

A cooling-off period for ESL

Q1 showed weakening for ESL this year, yet the guidance downgrade and recent Supramax comments indicate larger short-term headwinds than seen only a while back.

Issues with larger and smaller vessels; Handysize performs

Aspo cut guidance shortly after Q1 report as Q2 seems weaker than earlier expected and especially as ESL's FY '23 outlook has turned even softer after a record-year. The market for Supramaxes has weakened for a while, but their current drag on profitability seems larger than estimated before. Coasters' profitability suffers from higher rental costs as well as capacity issues, in addition to which Q2 and Q3 dockings will have further impact, however Handysize vessels still seem to perform stable this year. The hybrid Coasters should add some earnings already next year; the outlook for Supramaxes has likely improved by FY '24, however ESL is set to divest its two vessels soon and use the proceeds to help fund expansion within the Handysize segment as Northern Sweden by itself should see more than SEK 1,000bn in industrial investments over the next 20 years.

We estimate ESL's EBIT to decline by a third this year

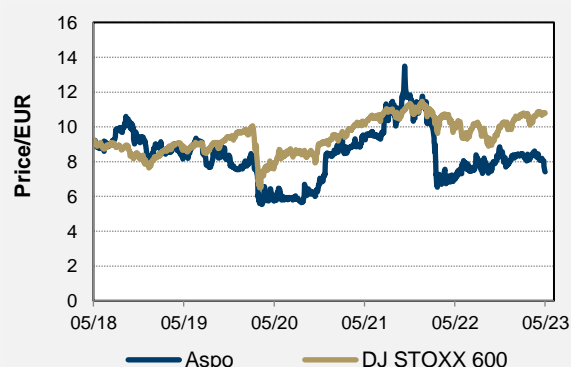
We previously estimated ESL's FY '22 EBIT of EUR 37m to decline to EUR 30m this year; our new EUR 25m estimate stands quite well in line with the only "normal" level of FY '21 for ESL's current fleet structure as the past years' investments first had to weather demand challenges (as well as technical issues) before and early in the pandemic, whereas last year's result proved simply too high to sustain with current capacity levels. In our view ESL's profitability (and capacity excluding the Supramaxes) should improve at least modestly next year so long as demand stays roughly stable around current levels. We now estimate ESL FY '24 EBIT at EUR 30.0m (prev. EUR 31.5m).

Not too expensive, but ESL's softness limits near potential

We leave our Leipurin estimates unchanged, whereas we make small downward revisions to our Telko estimates. Aspo's organic profitability development should stabilize going towards next year, assuming no larger demand headwinds prevail. EUR 40m hence appears a realistic EBIT level again next year; the corresponding 8.5x EV/EBIT isn't that high, but this year's softness raises the multiple to 11x and limits upside potential. Our new TP is EUR 8.0 (9.5); our rating is now HOLD (BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 7.42

Target price, EUR 8.0

Latest change in recommendation 17-May-23

Latest report on company 04-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 233

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-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
2021	573.3	36.9	6.4%	9.2	0.90	12.6	0.9	13.8	2.6	0.45
2022	643.4	33.9	5.3%	17.6	0.75	11.0	0.6	12.2	6.8	0.46
2023E	589.7	33.9	5.7%	36.0	0.75	9.8	0.6	10.8	15.4	0.47
2024E	612.9	40.4	6.6%	42.1	0.94	7.9	0.6	8.4	18.1	0.50
2025E	628.2	46.0	7.3%	68.9	1.17	6.3	0.5	6.2	29.6	0.52
Market cap, EURm	233			Gearing 2023E, %	87.3			CAGR EPS 2022-25, %	16.2	
Net debt 2023E, EURm	133			Price/book 2023E	1.5			CAGR sales 2022-25, %	-0.8	
Enterprise value, EURm	367			Dividend yield 2023E, %	6.3			ROE 2023E, %	16.0	
Total assets 2023E, EURm	422			Tax rate 2023E, %	8.6			ROCE 2023E, %	10.7	
Goodwill 2023E, EURm	47			Equity ratio 2023E, %	36.3			PEG, P/E 23/CAGR	0.5	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		22	23	24	22	23	24	22	23	24
Algoma Central	405	5.1x	4.3x	4.0x	11.9x	9.8x	8.1x			
Diana Shipping	348	4.8x	5.3x	5.1x	6.3x	7.8x	7.4x	0.8x	0.7x	0.7x
Eagle Bulk Ship	535	3.1x	5.3x	4.7x	3.9x	8.7x	7.2x	0.7x	0.7x	0.7x
Genco Shipping & Trading	547	3.4x	4.2x	3.5x	4.6x	6.6x	5.0x	0.6x	0.6x	0.6x
Golden Ocean Group	1576	5.2x	6.7x	5.3x	6.7x	10.0x	7.3x	0.9x	0.9x	0.8x
2020 Bulkers	213	7.4x	6.8x	4.9x	9.5x	8.2x	5.7x	1.5x	1.4x	1.4x
Pangaea Logistics	263	3.3x	5.5x	5.6x	4.2x	8.6x	8.8x	0.9x	0.8x	0.8x
Safe Bulkers	366	2.7x	3.8x	3.3x	3.5x	5.3x	4.6x	0.5x	0.5x	0.4x
D/S Norden	1415	0.6x	1.4x	1.9x	0.7x	1.8x	3.3x	1.3x	1.3x	1.1x
Wilson	249									
Star Bulk Carriers	1734	3.8x	5.0x	4.4x	4.8x	6.9x	5.8x	0.9x	0.9x	0.9x
Peer Group Average	695	3.9x	4.8x	4.3x	5.6x	7.4x	6.3x	0.9x	0.9x	0.8x
Peer Group Median	405	3.6x	5.2x	4.6x	4.7x	8.0x	6.5x	0.9x	0.8x	0.8x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
AKR Corporindo	1589	8.3x	7.9x	7.5x	9.4x	8.9x	8.4x	6.4 %	7.8 %	8.1 %
Ashland	4462	11.5x	10.1x	9.4x	19.7x	17.4x	16.2x	14.4 %	14.3 %	14.6 %
Brenntag	11706	6.2x	8.6x	8.1x	8.1x	10.8x	10.4x	7.1 %	7.0 %	7.1 %
IMCD	8095	14.1x	15.0x	14.3x	16.9x	18.1x	17.2x	10.7 %	10.2 %	10.3 %
Univar Solutions	5139	7.3x	8.6x	8.2x	8.8x	11.1x	10.5x	7.5 %	6.4 %	6.7 %
Azelis Group	4906	15.7x	11.8x	11.1x	16.2x	13.6x	13.1x	11.1 %	10.0 %	9.9 %
Peer Group Average	5983	10.5x	10.3x	9.8x	13.2x	13.3x	12.6x	9.6 %	9.3 %	9.4 %
Peer Group Median	5023	9.9x	9.4x	8.8x	12.8x	12.3x	11.8x	9.1 %	8.9 %	9.0 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Acomo	658	8.2x	9.4x	9.6x	10.2x	11.7x	11.3x	6.0 %	5.9 %	6.0 %
Chefs' Warehouse	1212	12.5x	10.3x	9.3x	22.6x	15.8x	13.4x	3.3 %	4.1 %	4.4 %
Marr	996	12.0x	9.8x	8.6x	21.4x	13.9x	11.9x	2.4 %	4.2 %	4.8 %
Middleby	6953	12.0x	11.3x	10.5x	13.9x	13.2x	12.2x	17.9 %	18.5 %	19.2 %
Orkla	7068	9.5x	11.1x	10.8x	12.2x	14.8x	14.4x	12.6 %	10.8 %	10.9 %
Performance Food Group	8539	11.7x	10.0x	9.1x	15.8x	13.3x	12.3x	1.6 %	1.8 %	1.9 %
Sysco	34630	13.8x	11.9x	10.9x	17.3x	14.6x	13.4x	4.0 %	4.3 %	4.5 %
Tate & Lyle	3682	10.3x	10.6x	9.8x	14.2x	14.1x	12.9x	13.4 %	13.6 %	14.1 %
Dole	1049	7.3x	7.7x	7.1x	13.8x	13.0x	11.2x	1.9 %	2.3 %	2.7 %
US Foods Holding	8556	10.2x	9.7x	8.7x	14.2x	13.3x	11.6x	2.8 %	3.0 %	3.3 %
Nomad Foods	2875	8.9x	9.0x	8.5x	11.1x	11.0x	10.3x	14.3 %	14.0 %	14.5 %
Peer Group Average	6929	10.6x	10.1x	9.3x	15.1x	13.5x	12.3x	7.3 %	7.5 %	7.8 %
Peer Group Median	3682	10.3x	10.0x	9.3x	14.2x	13.3x	12.2x	4.0 %	4.3 %	4.8 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'23e	'23e *		'24e	'24e *	
ESL	24.9	8.0x	199	30.0	6.5x	195
Telko	10.0	12.3x	123	11.6	11.8x	137
Leipurin	5.0	13.3x	67	5.3	12.2x	65
Other operations	-6.0	9.7x	-58	-6.4	8.5x	-54
Total			330			342
Hybrid			30			30
Net debt (Evli YE est.)			133			106
Equity value			167			206
Per share			5.3			6.6

*Peer group median (FactSet)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	7.42 PV of Free Cash Flow	331 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	15.64 PV of Horizon value	330 WACC, %	7.4 Market risk premium, %
Share price potential, %	110.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	17.3 Marketable securities	22 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	14.2 Debt - dividend	-191 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	50.0 Value of stock	491 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	643	590	613	628	638	647	657	667	677	687	694	701
<i>Sales growth, %</i>	<i>12.2</i>	<i>-8.3</i>	<i>3.9</i>	<i>2.5</i>	<i>1.5</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)	34	34	40	46	50	45	46	47	47	48	49	49
<i>Operating income margin, %</i>	<i>5.3</i>	<i>5.7</i>	<i>6.6</i>	<i>7.3</i>	<i>7.9</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>	<i>7.0</i>
+ Depreciation+amort.	37	32	33	28	21	21	20	20	18	18	19	
EBITDA	71	65	73	74	71	66	66	67	66	66	67	
- Paid taxes	-5	-3	-4	-5	-5	-5	-5	-5	-5	-5	-5	
- Change in NWC	-13	8	-2	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>9.9</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-22	-17	6	-23	-22	-22	-6	-20	-20	-20	
<i>opCAPEX / Sales, %</i>	<i>4.6</i>	<i>4.6</i>	<i>2.9</i>	<i>-0.9</i>	<i>3.6</i>	<i>3.5</i>	<i>3.4</i>	<i>0.9</i>	<i>3.0</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	37	48	49	73	41	37	37	55	39	39	42	658
= Discounted FCFF		45	43	60	32	26	25	34	22	21	21	330
= DFCF min WACC		46	44	61	32	27	26	35	23	22	22	374
= DFCF max WACC		45	43	59	31	26	24	33	22	20	20	293

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	160.4	161.4	157.8	163.8	643.4	141.6	143.2	150.9	154.0	589.7	612.9	628.2
EBITDA	18.4	22.9	21.4	7.8	70.5	16.8	14.4	16.7	17.9	65.5	73.2	74.2
<i>EBITDA margin (%)</i>	<i>11.5</i>	<i>14.2</i>	<i>13.6</i>	<i>4.8</i>	<i>11.0</i>	<i>11.9</i>	<i>10.1</i>	<i>11.1</i>	<i>11.6</i>	<i>11.1</i>	<i>11.9</i>	<i>11.8</i>
EBIT	10.3	14.8	12.5	-3.7	33.9	8.6	6.5	8.8	10.0	33.9	40.4	46.0
<i>EBIT margin (%)</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>-2.3</i>	<i>5.3</i>	<i>6.1</i>	<i>4.5</i>	<i>5.8</i>	<i>6.5</i>	<i>5.7</i>	<i>6.6</i>	<i>7.3</i>
Net financial items	-1.8	-3.1	-2.1	0.7	-6.3	-1.9	-1.7	-1.7	-1.7	-7.0	-6.4	-3.7
Pre-tax profit	8.5	11.7	10.4	-3.0	27.6	6.7	4.8	7.1	8.3	26.9	34.0	42.3
Tax	-1.3	-0.7	-0.8	-1.3	-4.1	-0.3	-0.5	-0.7	-0.8	-2.3	-3.4	-4.2
<i>Tax rate (%)</i>	<i>15.3</i>	<i>6.0</i>	<i>7.7</i>	<i>-43.3</i>	<i>14.9</i>	<i>4.5</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>8.6</i>	<i>10.0</i>	<i>10.0</i>
Net profit	7.2	11.0	9.6	-4.3	23.5	6.4	4.0	6.1	7.2	23.7	29.4	36.9
EPS	0.23	0.35	0.31	-0.14	0.75	0.20	0.13	0.19	0.23	0.75	0.94	1.17
EPS adjusted (diluted no. of shares)	0.23	0.35	0.31	-0.14	0.75	0.20	0.13	0.19	0.23	0.75	0.94	1.17
Dividend per share	0.00	0.00	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.47	0.50	0.52
SALES, EURm												
ESL Shipping	56.8	60.3	65.0	63.3	245.4	52.7	52.2	56.8	57.9	219.6	230.6	237.5
Leipurin	27.7	29.3	32.3	41.3	130.6	34.6	35.7	37.2	38.4	145.9	150.3	154.0
Telko	75.9	71.8	60.5	59.2	267.4	54.3	55.3	56.9	57.7	224.2	232.0	236.7
Total	160.4	161.4	157.8	163.8	643.4	141.6	143.2	150.9	154.0	589.7	612.9	628.2
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>30.9</i>	<i>31.1</i>	<i>37.4</i>	<i>15.7</i>	<i>28.2</i>	<i>-7.2</i>	<i>-13.4</i>	<i>-12.6</i>	<i>-8.5</i>	<i>-10.5</i>	<i>5.0</i>	<i>3.0</i>
<i>Leipurin</i>	<i>-1.1</i>	<i>14.0</i>	<i>16.6</i>	<i>30.3</i>	<i>15.5</i>	<i>24.9</i>	<i>21.8</i>	<i>15.2</i>	<i>-7.0</i>	<i>11.7</i>	<i>3.0</i>	<i>2.5</i>
<i>Telko</i>	<i>30.9</i>	<i>6.2</i>	<i>-13.1</i>	<i>-19.6</i>	<i>-0.5</i>	<i>-28.5</i>	<i>-23.0</i>	<i>-6.0</i>	<i>-2.5</i>	<i>-16.2</i>	<i>3.5</i>	<i>2.0</i>
<i>Total</i>	<i>24.0</i>	<i>15.9</i>	<i>9.1</i>	<i>2.4</i>	<i>12.2</i>	<i>-11.7</i>	<i>-11.3</i>	<i>-4.4</i>	<i>-6.0</i>	<i>-8.3</i>	<i>3.9</i>	<i>2.5</i>
EBIT, EURm												
ESL Shipping	9.2	9.0	9.7	10.2	38.1	6.0	4.9	6.3	7.7	24.9	30.0	32.1
Leipurin	-0.4	0.4	-0.5	-4.3	-4.8	1.2	1.2	1.3	1.3	5.0	5.3	6.2
Telko	4.0	6.8	4.2	-7.7	7.3	2.7	2.1	2.5	2.7	10.0	11.6	14.2
Other operations	-2.5	-1.4	-0.9	-1.9	-6.7	-1.3	-1.7	-1.3	-1.7	-6.0	-6.4	-6.4
Total	10.3	14.8	12.5	-3.7	33.9	8.6	6.5	8.8	10.0	33.9	40.4	46.0
EBIT margin, %												
<i>ESL Shipping</i>	<i>16.2</i>	<i>14.9</i>	<i>14.9</i>	<i>16.1</i>	<i>15.5</i>	<i>11.4</i>	<i>9.4</i>	<i>11.1</i>	<i>13.3</i>	<i>11.3</i>	<i>13.0</i>	<i>13.5</i>
<i>Leipurin</i>	<i>-1.4</i>	<i>1.4</i>	<i>-1.5</i>	<i>-10.4</i>	<i>-3.7</i>	<i>3.5</i>	<i>3.4</i>	<i>3.5</i>	<i>3.4</i>	<i>3.4</i>	<i>3.5</i>	<i>4.0</i>
<i>Telko</i>	<i>5.3</i>	<i>9.5</i>	<i>6.9</i>	<i>-13.0</i>	<i>2.7</i>	<i>5.0</i>	<i>3.8</i>	<i>4.4</i>	<i>4.7</i>	<i>4.5</i>	<i>5.0</i>	<i>6.0</i>
<i>Total</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>-2.3</i>	<i>5.3</i>	<i>6.1</i>	<i>4.5</i>	<i>5.8</i>	<i>6.5</i>	<i>5.7</i>	<i>6.6</i>	<i>7.3</i>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	540.9	587.7	500.7	573.3	643.4	589.7	612.9	628.2
<i>Sales growth (%)</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>12.2</i>	<i>-8.3</i>	<i>3.9</i>	<i>2.5</i>
EBITDA	37.1	49.7	45.7	71.4	70.5	65.5	73.2	74.2
<i>EBITDA margin (%)</i>	<i>6.9</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>11.0</i>	<i>11.1</i>	<i>11.9</i>	<i>11.8</i>
Depreciation	-11.7	-28.6	-29.0	-34.5	-36.6	-31.6	-32.7	-28.2
EBITA	25.4	21.1	16.7	36.9	33.9	33.9	40.4	46.0
Goodwill amortization / writedown	-4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.6	21.1	16.7	36.9	33.9	33.9	40.4	46.0
<i>EBIT margin (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>5.3</i>	<i>5.7</i>	<i>6.6</i>	<i>7.3</i>
Reported EBIT	20.6	21.1	16.7	36.9	33.9	33.9	40.4	46.0
<i>EBIT margin (reported) (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>5.3</i>	<i>5.7</i>	<i>6.6</i>	<i>7.3</i>
Net financials	-4.2	-2.9	-4.5	-3.9	-6.3	-7.0	-6.4	-3.7
Pre-tax profit	16.4	18.2	12.2	33.0	27.6	26.9	34.0	42.3
Taxes	-2.2	-2.1	-1.4	-4.7	-4.1	-2.3	-3.4	-4.2
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	14.2	16.1	10.8	28.3	23.5	23.7	29.4	36.9
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	185	190	177	175	179	173	157	123
Goodwill	43	43	49	40	47	47	47	47
Right of use assets	37	22	20	21	16	18	18	19
Inventory	71	56	42	69	70	65	67	69
Receivables	78	75	63	83	82	89	92	94
Liquid funds	19	24	32	18	22	29	31	31
Total assets	436	410	384	406	416	422	413	384
Liabilities								
Shareholder's equity	92	122	113	129	144	153	168	189
Minority interest	0	0	0	0	0	0	0	0
Convertibles	25	0	0	0	0	0	0	0
Lease liabilities	0	9	7	7	5	18	18	19
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	199	200	182	164	172	145	118	65
Non-interest bearing current liabilities	105	61	64	79	72	83	86	88
Other interest-free debt	8	18	18	27	23	23	23	23
Total liabilities	430	410	384	406	416	422	413	384
CASH FLOW, EURm								
+ EBITDA	37	50	46	71	71	65	73	74
- Net financial items	-4	-3	-4	-4	-6	-7	-6	-4
- Taxes	-2	0	-2	-5	-4	-2	-3	-4
- Increase in Net Working Capital	-11	-14	29	-23	-13	8	-2	-2
+/- Other	0	0	0	0	0	-1	-1	-1
= Cash flow from operations	20	33	68	40	47	63	60	64
- Capex	-75	-7	-21	-31	-30	-27	-18	5
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-55	25	48	9	18	36	42	69
+/- New issues/buybacks	4	28	-12	-1	5	0	0	0
- Paid dividend	-13	-14	-7	-11	-14	-14	-15	-16
+/- Other	64	-35	-20	-11	-4	-14	-26	-52
Change in cash	-1	4	9	-15	4	8	1	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	263	264	357	258	233	233	233
Net debt (excl. convertibles)	185	157	153	155	133	106	53
Enterprise value	448	420	510	413	367	339	286
Sales	588	501	573	643	590	613	628
EBITDA	50	46	71	71	65	73	74
EBIT	21	17	37	34	34	40	46
Pre-tax	18	12	33	28	27	34	42
Earnings	16	11	28	24	24	29	37
Equity book value (excl. minorities)	122	113	129	144	153	168	189
Valuation multiples							
EV/sales	0.8	0.8	0.9	0.6	0.6	0.6	0.5
EV/EBITDA	9.0	9.2	7.1	5.9	5.6	4.6	3.9
EV/EBITA	21.2	25.2	13.8	12.2	10.8	8.4	6.2
EV/EBIT	21.2	25.2	13.8	12.2	10.8	8.4	6.2
EV/OCF	13.8	6.2	12.7	8.7	5.8	5.7	4.5
EV/FCFF	17.5	6.7	18.2	11.2	7.7	7.0	3.9
P/FCFE	10.3	5.6	38.8	14.6	6.5	5.5	3.4
P/E	16.4	24.4	12.6	11.0	9.8	7.9	6.3
P/B	2.2	2.3	2.8	1.8	1.5	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.9	4.9	4.1
Target EV/EBIT	0.0	0.0	0.0	0.0	11.4	8.8	6.6
Target EV/FCF	0.0	0.0	0.0	0.0	10.7	8.5	4.4
Target P/B	0.0	0.0	0.0	0.0	1.6	1.5	1.3
Target P/E	0.0	0.0	0.0	0.0	10.6	8.5	6.8
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	0.51	0.34	0.90	0.75	0.75	0.94	1.17
Operating cash flow per share	1.04	2.17	1.27	1.51	2.01	1.90	2.02
Free cash flow per share	0.81	1.51	0.29	0.56	1.15	1.34	2.19
Book value per share	3.88	3.61	4.12	4.57	4.87	5.33	6.01
Dividend per share	0.22	0.35	0.45	0.46	0.47	0.50	0.52
Dividend payout ratio, %	42.9	101.8	50.0	61.5	62.4	53.4	44.3
Dividend yield, %	2.6	4.2	4.0	5.6	6.3	6.7	7.0
FCF yield, %	9.7	18.0	2.6	6.8	15.4	18.1	29.6
Efficiency measures							
ROE	15.1	9.2	23.3	17.2	16.0	18.4	20.7
ROCE	6.5	5.3	12.3	10.9	10.7	13.0	15.9
Financial ratios							
Inventories as % of sales	9.5	8.5	12.0	10.9	11.0	11.0	11.0
Receivables as % of sales	12.8	12.6	14.4	12.7	15.1	15.0	15.0
Non-interest bearing liabilities as % of sales	10.4	12.8	13.8	11.2	14.0	14.0	14.0
NWC/sales, %	9.7	5.7	8.9	9.9	9.5	9.5	9.5
Operative CAPEX/sales, %	1.2	4.2	5.4	4.6	4.6	2.9	-0.9
CAPEX/sales (incl. acquisitions), %	1.2	4.2	5.4	4.6	4.6	2.9	-0.9
FCFF/EBITDA	0.5	1.4	0.4	0.5	0.7	0.7	1.0
Net debt/EBITDA, book-weighted	3.7	3.4	2.1	2.2	2.0	1.5	0.7
Debt/equity, market-weighted	0.8	0.7	0.5	0.7	0.6	0.5	0.3
Equity ratio, book-weighted	29.8	29.5	31.8	34.6	36.3	40.5	49.1
Gearing, %	151.6	137.9	118.2	107.9	87.3	63.3	28.0

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 Leipurin's improvement.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Havsudden Oy Ab	3,262,941	24.211	10.4%
Aev Capital Holding Oy	3,253,554	24.141	10.4%
Varma Mutual Pension Insurance Company	1,423,076	10.559	4.5%
Vehmas Tapio	1,275,827	9.467	4.1%
Nyberg Gustav	901,524	6.689	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	6.494	2.8%
Nordea Nordic Small Cap Fund	726,040	5.387	2.3%
Procurator-Holding Oy	514,882	3.820	1.6%
Skandinaviska Enskilda Banken AB laik Oy	487,762 479,810	3.619 3.560	1.6% 1.5%
Ten largest	13,200,642	97.949	42%
Residual	18,219,137	135.186	58%
Total	31,419,779	233.135	100%

EARNINGS CALENDAR

August 10, 2023

Q2 report

November 01, 2023

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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IR:

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

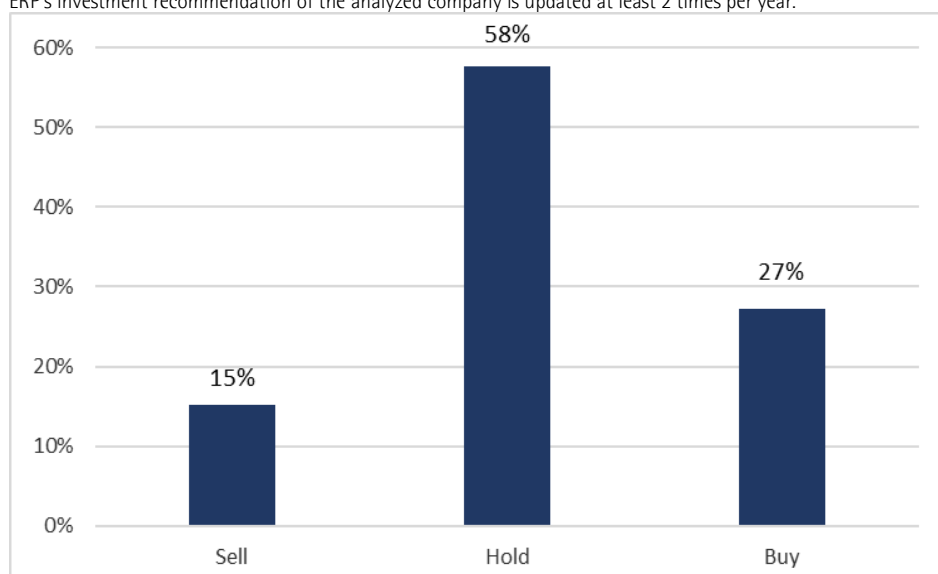
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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