

## Market softness to cut results short

Aspo abandoned its former guidance for the rest of this year as ESL's cargo volumes will be soft due to low steel industry demand. Telko's profitability development will remain muted especially in the Western markets. We cut our estimates, our TP is now EUR 8.75 (9.25), rating HOLD.

### In our view ESL's long-term case remains intact

As was known previously, SSAB will temporarily shut one of its two furnaces in Raahe. The seizure is expected to last some 4-6 weeks, and the furnace should be firing up again early next year. ESL had of course made allowances in its budgeting for such an event, nevertheless the shipments materialized lower than expected. We note the Baltic Dry Index has declined steeply during the last couple of months, however ESL says its Supramaxes haven't been materially affected so far. As the new LNG-powered vessels and AtoB@C are now performing according to expectations, it follows that the lowered near-term outlook is entirely due to low steel industry shipping volumes. With regards to Telko, Aspo says the Eastern market is developing basically as before, however the Western market has proved more challenging than expected.

### We cut our Q4 estimates, see higher uncertainty for Telko

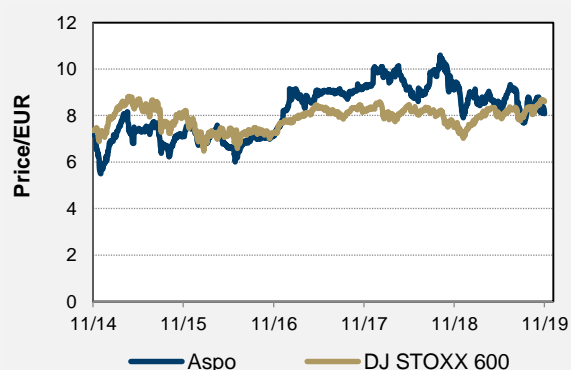
We trim our Q4 estimates. We previously expected ESL to achieve EUR 5.5m in Q4 EBIT; our new estimate stands at EUR 4.3m. Our previous Q4 EBIT estimate for Telko was EUR 2.7m, and the reduced expectation amounts to EUR 2.3m. We leave our estimates for Leipurin intact. This means we estimate Aspo to post EUR 6.4m Q4 EBIT, which can be compared to the EUR 6.7m figure recorded in the previous quarter, and the adjusted EBIT of EUR 7.4m in Q4'18. We thus see Aspo reaching EUR 22.1m in FY '19 EBIT (EUR 20.6m in '18, or EUR 25.4m when adjusted for the Kauko write-off). Aspo now guides FY '19 EBIT to be higher than in '18. Aspo previously expected the figure to be in the EUR 24-30m range. We also cut our next year estimates for Telko.

### Improvement steepness is uncertain due to macro softness

Our updated TP is EUR 8.75 (9.25), rating remaining HOLD. In our view both ESL and Telko continue to hold significant improvement potential, however caution is in order considering the softness of certain key Aspo markets.

## Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 8.08

Target price, EUR 8.75

Latest change in recommendation 30-Oct-19

Latest report on company 30-Oct-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 254

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 13-Feb-20

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■ 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
2017	502.4	23.1	4.6%	-2.1	0.63	16.0	0.9	19.5	-0.7	0.43
2018	540.9	20.6	3.8%	-26.9	0.45	18.7	0.9	22.8	-10.2	0.44
2019E	596.2	22.1	3.7%	3.3	0.52	15.6	0.8	21.5	1.3	0.50
2020E	641.3	34.5	5.4%	26.9	0.81	10.0	0.7	13.5	10.6	0.60
2021E	662.2	43.1	6.5%	50.1	1.07	7.6	0.7	10.0	19.7	0.64
Market cap, EURm		254	Gearing 2019E, %			165.5	CAGR EPS 2018-21, %			33.2
Net debt 2019E, EURm		222	Price/book 2019E			2.7	CAGR sales 2018-21, %			7.0
Enterprise value, EURm		476	Dividend yield 2019E, %			6.2	ROE 2019E, %			17.5
Total assets 2019E, EURm		438	Tax rate 2019E, %			9.8	ROCE 2019E, %			6.7
Goodwill 2019E, EURm		43	Equity ratio 2019E, %			27.2	PEG, P/E 19/CAGR			0.5

**Peer multiples and sum-of-the-parts valuation**

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		19	20	19	20	19	20
Algoma Central	343	6.1x	5.7x	15.5x	14.2x	0.7x	0.7x
Diana Shipping	294	7.5x	6.8x	17.7x	21.0x	0.5x	0.5x
Eagle Bulk Ship	283	10.6x	5.3x	35.4x	9.1x	0.6x	0.5x
Genco Shipping & Trading	386	9.9x	5.2x	70.4x	11.0x	0.4x	0.4x
Golden Ocean Group	702	10.4x	8.4x	21.0x	15.1x	0.5x	0.5x
Navios Maritime Partners	176	5.4x	4.1x	9.9x	6.3x		
Pangaea Logistics	125	6.8x	5.3x	11.2x	10.2x		
Safe Bulkers	149	6.8x	5.4x	14.0x	9.7x	0.3x	0.3x
Scorpio Bulkers	381	11.7x	8.3x	53.2x	14.7x	0.6x	0.6x
SFL	1404	12.1x	11.6x	19.9x	18.9x	1.4x	1.4x
Star Bulk Carriers	868	9.2x	4.9x	18.1x	6.8x	0.6x	0.5x
Peer Group Average	465	<b>8.8x</b>	<b>6.5x</b>	<b>26.0x</b>	<b>12.4x</b>	<b>0.6x</b>	<b>0.6x</b>
Peer Group Median	343	<b>9.2x</b>	<b>5.4x</b>	<b>18.1x</b>	<b>11.0x</b>	<b>0.6x</b>	<b>0.5x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		19	20	19	20	19	20
AKR Corporindo	953	12.9x	11.7x	17.2x	15.4x	5.5 %	5.8 %
Ashland Global Holdings	4149	13.3x	12.5x	25.0x	23.1x	11.4 %	12.3 %
Brenntag	7272	9.5x	9.2x	13.0x	12.6x	5.7 %	5.7 %
IMCD	3834	18.7x	17.3x	24.8x	22.6x	6.7 %	7.0 %
Univar Solutions	3483	9.7x	9.0x	14.2x	12.8x	5.1 %	5.5 %
Peer Group Average	3938	<b>12.8x</b>	<b>12.0x</b>	<b>18.9x</b>	<b>17.3x</b>	<b>6.9 %</b>	<b>7.3 %</b>
Peer Group Median	3834	<b>12.9x</b>	<b>11.7x</b>	<b>17.2x</b>	<b>15.4x</b>	<b>5.7 %</b>	<b>5.8 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		19	20	19	20	19	20
Amsterdam Commodities	484						
Chefs' Warehouse	898	15.5x	14.0x	24.3x	21.0x	3.6 %	3.9 %
Marr	1284	12.1x	11.8x	15.1x	14.7x	5.8 %	5.9 %
Middleby	5811	13.4x	12.3x	16.1x	14.0x	17.6 %	19.6 %
Orkla	8702	14.8x	14.1x	20.4x	18.9x	11.0 %	11.6 %
Performance Food Group	4275	12.6x	11.3x	19.5x	17.7x	1.5 %	1.4 %
Sysco	37028	14.1x	13.2x	18.2x	16.8x	4.6 %	4.8 %
Tate & Lyle	3825	8.0x	7.7x	12.0x	11.7x	11.1 %	11.2 %
Total Produce	572	11.6x	11.4x	14.8x	14.3x	1.8 %	1.9 %
US Foods Holding	7769	11.5x	10.1x	16.2x	14.2x	3.3 %	3.3 %
Welbilt	2194	12.9x	11.7x	16.3x	14.5x	14.4 %	15.7 %
Peer Group Average	6622	<b>12.7x</b>	<b>11.7x</b>	<b>17.3x</b>	<b>15.8x</b>	<b>7.5 %</b>	<b>7.9 %</b>
Peer Group Median	3825	<b>12.8x</b>	<b>11.7x</b>	<b>16.3x</b>	<b>14.6x</b>	<b>5.2 %</b>	<b>5.3 %</b>

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'19e	'19e *		'20e	'20e *	
ESL	14.5	18.1x	263	21.9	11.0x	241
Telko	9.4	17.2x	162	12.8	15.4x	197
Leipurin	2.9	16.3x	47	4.2	14.6x	62
Other operations	-4.6	13.9x	-64	-4.4	13.2x	-58
Total			408			441
Net debt (Evli YE est.)			197			186
Equity value			211			255
Per share			6.7			8.1

\*Peer group median (OMXH 25 for other operations)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.08 PV of Free Cash Flow	283 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	11.19 PV of Horizon value	287 WACC, %	7.4 Market risk premium, %
Share price potential, %	38.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	12.6 Marketable securities	19 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	10.0 Debt - dividend	-238 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	50.4 Value of stock	351 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	596	641	662	681	698	712	727	738	749	756	764
<i>Sales growth, %</i>	<i>7.7</i>	<i>10.2</i>	<i>7.6</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	22	34	43	52	49	46	44	41	41	42	42
<i>Operating income margin, %</i>	<i>3.8</i>	<i>3.7</i>	<i>5.4</i>	<i>6.5</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	29	31	31	23	24	23	23	23	23	24	
EBITDA	37	51	65	75	74	73	70	67	64	65	65	
- Paid taxes	-5	-2	-3	-4	-5	-5	-5	-4	-4	-4	-4	
- Change in NWC	20	-16	-5	-2	-2	-2	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.0</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	<i>9.9</i>	
+ Change in other liabs	3	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-75	-7	-8	-11	-30	-24	-23	-23	-25	-26	-25	
<i>opCAPEX / Sales, %</i>	<i>13.8</i>	<i>4.4</i>	<i>3.9</i>	<i>1.9</i>	<i>4.6</i>	<i>3.6</i>	<i>3.3</i>	<i>3.3</i>	<i>3.5</i>	<i>3.5</i>	<i>3.4</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	-20	25	49	56	36	41	40	37	32	32	35	552
= Discounted FCFF		25	45	48	29	30	27	24	19	18	18	287
= DFCF min WACC		25	45	48	29	31	28	25	20	19	19	325
= DFCF max WACC		25	45	47	28	30	27	23	19	17	18	255

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3	2019Q4E	2019E	2020E	2021E
Net sales	115.3	132.7	136.3	156.6	540.9	141.5	151.2	148.0	155.5	596.2	641.3	662.2
EBITDA	6.7	9.6	10.1	10.6	37.1	11.8	11.2	14.0	13.9	50.9	65.3	74.6
<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>7.4</i>	<i>9.5</i>	<i>9.0</i>	<i>8.5</i>	<i>10.2</i>	<i>11.3</i>
EBIT	3.7	7.1	7.2	2.6	20.6	4.9	4.1	6.7	6.4	22.1	34.5	43.1
<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>2.7</i>	<i>4.5</i>	<i>4.1</i>	<i>3.7</i>	<i>5.4</i>	<i>6.5</i>
Net financial items	-1.2	-1.0	-0.9	-1.1	-4.2	-1.0	0.3	-1.3	-0.8	-2.8	-5.0	-4.6
Pre-tax profit	2.5	6.1	6.3	1.5	16.4	3.9	4.4	5.4	5.6	19.3	29.5	38.6
Tax	-0.5	-0.7	-0.3	-0.7	-2.2	-0.4	-0.4	-0.5	-0.6	-1.9	-3.0	-3.9
<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>9.1</i>	<i>9.3</i>	<i>10.6</i>	<i>9.8</i>	<i>10.0</i>	<i>10.0</i>
Net profit	2.0	5.4	6.0	0.8	14.2	3.5	4.0	4.9	3.8	16.2	25.4	33.5
EPS	0.06	0.17	0.19	0.03	0.45	0.11	0.13	0.16	0.12	0.52	0.81	1.07
EPS adjusted (diluted no. of shares)	0.06	0.17	0.19	0.03	0.45	0.11	0.13	0.16	0.12	0.52	0.81	1.07
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	0.64
<b>SALES, EURm</b>												
ESL Shipping	20.5	22.6	30.6	46.4	120.1	43.7	42.6	43.4	44.5	174.2	193.9	199.7
Leipurin	30.2	31.2	28.0	31.6	121.0	25.9	28.0	29.9	34.1	117.9	124.5	128.3
Telko	57.7	71.7	67.3	69.5	266.2	71.9	80.6	74.7	76.9	304.1	322.9	334.2
Kauko	6.9	7.2	10.4	9.1	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	115.3	132.7	136.3	156.6	540.9	141.5	151.2	148.0	155.5	596.2	641.3	662.2
<b>SALES GROWTH, Y/Y %</b>												
ESL Shipping	8.5	15.9	67.2	105.3	51.5	113.2	88.5	41.8	-4.1	45.0	11.3	3.0
Leipurin	2.7	3.7	-6.4	-4.0	-1.1	-14.2	-10.3	6.8	7.9	-2.6	5.6	3.0
Telko	-9.3	9.1	0.0	6.0	1.5	24.6	12.4	11.0	10.6	14.2	6.2	3.5
Kauko	-2.8	-15.3	-11.1	-19.5	-13.0	-100.0	-100.0	-100.0	-100.0	-100.0	0.0	0.0
Total	-3.1	7.2	7.1	18.3	7.7	22.7	13.9	8.6	-0.7	10.2	7.6	3.3
<b>EBIT, EURm</b>												
ESL Shipping	2.6	4.3	4.0	4.2	15.1	3.2	2.6	4.4	4.3	14.5	21.9	26.0
Leipurin	0.8	0.9	0.8	0.8	3.3	0.5	0.6	0.8	1.0	2.9	4.2	4.9
Telko	2.2	3.6	2.9	3.4	12.1	2.4	2.3	2.4	2.3	9.4	12.7	16.7
Kauko	-0.6	-0.4	0.7	-4.4	-4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operations	-1.3	-1.3	-1.2	-1.4	-5.2	-1.2	-1.4	-0.9	-1.1	-4.6	-4.4	-4.4
Total	3.7	7.1	7.2	2.6	20.6	4.9	4.1	6.7	6.4	22.1	34.5	43.1
<b>EBIT margin, %</b>												
ESL Shipping	12.7	19.0	13.1	9.1	12.6	7.3	6.1	10.1	9.6	8.3	11.3	13.0
Leipurin	2.6	2.9	2.9	2.5	2.7	1.9	2.1	2.7	2.9	2.4	3.4	3.8
Telko	3.8	5.0	4.3	4.9	4.5	3.3	2.9	3.2	3.0	3.1	3.9	5.0
Kauko	-8.7	-5.6	6.7	-48.4	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	3.2	5.4	5.3	1.7	3.8	3.5	2.7	4.5	4.1	3.7	5.4	6.5

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	482.9	445.8	457.4	502.4	540.9	596.2	641.3	662.2
<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>10.2</i>	<i>7.6</i>	<i>3.3</i>
EBITDA	34.6	33.1	32.0	35.0	37.1	50.9	65.3	74.6
<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>8.5</i>	<i>10.2</i>	<i>11.3</i>
Depreciation	-11.2	-12.5	-11.6	-11.9	-11.7	-28.8	-30.8	-31.4
EBITA	23.4	20.6	20.4	23.1	25.4	22.1	34.5	43.1
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	-4.8	0.0	0.0	0.0
EBIT	23.4	20.6	20.4	23.1	20.6	22.1	34.5	43.1
<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>3.7</i>	<i>5.4</i>	<i>6.5</i>
Reported EBIT	23.4	20.6	20.4	23.1	20.6	22.1	34.5	43.1
<i>EBIT margin (reported) (%)</i>	<i>4.8</i>	<i>4.6</i>	<i>4.5</i>	<i>4.6</i>	<i>3.8</i>	<i>3.7</i>	<i>5.4</i>	<i>6.5</i>
Net financials	-4.4	0.7	-3.0	-2.0	-4.2	-2.8	-5.0	-4.6
Pre-tax profit	19.0	21.3	17.4	21.1	16.4	19.3	29.5	38.6
Taxes	-0.6	-1.5	-1.5	-1.7	-2.2	-1.9	-3.0	-3.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	18.4	19.8	15.9	19.4	14.2	16.2	25.4	33.5
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	127	128	124	128	185	177	168	148
Goodwill	44	43	43	42	43	43	43	43
Right of use assets	0	0	0	0	37	42	45	46
Inventory	47	48	57	61	71	66	71	73
Receivables	56	58	60	70	78	78	84	86
Liquid funds	19	24	23	20	19	30	32	33
Total assets	298	305	310	321	436	438	445	432
<b>Liabilities</b>								
Shareholder's equity	84	83	90	87	92	94	104	118
Minority interest	0	0	0	0	0	0	0	0
Convertibles	20	20	25	25	25	25	25	25
Lease liabilities	0	0	0	0	0	42	45	46
Deferred taxes	6	5	4	0	0	0	0	0
Interest bearing debt	124	128	125	137	199	185	173	141
Non-interest bearing current liabilities	62	68	64	68	105	83	90	93
Other interest-free debt	1	2	1	4	8	8	8	8
Total liabilities	298	305	310	321	430	438	445	432
<b>CASH FLOW, EURm</b>								
+ EBITDA	35	33	32	35	37	51	65	75
- Net financial items	-7	5	-2	-2	-4	-3	-5	-5
- Taxes	-2	-2	-2	-3	-5	-2	-3	-4
- Increase in Net Working Capital	-8	-4	-11	-13	20	-16	-5	-2
+/- Other	1	-6	-4	-2	0	-1	-1	-1
= Cash flow from operations	18	26	13	16	48	29	52	63
- Capex	-20	-15	-6	-18	-75	-26	-25	-13
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-2	11	7	-2	-27	3	27	50
+/- New issues/buybacks	-11	-9	4	-9	4	0	0	0
- Paid dividend	-6	-12	-13	-13	-13	-14	-16	-19
+/- Other	11	15	1	21	36	21	-9	-30
Change in cash	-9	5	-1	-3	-1	10	2	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	229	250	310	265	254	254	254
Net debt (excl. convertibles)	104	103	117	180	197	186	155
Enterprise value	353	378	451	470	476	465	434
Sales	446	457	502	541	596	641	662
EBITDA	33	32	35	37	51	65	75
EBIT	21	20	23	21	22	34	43
Pre-tax	21	17	21	16	19	30	39
Earnings	20	16	19	14	16	25	34
Equity book value (excl. minorities)	83	90	87	92	94	104	118
<b>Valuation multiples</b>							
EV/sales	0.8	0.8	0.9	0.9	0.8	0.7	0.7
EV/EBITDA	10.7	11.8	12.9	12.7	9.3	7.1	5.8
EV/EBITA	17.1	18.5	19.5	18.5	21.5	13.5	10.0
EV/EBIT	17.1	18.5	19.5	22.8	21.5	13.5	10.0
EV/OCF	13.8	28.1	29.0	9.8	16.3	9.0	6.9
EV/FCFF	23.4	37.6	564.3	-23.7	19.1	9.6	7.8
P/FCFE	21.4	35.0	-144.8	-9.8	76.3	9.4	5.1
P/E	11.6	15.7	16.0	18.7	15.6	10.0	7.6
P/B	2.8	2.8	3.5	2.9	2.7	2.4	2.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.8	7.4	6.1
Target EV/EBIT	0.0	0.0	0.0	0.0	22.5	14.1	10.5
Target EV/FCF	0.0	0.0	0.0	0.0	149.4	18.1	9.1
Target P/B	0.0	0.0	0.0	0.0	2.9	2.6	2.3
Target P/E	0.0	0.0	0.0	0.0	16.9	10.8	8.2
<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	0.52	0.81	1.07
Operating cash flow per share	0.84	0.44	0.50	1.52	0.93	1.64	2.00
Free cash flow per share	0.35	0.23	-0.07	-0.86	0.11	0.86	1.59
Book value per share	2.71	2.93	2.82	2.92	3.00	3.30	3.77
Dividend per share	0.41	0.42	0.43	0.44	0.50	0.60	0.64
Dividend payout ratio, %	63.1	80.8	68.7	97.4	96.7	74.3	60.0
Dividend yield, %	5.5	5.1	4.3	5.2	6.2	7.4	7.9
FCF yield, %	4.7	2.9	-0.7	-10.2	1.3	10.6	19.7
<b>Efficiency measures</b>							
ROE	23.8	18.5	21.9	15.9	17.5	25.6	30.2
ROCE	9.0	8.7	9.5	7.3	6.7	10.0	12.7
<b>Financial ratios</b>							
Inventories as % of sales	10.9	12.4	12.1	13.2	11.0	11.0	11.0
Receivables as % of sales	13.1	13.1	14.0	14.4	13.1	13.1	13.0
Non-interest bearing liabilities as % of sales	15.2	14.0	13.6	19.4	14.0	14.0	14.0
NWC/sales, %	8.5	11.3	12.5	8.0	9.9	9.9	9.9
Operative CAPEX/sales, %	3.4	1.4	3.5	13.8	4.4	3.9	1.9
CAPEX/sales (incl. acquisitions), %	3.4	1.4	3.5	13.8	4.4	3.9	1.9
FCFF/EBITDA	0.5	0.3	0.0	-0.5	0.5	0.7	0.7
Net debt/EBITDA, book-weighted	3.1	3.2	3.3	4.9	3.9	2.8	2.1
Debt/equity, market-weighted	0.6	0.5	0.4	0.8	0.7	0.7	0.6
Equity ratio, book-weighted	33.7	37.0	35.0	27.2	27.2	28.9	33.2
Gearing, %	101.4	89.8	103.9	154.3	165.5	144.4	107.9

**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:**

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,142,941	25.395	10.0%
Vehmas Tatu Antti Aleksi	2,306,676	18.638	7.3%
Varma Mutual Pension Insurance Company	1,438,412	11.622	4.6%
Vehmas Tapio	1,375,827	11.117	4.4%
Ilmarinen Mutual Pension Insurance Company	952,972	7.700	3.0%
Robinson Joanna	754,259	6.094	2.4%
Nyberg Gustav	731,667	5.912	2.3%
Nordea Nordic Small Cap Fund	721,040	5.826	2.3%
Procurator-Holding Oy	514,882	4.160	1.6%
Mandatum Life Insurance Company Limited	491,952	3.975	1.6%
Ten largest	12,430,628	100.439	40%
Residual	18,989,151	153.432	60%
Total	31,419,779	253.872	100%

**EARNINGS CALENDAR**

February 13, 2020	FY 2019 Results
May 05, 2020	Q1 report
August 12, 2020	Q2 report
October 29, 2020	Q3 report

**OTHER EVENTS**

November 26, 2019	CMD
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**COMPANY MISCELLANEOUS**

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IR:	

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



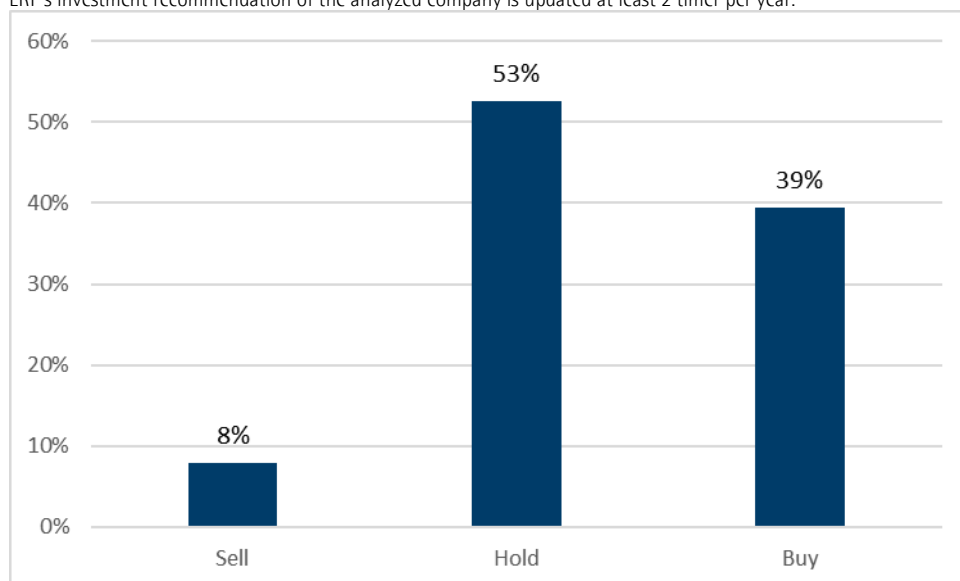
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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