Nordea | Commissioned Equity Research

Flash comment

27 October 2021

Commissioned research:Aspo - Good result, clean EBIT guidance upgrade

Marketing material commissioned by Aspo

Net sales was 4% above consensus in Q3. Operating profit, without EUR 3.4m goodwill write down, was even 25% above market (Infront) consensus in Q3. A good result was related to ESL Shipping and Telko segments. But even Leipurin segment reported better EBIT in Q3 than we expected. Clean EBIT guidance midpoint 2021 was upgraded by 10%. Telko has acquired Mentum which is an Estonian lubricant distributor. The acquisition will increase Telko's sales by EUR 10m (4%), transaction price was not disclosed. Considering the trend in recent years, the cargo prices of large vessels are now at a high level why we expect good profitability to continue in Q4.

Q3 key figures

- Net sales was EUR 148m (Infront consensus EUR 142m).
- Group clean EBIT was even EUR 12.75m without combined EUR 5.15m one-offs in Q3 (consensus EUR 8.8m).
- ELS Shipping EBIT of EUR 7.1m was above our expectation of EUR 5.0m.
- Leipurin reported 14% revenue growth (Nordea growth forecast 8%).
- Revenue in Telko segment was EUR 73m (Nordea EUR 71m) and clean EBIT EUR 5.9m (Nordea EUR 5.1m).
- In a group level reported EPS was only EUR 0.16 (consensus EUR 0.22).
- Group net gearing was 131% end-September.
- Cash flow from the operations was EUR 7.2m (EUR 6.1m) in Q3.

Full year 2021 guidance

- Aspo says full year 2021 reported EBIT will be EUR 30-36m including EUR 3.4m one-off.
- Market consensus has expected 12% y/y revenue growth and EUR 36m EBIT without one-offs for this year.
- Clean EBIT consensus midpoint is then close to market (Infront) consensus 2021

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	541	588	501	562	597	617
EBITDA (adj)	38	50	48	66	69	71
EBIT (adj)	27	21	19	36	38	40
EBIT (adj) margin	4.9%	3.6%	3.9%	6.4%	6.4%	6.5%
EPS (adj, EUR)	0.58	0.42	0.38	0.85	0.95	1.05
EPS (adj) growth	-2.1%	-28.3%	-8.9%	123.7%	11.6%	10.4%
DPS (ord, EUR)	0.44	0.22	0.35	0.46	0.48	0.50
EV/Sales	0.8	0.7	0.9	1.0	0.9	0.9
EV/EBIT (adj)	16.2	20.9	22.5	15.3	14.4	13.3
P/E (adj)	13.7	18.3	22.1	14.4	12.9	11.7
P/BV	2.1	2.0	2.3	3.0	3.1	2.7
Dividend yield (ord)	5.5%	2.9%	4.2%	3.8%	3.9%	4.1%
FCF Yield bef A&D, lease adj	-9.1%	13.9%	16.9%	5.3%	7.8%	9.2%
Net debt	180	198	170	162	169	148
Net debt/EBITDA	4.9	4.0	3.5	2.5	2.4	2.1
ROIC after tax	8.4%	5.8%	5.6%	10.9%	13.6%	14.1%

Source: Company data and Nordea estimates

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