

## Supramaxes posted losses in Q2

Aspo lowered its FY 2019 guidance yesterday due to ESL Shipping's weak Q2 result as the dry bulk carrier's two Supramax vessels operated at a loss. Aspo previously expected 2019 operating profit to be in the EUR 28-33m range, but now guides EUR 24-30m (the company managed EUR 20.6m in 2018). We previously estimated Aspo's FY 2019 EBIT at EUR 31m; our revised estimate stands at EUR 28m. Our target price is now EUR 9.25 (9.75) per share. Our new rating is HOLD (BUY).

### We update our estimates for ESL Shipping

Aspo says ESL's Q2'19 EBIT will decline y/y as the two Supramax vessels posted losses. Aspo also states main customers' shipping volumes (e.g. SSAB) decreased substantially during the summer months, thus weakening operational efficiency. ESL reported EUR 4.3m in Q2'18 EBIT. Whereas we previously expected ESL to post EUR 4.2m in Q2'19 EBIT, we now expect the dry bulk carrier to have generated EUR 1.8m in EBIT during the quarter. We also update our estimates for the coming quarters. We previously expected ESL's FY 2019 EBIT at EUR 19m, and now estimate EUR 16m. For FY 2020 we project EUR 23m (previously EUR 26m). There was no update concerning the two new LNG vessels, but Aspo has previously said the crane problems have now been fixed and thus we continue to expect ESL to achieve significant earnings improvement during the second half of 2019.

### We leave Telko and Leipurin estimates unchanged

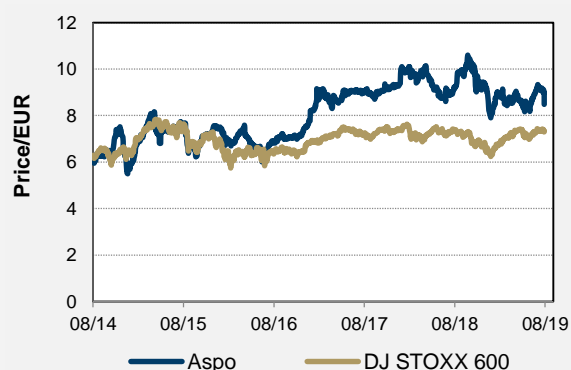
We are not making changes to our estimates for Telko and Leipurin this time. Our revised estimates for ESL mean we now expect Aspo to have generated EUR 5.2m in Q2 EBIT (vs EUR 7.1m a year ago). Our previous estimate stood at EUR 7.6m. We now expect Aspo to manage EUR 28m in FY 2019 EBIT (previously EUR 31m). Aspo's new guidance range for FY 2019 EBIT is EUR 24-30m (previously EUR 28-33m).

### Our updated TP is EUR 9.25 (9.75); new rating HOLD (BUY)

Following our model update we now expect Aspo to post EUR 40m in EBIT next year. Our new TP is EUR 9.25 (9.75), reflecting lower SOTP valuation. Our rating is now HOLD (BUY).

### Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 8.48

Target price, EUR 9.25

Latest change in recommendation 01-Aug-19

Latest report on company 09-May-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 266

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	607	28	4.7%	25	0.68	12.4	0.8	6.0	17.0	0.50
2020E	640	40	6.3%	36	1.01	8.4	0.7	4.5	11.2	0.60
2021E	661	46	7.0%	42	1.22	7.0	0.6	4.1	9.0	0.73
Market cap, EURm	266		BV per share 2019E, EUR		3.0		CAGR EPS 2018-21, %		39.1	
Net debt 2019E, EURm	212		Price/book 2019E		2.8		CAGR sales 2018-21, %		6.9	
Enterprise value, EURm	479		Dividend yield 2019E, %		5.9		ROE 2019E, %		23.5	
Total assets 2019E, EURm	427		Tax rate 2019E, %		8.5		ROCE 2019E, %		8.3	
Goodwill 2019E, EURm	42		Equity ratio 2019E, %		22.4		PEG, P/E 19/CAGR		0.5	

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

**Sum-of-the-parts valuation**

ESL PEER GROUP	EV/EBIT	
	19	20
Golden Ocean Group	42.5x	12.6x
Ship Finance Intl	18.8x	18.2x
Pangaea Logistics	8.1x	
Star Bulk Carriers	19.6x	6.0x
Navios Maritime Partners	11.9x	7.0x
Genco Shipping & Trading	35.2x	8.0x
Diana Shipping	16.0x	16.5x
Scorpio Bulkers	34.9x	12.5x
Safe Bulkers	14.9x	9.2x
Seenergy Maritime Hldgs	185.9x	7.3x
Eagle Bulk Ship	27.6x	8.6x
Peer Group Average	<b>37.8x</b>	<b>10.6x</b>
Peer Group Median	<b>19.6x</b>	<b>8.9x</b>

TELKO PEER GROUP	EV/EBIT	
	19	20
Brenntag	12.3x	11.8x
IMCD	24.0x	22.0x
Univar Inc	13.8x	11.0x
AKR Corporindo	14.0x	13.0x
Ashland Global Holdings	24.9x	21.8x
Peer Group Average	<b>17.8x</b>	<b>15.9x</b>
Peer Group Median	<b>14.0x</b>	<b>13.0x</b>

LEIPURIN PEER GROUP	EV/EBIT	
	19	20
Marr	15.0x	14.4x
US Foods Holding	13.6x	12.7x
Total Produce	11.3x	11.0x
Chefs' Warehouse	22.0x	19.5x
Welbilt	15.6x	13.3x
HOSHIZAKI Corp	10.4x	9.5x
Middleby	16.4x	14.5x
Rational	30.7x	27.9x
Peer Group Average	<b>16.9x</b>	<b>15.4x</b>
Peer Group Median	<b>15.3x</b>	<b>13.9x</b>

Segment	EBIT '19e	EV/EBIT '19e *	EV	EBIT '20e	EV/EBIT '20e *	EV
ESL	15.8	19.6x	310	22.6	8.9x	201
Telko	13.6	14.0x	191	17.0	13.0x	221
Leipurin	3.3	15.3x	51	4.9	13.9x	68
Other operations	-4.4	12.5x	-55	-4.4	11.8x	-52
Total			496			438
Net debt (Evli YE est.)			212			182
Equity value			284			256
Per share			9.0			8.1

\*Peer group median (OMXH 25 for other operations), source: FactSet

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.48 PV of Free Cash Flow	285 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	10.53 PV of Horizon value	287 WACC, %	7.4 Market risk premium, %
Share price potential, %	24.2 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, %	50.2 Value of stock	331 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	607	640	661	681	698	712	726	737	748	755	763
<i>Sales growth, %</i>	<i>7.7</i>	<i>12.1</i>	<i>5.6</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	28	40	46	51	49	46	44	41	41	42	42
<i>EBIT margin, %</i>	<i>3.8</i>	<i>4.7</i>	<i>6.3</i>	<i>7.0</i>	<i>7.5</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	23	24	
- Income taxes	-3	-2	-3	-3	-4	-4	-4	-3	-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	-33	-24	-23	-23	-25	-26	-25	-26
<i>Investments / Sales, %</i>	<i>20.6</i>	<i>1.8</i>	<i>1.1</i>	<i>1.7</i>	<i>4.8</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	32	50	53	34	42	40	38	33	33	36	564
= Discounted FCF (DFCF)		31	45	44	26	30	27	24	19	18	18	287
= DFCF min WACC		31	46	45	27	31	28	25	20	19	19	326
= DFCF max WACC		31	45	44	26	30	27	23	19	17	18	255

## 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	152	156	157	607	640	661
EBITDA	7	10	10	11	37	12	11	15	15	53	65	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>7.3</i>	<i>9.6</i>	<i>9.7</i>	<i>8.8</i>	<i>10.1</i>	<i>10.7</i>
EBIT	4	7	7	3	21	5	5	9	9	28	40	46
<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>3.4</i>	<i>5.7</i>	<i>5.9</i>	<i>4.7</i>	<i>6.3</i>	<i>7.0</i>
Net financial items	-1	-1	-1	-1	-4	-1	-1	-1	-1	-3	-5	-4
Pre-tax profit	3	6	6	2	16	4	4	8	8	25	36	42
Tax	0	-1	0	-1	-2	0	0	-1	-1	-2	-2	-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>11.4</i>	<i>7.4</i>	<i>7.1</i>	<i>8.5</i>	<i>7.0</i>	<i>7.0</i>
Net profit	2	5	6	1	14	4	4	8	7	22	32	38
EPS	0.06	0.17	0.19	0.03	0.45	0.11	0.12	0.24	0.21	0.68	1.01	1.22
EPS adjusted (diluted no. of shares)	0.06	0.17	0.19	0.03	0.45	0.11	0.12	0.24	0.21	0.68	1.01	1.22
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	0.73
<b>SALES, EURm</b>												
ESL Shipping	21	23	31	46	120	44	39	43	46	172	190	195
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
	7	7	10	9	34	0	0	0	0	0	0	0
<b>Total</b>	<b>115</b>	<b>133</b>	<b>136</b>	<b>157</b>	<b>541</b>	<b>142</b>	<b>152</b>	<b>156</b>	<b>157</b>	<b>607</b>	<b>640</b>	<b>661</b>
<b>SALES GROWTH, Y/Y %</b>												
<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>74.7</i>	<i>41.4</i>	<i>-0.8</i>	<i>43.6</i>	<i>9.9</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>-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>
<b>Total</b>	<b>-3.1</b>	<b>7.2</b>	<b>7.1</b>	<b>18.3</b>	<b>7.7</b>	<b>22.7</b>	<b>14.6</b>	<b>14.4</b>	<b>0.3</b>	<b>12.1</b>	<b>5.6</b>	<b>3.3</b>
<b>EBIT, EURm</b>												
ESL Shipping	3	4	4	4	15	3	2	5	5	16	23	25
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
	-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
<b>Total</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>21</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>28</b>	<b>40</b>	<b>46</b>
<b>EBIT margin, %</b>												
<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>4.5</i>	<i>12.5</i>	<i>11.7</i>	<i>9.1</i>	<i>11.9</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>-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>
<b>Total</b>	<b>3.2</b>	<b>5.4</b>	<b>5.3</b>	<b>1.7</b>	<b>3.8</b>	<b>3.5</b>	<b>3.4</b>	<b>5.7</b>	<b>5.9</b>	<b>4.7</b>	<b>6.3</b>	<b>7.0</b>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	483	446	457	502	541	607	640	661
<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>12.1</i>	<i>5.6</i>	<i>3.3</i>
Costs	-448	-413	-425	-467	-504	-553	-575	-591
Reported EBITDA	35	33	32	35	37	53	65	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>8.8</i>	<i>10.1</i>	<i>10.7</i>
Depreciation	-11	-12	-12	-12	-12	-25	-25	-24
EBITA	23	21	20	23	25	28	40	46
Goodwill amortization / writedown	0	0	0	0	-5	0	0	0
Reported EBIT	23	21	20	23	21	28	40	46
<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>4.7</i>	<i>6.3</i>	<i>7.0</i>
Net financials	-4	1	-3	-2	-4	-3	-5	-4
Pre-tax profit	19	21	17	21	16	25	36	42
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	-1	-1	-1	-2	-2	-2	-2	-3
Minority shares	0	0	0	0	0	0	0	0
Net profit	18	20	16	19	14	22	32	38
<b>BALANCE SHEET, EURm</b>								
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	70	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	83	86
<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	30	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	427	419	412
Liabilities								
Equity	84	83	90	87	88	96	112	131
<i>% of sales</i>	<i>17</i>	<i>19</i>	<i>20</i>	<i>17</i>	<i>16</i>	<i>16</i>	<i>17</i>	<i>20</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	243	214	185
<i>% of sales</i>	<i>30</i>	<i>33</i>	<i>33</i>	<i>32</i>	<i>47</i>	<i>40</i>	<i>33</i>	<i>28</i>
Non-interest bearing current liabilities	62	68	64	68	76	85	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	427	419	412
<b>CASH FLOW, EURm</b>								
+ EBITDA	35	33	32	35	37	53	65	71
- Net financial items	-4	1	-3	-2	-4	-3	-5	-4
- Taxes	-2	-2	-2	-3	-2	-2	-2	-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	40	53	60
- 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	29	46	49
+/- Change in interest-bearing debt	-6	3	3	11	93	-12	-29	-29
+/- 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	3	2	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	229	250	310	265	266	266	266
Net debt	124	128	142	228	212	182	152
Enterprise value	353	378	451	493	479	449	418
Sales	446	457	502	541	607	640	661
EBITDA	33	32	35	37	53	65	71
EBIT	21	20	23	21	28	40	46
Pre-tax	21	17	21	16	25	36	42
Earnings	20	16	19	14	22	32	38
Book value	83	90	87	88	96	112	131
<b>Valuation multiples</b>							
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	9.0	6.9	5.9
EV/EBITA	17.1	18.5	19.5	19.4	17.0	11.2	9.0
EV/EBIT	17.1	18.5	19.5	23.9	17.0	11.2	9.0
EV/operating cash flow	14.1	23.3	25.9	11.5	10.8	7.6	6.4
EV/cash earnings	11.4	13.9	14.8	16.1	10.1	7.8	6.6
P/E	11.6	15.7	16.0	18.7	12.4	8.4	7.0
P/E excl. goodwill	11.6	15.7	16.0	14.0	12.4	8.4	7.0
P/B	2.8	2.8	3.5	3.0	2.8	2.4	2.0
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	6.0	4.5	4.1
Target EV/EBIT	0.0	0.0	0.0	0.0	17.8	11.8	9.5
Target P/E	0.0	0.0	16.5	19.2	13.5	9.1	7.6
Target P/B	0.0	0.0	0.0	0.0	3.0	2.6	2.2
<b>Per share measures</b>							
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	0.68	1.01	1.22
EPS excl. goodwill	0.65	0.52	0.63	0.60	0.68	1.01	1.22
Cash EPS	1.02	0.89	0.98	0.98	1.51	1.84	2.02
Operating cash flow per share	0.82	0.53	0.56	1.37	1.40	1.87	2.08
Capital employed per share	6.77	7.11	7.39	10.04	9.80	9.35	9.00
Book value per share	2.71	2.93	2.82	2.80	3.04	3.55	4.17
Book value excl. goodwill	1.31	1.53	1.46	1.46	1.70	2.22	2.83
Dividend per share	0.41	0.42	0.43	0.44	0.50	0.60	0.73
Dividend payout ratio, %	63.1	80.8	68.7	97.4	73.0	59.2	60.0
Dividend yield, %	5.5	5.1	4.3	5.2	5.9	7.1	8.6
<b>Efficiency measures</b>							
ROE	23.8	18.5	21.9	16.2	23.5	30.7	31.5
ROCE	9.0	8.7	9.5	7.0	8.3	12.1	14.4
<b>Financial ratios</b>							
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	42.8	29.5	46.1
Net debt/EBITDA, book-weighted	3.7	4.0	4.0	6.1	4.0	2.8	2.2
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	22.4	26.6	31.8
Gearing	1.50	1.43	1.62	2.59	2.22	1.63	1.16
Number of employees, average	862	871	909	1,017	1,017	1,017	1,017
Sales per employee, EUR	517,169	525,144	552,695	531,858	596,378	629,593	650,422
EBIT per employee, EUR	23,898	23,421	25,413	20,256	27,742	39,409	45,588

**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	26.652	10.0%
Vehmas Tatu Antti Aleks	2,306,676	19.561	7.3%
Varma Mutual Pension Insurance Company	1,438,412	12.198	4.6%
Vehmas Tapio	1,375,827	11.667	4.4%
Ilmarinen Mutual Pension Insurance Company	966,685	8.197	3.1%
Robinson Joanna	754,259	6.396	2.4%
Nyberg Gustav	731,667	6.205	2.3%
Nordea Nordic Small Cap Fund	721,040	6.114	2.3%
Mandatum Life Unit-Linked	516,952	4.384	1.6%
Procurator-Holding Oy	514,882	4.366	1.6%
Ten largest	12,469,341	105.740	40%
Residual	18,950,438	160.700	60%
Total	31,419,779	266.440	100%

**EARNINGS CALENDAR**

August 14, 2019

Q2 report

October 29, 2019

Q3 report

**OTHER EVENTS**

**COMPANY MISCELLANEOUS**

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CFO: Meitsalo Arto

Tel: +358 ,9 5,211

IR:

## 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.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

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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