

Relatively near estimates

Aspo's Q4 results landed relatively close to estimates. ESL once again produced very high profitability, and outlook continues to be strong, while Telko's profitability has decreased considerably after H1'22.

- Aspo Q4 revenue amounted to EUR 164.6m, compared to the EUR 156.6m/157.6m Evli/consensus estimates.
- Adjusted EBIT was EUR 11.3m vs the EUR 12.1m/11.7m Evli/consensus estimates.
- ESL Q4 top line was EUR 63.3m vs our EUR 66.1m estimate. Adjusted EBIT amounted to EUR 10.6m, compared to our EUR 9.6m estimate. Energy industry cargo demand was especially high and should remain so in H1. ESL's main customers' production volumes are expected to be satisfactory, albeit slightly lower than previous year.
- Telko's revenue was EUR 59.2m, compared to our EUR 52.7m estimate, while adjusted EBIT landed at EUR 1.3m vs our EUR 3.3m estimate. Telko's net sales and profit will be significantly lower in FY '23 than the previous year. Plastics and chemicals prices decreased steeply in H2'22 while still above their long-term averages. Some soft price development may continue in H1'23.
- Leipurin revenue came in at EUR 41.3m vs our EUR 37.8m estimate. EBIT was EUR 1.1m vs our EUR 0.7m estimate.
- Other operations cost EUR 1.8m, compared to our EUR 1.5m estimate.
- The BoD proposes EUR 0.46 dividend per share to be paid for the year, compared to the EUR 0.46/0.46 Evli/consensus estimates.
- Aspo guides comparable EBIT to be higher than EUR 35m in FY '23 (EUR 55.3m in FY '22).

Rating				BUY
Q4'22	Actual	Evli	Year ago	Q3'22
Revenue	164.6	156.6	163.2	160.1
Adj. EBIT	11.3	12.1	13.9	13.0
EBIT-%	6.9 %	7.7 %	8.5 %	8.1 %
Share price, EUR (Last trading day's closing price)				8.46
Target price, EUR				9.5
Latest change in recommendation				05-May-22
Latest report on company				03-Nov-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				266
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
Web site				www.aspo.com
Analyst				Joonas Ilvonen
E-mail				joonas.ilvonen@evli.com
Telephone				+358 44 430 9071

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
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	7.2	0.6	7.9	14.6	0.46
2023E	634.2	44.5	7.0%	55.0	1.07	7.9	0.6	7.9	20.7	0.50
2024E	651.9	49.6	7.6%	50.7	1.29	6.5	0.5	6.4	19.1	0.55
Market cap, EURm	266			BV per share 2022E, EUR	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	394			Dividend yield 2022E, %	5.4		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	

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

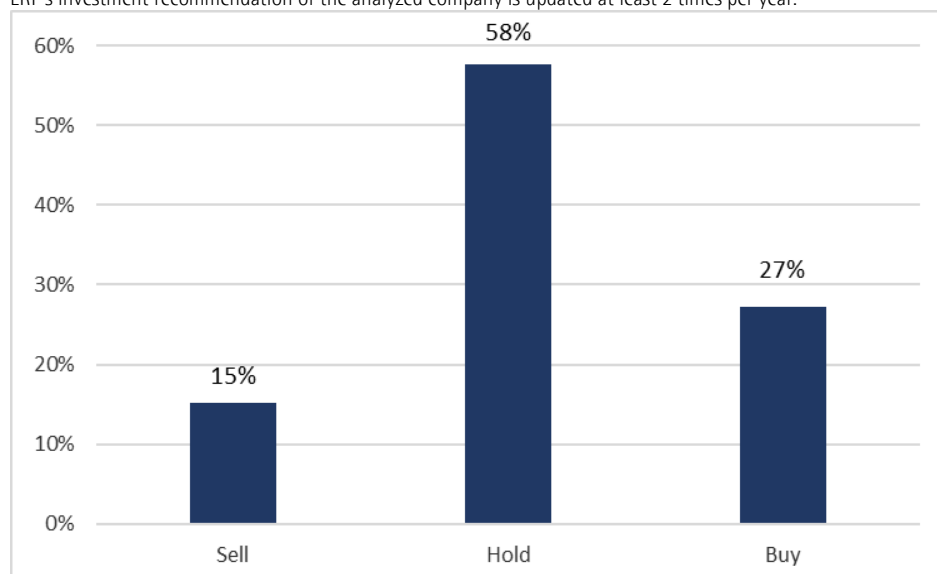
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Investment recommendations are defined as follows:

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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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lilja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Teemu Reiman +358 40 352 6175

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001