.4x	7.7 %	7.3 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
Acom	642	9.1x	8.7x	11.7x	11.1x	6.7 %	6.8 %
Chefs' Warehouse	1255	12.8x	11.3x	20.6x	16.9x	3.6 %	4.0 %
Marr	874	10.5x	8.8x	14.8x	11.7x	3.8 %	4.6 %
Middleby	7912	12.9x	11.7x	16.3x	13.8x	16.2 %	18.6 %
Orkla	8462	11.1x	11.3x	14.4x	14.8x	12.5 %	12.0 %
Performance Food Group	7732	11.3x	10.0x	15.6x	13.5x	1.5 %	1.6 %
Sysco	41399	14.3x	12.5x	18.1x	15.5x	4.1 %	4.5 %
Tate & Lyle	3763	13.1x	12.2x	19.2x	17.5x	12.3 %	12.4 %
Total Produce							
US Foods Holding	7134	9.8x	8.5x	14.2x	11.6x	2.7 %	3.2 %
Welbilt	3313						
Peer Group Average	8249	11.7x	10.5x	16.1x	14.1x	7.1 %	7.5 %
Peer Group Median	5448	11.3x	11.3x	15.6x	13.8x	4.1 %	4.6 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'22e ¹⁾	'22e *		'23e	'23e *	
ESL	33.1	5.4x	179	31.7	6.9x	219
Telko	22.6	11.8x	267	13.0	10.4x	135
Leipurin	3.9	15.6x	61	4.2	13.8x	58
Other operations	-6.9	8.5x	-59	-5.6	8.4x	-47
Total			448			365
Hybrid			30			30
Net debt (Evli YE est.)			119			80
Equity value			299			254
Per share			9.5			8.1

*Peer group median (FactSet)

¹⁾ adjusted for comparability

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.40 PV of Free Cash Flow	354 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	17.07 PV of Horizon value	343 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	103.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	18.7 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	15.6 Debt - dividend	-178 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	49.2 Value of stock	536 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	615	621	639	652	662	672	682	692	702	709	717
<i>Sales growth, %</i>	<i>14.5</i>	<i>7.2</i>	<i>1.0</i>	<i>3.0</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	47	43	49	62	50	47	48	48	49	50	50
<i>Operating income margin, %</i>	<i>6.4</i>	<i>7.6</i>	<i>7.0</i>	<i>7.7</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	30	31	27	23	22	22	21	22	19	19	
EBITDA	71	76	75	76	85	71	69	69	70	68	69	
- Paid taxes	-5	-5	-4	-5	-6	-5	-5	-5	-5	-5	-5	
- Change in NWC	-23	2	-1	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>7.9</i>	<i>7.9</i>	<i>8.0</i>	<i>8.0</i>	<i>8.1</i>	<i>8.1</i>	<i>8.1</i>	<i>8.2</i>	<i>8.2</i>	<i>8.2</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-16	-10	-14	-23	-24	-24	-23	-6	-21	-21	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>4.1</i>	<i>1.7</i>	<i>2.2</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	58	58	54	54	40	38	39	57	40	43	672
= Discounted FCFF		56	52	46	42	30	26	24	33	22	22	343
= DFCF min WACC		56	53	46	43	30	27	25	34	23	23	388
= DFCF max WACC		56	52	45	41	29	25	24	32	21	21	304

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	129.4	139.3	154.5	150.1	573.3	160.4	161.4	141.3	151.7	614.8	620.7	639.3
EBITDA	15.2	17.0	18.5	20.7	71.4	18.4	22.9	17.0	18.2	76.4	74.6	76.1
<i>EBITDA margin (%)</i>	<i>11.7</i>	<i>12.2</i>	<i>12.0</i>	<i>13.8</i>	<i>12.5</i>	<i>11.5</i>	<i>14.2</i>	<i>12.0</i>	<i>12.0</i>	<i>12.4</i>	<i>12.0</i>	<i>11.9</i>
EBIT	7.8	9.6	7.7	11.8	36.9	10.3	14.8	10.1	11.3	46.5	43.4	49.1
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>6.9</i>	<i>5.0</i>	<i>7.9</i>	<i>6.4</i>	<i>6.4</i>	<i>9.2</i>	<i>7.1</i>	<i>7.4</i>	<i>7.6</i>	<i>7.0</i>	<i>7.7</i>
Net financial items	-0.9	-1.0	-1.0	-0.9	-3.8	-1.8	-3.1	-1.5	-1.5	-7.9	-5.6	-2.8
Pre-tax profit	6.9	8.6	6.7	10.9	33.1	8.5	11.7	8.6	9.8	38.6	37.8	46.2
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-1.3	-0.7	-0.9	-1.0	-3.8	-3.8	-4.6
<i>Tax rate (%)</i>	<i>8.7</i>	<i>9.3</i>	<i>17.9</i>	<i>19.3</i>	<i>14.2</i>	<i>15.3</i>	<i>6.0</i>	<i>10.0</i>	<i>10.0</i>	<i>9.9</i>	<i>10.0</i>	<i>10.0</i>
Net profit	6.3	7.8	5.5	8.8	28.4	7.2	11.0	7.4	8.5	34.2	32.8	40.4
EPS	0.20	0.25	0.18	0.28	0.90	0.23	0.35	0.24	0.27	1.09	1.04	1.29
EPS adjusted (diluted no. of shares)	0.20	0.25	0.18	0.28	0.90	0.23	0.35	0.24	0.27	1.09	1.04	1.29
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	0.70
SALES, EURm												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	56.8	60.3	59.6	62.7	239.4	244.2	249.1
Leipurin	28.0	25.7	27.7	31.7	113.1	27.7	29.3	25.2	37.3	119.5	139.8	144.0
Telko	58.0	67.6	79.5	63.7	268.8	75.9	71.8	56.5	51.7	255.9	236.7	246.2
Total	129.4	139.3	154.5	150.1	573.3	160.4	161.4	141.3	151.7	614.8	620.7	639.3
SALES GROWTH, Y/Y %												
<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>30.9</i>	<i>31.1</i>	<i>26.0</i>	<i>14.6</i>	<i>25.1</i>	<i>2.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>4.1</i>	<i>10.8</i>	<i>14.0</i>	<i>19.2</i>	<i>12.0</i>	<i>-1.1</i>	<i>14.0</i>	<i>-9.0</i>	<i>17.7</i>	<i>5.7</i>	<i>17.0</i>	<i>3.0</i>
<i>Telko</i>	<i>-8.8</i>	<i>13.6</i>	<i>27.2</i>	<i>-3.0</i>	<i>7.0</i>	<i>30.9</i>	<i>6.2</i>	<i>-28.9</i>	<i>-18.8</i>	<i>-4.8</i>	<i>-7.5</i>	<i>4.0</i>
Total	-2.9	20.5	30.5	12.4	14.5	24.0	15.9	-8.5	1.1	7.2	1.0	3.0
EBIT, EURm												
ESL Shipping	4.5	5.4	7.1	9.8	26.8	9.2	9.0	7.3	8.7	34.2	31.7	33.6
Leipurin	0.3	0.3	0.6	-3.6	-2.4	-0.4	0.4	0.7	0.9	1.6	4.2	5.0
Telko	4.6	5.5	2.4	7.9	20.4	4.0	6.8	3.6	3.2	17.6	13.0	16.0
Other operations	-1.6	-1.6	-2.4	-2.3	-7.9	-2.5	-1.4	-1.5	-1.5	-6.9	-5.6	-5.6
Total	7.8	9.6	7.7	11.8	36.9	10.3	14.8	10.1	11.3	46.5	43.4	49.1
EBIT margin, %												
<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>16.2</i>	<i>14.9</i>	<i>12.2</i>	<i>13.9</i>	<i>14.3</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>-1.4</i>	<i>1.4</i>	<i>2.8</i>	<i>2.4</i>	<i>1.3</i>	<i>3.0</i>	<i>3.5</i>
<i>Telko</i>	<i>7.9</i>	<i>8.1</i>	<i>3.0</i>	<i>12.4</i>	<i>7.6</i>	<i>5.3</i>	<i>9.5</i>	<i>6.4</i>	<i>6.2</i>	<i>6.9</i>	<i>5.5</i>	<i>6.5</i>
Total	6.0	6.9	5.0	7.9	6.4	6.4	9.2	7.1	7.4	7.6	7.0	7.7

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	614.8	620.7	639.3
<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>7.2</i>	<i>1.0</i>	<i>3.0</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	76.4	74.6	76.1
<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>12.4</i>	<i>12.0</i>	<i>11.9</i>
Depreciation	-11.9	-11.7	-28.6	-29.0	-34.5	-29.9	-31.3	-27.1
EBITA	23.1	25.4	21.1	16.7	36.9	46.5	43.4	49.1
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	46.5	43.4	49.1
<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>7.6</i>	<i>7.0</i>	<i>7.7</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	46.5	43.4	49.1
<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>7.6</i>	<i>7.0</i>	<i>7.7</i>
Net financials	-2.0	-4.2	-2.9	-4.5	-3.8	-7.9	-5.6	-2.8
Pre-tax profit	21.1	16.4	18.2	12.2	33.1	38.6	37.8	46.2
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-3.8	-3.8	-4.6
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	34.2	32.8	40.4
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	128	185	190	177	175	169	148	135
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	22	22	23
Inventory	61	71	56	42	69	68	68	70
Receivables	70	78	75	63	83	88	89	92
Liquid funds	20	19	24	32	18	31	31	32
Total assets	321	436	410	384	406	419	400	393
Liabilities								
Shareholder's equity	87	92	122	113	129	156	175	200
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	22	22	23
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	128	89	54
Non-interest bearing current liabilities	68	105	61	64	79	86	87	89
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	419	400	393
CASH FLOW, EURm								
+ EBITDA	35	37	50	46	71	76	75	76
- Net financial items	-2	-4	-3	-4	-4	-8	-6	-3
- Taxes	-3	-2	0	-2	-5	-4	-4	-5
- Increase in Net Working Capital	-13	-11	-14	29	-23	2	-1	-2
+/- Other	-2	0	0	0	0	-1	-1	-1
= Cash flow from operations	16	20	33	68	40	66	63	66
- Capex	-18	-75	-7	-21	-31	-25	-11	-14
- 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	41	53	51
+/- 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	-21	-38	-35
Change in cash	-3	-1	4	9	-15	13	0	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	264	264	264
Net debt (excl. convertibles)	180	185	157	153	119	80	45
Enterprise value	470	448	420	510	383	344	309
Sales	541	588	501	573	615	621	639
EBITDA	37	50	46	71	76	75	76
EBIT	21	21	17	37	47	43	49
Pre-tax	16	18	12	33	39	38	46
Earnings	14	16	11	28	34	33	40
Equity book value (excl. minorities)	92	122	113	129	156	175	200
Valuation multiples							
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	5.0	4.6	4.1
EV/EBITA	18.5	21.2	25.2	13.8	8.2	7.9	6.3
EV/EBIT	22.8	21.2	25.2	13.8	8.2	7.9	6.3
EV/OCF	23.2	13.8	6.2	12.7	5.8	5.4	4.7
EV/FCFF	-15.2	17.5	6.7	18.2	6.6	5.9	5.7
P/FCFE	-4.9	10.3	5.6	38.4	6.4	5.0	5.1
P/E	18.7	16.4	24.4	12.6	7.7	8.1	6.5
P/B	2.9	2.2	2.3	2.8	1.7	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.5	5.1	4.5
Target EV/EBIT	0.0	0.0	0.0	0.0	9.0	8.7	7.0
Target EV/FCF	0.0	0.0	0.0	0.0	10.2	7.2	6.7
Target P/B	0.0	0.0	0.0	0.0	1.9	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	8.7	9.1	7.4
Per share measures							
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	1.09	1.04	1.29
Operating cash flow per share	0.65	1.04	2.17	1.28	2.11	2.02	2.09
Free cash flow per share	-1.74	0.81	1.51	0.30	1.31	1.68	1.63
Book value per share	2.92	3.88	3.61	4.12	4.98	5.57	6.36
Dividend per share	0.44	0.22	0.35	0.23	0.45	0.50	0.70
Dividend payout ratio, %	97.4	42.9	101.8	25.4	41.4	47.9	54.4
Dividend yield, %	5.2	2.6	4.2	2.0	5.4	6.0	8.3
FCF yield, %	-20.6	9.7	18.0	2.6	15.6	20.0	19.4
Efficiency measures							
ROE	15.9	15.1	9.2	23.4	23.9	19.8	21.6
ROCE	7.3	6.5	5.3	12.3	15.3	14.6	17.4
Financial ratios							
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	14.4	14.4	14.3
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	7.9	7.9	8.0
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	4.1	1.7	2.2
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	4.1	1.7	2.2
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.8	0.8	0.7
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.6	1.1	0.6
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	37.3	43.7	50.8
Gearing, %	154.3	151.6	137.9	118.2	76.2	46.0	22.5

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	27.409	10.4%
Aev Capital Holding Oy	3,213,535	26.994	10.2%
Varma Mutual Pension Insurance Company	1,423,076	11.954	4.5%
Vehmas Tapio	1,275,827	10.717	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	7.352	2.8%
Nyberg Gustav	851,524	7.153	2.7%
Nordea Nordic Small Cap Fund	721,040	6.057	2.3%
Procurator-Holding Oy	514,882	4.325	1.6%
Nordea Bank ABP	462,710	3.887	1.5%
Mandatum Life Insurance Company Limited	426,946	3.586	1.4%
Ten largest	13,027,707	109.433	41%
Residual	18,392,072	154.493	59%
Total	31,419,779	263.926	100%

EARNINGS CALENDAR

November 02, 2022

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Jansson Rolf

P.O. Box 499, Mikonkatu 13 A, FI-00101 Helsinki

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

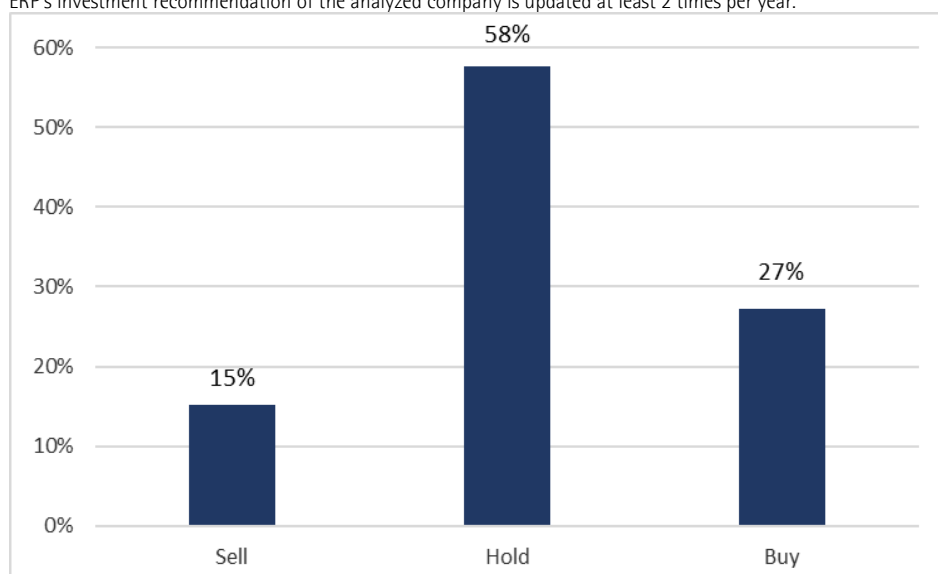
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

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.



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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on [11.8.2022, 9:15]. This report has been published on [11.8.2022, 9:40].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment

Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



EVLI BANK PLC
 Aleksanterinkatu 19 A
 P.O. Box 1081
 FIN-00101 Helsinki, FINLAND
 Phone +358 9 476 690
 Fax +358 9 634 382
 Internet www.evli.com
 E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
 STOCKHOLMSFILIAL**
 Regeringsgatan 67 P.O. Box 16354
 SE-103 26 Stockholm
 Sverige
 stockholm@evli.com
 Tel +46 (0)8 407 8000
 Fax +46 (0)8 407 8001