

## Very strong underlying performance

Aspo's headline EUR 7.6m Q3 EBIT didn't meet estimates, but the figure includes a EUR 3.4m Kauko impairment loss. Both ESL and Telko recorded new profitability highs.

- Aspo Q3 revenue was EUR 148.0m, compared to the EUR 143.1m/141.0m Evli/consensus estimates. Q3 EBIT amounted to EUR 7.6m vs the EUR 8.5m/9.0m Evli/consensus estimates. The EBIT figure includes Telko's EUR 3.4m Kauko impairment.
- ESL Q3 revenue came in at EUR 47.3m (a 50% y/y increase) vs our EUR 43.6m estimate, while EBIT amounted to EUR 7.1m vs our EUR 4.5m estimate. ESL achieved the record-high 15% EBIT margin despite extensive dockings as cargo volumes grew by 26% y/y.
- Telko's top line was EUR 73.0m, compared to our EUR 71.6m estimate. EBIT was EUR 2.5m vs our EUR 4.9m estimate. EBIT margin was thus 3.4% but would have been 8% without the EUR 3.4m Kauko impairment. Telko's own operating result represents a record high. Plastics and chemicals prices remained high.
- Leipurin Q3 revenue amounted to EUR 27.7m vs our EUR 27.9m estimate, while EBIT was EUR 0.6m vs our EUR 0.4m estimate.
- Other operations cost EUR 2.6m, compared to our EUR 1.3m estimate.
- Aspo guides EUR 30-36m in FY '21 operating profit. The guidance includes the EUR 3.4m impairment loss.

Rating				+ BUY
Q3'21	Actual	Evli	Year ago	Q2'21
Revenue	148.0	143.1	118.4	142.9
EBIT	7.6	8.5	3.6	9.6
EBIT-%	5.1 %	5.9 %	3.0 %	6.7 %
PTP	6.6	7.6	2.5	8.6
EPS	0.16	0.21	0.05	0.25
Share price, EUR (Last trading day's closing price)				13.40
Target price, EUR				12.5
Latest change in recommendation				06-May-21
Latest report on company				12-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				421
Free float, %				-
Exchange rate EUR/RUB				-
Reuters code				ASPO.HE
Bloomberg code				ASPO FH
Average daily volume, EURm				0.1
Next interim report				27-Oct-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	569.5	35.8	6.3%	22.9	0.91	14.8	1.0	15.8	5.4	0.40
2022E	592.0	39.7	6.7%	44.7	1.01	13.3	0.9	13.4	10.6	0.45
2023E	608.9	42.7	7.0%	48.8	1.11	12.0	0.8	11.7	11.6	0.50
Market cap, EURm				421	BV per share 2021E, EUR	110.5	CAGR EPS 2020-23, %		37.7	
Net debt 2021E, EURm				145	Price/book 2021E	3.2	CAGR sales 2020-23, %		6.7	
Enterprise value, EURm				566	Dividend yield 2021E, %	3.0	ROE 2021E, %		23.3	
Total assets 2021E, EURm				402	Tax rate 2021E, %	9.5	ROCE 2021E, %		11.8	
Goodwill 2021E, EURm				49	Equity ratio 2021E, %	32.6	PEG, P/E 21/CAGR		2.1	

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

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

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