

High results even without Russia

Aspo achieved again very high profitability, this time even with Russia mostly neutralized. This year makes for tough comparison figures, but valuation isn't that demanding.

Telko and Leipurin close to estimates, ESL drove the beat

Aspo's EUR 160m in Q3 revenue and EUR 13m adj. EBIT were both roughly 15% above the respective Evli/cons. estimates. Telko and Leipurin developed relatively close to our estimates, at least in terms of profitability, while ESL's continued strong performance explained a large part of the earnings beat. ESL has improved a lot in recent years due to both better operational efficiency and market conditions; the latter factor may not provide much more tailwind going forward, while the former still has potential especially in the long run. ESL's niche positioning means overall cargo demand and pricing environment remains stable even if global spot markets have recently softened. Telko had already close to zero EBIT contribution from Russia and Belarus while the respective top line declines were roughly 40-50%. Leipurin exit process may lag that of Telko a bit, but Aspo's key figures are already relatively clean of Russia.

ESL and Telko Q3 figures are high but largely sustainable

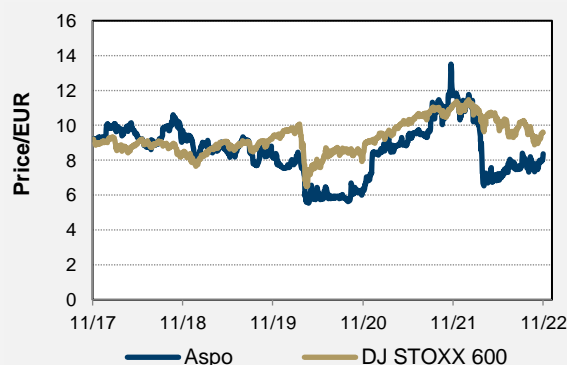
Telko's Western EBIT has remained strong y/y and q/q thanks to its focus on more value-added categories. Telko's EUR 3.7m Q3 EBIT implies an annual run-rate of close to EUR 15m; in our view the current market environment is more likely to soften than strengthen, but for now Telko's demand and pricing situation stays relatively stable. We continue to estimate Telko's FY '23 EBIT at above EUR 13m. ESL has further long-term tailwinds thanks to its specialized positioning as a critical Baltic player; improved route optimization could still support EBIT in the short-term despite high comparison figures, while the hybrid vessels and their pooling will naturally add to long-term EBIT potential. We expect only a small ESL EBIT decline for FY '23.

Telko H1 figures imply above EUR 10m EBIT gap for FY '23

We estimate Q4 EBIT at EUR 12.1m and believe Aspo is headed close to the upper end of its current guidance range. FY '23 EBIT is thus very likely to decline after an extraordinary year. We make very little changes to our respective EUR 44.5m estimate. We still don't view Aspo's current EV/EBIT multiples of around 8x that challenging. We retain our EUR 9.5 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) **8.36**

Target price, EUR **9.5**

Latest change in recommendation **05-May-22**

Latest report on company **18-Oct-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 **263**

Free float, % **-**

Exchange rate EUR/RUB **-**

Reuters code **ASPO.HE**

Bloomberg code **ASPO FH**

Average daily volume, EURm **0.1**

Next interim report **15-Feb-23**

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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	0.45
2022E	636.2	49.7	7.8%	38.8	1.17	7.1	0.6	7.9	14.8	0.46
2023E	634.2	44.5	7.0%	55.0	1.07	7.8	0.6	7.9	20.9	0.50
2024E	651.9	49.6	7.6%	50.7	1.29	6.5	0.5	6.4	19.3	0.55
Market cap, EURm	263			Gearing 2022E, %	84.4			CAGR EPS 2021-24, %	12.7	
Net debt 2022E, EURm	128			Price/book 2022E	1.7			CAGR sales 2021-24, %	4.4	
Enterprise value, EURm	391			Dividend yield 2022E, %	5.5			ROE 2022E, %	26.2	
Total assets 2022E, EURm	428			Tax rate 2022E, %	9.4			ROCE 2022E, %	16.2	
Goodwill 2022E, EURm	40			Equity ratio 2022E, %	35.5			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	
		22	23	22	23	22	23
Algoma Central	476	5.0x	4.9x				
Diana Shipping	376	3.8x	3.9x	5.0x	5.3x	0.8x	0.7x
Eagle Bulk Ship	686	3.2x	5.0x	3.8x	6.7x	0.9x	0.8x
Genco Shipping & Trading	595	3.1x	3.3x	4.1x	4.6x	1.0x	0.9x
Golden Ocean Group	1772	5.0x	5.9x	6.2x	7.8x	0.8x	0.8x
Navios Maritime Partners	771					0.3x	0.3x
Pangaea Logistics	226	3.6x	4.3x	4.3x	5.9x	0.7x	0.6x
Safe Bulkers	316	2.8x	2.7x	3.5x	3.6x	0.4x	0.4x
Eneti	339	4.7x	6.0x	8.5x	12.8x	0.5x	0.5x
SFL	1436					1.2x	1.2x
Star Bulk Carriers	1861	3.4x	4.6x	4.1x	5.9x	0.9x	0.9x
Peer Group Average	805	3.8x	4.5x	4.9x	6.6x	0.8x	0.7x
Peer Group Median	595	3.6x	4.6x	4.2x	5.9x	0.8x	0.8x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
AKR Corporindo	1904	10.7x	9.9x	12.5x	11.5x	5.9 %	6.2 %
Ashland	5664	11.2x	10.7x	19.2x	18.3x	14.5 %	14.7 %
Brenntag	9659	6.7x	7.4x	8.3x	9.4x	8.0 %	7.4 %
IMCD	7485	15.5x	16.1x	18.5x	19.2x	10.5 %	9.8 %
Univar Solutions	4651	6.6x	7.2x	7.9x	8.9x	7.7 %	7.2 %
Peer Group Average	5873	10.1x	10.3x	13.3x	13.5x	9.3 %	9.1 %
Peer Group Median	5664	10.7x	9.9x	12.5x	11.5x	8.0 %	7.4 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
Acomo	557						
Chefs' Warehouse	1433	13.1x	11.5x	22.5x	16.7x	3.5 %	4.3 %
Marr	709	9.4x	7.9x	13.1x	10.4x	3.8 %	4.6 %
Middleby	7614	12.2x	11.3x	15.5x	13.4x	16.4 %	18.5 %
Orkla	6690	9.0x	9.2x	11.5x	12.0x	13.0 %	12.1 %
Performance Food Group	8187	11.6x	10.1x	16.1x	13.8x	1.5 %	1.6 %
Sysco	42138	14.4x	12.6x	18.1x	15.6x	4.1 %	4.4 %
Tate & Lyle	3212	11.6x	10.6x	16.3x	14.7x	12.4 %	12.0 %
Total Produce							
US Foods Holding	6630	9.4x	8.2x	13.1x	11.0x	2.7 %	3.1 %
Welbilt							
Peer Group Average	8574	11.3x	10.2x	15.8x	13.5x	7.2 %	7.6 %
Peer Group Median	6630	11.6x	10.3x	15.8x	13.6x	3.9 %	4.5 %

Segment	EBIT '22e ¹⁾	EV/EBIT '22e *	EV	EBIT '23e	EV/EBIT '23e *	EV
ESL	36.4	4.2x	153	32.6	5.9x	192
Telko	22.8	12.5x	285	13.4	11.5x	154
Leipurin	3.7	15.8x	58	4.2	13.6x	57
Other operations	-6.3	7.9x	-50	-5.6	8.0x	-45
Total			447			359
Hybrid			30			30
Net debt (Evli YE est.)			128			88
Equity value			288			241
Per share			9.2			7.7

*Peer group median (FactSet)

¹⁾ adjusted for comparability

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.36 PV of Free Cash Flow	369 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	17.73 PV of Horizon value	355 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	112.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	19.4 Marketable securities	18 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	16.3 Debt - dividend	-185 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	49.1 Value of stock	557 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	636	634	652	665	675	685	695	706	716	723	731
<i>Sales growth, %</i>	<i>14.5</i>	<i>11.0</i>	<i>-0.3</i>	<i>2.8</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	50	45	50	63	51	48	49	49	50	51	51
<i>Operating income margin, %</i>	<i>6.4</i>	<i>7.8</i>	<i>7.0</i>	<i>7.6</i>	<i>9.5</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	32	32	27	24	22	22	22	22	19	20	
EBITDA	71	82	76	77	87	73	70	70	71	70	70	
- Paid taxes	-5	-5	-4	-5	-6	-5	-5	-5	-5	-5	-5	
- Change in NWC	-23	0	0	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>8.9</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</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>	<i>8.2</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-16	-10	-15	-23	-24	-24	-24	-6	-21	-21	
<i>opCAPEX / Sales, %</i>	<i>5.4</i>	<i>4.7</i>	<i>1.6</i>	<i>2.4</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	0	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	28	61	60	54	55	41	39	39	58	41	44	685
= Discounted FCFF		60	55	46	44	31	27	25	35	23	23	355
= DFCF min WACC		60	56	47	44	31	28	26	36	24	24	402
= DFCF max WACC		60	55	46	43	30	26	25	33	22	22	316

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	129.4	139.3	144.6	160.0	573.3	160.4	161.4	157.8	156.6	636.2	634.2	651.9
EBITDA	15.2	17.0	22.0	17.2	71.4	18.4	22.9	21.4	19.0	81.7	76.2	77.0
<i>EBITDA margin (%)</i>	<i>11.7</i>	<i>12.2</i>	<i>15.2</i>	<i>10.8</i>	<i>12.5</i>	<i>11.5</i>	<i>14.2</i>	<i>13.6</i>	<i>12.1</i>	<i>12.8</i>	<i>12.0</i>	<i>11.8</i>
EBIT	7.8	9.6	11.2	8.3	36.9	10.3	14.8	12.5	12.1	49.7	44.5	49.6
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>6.9</i>	<i>7.7</i>	<i>5.2</i>	<i>6.4</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>7.7</i>	<i>7.8</i>	<i>7.0</i>	<i>7.6</i>
Net financial items	-0.9	-1.0	-1.0	-0.9	-3.8	-1.8	-3.1	-2.1	-1.7	-8.7	-6.0	-3.1
Pre-tax profit	6.9	8.6	10.2	7.4	33.1	8.5	11.7	10.4	10.4	41.0	38.5	46.5
Tax	-0.6	-0.8	-1.2	-2.1	-4.7	-1.3	-0.7	-0.8	-1.0	-3.8	-3.9	-4.7
<i>Tax rate (%)</i>	<i>8.7</i>	<i>9.3</i>	<i>11.8</i>	<i>28.4</i>	<i>14.2</i>	<i>15.3</i>	<i>6.0</i>	<i>7.7</i>	<i>10.0</i>	<i>9.4</i>	<i>10.0</i>	<i>10.0</i>
Net profit	6.3	7.8	9.0	5.3	28.4	7.2	11.0	9.6	9.1	36.9	33.5	40.7
EPS	0.20	0.25	0.29	0.17	0.90	0.23	0.35	0.31	0.29	1.17	1.07	1.29
EPS adjusted (diluted no. of shares)	0.20	0.25	0.29	0.17	0.90	0.23	0.35	0.31	0.29	1.17	1.07	1.29
Dividend per share	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.46	0.50	0.55
SALES, EURm												
ESL Shipping	43.4	46.0	47.3	54.7	191.4	56.8	60.3	65.0	66.1	248.2	250.7	255.7
Leipurin	28.0	25.7	27.7	31.7	113.1	27.7	29.3	32.3	37.8	127.1	148.7	153.2
Telko	58.0	67.6	69.6	73.6	268.8	75.9	71.8	60.5	52.7	260.9	234.8	243.0
Total	129.4	139.3	144.6	160.0	573.3	160.4	161.4	157.8	156.6	636.2	634.2	651.9
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>30.9</i>	<i>31.1</i>	<i>37.4</i>	<i>20.8</i>	<i>29.7</i>	<i>1.0</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>14.0</i>	<i>16.6</i>	<i>19.2</i>	<i>12.4</i>	<i>17.0</i>	<i>3.0</i>
<i>Telko</i>	<i>-8.8</i>	<i>13.6</i>	<i>11.4</i>	<i>12.0</i>	<i>7.0</i>	<i>30.9</i>	<i>6.2</i>	<i>-13.1</i>	<i>-28.4</i>	<i>-2.9</i>	<i>-10.0</i>	<i>3.5</i>
<i>Total</i>	<i>-2.9</i>	<i>20.5</i>	<i>22.1</i>	<i>19.9</i>	<i>14.5</i>	<i>24.0</i>	<i>15.9</i>	<i>9.1</i>	<i>-2.1</i>	<i>11.0</i>	<i>-0.3</i>	<i>2.8</i>
EBIT, EURm												
ESL Shipping	4.5	5.4	7.1	9.8	26.8	9.2	9.0	9.7	9.6	37.5	32.6	34.5
Leipurin	0.3	0.3	0.6	-3.6	-2.4	-0.4	0.4	-0.5	0.7	0.2	4.2	5.4
Telko	4.6	5.5	5.9	4.4	20.4	4.0	6.8	4.2	3.3	18.3	13.4	15.3
Other operations	-1.6	-1.6	-2.4	-2.3	-7.9	-2.5	-1.4	-0.9	-1.5	-6.3	-5.6	-5.6
Total	7.8	9.6	11.2	8.3	36.9	10.3	14.8	12.5	12.1	49.7	44.5	49.6
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>16.2</i>	<i>14.9</i>	<i>14.9</i>	<i>14.5</i>	<i>15.1</i>	<i>13.0</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>1.4</i>	<i>-1.5</i>	<i>1.9</i>	<i>0.2</i>	<i>2.8</i>	<i>3.5</i>
<i>Telko</i>	<i>7.9</i>	<i>8.1</i>	<i>8.5</i>	<i>6.0</i>	<i>7.6</i>	<i>5.3</i>	<i>9.5</i>	<i>6.9</i>	<i>6.3</i>	<i>7.0</i>	<i>5.7</i>	<i>6.3</i>
<i>Total</i>	<i>6.0</i>	<i>6.9</i>	<i>7.7</i>	<i>5.2</i>	<i>6.4</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>7.7</i>	<i>7.8</i>	<i>7.0</i>	<i>7.6</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	502.4	540.9	587.7	500.7	573.3	636.2	634.2	651.9
<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>11.0</i>	<i>-0.3</i>	<i>2.8</i>
EBITDA	35.0	37.1	49.7	45.7	71.4	81.7	76.2	77.0
<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>12.8</i>	<i>12.0</i>	<i>11.8</i>
Depreciation	-11.9	-11.7	-28.6	-29.0	-34.5	-32.0	-31.7	-27.4
EBITA	23.1	25.4	21.1	16.7	36.9	49.7	44.5	49.6
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	49.7	44.5	49.6
<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>7.8</i>	<i>7.0</i>	<i>7.6</i>
Reported EBIT	23.1	20.6	21.1	16.7	36.9	49.7	44.5	49.6
<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>7.8</i>	<i>7.0</i>	<i>7.6</i>
Net financials	-2.0	-4.2	-2.9	-4.5	-3.8	-8.7	-6.0	-3.1
Pre-tax profit	21.1	16.4	18.2	12.2	33.1	41.0	38.5	46.5
Taxes	-1.7	-2.2	-2.1	-1.4	-4.7	-3.8	-3.9	-4.7
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	36.9	33.5	40.7
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	171	150	137
Goodwill	42	43	43	49	40	40	40	40
Right of use assets	0	37	22	20	21	23	23	24
Inventory	61	71	56	42	69	70	70	72
Receivables	70	78	75	63	83	91	91	93
Liquid funds	20	19	24	32	18	32	32	33
Total assets	321	436	410	384	406	428	406	400
Liabilities								
Shareholder's equity	87	92	122	113	129	152	171	196
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	23	23	24
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	137	199	200	182	164	137	97	62
Non-interest bearing current liabilities	68	105	61	64	79	89	89	91
Other interest-free debt	4	8	18	18	27	27	27	27
Total liabilities	321	430	410	384	406	428	406	400
CASH FLOW, EURm								
+ EBITDA	35	37	50	46	71	82	76	77
- Net financial items	-2	-4	-3	-4	-4	-9	-6	-3
- Taxes	-3	-2	0	-2	-5	-4	-4	-5
- Increase in Net Working Capital	-13	-11	-14	29	-23	0	0	-2
+/- Other	-2	0	0	0	0	0	-1	-1
= Cash flow from operations	16	20	33	68	40	69	65	66
- Capex	-18	-75	-7	-21	-31	-30	-10	-16
- 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	39	55	51
+/- New issues/buybacks	-9	4	28	-12	-1	0	0	0
- Paid dividend	-13	-13	-14	-7	-11	-14	-14	-16
+/- Other	21	64	-35	-20	-11	-11	-41	-34
Change in cash	-3	-1	4	9	-15	14	0	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	265	263	264	357	263	263	263
Net debt (excl. convertibles)	180	185	157	153	128	88	53
Enterprise value	470	448	420	510	391	351	316
Sales	541	588	501	573	636	634	652
EBITDA	37	50	46	71	82	76	77
EBIT	21	21	17	37	50	45	50
Pre-tax	16	18	12	33	41	39	47
Earnings	14	16	11	28	37	33	41
Equity book value (excl. minorities)	92	122	113	129	152	171	196
Valuation multiples							
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	4.8	4.6	4.1
EV/EBITA	18.5	21.2	25.2	13.8	7.9	7.9	6.4
EV/EBIT	22.8	21.2	25.2	13.8	7.9	7.9	6.4
EV/OCF	23.2	13.8	6.2	12.7	5.7	5.4	4.8
EV/FCFF	-15.2	17.5	6.7	18.2	6.4	5.8	5.8
P/FCFE	-4.9	10.3	5.6	38.4	6.8	4.8	5.2
P/E	18.7	16.4	24.4	12.6	7.1	7.8	6.5
P/B	2.9	2.2	2.3	2.8	1.7	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.2	5.1	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	8.6	8.7	7.1
Target EV/FCF	0.0	0.0	0.0	0.0	11.0	7.0	6.9
Target P/B	0.0	0.0	0.0	0.0	2.0	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	8.1	8.9	7.3
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	1.17	1.07	1.29
Operating cash flow per share	0.65	1.04	2.17	1.28	2.19	2.08	2.11
Free cash flow per share	-1.74	0.81	1.51	0.30	1.23	1.75	1.61
Book value per share	2.92	3.88	3.61	4.12	4.84	5.45	6.24
Dividend per share	0.44	0.22	0.35	0.45	0.46	0.50	0.55
Dividend payout ratio, %	97.4	42.9	101.8	49.8	39.2	46.9	42.5
Dividend yield, %	5.2	2.6	4.2	4.0	5.5	6.0	6.6
FCF yield, %	-20.6	9.7	18.0	2.6	14.8	20.9	19.3
Efficiency measures							
ROE	15.9	15.1	9.2	23.4	26.2	20.7	22.1
ROCE	7.3	6.5	5.3	12.3	16.2	14.8	17.3
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	14.3	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	8.0	8.0	8.0
Operative CAPEX/sales, %	13.8	1.2	4.2	5.4	4.7	1.6	2.4
CAPEX/sales (incl. acquisitions), %	13.8	1.2	4.2	5.4	4.7	1.6	2.4
FCFF/EBITDA	-0.8	0.5	1.4	0.4	0.7	0.8	0.7
Net debt/EBITDA, book-weighted	4.9	3.7	3.4	2.1	1.6	1.2	0.7
Debt/equity, market-weighted	0.8	0.8	0.7	0.5	0.5	0.4	0.2
Equity ratio, book-weighted	27.2	29.8	29.5	31.8	35.5	42.1	49.1
Gearing, %	154.3	151.6	137.9	118.2	84.4	51.3	27.0

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 Leipuri's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,262,941	27.278	10.4%
Aev Capital Holding Oy	3,253,554	27.200	10.4%
Varma Mutual Pension Insurance Company	1,423,076	11.897	4.5%
Vehmas Tapio	1,275,827	10.666	4.1%
Nyberg Gustav	901,524	7.537	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	7.317	2.8%
Nordea Nordic Small Cap Fund	726,040	6.070	2.3%
Procurator-Holding Oy	514,882	4.304	1.6%
Skandinaviska Enskilda Banken AB	487,762	4.078	1.6%
laik Oy	479,810	4.011	1.5%
Ten largest	13,200,642	110.357	42%
Residual	18,219,137	152.312	58%
Total	31,419,779	262.669	100%

EARNINGS CALENDAR

February 15, 2023	FY 2022 Results
May 03, 2023	Q1 report
August 10, 2023	Q2 report
November 01, 2023	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Meitsalo Arto	Tel: +358 9 5,211
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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

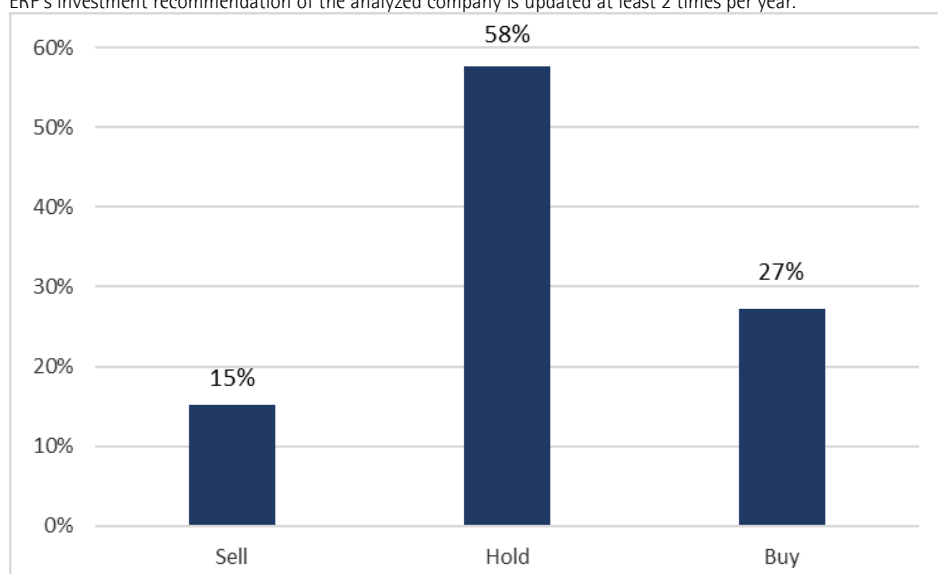
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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