

Another strong quarter

Aspo's Q3 results topped estimates. In our view the beat was driven by ESL, where Q3 was again a very strong quarter.

- Aspo Q3 revenue landed at EUR 160.1m vs the EUR 141.8m/143.5m Evli/consensus estimates.
- Adjusted EBIT amounted to EUR 13.0m, compared to the EUR 11.3m/11.1m Evli/consensus estimates.
- ESL Q3 revenue was EUR 65.0m vs our EUR 59.8m estimate, while EBIT amounted to EUR 9.7m, compared to our EUR 8.2m estimate. Contract traffic demand remained strong over the quarter while there was some softening in spot market rates towards the end of Q3, the energy industry being an exception.
- Telko revenue amounted to EUR 60.5m, compared to our EUR 56.7m estimate. Comparable EBIT stood at EUR 3.7m vs our EUR 3.8m estimate. Plastics prices declined, especially within volume plastics, while chemicals prices declined during Q3 but stabilized towards the end of the quarter.
- Leipurin top line was EUR 32.3m vs our EUR 25.3m estimate, while EBIT landed at EUR 0.6m vs our EUR 0.8m estimate.
- Other operations cost EUR 0.9m, compared to our EUR 1.5m estimate.
- Aspo guides comparable EBIT to be EUR 52-57m in FY '22 (unchanged).

Rating				BUY
Q3'22	Actual	Evli	Year ago	Q2'22
Revenue	160.1	141.8	148.0	161.4
Adj. EBIT	13.0	11.3	11.0	16.0
EBIT-%	8.1 %	8.0 %	7.4 %	9.7 %
PTP	10.4	9.8	9.8	11.7
EPS	0.30	0.27	0.16	0.31
Share price, EUR (Last trading day's closing price)				8.15
Target price, EUR				9.5
Latest change in recommendation				05-May-22
Latest report on company				18-Oct-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				256
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
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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
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	615.9	48.9	7.9%	43.1	1.16	7.1	0.6	7.6	16.8	0.45
2023E	621.8	44.4	7.1%	53.7	1.07	7.6	0.5	7.5	21.0	0.50
2024E	640.3	49.2	7.7%	51.2	1.29	6.3	0.5	6.1	20.0	0.70
Market cap, EURm		256	BV per share 2022E, EUR		73.9	CAGR EPS 2021-24, %		12.6		
Net debt 2022E, EURm		117	Price/book 2022E		1.6	CAGR sales 2021-24, %		3.8		
Enterprise value, EURm		373	Dividend yield 2022E, %		5.5	ROE 2022E, %		25.2		
Total assets 2022E, EURm		420	Tax rate 2022E, %		10.0	ROCE 2022E, %		16.1		
Goodwill 2022E, EURm		40	Equity ratio 2022E, %		37.8	PEG, P/E 22/CAGR		0.5		

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

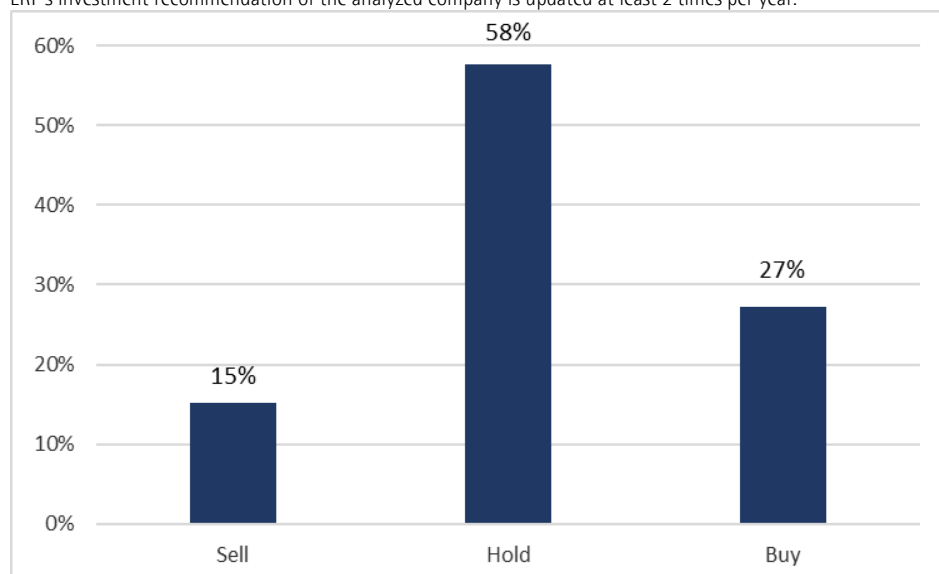
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Investment recommendations are defined as follows:

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.

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

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