

High and resilient EBIT

Aspo's Q4 adj. EBIT reached EUR 13.9m; we believe ESL's and Telko's results are resilient while the guidance doesn't appear to set the bar very high either for H1 or H2.

Q4 adj. EBIT was very high, outlook still favorable for H1'22
Aspo Q4 revenue grew by 27% y/y to EUR 160m, somewhat above the EUR 153m/148m Evli/cons. estimates. The EUR 13.9m adj. EBIT was clearly above the EUR 10.8m estimates. Aspo's H2'21 involved, in essence, a couple of positive profit warnings as there were a few impairment losses which burdened the headline EBIT. The cargo market situation was well-known and hence another record ESL EBIT was in the cards; we expect some long-term pressure on the 16.5% ESL H2 EBIT margin, although based on Aspo's comments there shouldn't be any imminent negative factors. Forest, steel, and energy industries continue to drive robust cargo volumes also in H1'22. Telko's EBIT was a bit soft relative to our estimate but still amounted to a very decent 6% margin. Leipurin recorded an impairment loss of EUR 4.3m, but other than that the results were much as we expected.

We estimate EBIT well above EUR 40m in the coming years

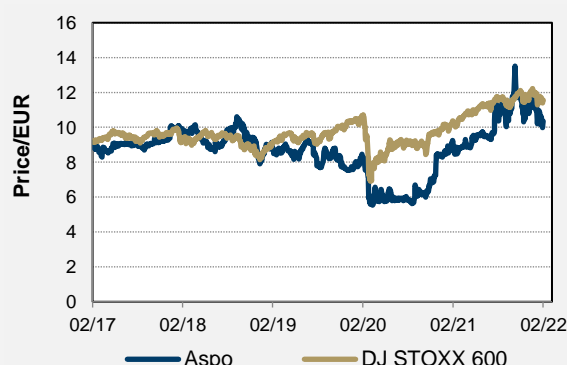
The spot market for large vessels has slipped a bit from the recent tops, yet ESL's focus means results should be resilient even in the face of a marked drop. The geopolitical tensions, should they happen to escalate, would cast some uncertainty around the short-term performance of Telko and Leipurin, but in our view any major long-term adverse effects would be unlikely given the fact that both have a history of operating in challenging Eastern European countries. In our opinion the flat EBIT guidance appears conservative, especially considering the relatively undemanding H1'21 comparison figures and the fact that ESL's strong H2'21 performance should extend itself well this year. We make only minor estimate revisions; our new FY '22 EBIT estimate is EUR 43.4m (prev. EUR 42.4m).

Modest multiples given the guidance and LT positioning

We find Aspo's current valuation level undemanding, not much more than 6x EV/EBITDA and 10x EV/EBIT on our FY '22 estimates, especially when we view a positive profit warning much more likely than a negative one. We believe ESL can well beat our estimates and our 5.8% EBIT estimate for Telko isn't that high either. We retain our EUR 14 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price)	10.34
Target price, EUR	14.0

Latest change in recommendation	02-Dec-21
Latest report on company	02-Dec-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	325
Free float, %	-
Exchange rate EUR/RUB	-
Reuters code	ASPO.HE
Bloomberg code	ASPO FH
Average daily volume, EURm	0.1
Next interim report	04-May-22
Web site	www.aspo.com

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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
2020	500.7	16.7	3.3%	47.5	0.34	24.4	0.8	25.2	18.0	0.35
2021	573.3	36.9	6.4%	9.3	0.90	12.6	0.9	13.8	2.6	0.23
2022E	606.9	43.4	7.2%	53.4	1.11	9.3	0.7	9.9	16.4	0.45
2023E	631.5	47.7	7.5%	54.9	1.26	8.2	0.6	8.2	16.9	0.50
2024E	647.8	52.8	8.2%	45.3	1.40	7.4	0.6	6.8	13.9	0.84
Market cap, EURm	325			Gearing 2022E, %	68.0			CAGR EPS 2021-24, %	15.8	
Net debt 2022E, EURm	107			Price/book 2022E	2.1			CAGR sales 2021-24, %	4.2	
Enterprise value, EURm	432			Dividend yield 2022E, %	4.4			ROE 2022E, %	24.4	
Total assets 2022E, EURm	406			Tax rate 2022E, %	10.0			ROCE 2022E, %	14.6	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	38.7			PEG, P/E 22/CAGR	0.7	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		21	22	21	22	21	22
Algoma Central	455	5.4x	5.4x				
Diana Shipping	331	6.0x	3.0x	10.2x	3.6x	0.8x	0.6x
Eagle Bulk Ship	624	3.1x	3.7x	3.6x	4.6x	1.1x	0.9x
Genco Shipping & Trading	669	3.6x	3.9x	4.7x	5.0x	0.8x	1.5x
Golden Ocean Group	2090	4.6x	5.5x	5.7x	6.8x	1.2x	1.1x
Navios Maritime Partners	859	4.6x	2.8x	5.5x	3.5x	0.6x	0.4x
Pangaea Logistics	186	4.6x	4.1x	6.1x	6.0x	0.8x	0.5x
Safe Bulkers	463	3.2x	3.6x	4.1x	4.8x	0.7x	0.7x
Eneti	255	7.0x	3.5x	32.2x	8.0x	0.5x	0.4x
SFL	1119					1.2x	1.2x
Star Bulk Carriers	2445	4.2x	4.6x	5.0x	5.7x	1.4x	1.4x
Peer Group Average	863	4.6x	4.0x	8.6x	5.3x	0.9x	0.9x
Peer Group Median	624	4.6x	3.8x	5.5x	5.0x	0.8x	0.8x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	883	11.0x	8.6x	14.0x	10.8x	6.1 %	6.2 %
Ashland Global Holdings	4825	16.5x	13.7x	28.0x	25.3x	12.7 %	13.1 %
Brenntag	12156	11.1x	10.1x	14.9x	13.3x	7.1 %	7.3 %
IMCD	8116	29.1x	20.1x	37.9x	25.7x	9.2 %	9.2 %
Univar Solutions	4501	9.1x	9.2x	12.3x	12.3x	6.1 %	6.2 %
Peer Group Average	6096	15.4x	12.3x	21.4x	17.5x	8.2 %	8.4 %
Peer Group Median	4825	11.1x	10.1x	14.9x	13.3x	7.1 %	7.3 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	745						
Chefs' Warehouse	1096	26.9x	15.2x	132.6x	28.4x	0.7 %	2.7 %
Marr	1257	15.8x	11.3x	24.5x	14.8x	4.0 %	5.3 %
Middleby	9409	17.9x	14.9x	22.7x	17.6x	17.3 %	18.7 %
Orkla	8148	12.9x	11.6x	16.8x	15.3x	12.2 %	12.0 %
Performance Food Group	7277	14.1x	11.6x	20.5x	15.8x	1.4 %	1.5 %
Sysco	38035	18.6x	14.7x	25.4x	18.7x	3.4 %	4.3 %
Tate & Lyle	4269	10.2x	14.3x	15.3x	19.3x	13.1 %	13.8 %
Total Produce							
US Foods Holding	7720	12.5x	10.4x	19.4x	14.7x	2.3 %	3.0 %
Welbilt	2983	17.6x	14.3x	22.9x	17.4x	13.8 %	16.5 %
Peer Group Average	8094	16.3x	13.1x	33.3x	18.0x	7.6 %	8.6 %
Peer Group Median	5773	15.8x	14.3x	22.7x	17.4x	4.0 %	5.3 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'21	'21 *		'22e	'22e *	
ESL	26.8	5.5x	147	29.9	5.0x	150
Telko	20.4	14.9x	304	16.8	13.3x	223
Leipurin	-2.4	22.7x	-54	2.3	17.4x	40
Other operations	-7.9		-57	-5.6		-55
Total			340			358
Net debt (Evli YE est.)			153			107
Equity value			187			251
Per share			5.9			8.0

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.34 PV of Free Cash Flow	338 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	16.56 PV of Horizon value	336 WACC, %	7.4 Market risk premium, %
Share price potential, %	60.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	18.2 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	15.1 Debt - dividend	-171 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	49.9 Value of stock	520 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	573	607	632	648	661	671	681	691	701	712	719	726
<i>Sales growth, %</i>	<i>14.5</i>	<i>5.9</i>	<i>4.0</i>	<i>2.6</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	37	43	48	53	61	50	48	48	49	50	50	51
<i>Operating income margin, %</i>	<i>6.4</i>	<i>7.2</i>	<i>7.5</i>	<i>8.2</i>	<i>9.2</i>	<i>7.5</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	35	27	29	26	24	22	22	21	22	19	20	
EBITDA	71	71	77	78	84	72	69	70	71	69	70	
- Paid taxes	-5	-4	-5	-5	-6	-5	-5	-5	-5	-5	-5	
- Change in NWC	-23	3	-2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>7.9</i>	<i>8.0</i>	<i>8.0</i>	<i>8.1</i>	<i>8.1</i>	<i>8.1</i>	<i>8.1</i>	<i>8.2</i>	<i>8.2</i>	<i>8.2</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-11	-11	-22	-23	-24	-24	-24	-6	-21	-21	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>2.0</i>	<i>1.8</i>	<i>3.5</i>	<i>3.5</i>	<i>3.7</i>	<i>3.6</i>	<i>3.5</i>	<i>1.0</i>	<i>3.0</i>	<i>2.9</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	28	57	58	48	53	41	39	39	57	41	43	681
= Discounted FCFF		54	51	39	40	29	25	24	33	22	21	336
= DFCF min WACC		54	51	40	41	30	26	25	34	22	22	381
= DFCF max WACC		54	50	39	39	28	25	23	31	21	20	297

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	132.3	142.9	148.0	150.1	573.3	150.1	146.0	150.4	160.5	606.9	631.5	647.8
EBITDA	15.3	17.1	18.3	20.7	71.4	17.7	16.9	17.4	19.0	70.9	77.0	78.3
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>12.0</i>	<i>12.4</i>	<i>13.8</i>	<i>12.5</i>	<i>11.8</i>	<i>11.6</i>	<i>11.6</i>	<i>11.8</i>	<i>11.7</i>	<i>12.2</i>	<i>12.1</i>
EBIT	7.9	9.6	7.6	11.8	36.9	10.8	10.0	10.5	12.1	43.4	47.7	52.8
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>6.7</i>	<i>5.1</i>	<i>7.9</i>	<i>6.4</i>	<i>7.2</i>	<i>6.9</i>	<i>7.0</i>	<i>7.5</i>	<i>7.2</i>	<i>7.5</i>	<i>8.2</i>
Net financial items	-0.9	-1.0	-1.0	-0.9	-3.8	-0.8	-0.8	-0.8	-0.8	-3.2	-2.3	-2.5
Pre-tax profit	7.0	8.6	6.6	10.9	33.1	10.0	9.2	9.7	11.3	40.2	45.3	50.3
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-1.0	-0.9	-1.0	-1.1	-4.0	-4.5	-5.0
<i>Tax rate (%)</i>	<i>8.6</i>	<i>9.3</i>	<i>18.2</i>	<i>19.3</i>	<i>14.2</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>
Net profit	6.4	7.8	5.4	8.8	28.4	8.7	8.0	8.4	9.9	35.0	39.6	44.1
EPS	0.20	0.25	0.17	0.28	0.90	0.28	0.25	0.27	0.31	1.11	1.26	1.40
EPS adjusted (diluted no. of shares)	0.20	0.25	0.17	0.28	0.90	0.28	0.25	0.27	0.31	1.11	1.26	1.40
Dividend per share	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.45	0.50	0.84
SALES, EURm												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	50.7	46.4	46.4	56.4	200.0	206.0	210.1
Leipurin	27.9	25.8	27.7	31.7	113.1	30.5	27.3	29.0	32.5	119.3	123.5	126.6
Telko	61.0	71.1	73.0	63.7	268.8	68.9	72.2	74.9	71.6	287.6	302.0	311.1
Total	132.3	142.9	148.0	150.1	573.3	150.1	146.0	150.4	160.5	606.9	631.5	647.8
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>1.6</i>	<i>39.8</i>	<i>49.7</i>	<i>32.8</i>	<i>29.0</i>	<i>16.8</i>	<i>1.0</i>	<i>-1.8</i>	<i>3.2</i>	<i>4.5</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>3.7</i>	<i>11.2</i>	<i>14.0</i>	<i>19.2</i>	<i>12.0</i>	<i>9.5</i>	<i>5.8</i>	<i>4.6</i>	<i>2.5</i>	<i>5.5</i>	<i>3.5</i>	<i>2.5</i>
<i>Telko</i>	<i>-4.1</i>	<i>19.5</i>	<i>16.8</i>	<i>-3.0</i>	<i>7.0</i>	<i>13.0</i>	<i>1.6</i>	<i>2.6</i>	<i>12.3</i>	<i>7.0</i>	<i>5.0</i>	<i>3.0</i>
Total	-0.7	23.6	25.0	12.4	14.5	13.5	2.2	1.6	6.9	5.9	4.0	2.6
EBIT, EURm												
ESL Shipping	4.5	5.4	7.1	9.8	26.8	7.5	6.7	7.2	8.5	29.9	27.8	29.4
Leipurin	0.3	0.3	0.6	-3.6	-2.4	0.5	0.6	0.5	0.7	2.3	4.3	5.7
Telko	4.5	5.5	2.5	7.9	20.4	4.2	4.1	4.2	4.3	16.8	21.1	23.3
Other operations	-1.4	-1.6	-2.6	-2.3	-7.9	-1.4	-1.4	-1.4	-1.4	-5.6	-5.6	-5.6
Total	7.9	9.6	7.6	11.8	36.9	10.8	10.0	10.5	12.1	43.4	47.7	52.8
EBIT margin, %												
<i>ESL Shipping</i>	<i>10.4</i>	<i>11.7</i>	<i>15.0</i>	<i>17.9</i>	<i>14.0</i>	<i>14.8</i>	<i>14.4</i>	<i>15.5</i>	<i>15.1</i>	<i>14.9</i>	<i>13.5</i>	<i>14.0</i>
<i>Leipurin</i>	<i>1.1</i>	<i>1.2</i>	<i>2.2</i>	<i>-11.4</i>	<i>-2.1</i>	<i>1.6</i>	<i>2.2</i>	<i>1.7</i>	<i>2.2</i>	<i>1.9</i>	<i>3.5</i>	<i>4.5</i>
<i>Telko</i>	<i>7.4</i>	<i>7.7</i>	<i>3.4</i>	<i>12.4</i>	<i>7.6</i>	<i>6.1</i>	<i>5.7</i>	<i>5.6</i>	<i>6.0</i>	<i>5.8</i>	<i>7.0</i>	<i>7.5</i>
Total	6.0	6.7	5.1	7.9	6.4	7.2	6.9	7.0	7.5	7.2	7.5	8.2

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	606.9	631.5	647.8
<i>Sales growth (%)</i>	<i>9.8</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>5.9</i>	<i>4.0</i>	<i>2.6</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	70.9	77.0	78.3
<i>EBITDA margin (%)</i>	<i>7.0</i>	<i>6.9</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>11.7</i>	<i>12.2</i>	<i>12.1</i>
Depreciation	-11.9	-11.7	-28.6	-29.0	-34.5	-27.5	-29.3	-25.5
EBITA	23.1	25.4	21.1	16.7	36.9	43.4	47.7	52.8
Goodwill amortization / writedown	0.0	-4.8	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	23.1	20.6	21.1	16.7	36.9	43.4	47.7	52.8
<i>EBIT margin (%)</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>7.2</i>	<i>7.5</i>	<i>8.2</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	43.4	47.7	52.8
<i>EBIT margin (reported) (%)</i>	<i>4.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>7.2</i>	<i>7.5</i>	<i>8.2</i>
Net financials	-2.0	-4.2	-2.9	-4.5	-3.8	-3.2	-2.3	-2.5
Pre-tax profit	21.1	16.4	18.2	12.2	33.1	40.2	45.3	50.3
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-4.0	-4.5	-5.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	19.4	14.2	16.1	10.8	28.4	35.0	39.6	44.1
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	128	185	190	177	175	159	140	136
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	22	23	23
Inventory	61	71	56	42	69	67	69	71
Receivables	70	78	75	63	83	87	90	93
Liquid funds	20	19	24	32	18	30	32	32
Total assets	321	436	410	384	406	406	396	398
Liabilities								
Shareholder's equity	87	92	122	113	129	157	183	211
Minority interest	0	0	0	0	0	0	0	0
Convertibles	25	25	0	0	0	0	0	0
Lease liabilities	0	0	9	7	7	22	23	23
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	115	75	46
Non-interest bearing current liabilities	68	105	61	64	79	85	88	91
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	406	396	398
CASH FLOW, EURm								
+ EBITDA	35	37	50	46	71	71	77	78
- Net financial items	-2	-4	-3	-4	-4	-3	-2	-2
- Taxes	-3	-2	0	-2	-5	-4	-5	-5
- Increase in Net Working Capital	-13	-11	-14	29	-23	3	-2	-2
+/- Other	-2	0	0	0	0	-1	-1	-1
= Cash flow from operations	16	20	33	68	40	65	66	68
- Capex	-18	-75	-7	-21	-31	-12	-12	-23
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-2	-55	25	48	9	53	55	45
+/- New issues/buybacks	-9	4	28	-12	-1	0	0	0
- Paid dividend	-13	-13	-14	-7	-11	-7	-14	-16
+/- Other	21	64	-35	-20	-11	-33	-40	-29
Change in cash	-3	-1	4	9	-15	13	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	325	325	325
Net debt (excl. convertibles)	180	185	157	153	107	66	37
Enterprise value	470	448	420	510	432	391	361
Sales	541	588	501	573	607	632	648
EBITDA	37	50	46	71	71	77	78
EBIT	21	21	17	37	43	48	53
Pre-tax	16	18	12	33	40	45	50
Earnings	14	16	11	28	35	40	44
Equity book value (excl. minorities)	92	122	113	129	157	183	211
Valuation multiples							
EV/sales	0.9	0.8	0.8	0.9	0.7	0.6	0.6
EV/EBITDA	12.7	9.0	9.2	7.1	6.1	5.1	4.6
EV/EBITA	18.5	21.2	25.2	13.8	9.9	8.2	6.8
EV/EBIT	22.8	21.2	25.2	13.8	9.9	8.2	6.8
EV/OCF	23.2	13.8	6.2	12.7	6.6	5.9	5.3
EV/FCFF	-15.2	17.5	6.7	18.2	7.5	6.8	7.5
P/FCFE	-4.9	10.3	5.6	38.4	6.1	5.9	7.2
P/E	18.7	16.4	24.4	12.6	9.3	8.2	7.4
P/B	2.9	2.2	2.3	2.8	2.1	1.8	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.7	6.6	6.1
Target EV/EBIT	0.0	0.0	0.0	0.0	12.6	10.6	9.0
Target EV/FCF	0.0	0.0	0.0	0.0	10.2	9.2	10.5
Target P/B	0.0	0.0	0.0	0.0	2.8	2.4	2.1
Target P/E	0.0	0.0	0.0	0.0	12.6	11.1	10.0
Per share measures							
Number of shares	31,420	31,420	31,420	31,420	31,420	31,420	31,420
Number of shares (diluted)	31,420	31,420	31,420	31,420	31,420	31,420	31,420
EPS	0.45	0.51	0.34	0.90	1.11	1.26	1.40
Operating cash flow per share	0.65	1.04	2.17	1.28	2.08	2.11	2.16
Free cash flow per share	-1.74	0.81	1.51	0.30	1.70	1.75	1.44
Book value per share	2.92	3.88	3.61	4.12	5.00	5.81	6.72
Dividend per share	0.44	0.22	0.35	0.23	0.45	0.50	0.84
Dividend payout ratio, %	97.4	42.9	101.8	25.4	40.4	39.7	60.0
Dividend yield, %	5.2	2.6	4.2	2.2	4.4	4.8	8.1
FCF yield, %	-20.6	9.7	18.0	2.6	16.4	16.9	13.9
Efficiency measures							
ROE	15.9	15.1	9.2	23.4	24.4	23.3	22.4
ROCE	7.3	6.5	5.3	12.3	14.6	16.6	18.9
Financial ratios							
Inventories as % of sales	13.2	9.5	8.5	12.0	11.0	11.0	11.0
Receivables as % of sales	14.4	12.8	12.6	14.4	14.4	14.3	14.3
Non-interest bearing liabilities as % of sales	19.4	10.4	12.8	13.8	14.0	14.0	14.0
NWC/sales, %	8.0	9.7	5.7	8.9	7.9	8.0	8.0
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	2.0	1.8	3.5
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	2.0	1.8	3.5
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.8	0.8	0.6
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.5	0.9	0.5
Debt/equity, market-weighted	0.8	0.8	0.7	0.5	0.4	0.2	0.1
Equity ratio, book-weighted	27.2	29.8	29.5	31.8	38.7	46.2	53.1
Gearing, %	154.3	151.6	137.9	118.2	68.0	36.2	17.3

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: Aspo's key segment, ESL, has invested heavily in recent years by commissioning two LNG-powered vessels and acquiring a dry bulk carrier named Ato@B (which specializes in time-chartered smaller vessels suitable for biofuel shipments). Given ESL's stable long-term customer relationships and a fleet tailored for demanding Baltic Sea conditions, we expect the dry bulk carrier will post significantly higher operating profits going forward. We expect Telko, a chemical distributor, to achieve materially higher profitability following its cost efficiency program once the market situation stabilizes. We also see good scope for Leipurin's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,262,941	33.739	10.4%
Aev Capital Holding Oy	3,213,535	33.228	10.2%
Varma Mutual Pension Insurance Company	1,423,076	14.715	4.5%
Vehmas Tapio	1,275,827	13.192	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	9.050	2.8%
Nyberg Gustav	851,524	8.805	2.7%
Nordea Nordic Small Cap Fund	721,040	7.456	2.3%
Procurator-Holding Oy	514,882	5.324	1.6%
Nordea Bank ABP	462,710	4.784	1.5%
Mandatum Life Insurance Company Limited	426,946	4.415	1.4%
Ten largest	13,027,707	134.706	41%
Residual	18,392,072	190.174	59%
Total	31,419,779	324.881	100%

EARNINGS CALENDAR

May 04, 2022	Q1 report
August 10, 2022	Q2 report
November 02, 2022	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Jansson Rolf
CFO: Meitsalo Arto
IR: Keränen Keijo

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

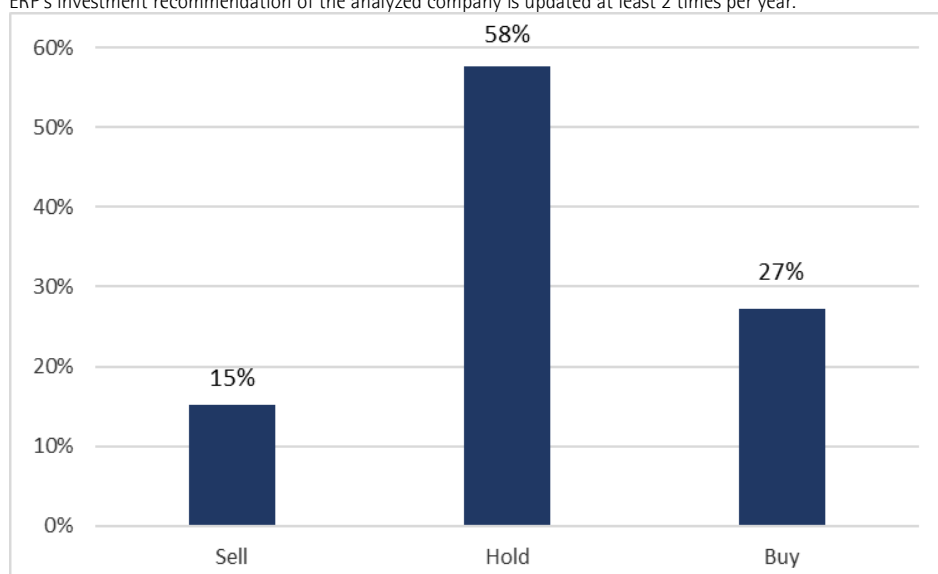
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Investment recommendations are defined as follows:

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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