

## Outlook remains solid despite exits

Aspo's guidance upgrade arrived sooner than we expected.

### Adj. EBIT will top the EUR 42.4m figure seen previous year

Aspo's upgrade didn't come as a big surprise since the guidance appeared to be on the cautious side after strong Q1 results, however the update materialized at least a few months before we would have expected. In our view there have been no major news regarding ESL's and Telko's development since the Q1 report, but the dry cargo shipping business is still likely to see additional improvement from last year despite high uncertainty around macroeconomic trends. Telko's Q1 results happened to benefit from the war's effects as high plastics and chemicals prices helped adj. EBIT margin to 11.3%, likely an unsustainable level in the long run as high costs already had some impact on customers' operations in Q1. Short-term profitability outlook remains favorable for ESL and Telko as the former is set to near EUR 30m EBIT while the latter continues to operate in an inflationary environment in the short and medium term.

### M&A will add on top of Western organic opportunities

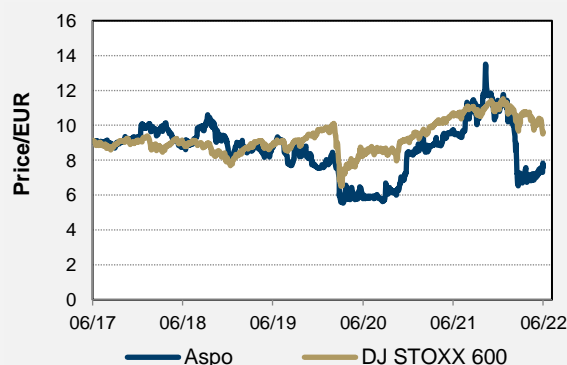
We estimate Aspo to reach EUR 44m in adj. EBIT this year (prev. EUR 34m). We believe Telko will see some softening in margins in the medium term and hence we wouldn't expect improvement in EBIT for next year. The impending exit from Russia and Belarus limits overall organic growth rate, although Western markets should be able to make up some of the lost volumes. Telko also continues to look for M&A targets, while Leipurin just announced a major acquisition in Sweden. The target, a bakery distributor called Kobia, seems a great fit for Leipurin and is in line with Aspo's Western M&A aims. The EUR 50m business isn't that big in the Aspo context but is a significant move for Leipurin and profitable with a 3% EBIT margin. We are yet to include the acquisition in our estimates, but it should close in a few months. In our view the acquisition underlines Aspo's commitment to Leipurin as M&A focus has often seemed to be around Telko.

### Valuation is undemanding in the light of EUR 40m EBIT

Aspo's EBIT is likely to remain around EUR 40m in the coming years. It may be hard to significantly improve from that level considering the already favorable market outlooks, but we view valuation undemanding as our SOTP suggests equity value closer to EUR 10 per share. We retain our EUR 8.5 TP and BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 7.60

Target price, EUR 8.5

Latest change in recommendation 05-May-22

Latest report on company 05-May-22

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 239

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 10-Aug-22

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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	566.8	39.8	7.0%	52.3	0.98	7.8	0.6	8.7	21.9	0.45
2023E	550.5	39.0	7.1%	53.5	1.01	7.5	0.6	7.9	22.4	0.50
2024E	567.2	44.1	7.8%	55.8	1.16	6.6	0.5	6.1	23.4	0.70
Market cap, EURm	239			Gearing 2022E, %	70.6			CAGR EPS 2021-24, %	8.6	
Net debt 2022E, EURm	108			Price/book 2022E	1.6			CAGR sales 2021-24, %	-0.4	
Enterprise value, EURm	347			Dividend yield 2022E, %	5.9			ROE 2022E, %	21.7	
Total assets 2022E, EURm	395			Tax rate 2022E, %	11.3			ROCE 2022E, %	13.5	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	38.7			PEG, P/E 22/CAGR	0.5	

**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	453	5.4x	5.0x	10.6x	12.2x		
Diana Shipping	431	6.2x	3.8x	10.3x	4.7x	1.1x	0.8x
Eagle Bulk Ship	772	3.5x	3.6x	4.0x	4.4x	1.3x	1.0x
Genco Shipping & Trading	848	3.2x	3.7x	3.9x	4.7x	1.0x	1.4x
Golden Ocean Group	2476	4.7x	5.9x	5.8x	6.9x	1.2x	1.2x
Navios Maritime Partners	729	4.4x	2.7x	5.4x	3.5x	0.5x	0.3x
Pangaea Logistics	253	4.5x	4.2x	5.9x	5.3x	0.9x	0.7x
Safe Bulkers	480	3.1x	3.3x	4.1x	4.3x	0.7x	0.6x
Eneti	245	11.3x	3.2x		7.3x		
SFL	1298	8.9x	9.4x	14.4x	17.3x	1.3x	1.2x
Star Bulk Carriers	2572	3.8x	3.8x	4.6x	4.5x	1.3x	1.3x
Peer Group Average	960	<b>5.4x</b>	<b>4.4x</b>	<b>6.9x</b>	<b>6.8x</b>	<b>1.0x</b>	<b>1.0x</b>
Peer Group Median	729	<b>4.5x</b>	<b>3.8x</b>	<b>5.6x</b>	<b>4.7x</b>	<b>1.1x</b>	<b>1.0x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
AKR Corporindo	1506	15.5x	11.6x	19.2x	13.5x	5.1 %	5.6 %
Ashland Global Holdings	5120	12.1x	10.9x	22.9x	19.6x	11.4 %	13.5 %
Brenntag	11167	9.7x	8.2x	13.4x	10.6x	5.7 %	7.4 %
IMCD	7542	19.8x	16.8x	27.2x	21.0x	6.5 %	9.5 %
Univar Solutions	4754	9.3x	7.1x	13.5x	8.8x	5.2 %	7.7 %
Peer Group Average	6018	<b>13.3x</b>	<b>10.9x</b>	<b>19.2x</b>	<b>14.7x</b>	<b>6.8 %</b>	<b>8.7 %</b>
Peer Group Median	5120	<b>12.1x</b>	<b>10.9x</b>	<b>19.2x</b>	<b>13.5x</b>	<b>5.7 %</b>	<b>7.7 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		21	22	21	22	21	22
Amsterdam Commodities	674		9.1x		11.7x		6.7 %
Chefs' Warehouse	1190	26.9x	15.3x	152.8x	28.1x	0.6 %	2.7 %
Marr	881	16.5x	10.1x	24.0x	13.0x	4.0 %	4.8 %
Middleby	6841	18.8x	11.8x	23.9x	14.7x	17.4 %	16.5 %
Orkla	7030	13.2x	10.3x	16.8x	13.7x	12.2 %	11.8 %
Performance Food Group	5749	14.0x	9.7x	20.7x	13.3x	1.3 %	1.5 %
Sysco	38920	18.4x	13.9x	24.9x	17.5x	3.4 %	4.2 %
Tate & Lyle	3454	10.1x	12.4x	16.4x	18.5x	12.2 %	12.5 %
Total Produce							
US Foods Holding	6008	13.0x	9.1x	20.3x	13.1x	2.3 %	2.7 %
Welbilt	3231	17.1x	17.3x	22.1x	42.3x	13.7 %	7.5 %
Peer Group Average	7398	<b>16.4x</b>	<b>11.9x</b>	<b>35.8x</b>	<b>18.6x</b>	<b>7.5 %</b>	<b>7.1 %</b>
Peer Group Median	4602	<b>16.5x</b>	<b>11.0x</b>	<b>22.1x</b>	<b>14.2x</b>	<b>4.0 %</b>	<b>5.8 %</b>

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'21	'21 *		'22e <sup>2)</sup>	'22e *	
ESL	26.8	5.6x	150	30.2	4.7x	142
Telko	20.4	19.2x	392	19.6	13.5x	265
Leipurin <sup>1)</sup>	1.9	22.1x	42	1.4	14.2x	20
Other operations	-7.9		-57	-7.0		-55
Total			527			371
Net debt (Evli YE est.)			153			108
Equity value			374			263
Per share			11.9			8.4

\*Peer group median (FactSet)

1) excl. the impairment loss

2) adjusted for comparability

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.60 PV of Free Cash Flow	331 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	14.99 PV of Horizon value	301 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	97.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	16.5 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	13.7 Debt - dividend	-178 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	47.6 Value of stock	471 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	573	567	550	567	578	587	596	605	614	623	629	636
<i>Sales growth, %</i>	<i>14.5</i>	<i>-1.1</i>	<i>-2.9</i>	<i>3.0</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	40	39	44	56	44	42	42	43	44	44	45
<i>Operating income margin, %</i>	<i>6.4</i>	<i>7.0</i>	<i>7.1</i>	<i>7.8</i>	<i>9.7</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	29	30	26	21	19	19	19	19	17	17	
EBITDA	71	69	69	70	77	63	61	61	62	61	61	
- Paid taxes	-5	-4	-4	-4	-6	-4	-4	-4	-4	-4	-4	
- Change in NWC	-23	7	2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>7.7</i>	<i>7.7</i>	<i>7.7</i>	<i>7.8</i>	<i>7.8</i>	<i>7.9</i>	<i>7.9</i>	<i>7.9</i>	<i>7.9</i>	<i>8.0</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-10	-10	-4	-20	-21	-21	-21	-6	-19	-18	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>2.5</i>	<i>1.8</i>	<i>0.9</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	60	55	58	48	36	34	34	50	35	38	596
= Discounted FCFF		57	49	49	38	26	23	21	29	19	19	301
= DFCF min WACC		58	50	49	38	26	23	22	30	20	20	341
= DFCF max WACC		57	49	48	37	25	22	21	28	18	18	267

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	129.4	145.8	148.0	150.1	573.3	160.4	142.0	129.9	134.5	566.8	550.5	567.2
EBITDA	15.2	17.2	18.3	20.7	71.4	18.4	16.2	16.5	17.5	68.5	68.8	69.9
<i>EBITDA margin (%)</i>	<i>11.7</i>	<i>11.8</i>	<i>12.4</i>	<i>13.8</i>	<i>12.5</i>	<i>11.5</i>	<i>11.4</i>	<i>12.7</i>	<i>13.0</i>	<i>12.1</i>	<i>12.5</i>	<i>12.3</i>
EBIT	7.8	9.7	7.6	11.8	36.9	10.3	9.3	9.6	10.6	39.8	39.0	44.1
<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>6.4</i>	<i>6.5</i>	<i>7.4</i>	<i>7.9</i>	<i>7.0</i>	<i>7.1</i>	<i>7.8</i>
Net financial items	-0.9	-1.0	-1.0	-0.9	-3.8	-1.8	-0.8	-0.8	-0.8	-4.2	-2.3	-2.3
Pre-tax profit	6.9	8.7	6.6	10.9	33.1	8.5	8.5	8.8	9.8	35.6	36.7	41.8
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-1.3	-0.8	-0.9	-1.0	-4.0	-3.7	-4.2
<i>Tax rate (%)</i>	<i>8.7</i>	<i>9.2</i>	<i>18.2</i>	<i>19.3</i>	<i>14.2</i>	<i>15.3</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>11.3</i>	<i>10.0</i>	<i>10.0</i>
Net profit	6.3	7.9	5.4	8.8	28.4	7.2	7.3	7.6	8.5	30.7	31.8	36.4
EPS	0.20	0.25	0.17	0.28	0.90	0.23	0.23	0.24	0.27	0.98	1.01	1.16
EPS adjusted (diluted no. of shares)	0.20	0.25	0.17	0.28	0.90	0.23	0.23	0.24	0.27	0.98	1.01	1.16
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	0.70
<b>SALES, EURm</b>												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	56.8	50.2	49.9	56.8	213.7	220.1	224.5
Leipurin	28.0	25.7	27.7	31.7	113.1	27.7	23.3	22.6	25.7	99.3	94.3	97.2
Telko	58.0	74.1	73.0	63.7	268.8	75.9	68.5	57.4	52.0	253.8	236.0	245.5
<b>Total</b>	<b>129.4</b>	<b>145.8</b>	<b>148.0</b>	<b>150.1</b>	<b>573.3</b>	<b>160.4</b>	<b>142.0</b>	<b>129.9</b>	<b>134.5</b>	<b>566.8</b>	<b>550.5</b>	<b>567.2</b>
<b>SALES GROWTH, Y/Y %</b>												
<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>30.9</i>	<i>9.1</i>	<i>5.5</i>	<i>3.8</i>	<i>11.7</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>4.1</i>	<i>10.8</i>	<i>14.0</i>	<i>19.2</i>	<i>12.0</i>	<i>-1.1</i>	<i>-9.3</i>	<i>-18.4</i>	<i>-18.9</i>	<i>-12.2</i>	<i>-5.0</i>	<i>3.0</i>
<i>Telko</i>	<i>-8.8</i>	<i>24.5</i>	<i>16.8</i>	<i>-3.0</i>	<i>7.0</i>	<i>30.9</i>	<i>-7.6</i>	<i>-21.4</i>	<i>-18.4</i>	<i>-5.6</i>	<i>-7.0</i>	<i>4.0</i>
<b>Total</b>	<b>-2.9</b>	<b>26.1</b>	<b>25.0</b>	<b>12.4</b>	<b>14.5</b>	<b>24.0</b>	<b>-2.6</b>	<b>-12.2</b>	<b>-10.4</b>	<b>-1.1</b>	<b>-2.9</b>	<b>3.0</b>
<b>EBIT, EURm</b>												
ESL Shipping	4.5	5.4	7.1	9.8	26.8	9.2	6.3	7.3	8.7	31.5	29.7	30.3
Leipurin	0.3	0.3	0.6	-3.6	-2.4	-0.4	0.3	0.2	0.2	0.3	1.9	3.4
Telko	4.6	5.4	2.5	7.9	20.4	4.0	4.2	3.6	3.2	15.0	13.0	16.0
Other operations	-1.6	-1.4	-2.6	-2.3	-7.9	-2.5	-1.5	-1.5	-1.5	-7.0	-5.6	-5.6
<b>Total</b>	<b>7.8</b>	<b>9.7</b>	<b>7.6</b>	<b>11.8</b>	<b>36.9</b>	<b>10.3</b>	<b>9.3</b>	<b>9.6</b>	<b>10.6</b>	<b>39.8</b>	<b>39.0</b>	<b>44.1</b>
<b>EBIT margin, %</b>												
<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>16.2</i>	<i>12.5</i>	<i>14.6</i>	<i>15.3</i>	<i>14.7</i>	<i>13.5</i>	<i>13.5</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>-1.4</i>	<i>1.3</i>	<i>0.9</i>	<i>0.8</i>	<i>0.3</i>	<i>2.0</i>	<i>3.5</i>
<i>Telko</i>	<i>7.9</i>	<i>7.3</i>	<i>3.4</i>	<i>12.4</i>	<i>7.6</i>	<i>5.3</i>	<i>6.1</i>	<i>6.3</i>	<i>6.2</i>	<i>5.9</i>	<i>5.5</i>	<i>6.5</i>
<b>Total</b>	<b>6.0</b>	<b>6.7</b>	<b>5.1</b>	<b>7.9</b>	<b>6.4</b>	<b>6.4</b>	<b>6.5</b>	<b>7.4</b>	<b>7.9</b>	<b>7.0</b>	<b>7.1</b>	<b>7.8</b>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	566.8	550.5	567.2
<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>-1.1</i>	<i>-2.9</i>	<i>3.0</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	68.5	68.8	69.9
<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>12.1</i>	<i>12.5</i>	<i>12.3</i>
Depreciation	-11.9	-11.7	-28.6	-29.0	-34.5	-28.7	-29.8	-25.9
EBITA	23.1	25.4	21.1	16.7	36.9	39.8	39.0	44.1
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	39.8	39.0	44.1
<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>7.0</i>	<i>7.1</i>	<i>7.8</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	39.8	39.0	44.1
<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>7.0</i>	<i>7.1</i>	<i>7.8</i>
Net financials	-2.0	-4.2	-2.9	-4.5	-3.8	-4.2	-2.3	-2.3
Pre-tax profit	21.1	16.4	18.2	12.2	33.1	35.6	36.7	41.8
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-4.0	-3.7	-4.2
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	30.7	31.8	36.4
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	128	185	190	177	175	161	141	120
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	20	20	20
Inventory	61	71	56	42	69	62	61	62
Receivables	70	78	75	63	83	82	80	82
Liquid funds	20	19	24	32	18	28	28	28
Total assets	321	436	410	384	406	395	371	354
<b>Liabilities</b>								
Shareholder's equity	87	92	122	113	129	153	171	191
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	20	20	20
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	116	76	36
Non-interest bearing current liabilities	68	105	61	64	79	79	77	79
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	395	371	354
<b>CASH FLOW, EURm</b>								
+ EBITDA	35	37	50	46	71	69	69	70
- Net financial items	-2	-4	-3	-4	-4	-4	-2	-2
- Taxes	-3	-2	0	-2	-5	-4	-4	-4
- Increase in Net Working Capital	-13	-11	-14	29	-23	7	2	-2
+/- Other	-2	0	0	0	0	-1	-1	-1
= Cash flow from operations	16	20	33	68	40	66	63	61
- Capex	-18	-75	-7	-21	-31	-14	-10	-5
- 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	52	54	56
+/- 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	-34	-40	-39
Change in cash	-3	-1	4	9	-15	11	-1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	239	239	239
Net debt (excl. convertibles)	180	185	157	153	108	69	28
Enterprise value	470	448	420	510	347	307	267
Sales	541	588	501	573	567	550	567
EBITDA	37	50	46	71	69	69	70
EBIT	21	21	17	37	40	39	44
Pre-tax	16	18	12	33	36	37	42
Earnings	14	16	11	28	31	32	36
Equity book value (excl. minorities)	92	122	113	129	153	171	191
<b>Valuation multiples</b>							
EV/sales	0.9	0.8	0.8	0.9	0.6	0.6	0.5
EV/EBITDA	12.7	9.0	9.2	7.1	5.1	4.5	3.8
EV/EBITA	18.5	21.2	25.2	13.8	8.7	7.9	6.1
EV/EBIT	22.8	21.2	25.2	13.8	8.7	7.9	6.1
EV/OCF	23.2	13.8	6.2	12.7	5.2	4.9	4.4
EV/FCFF	-15.2	17.5	6.7	18.2	5.8	5.6	4.6
P/FCFE	-4.9	10.3	5.6	38.4	4.6	4.5	4.3
P/E	18.7	16.4	24.4	12.6	7.8	7.5	6.6
P/B	2.9	2.2	2.3	2.8	1.6	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.5	4.9	4.2
Target EV/EBIT	0.0	0.0	0.0	0.0	9.4	8.6	6.7
Target EV/FCF	0.0	0.0	0.0	0.0	7.2	6.3	5.3
Target P/B	0.0	0.0	0.0	0.0	1.7	1.6	1.4
Target P/E	0.0	0.0	0.0	0.0	8.7	8.4	7.3
<b>Per share measures</b>							
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	0.98	1.01	1.16
Operating cash flow per share	0.65	1.04	2.17	1.28	2.11	2.01	1.93
Free cash flow per share	-1.74	0.81	1.51	0.30	1.66	1.70	1.78
Book value per share	2.92	3.88	3.61	4.12	4.87	5.43	6.09
Dividend per share	0.44	0.22	0.35	0.23	0.45	0.50	0.70
Dividend payout ratio, %	97.4	42.9	101.8	25.4	46.1	49.4	60.0
Dividend yield, %	5.2	2.6	4.2	2.0	5.9	6.6	9.1
FCF yield, %	-20.6	9.7	18.0	2.6	21.9	22.4	23.4
<b>Efficiency measures</b>							
ROE	15.9	15.1	9.2	23.4	21.7	19.7	20.1
ROCE	7.3	6.5	5.3	12.3	13.5	14.0	17.1
<b>Financial ratios</b>							
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	14.5	14.5	14.5
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	7.7	7.7	7.7
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	2.5	1.8	0.9
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	2.5	1.8	0.9
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.9	0.8	0.8
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.6	1.0	0.4
Debt/equity, market-weighted	0.8	0.8	0.7	0.5	0.5	0.3	0.2
Equity ratio, book-weighted	27.2	29.8	29.5	31.8	38.7	46.0	54.0
Gearing, %	154.3	151.6	137.9	118.2	70.6	40.2	14.9

**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:** 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	24.798	10.4%
Aev Capital Holding Oy	3,213,535	24.423	10.2%
Varma Mutual Pension Insurance Company	1,423,076	10.815	4.5%
Vehmas Tapio	1,275,827	9.696	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	6.652	2.8%
Nyberg Gustav	851,524	6.472	2.7%
Nordea Nordic Small Cap Fund	721,040	5.480	2.3%
Procurator-Holding Oy	514,882	3.913	1.6%
Nordea Bank ABP	462,710	3.517	1.5%
Mandatum Life Insurance Company Limited	426,946	3.245	1.4%
Ten largest	13,027,707	99.011	41%
Residual	18,392,072	139.780	59%
Total	31,419,779	238.790	100%

#### EARNINGS CALENDAR

August 10, 2022

Q2 report

November 02, 2022

Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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IR: Keränen Keijo

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



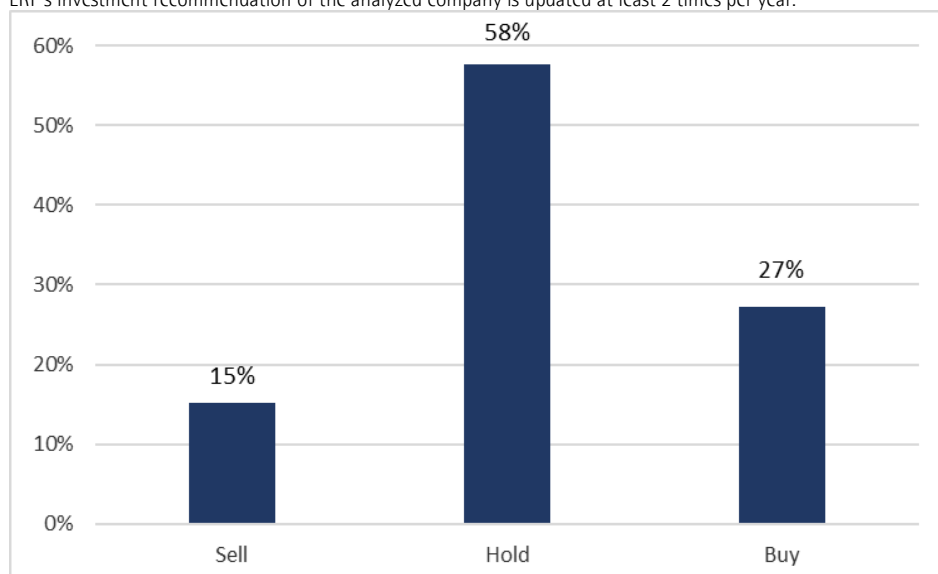
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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