

Value increasingly reliant on ESL

Aspo posted a 3.5% EBIT margin, missing our expected 4% level as Telko and Leipurin disappointed. Telko suffered from declining plastic raw materials and chemicals prices, while Leipurin's Q1 fell short due to timing of Easter and machine sales. However, we see ESL proceeding on track. Our rating stays BUY; we update our TP to EUR 9.75 (9.50).

ESL's operations on track towards higher EBIT

ESL's Q1 was expectedly subdued as the two new LNG vessels' cranes were being repaired. The warranty repairs were mostly finished by the end of Q1. Aspo says some parts are still being changed, but the ships are expected to be fully operational in Q2. However, we note that it will likely be a few more months before maximum efficiency is achieved, and consequently we do not expect ESL to reach its full operating profit potential in Q2. We estimate ESL to post EUR 6m EBIT in Q3, seeing the annual EBIT potential from thereon at around EUR 25m.

Telko now includes Kauko; Leipurin slow due to timings

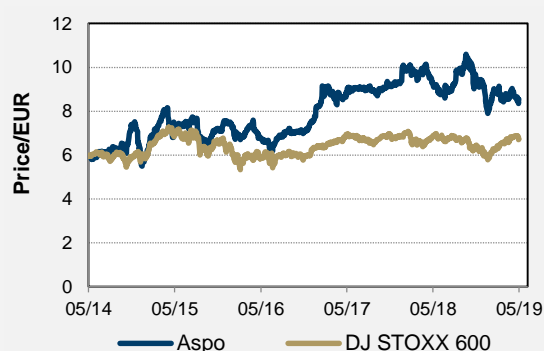
The old Telko beat our EUR 63.6m revenue estimate, posting EUR 65.8m in Q1 sales (EUR 71.9m w/ Kauko). The comparable y/y growth amounted to 14% (11% w/ Kauko). Q1 sales growth was high y/y due to the slowness of the comparison period (itself impacted by exceptionally cold weather which affected Russian and Ukrainian construction). Volume growth was strong, however the price levels of plastic raw materials continued to decline, hurting margins. The prices declined by 5-6% q/q and 7-10% y/y (margins on raw materials held in storage will be particularly impacted). Meanwhile chemicals prices declined by 10% q/q and 3% y/y. As a result, the old Telko managed a 3.6% EBIT margin (3.8% in Q1'18). Telko targets EBIT margin at 6-7% in '20. The target may prove challenging, and we don't expect improvement on last year's 4.5% margin (old Telko) this year.

Our expectations for ESL remain unchanged

We expect large EBIT growth in '19-20 as ESL's new ships' contribution will fully materialize. We lower our estimates for the other businesses slightly, update our TP to EUR 9.75 (9.50) as higher peer multiples lift SOTP valuation. Our rating stays BUY.

Rating

BUY



Share price, EUR (Last trading day's closing price) 8.54

Target price, EUR 9.75

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 268

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 14-Aug-19

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BUY HOLD SELL

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%	16	0.45	18.7	0.9	6.2	23.9	0.44
2019E	611	31	5.1%	28	0.78	10.9	0.8	5.7	15.3	0.50
2020E	645	44	6.7%	39	1.12	7.6	0.7	4.3	10.2	0.60
2021E	666	47	7.1%	43	1.24	6.9	0.6	4.1	8.8	0.74
Market cap, EURm		268		BV per share 2019E, EUR		3.1	CAGR EPS 2018-21, %			39.9
Net debt 2019E, EURm		210		Price/book 2019E		2.7	CAGR sales 2018-21, %			7.2
Enterprise value, EURm		478		Dividend yield 2019E, %		5.9	ROE 2019E, %			26.3
Total assets 2019E, EURm		428		Tax rate 2019E, %		7.5	ROCE 2019E, %			9.2
Goodwill 2019E, EURm		42		Equity ratio 2019E, %		23.0	PEG, P/E 19/CAGR			0.6

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

Sum-of-the-parts valuation

	EV/EBIT
ESL SHIPPING PEER GROUP	19
Golden Ocean Group Ltd	28.9x
Ship Finance International Limited	17.8x
Pangaea Logistics Solutions Ltd.	6.9x
Star Bulk Carriers Corp.	17.7x
Navios Maritime Partners LP	10.7x
Genco Shipping & Trading Ltd	15.5x
Diana Shipping Inc.	14.5x
Scorpio Bulkers, Inc.	37.7x
Safe Bulkers, Inc.	13.7x
Seenergy Maritime Holdings Corp.	24.0x
Euroseas Ltd.	
Peer Group Average	18.7x
Peer Group Median	16.6x

	EV/EBIT
TELKO PEER GROUP	19
Brenntag AG	11.6x
Nexeo Solutions, Inc.	
IMCD N.V.	22.1x
Univar, Inc.	13.6x
PT AKR Corporindo Tbk	11.5x
Sinochem International Corp	
Peer Group Average	14.7x
Peer Group Median	12.6x

SOTP Analysis

Group company	Metric	Est., EURM	Multiple*	EV
ESL	2019 EBIT	18.9	16.6x	313
Telko	2019 EBIT	13.6	12.6x	172
Leipurin	2019 EBIT	3.3	15.2x	50
Other operations	2019 EBIT	-4.4	12.2x	-54
Total				481
Net debt (end 2019, Evli est.), including hybrid				194
Equity value				287
Per share				9.1

*Peer group median (OMX H 25 for Kauko and other operations), source: FactSet

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.54 PV of Free Cash Flow	287 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	10.49 PV of Horizon value	285 WACC, %	7.4 Market risk premium, %
Share price potential, %	22.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	11.9 Marketable securities	27 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	9.3 Debt - dividend	-269 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	49.8 Value of stock	330 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	541	611	645	666	686	703	717	731	742	753	761	768
<i>Sales growth, %</i>	<i>7.7</i>	<i>13.0</i>	<i>5.5</i>	<i>3.3</i>	<i>2.9</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	21	31	44	47	52	49	47	44	41	41	42	42
<i>EBIT margin, %</i>	<i>3.8</i>	<i>5.1</i>	<i>6.7</i>	<i>7.1</i>	<i>7.6</i>	<i>7.0</i>	<i>6.5</i>	<i>6.0</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>
+ Depreciation+amort.	16	25	25	24	22	23	23	23	23	24	24	
- Income taxes	-3	-2	-3	-3	-4	-4	-4	-4	-3	-3	-3	
- Change in NWC	9	-7	-3	-2	-2	-2	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</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>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-112	-11	-7	-11	-34	-24	-23	-23	-26	-26	-26	-26
<i>Investments / Sales, %</i>	<i>20.6</i>	<i>1.8</i>	<i>1.1</i>	<i>1.7</i>	<i>4.9</i>	<i>3.4</i>	<i>3.2</i>	<i>3.1</i>	<i>3.4</i>	<i>3.4</i>	<i>3.4</i>	<i>3.4</i>
- Other items	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	0	
= Unlevered Free CF (FCF)	-69	35	53	53	33	42	41	38	33	33	36	568
= Discounted FCF (DFCF)		33	47	44	25	30	27	24	19	18	18	285
= DFCF min WACC		33	48	45	26	31	28	25	20	19	19	323
= DFCF max WACC		33	47	44	25	29	26	23	18	17	17	253

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	115	133	136	157	541	142	156	157	157	611	645	666
EBITDA	7	10	10	11	37	12	14	16	15	56	68	71
<i>EBITDA margin (%)</i>	<i>5.8</i>	<i>7.3</i>	<i>7.4</i>	<i>6.8</i>	<i>6.9</i>	<i>8.3</i>	<i>8.7</i>	<i>9.9</i>	<i>9.7</i>	<i>9.2</i>	<i>10.6</i>	<i>10.7</i>
EBIT	4	7	7	3	21	5	8	10	9	31	44	47
<i>EBIT margin (%)</i>	<i>3.2</i>	<i>5.4</i>	<i>5.3</i>	<i>1.7</i>	<i>3.8</i>	<i>3.5</i>	<i>4.9</i>	<i>6.1</i>	<i>5.9</i>	<i>5.1</i>	<i>6.7</i>	<i>7.1</i>
Net financial items	-1	-1	-1	-1	-4	-1	-1	-1	-1	-3	-4	-4
Pre-tax profit	3	6	6	2	16	4	7	9	8	28	39	43
Tax	0	-1	0	-1	-2	0	0	-1	-1	-2	-3	-3
<i>Tax rate (%)</i>	<i>20.0</i>	<i>11.5</i>	<i>4.8</i>	<i>11.1</i>	<i>10.4</i>	<i>10.3</i>	<i>7.3</i>	<i>6.9</i>	<i>7.1</i>	<i>7.5</i>	<i>7.0</i>	<i>7.0</i>
Net profit	2	5	6	1	14	4	6	8	7	25	35	39
EPS	0.06	0.17	0.19	0.03	0.45	0.11	0.20	0.26	0.21	0.78	1.12	1.24
EPS adjusted (diluted no. of shares)	0.06	0.17	0.19	0.03	0.45	0.11	0.20	0.26	0.21	0.78	1.12	1.24
Dividend per share	0.00	0.00	0.00	0.00	0.44	0.00	0.00	0.00	0.00	0.50	0.60	0.74
SALES, EURm												
ESL Shipping	21	23	31	46	120	44	43	44	46	177	194	200
Leipurin	30	31	28	32	121	26	32	30	33	121	126	129
Telko	58	72	67	70	266	72	81	82	78	312	324	337
Kauko	7	7	10	9	34	0	0	0	0	0	0	0
Total	115	133	136	157	541	142	156	157	157	611	645	666
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>8.5</i>	<i>15.9</i>	<i>67.2</i>	<i>105.3</i>	<i>51.5</i>	<i>113.2</i>	<i>91.3</i>	<i>44.2</i>	<i>-0.8</i>	<i>47.4</i>	<i>9.6</i>	<i>3.0</i>
<i>Leipurin</i>	<i>2.7</i>	<i>3.7</i>	<i>-6.4</i>	<i>-4.0</i>	<i>-1.1</i>	<i>-14.2</i>	<i>1.3</i>	<i>8.9</i>	<i>5.5</i>	<i>0.3</i>	<i>4.2</i>	<i>2.0</i>
<i>Telko</i>	<i>-9.3</i>	<i>9.1</i>	<i>0.0</i>	<i>6.0</i>	<i>1.5</i>	<i>24.6</i>	<i>12.9</i>	<i>21.9</i>	<i>11.6</i>	<i>17.4</i>	<i>3.7</i>	<i>4.0</i>
<i>Kauko</i>	<i>-2.8</i>	<i>-15.3</i>	<i>-11.1</i>	<i>-19.5</i>	<i>-13.0</i>	<i>-100.0</i>	<i>-98.6</i>	<i>-99.0</i>	<i>-98.9</i>	<i>-99.1</i>	<i>2.0</i>	<i>2.0</i>
Total	-3.1	7.2	7.1	18.3	7.7	22.7	17.5	15.0	0.3	13.0	5.5	3.3
EBIT, EURm												
ESL Shipping	3	4	4	4	15	3	4	6	5	19	26	26
Leipurin	1	1	1	1	3	1	1	1	1	3	5	5
Telko	2	4	3	3	12	2	4	4	4	14	17	20
Kauko	-1	0	1	-4	-5	0	0	0	0	0	0	0
Other operations	-1	-1	-1	-1	-5	-1	-1	-1	-1	-4	-4	-4
Total	4	7	7	3	21	5	8	10	9	31	44	47
EBIT margin, %												
<i>ESL Shipping</i>	<i>12.7</i>	<i>19.0</i>	<i>13.1</i>	<i>9.1</i>	<i>12.6</i>	<i>7.3</i>	<i>9.8</i>	<i>13.6</i>	<i>11.7</i>	<i>10.6</i>	<i>13.4</i>	<i>13.0</i>
<i>Leipurin</i>	<i>2.6</i>	<i>2.9</i>	<i>2.9</i>	<i>2.5</i>	<i>2.7</i>	<i>1.9</i>	<i>2.7</i>	<i>3.1</i>	<i>3.1</i>	<i>2.7</i>	<i>3.9</i>	<i>4.0</i>
<i>Telko</i>	<i>3.8</i>	<i>5.0</i>	<i>4.3</i>	<i>4.9</i>	<i>4.5</i>	<i>3.3</i>	<i>4.5</i>	<i>4.5</i>	<i>5.0</i>	<i>4.4</i>	<i>5.3</i>	<i>6.0</i>
<i>Kauko</i>	<i>-8.7</i>	<i>-5.6</i>	<i>6.7</i>	<i>-48.4</i>	<i>-14.0</i>	<i>0.0</i>	<i>2.4</i>	<i>2.4</i>	<i>2.8</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>
Total	3.2	5.4	5.3	1.7	3.8	3.5	4.9	6.1	5.9	5.1	6.7	7.1

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	483	446	457	502	541	611	645	666
<i>Sales growth (%)</i>	<i>1.4</i>	<i>-7.7</i>	<i>2.6</i>	<i>9.8</i>	<i>7.7</i>	<i>13.0</i>	<i>5.5</i>	<i>3.3</i>
Costs	-448	-413	-425	-467	-504	-555	-577	-595
Reported EBITDA	35	33	32	35	37	56	68	71
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>7.2</i>	<i>7.4</i>	<i>7.0</i>	<i>7.0</i>	<i>6.9</i>	<i>9.2</i>	<i>10.6</i>	<i>10.7</i>
Depreciation	-11	-12	-12	-12	-12	-25	-25	-24
EBITA	23	21	20	23	25	31	44	47
Goodwill amortization / writedown	0	0	0	0	-5	0	0	0
Reported EBIT	23	21	20	23	21	31	44	47
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>4.6</i>	<i>4.5</i>	<i>4.6</i>	<i>3.8</i>	<i>5.1</i>	<i>6.7</i>	<i>7.1</i>
Net financials	-4	1	-3	-2	-4	-3	-4	-4
Pre-tax profit	19	21	17	21	16	28	39	43
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	-1	-1	-1	-2	-2	-2	-3	-3
Minority shares	0	0	0	0	0	0	0	0
Net profit	18	20	16	19	14	25	35	39
BALANCE SHEET, EURm								
Assets								
Fixed assets	127	128	124	128	223	209	192	179
<i>% of sales</i>	<i>26</i>	<i>29</i>	<i>27</i>	<i>25</i>	<i>41</i>	<i>34</i>	<i>30</i>	<i>27</i>
Goodwill	44	43	43	42	42	42	42	42
<i>% of sales</i>	<i>9</i>	<i>10</i>	<i>9</i>	<i>8</i>	<i>8</i>	<i>7</i>	<i>7</i>	<i>6</i>
Inventory	47	48	57	61	59	67	71	73
<i>% of sales</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>12</i>	<i>11</i>	<i>11</i>	<i>11</i>	<i>11</i>
Receivables	56	58	60	70	70	79	84	87
<i>% of sales</i>	<i>12</i>	<i>13</i>	<i>13</i>	<i>14</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>
Liquid funds	19	24	23	20	27	31	32	33
<i>% of sales</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>5</i>	<i>5</i>
Total assets	298	305	310	321	422	428	421	414
Liabilities								
Equity	84	83	90	87	88	99	118	138
<i>% of sales</i>	<i>17</i>	<i>19</i>	<i>20</i>	<i>17</i>	<i>16</i>	<i>16</i>	<i>18</i>	<i>21</i>
Deferred taxes	6	5	4	0	0	0	0	0
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	144	148	150	162	255	240	209	179
<i>% of sales</i>	<i>30</i>	<i>33</i>	<i>33</i>	<i>32</i>	<i>47</i>	<i>39</i>	<i>32</i>	<i>27</i>
Non-interest bearing current liabilities	62	68	64	68	76	86	90	93
<i>% of sales</i>	<i>13</i>	<i>15</i>	<i>14</i>	<i>14</i>	<i>14</i>	<i>14</i>	<i>14</i>	<i>14</i>
Other interest free debt	1	2	1	4	4	4	4	4
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Total liabilities	298	305	310	321	422	428	421	414
CASH FLOW, EURm								
+ EBITDA	35	33	32	35	37	56	68	71
- Net financial items	-4	1	-3	-2	-4	-3	-4	-4
- Taxes	-2	-2	-2	-3	-2	-2	-3	-3
- Increase in Net Working Capital	-8	-4	-11	-13	9	-7	-3	-2
+/- Other	2	-2	0	0	0	-1	-1	-1
= Cash flow from operations	22	25	16	17	39	42	56	61
- Capex	-20	-15	-6	-18	-112	-11	-7	-11
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	2	10	10	0	-72	32	49	50
+/- Change in interest-bearing debt	-6	3	3	11	93	-14	-32	-30
+/- New issues/buybacks	-11	-9	4	-9	0	0	0	0
- Paid dividend	-6	-12	-13	-13	-13	-14	-16	-19
+/- Change in loan receivables	3	5	0	1	0	0	0	0
Change in cash	-18	-3	4	-10	7	4	2	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	229	250	310	265	268	268	268
Net debt	124	128	142	228	210	176	145
Enterprise value	353	378	451	493	478	445	414
Sales	446	457	502	541	611	645	666
EBITDA	33	32	35	37	56	68	71
EBIT	21	20	23	21	31	44	47
Pre-tax	21	17	21	16	28	39	43
Earnings	20	16	19	14	25	35	39
Book value	83	90	87	88	99	118	138
Valuation multiples							
EV/sales	0.8	0.8	0.9	0.9	0.8	0.7	0.6
EV/EBITDA	10.7	11.8	12.9	13.3	8.5	6.5	5.8
EV/EBITA	17.1	18.5	19.5	19.4	15.3	10.2	8.8
EV/EBIT	17.1	18.5	19.5	23.9	15.3	10.2	8.8
EV/operating cash flow	14.1	23.3	25.9	11.5	10.2	7.2	6.3
EV/cash earnings	11.4	13.9	14.8	16.1	9.4	7.3	6.4
P/E	11.6	15.7	16.0	18.7	10.9	7.6	6.9
P/E excl. goodwill	11.6	15.7	16.0	14.0	10.9	7.6	6.9
P/B	2.8	2.8	3.5	3.0	2.7	2.3	1.9
P/sales	0.5	0.5	0.6	0.5	0.4	0.4	0.4
P/CF	9.2	15.4	17.8	6.2	5.7	4.3	4.1
Target EV/EBIT	0.0	0.0	0.0	0.0	16.5	11.1	9.6
Target P/E	0.0	0.0	16.5	19.2	12.5	8.7	7.9
Target P/B	0.0	0.0	0.0	0.0	3.1	2.6	2.2
Per share measures							
Number of shares	30,496	30,579	30,976	31,420	31,420	31,420	31,420
Number of shares (diluted)	30,496	30,579	30,976	31,420	31,420	31,420	31,420
EPS	0.65	0.52	0.63	0.45	0.78	1.12	1.24
EPS excl. goodwill	0.65	0.52	0.63	0.60	0.78	1.12	1.24
Cash EPS	1.02	0.89	0.98	0.98	1.61	1.94	2.05
Operating cash flow per share	0.82	0.53	0.56	1.37	1.49	1.97	2.09
Capital employed per share	6.77	7.11	7.39	10.04	9.82	9.37	9.02
Book value per share	2.71	2.93	2.82	2.80	3.14	3.75	4.39
Book value excl. goodwill	1.31	1.53	1.46	1.46	1.80	2.42	3.06
Dividend per share	0.41	0.42	0.43	0.44	0.50	0.60	0.74
Dividend payout ratio, %	63.1	80.8	68.7	97.4	64.0	53.7	60.0
Dividend yield, %	5.5	5.1	4.3	5.2	5.9	7.0	8.7
Efficiency measures							
ROE	23.8	18.5	21.9	16.2	26.3	32.4	30.4
ROCE	9.0	8.7	9.5	7.0	9.2	13.1	14.6
Financial ratios							
Capex/sales, %	3.4	1.4	3.5	20.6	1.8	1.1	1.7
Capex/depreciation excl. goodwill,%	133.5	54.8	154.0	917.2	43.1	29.5	46.1
Net debt/EBITDA, book-weighted	3.7	4.0	4.0	6.1	3.7	2.6	2.0
Debt/equity, market-weighted	0.6	0.6	0.5	1.0	0.9	0.8	0.7
Equity ratio, book-weighted	27.1	28.9	27.2	20.8	23.0	28.0	33.3
Gearing	1.50	1.43	1.62	2.59	2.13	1.50	1.05
Number of employees, average	862	871	909	909	909	909	909
Sales per employee, EUR	517,169	525,144	552,695	595,050	672,327	709,368	732,821
EBIT per employee, EUR	23,898	23,421	25,413	22,662	34,386	47,880	51,670

COMPANY DESCRIPTION: Aspo is a conglomerate operating mainly in Northern and Eastern Europe through subsidiaries ESL Shipping, Telko, Leipurin and Kauko. Two thirds of Aspo's revenue is attributable to Finland, Russia, Ukraine and other CIS countries.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,142,941	26.841	10.0%
Vehmas Tatu Antti Aleksi	2,306,676	19.699	7.3%
Varma Mutual Pension Insurance Company	1,438,412	12.284	4.6%
Vehmas Tapio	1,375,827	11.750	4.4%
Ilmarinen Mutual Pension Insurance Company	966,685	8.255	3.1%
Robinson Joanna	754,259	6.441	2.4%
Nyberg Gustav	731,667	6.248	2.3%
Nordea Nordic Small Cap Fund	721,040	6.158	2.3%
Mandatum Life Unit-Linked	516,952	4.415	1.6%
Procurator-Holding Oy	514,882	4.397	1.6%
Ten largest	12,469,341	106.488	40%
Residual	18,950,438	161.837	60%
Total	31,419,779	268.325	100%

EARNINGS CALENDAR

August 14, 2019 Q2 report
October 29, 2019 Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Ojanen Aki
CFO: Meitsalo Arto
IR: Seppälä Harri

P.O. Box 499, Mikonkatu 13 A, FI-00101 Helsinki
Tel: +358,9 5,211

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

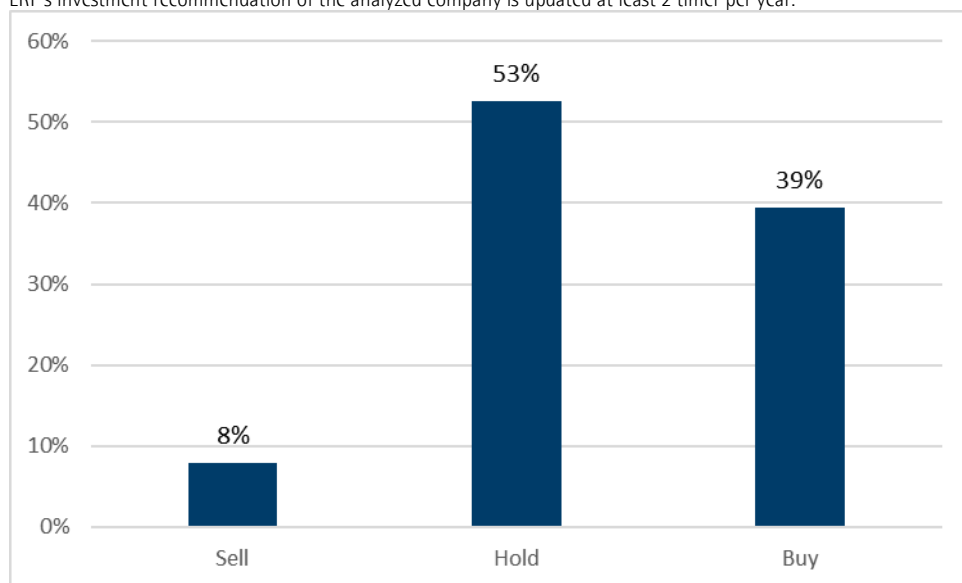
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Investment recommendations are defined as follows:

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 timer 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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