

A record Q2 profitability

Aspo released preliminary information regarding Q2 results already last week and so the Q2 report was no news event in terms of group-level EBIT. Telko's profitability was higher than we expected.

- Aspo's Q2 revenue was EUR 142.9m vs the EUR 133.6m/134.5m Evli/consensus estimates. Q2 EBIT was EUR 9.6m.
- ESL's top line was EUR 46.0m, compared to our EUR 38.9m estimate, while EBIT amounted to EUR 5.4m vs our EUR 5.2m estimate. Market freight rates improved significantly y/y in all vessel categories, while there were strong fluctuations in loading demand. High dockings also limited profitability potential.
- Telko recorded EUR 71.1m in revenue vs our EUR 67.3m estimate. EBIT was EUR 5.5m, compared to our EUR 4.9m estimate. EBIT margin was 7.7% and prices remained high. The availability situation now seems to be normalizing, which would cause price decreases on the one hand and help Telko's volumes up on the other.
- Leipurin revenue was EUR 25.8m while we expected EUR 27.4m. EBIT stood at EUR 0.3m, compared to our EUR 0.6m estimate.
- Other operations cost EUR 1.6m vs our EUR 1.1m estimate.
- Aspo guides EUR 30-36m in FY '21 EBIT.

Rating	 BUY
Share price, EUR (Last trading day's closing price)	11.12
Target price, EUR	11.5
Latest change in recommendation	06-May-21
Latest report on company	05-Aug-21
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	349
Free float, %	-
Exchange rate EUR/RUB	-
Reuters code	ASPO.HE
Bloomberg code	ASPO FH
Average daily volume, EURm	0.1
Next interim report	11-Aug-21
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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
2019	587.7	21.1	3.6%	25.5	0.51	16.4	0.8	21.2	9.7	0.22
2020	500.7	19.3	3.9%	50.1	0.43	19.7	0.8	21.8	19.0	0.35
2021E	546.2	35.7	6.5%	29.5	0.89	12.4	0.9	13.7	8.5	0.40
2022E	567.9	38.9	6.8%	43.6	0.99	11.2	0.8	11.7	12.5	0.45
2023E	584.2	40.5	6.9%	46.5	1.05	10.6	0.7	10.5	13.3	0.50
Market cap, EURm		349	BV per share 2021E, EUR		105.7	CAGR EPS 2020-23, %				35.2
Net debt 2021E, EURm		138	Price/book 2021E		2.7	CAGR sales 2020-23, %				5.3
Enterprise value, EURm		487	Dividend yield 2021E, %		3.6	ROE 2021E, %				23.0
Total assets 2021E, EURm		390	Tax rate 2021E, %		9.7	ROCE 2021E, %				11.9
Goodwill 2021E, EURm		49	Equity ratio 2021E, %		33.5	PEG, P/E 21/CAGR				2.4

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

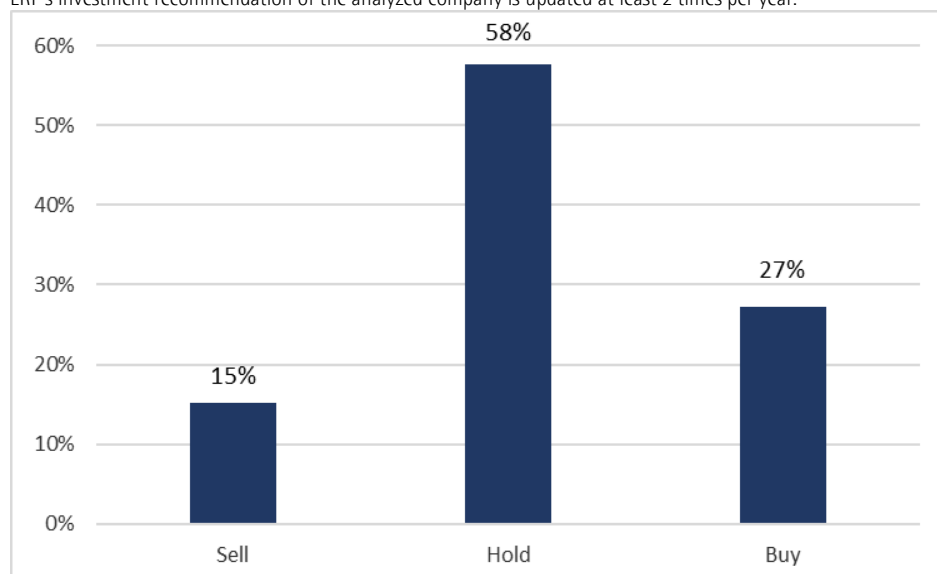
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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