

## Sales above our estimate

Aspo's Q1 net sales grew 23% y/y, reaching EUR 142m and thus exceeding our EUR 137m estimate. Group operating margin, at 3.5%, fell a little short of our 4.0% expectation. ESL's top line came in 9% above our estimate (operating margin was in line with our expected 7.2%). In other words, Telko's and Leipurin's profitability fell short of our expectations.

- Group Q1 net sales amounted to EUR 142m vs. our EUR 137m estimate.
- Aspo posted EUR 4.9m in EBIT vs. our expectation of EUR 5.4m. Group operating margin therefore amounted 3.5% (vs. our 4.0% estimate).
- ESL Shipping revenue was recorded at EUR 44m vs. our EUR 40m expectation. ESL managed EBIT at EUR 3.2m (7.3% margin), whereas we expected EUR 2.9m (7.2% margin).
- Telko posted EUR 72m in net sales (including Kauko) vs. our EUR 69m combined estimate for Telko and Kauko. Meanwhile EBIT stood at EUR 2.4m vs. our EUR 2.5m projection.
- Leipurin sales were EUR 26m, while we expected EUR 28m. Leipurin achieved EUR 0.5m EBIT (our estimate was EUR 1.0m).
- Kauko is now included within the Telko figures (effective Jan 1, 2019).
- Previous guidance stays valid as Aspo expects 2019 EBIT at EUR 28-33m (EUR 20.6m in 2018).

Rating				BUY
Q1'19	Actual	Evli	Year ago	Q4'18
Net sales	141.5	136.9	115.3	156.6
EBIT	4.9	5.4	3.7	2.6
EBIT-%	3.5 %	4.0 %	3.2 %	1.7 %
PTP	3.9	4.6	2.5	1.8
EPS	0.10	0.13	0.05	0.02
Share price, EUR (Last trading day's closing price)				8.50
Target price, EUR				9.5
Latest change in recommendation				14-Feb-19
Latest report on company				1-Mar-19
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				267
Free float, %				-
Exchange rate EUR/RUB				-
Reuters code				ASPO.HE
Bloomberg code				ASPO FH
Average daily volume, EURm				0.1
Next interim report				08-May-19
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BUY HOLD SELL

## PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	502	23	4.6%	21	0.63	16.0	0.9	17.8	19.5	0.43
2018	541	21	3.8%	17	0.44	19.1	0.8	6.8	22.2	0.44
2019E	609	33	5.4%	29	0.83	10.2	0.7	7.4	13.7	0.50
2020E	648	44	6.7%	39	1.13	7.5	0.7	5.2	9.8	0.60
2021E	669	46	6.9%	42	1.22	7.0	0.6	4.8	8.8	0.73
Market cap, EURm	267			BV per share 2019E, EUR	3.2			CAGR EPS 2018-21, %	40.3	
Net debt 2019E, EURm	182			Price/book 2019E	2.7			CAGR sales 2018-21, %	7.4	
Enterprise value, EURm	449			Dividend yield 2019E, %	5.9			ROE 2019E, %	27.8	
Total assets 2019E, EURm	402			Tax rate 2019E, %	7.5			ROCE 2019E, %	10.5	
Goodwill 2019E, EURm	42			Equity ratio 2019E, %	24.9			PEG, P/E 19/CAGR	0.6	

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

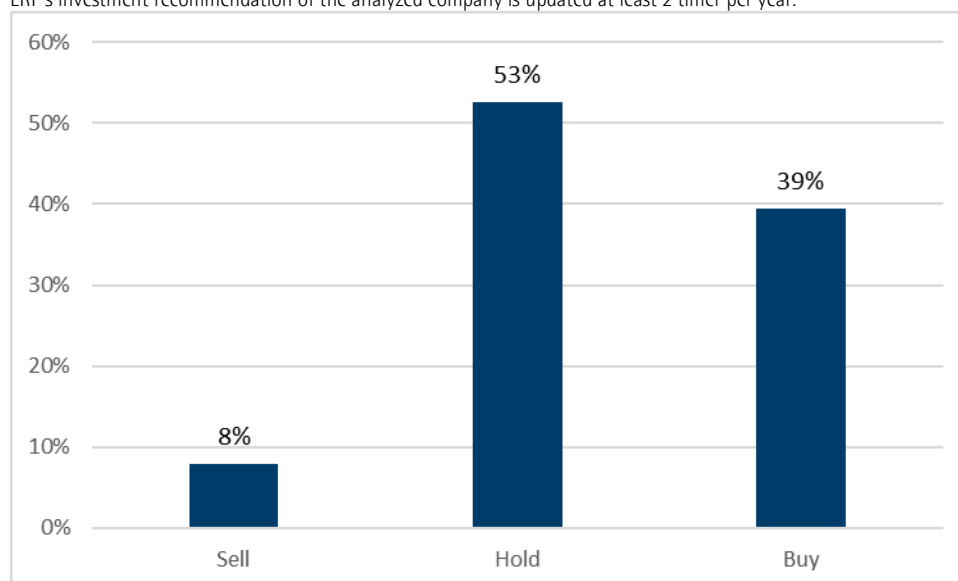
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Investment recommendations are defined as follows:

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

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 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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