

Q2 will be weaker

Aspo disclosed its preliminary Q1 figures already on Apr 9, in addition to withdrawing guidance for FY '20, so there was little surprise with regards to the results released today. The pandemic did hurt Q1 figures to some extent, but the impact will be felt harder during Q2.

- Aspo Q1 revenue stood at EUR 133.2m, down 6% y/y.
- Q1 EBIT was EUR 4.0m. Lower shipping rates in early Q1, due to the situation in China back then, affected ESL's profitability, while in our view Telko and Leipurin managed relatively strong operating profits. Q2, however, is bound to be worse for all three.
- ESL Shipping's top line was EUR 42.7m (EUR 43.7m a year ago) while EBIT amounted to EUR 2.3m (EUR 3.2m a year ago). Q1 cargo volumes declined slightly y/y from 3.6m to 3.5m tonnes. Volumes for smaller vessels remained at a normal level. ESL can operate normally, but both demand and shipping rates are set to fall further during Q2.
- Telko's Q1 revenue was EUR 63.6m i.e. down 12% y/y, and EBIT came in at EUR 2.4m (EUR 2.4m a year ago). Aspo expects volumes to decline rapidly during Q2.
- Leipurin posted EUR 26.9m revenue, up 4% y/y, and EUR 0.6m EBIT (EUR 0.5m a year ago). Aspo says the pandemic will have a significant negative impact on Q2 figures.

Rating			🟡 HOLD
Q1'20	Actual	Year ago	Q4'19
Revenue	133.2	141.5	147.0
EBIT	4.0	4.9	5.4
EBIT-%	3.0 %	3.5 %	3.7 %
PTP	2.9	3.9	4.5
EPS	0.07	0.10	0.10
Share price, EUR (Last trading day's closing price)			6.24
Target price, EUR			6.25
Latest change in recommendation			30-Oct-19
Latest report on company			14-Apr-20
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			196
Free float, %			-
Exchange rate EUR/RUB			-
Reuters code			ASPO.HE
Bloomberg code			ASPO FH
Average daily volume, EURm			0.1
Next interim report			05-May-20
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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
2018	540.9	20.6	3.8%	-54.5	0.45	18.7	0.9	22.8	-20.6	0.44
2019	587.7	21.1	3.6%	25.5	0.51	16.4	0.8	21.2	9.7	0.22
2020E	570.1	20.7	3.6%	37.5	0.50	12.6	0.6	16.9	19.1	0.45
2021E	588.6	30.3	5.1%	43.8	0.73	8.5	0.5	10.6	22.4	0.48
2022E	605.6	35.8	5.9%	46.1	0.87	7.2	0.5	8.1	23.5	0.52
Market cap, EURm		196	BV per share 2020E, EUR		118.2	CAGR EPS 2019-22, %		19.2		
Net debt 2020E, EURm		154	Price/book 2020E		1.5	CAGR sales 2019-22, %		1.0		
Enterprise value, EURm		351	Dividend yield 2020E, %		7.2	ROE 2020E, %		12.3		
Total assets 2020E, EURm		411	Tax rate 2020E, %		11.9	ROCE 2020E, %		6.4		
Goodwill 2020E, EURm		43	Equity ratio 2020E, %		31.8	PEG, P/E 20/CAGR		0.4		

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

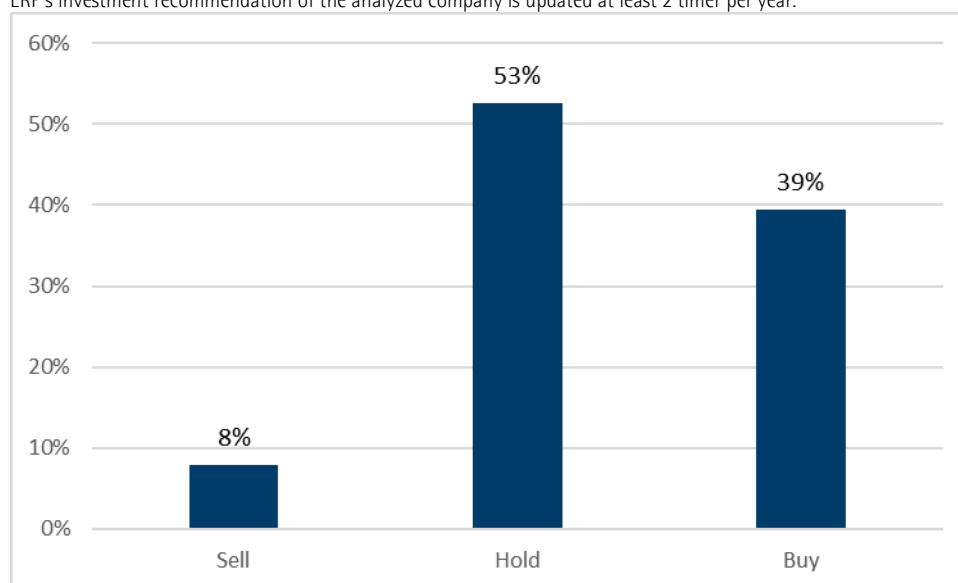
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Investment recommendations are defined as follows:

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

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

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