

Still soft, but improving

Aspo's Q4 figures came in soft relative to estimates as all three segments missed profitability estimates.

- Aspo Q4 revenue from continuing operations amounted to EUR 132.2m vs the EUR 142.9m/137.3m Evli/consensus estimates. Adjusted EBIT was EUR 6.8m, compared to the EUR 9.5m/8.2m Evli/consensus estimates.
- ESL Q4 revenue was EUR 49.3m vs the EUR 49.7m/49.4m Evli/consensus estimates, while comparable EBIT landed at EUR 5.0m vs the EUR 6.7m/5.3m Evli/consensus estimates. Especially forest industry activity was low while energy industry shipments were affected by the previous year's exceptional situation involving security of supply and safety stocking measures. Performance is expected to improve this year.
- Telko's top line came in at EUR 49.0m, compared to the EUR 55.5m/52.7m Evli/consensus estimates, meanwhile EBIT was EUR 2.3m vs the EUR 3.2m/3.0m Evli/consensus estimates. Prices remained relatively stable compared to the previous quarter. Demand is expected to remain slightly soft especially in H1'24.
- Leipurin revenue was EUR 33.9m vs the EUR 37.7m/34.0m Evli/consensus estimates. Comparable EBIT was EUR 0.8m, compared to the EUR 1.3m/1.3m Evli/consensus estimates. Profitability was negatively impacted by price adjustments and inventory write-offs. Product mix has improved.
- The BoD proposes a maximum dividend per share of EUR 0.47 to be distributed for FY '23, compared to the EUR 0.47/0.47 Evli/consensus estimates, so that EUR 0.24 is to be distributed in the spring and EUR 0.23 on a later date if aligned with the growth strategy.
- Aspo guides FY '24 comparable EBIT to exceed EUR 30m (EUR 26.5m in FY '23).

| Rating | | | | + BUY |
|---|--------|-------|----------|-------------------------|
| Q4'23 | Actual | Evli | Year ago | Q3'23 |
| Revenue | 132.2 | 142.9 | 152.9 | 130.0 |
| Adj. EBIT | 6.8 | 9.5 | 11.1 | 7.4 |
| Adj. EBIT-% | 5.1 % | 6.6 % | 7.3 % | 5.7 % |
| Share price, EUR (Last trading day's closing price) | | | | 5.84 |
| Target price, EUR | | | | 7.0 |
| Latest change in | | | | 02-Nov-23 |
| Latest report on company | | | | 02-Nov-23 |
| 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 | | | | 183 |
| Free float, % | | | | - |
| Exchange rate EUR/RUB | | | | - |
| Reuters code | | | | ASPO.HE |
| Bloomberg code | | | | ASPO FH |
| Average daily volume, EURm | | | | 0.1 |
| Next interim report | | | | 16-Feb-24 |
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+ 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 |
|--------------------------|---------------|--------------|-------------------------|-------------|------------|------------|-----------------------|----------------|----------------|------------|
| 2021 | 573.3 | 36.9 | 6.4% | 9.2 | 0.90 | 12.6 | 0.9 | 13.8 | 2.6 | 0.45 |
| 2022 | 560.7 | 33.9 | 6.0% | 20.4 | 0.84 | 9.8 | 0.7 | 12.2 | 7.9 | 0.46 |
| 2023E | 547.1 | 29.0 | 5.3% | 31.3 | 0.62 | 9.4 | 0.6 | 11.1 | 17.1 | 0.47 |
| 2024E | 573.3 | 37.4 | 6.5% | 39.2 | 0.82 | 7.1 | 0.5 | 8.0 | 21.4 | 0.49 |
| 2025E | 587.5 | 41.1 | 7.0% | 75.4 | 0.97 | 6.0 | 0.4 | 5.8 | 41.1 | 0.52 |
| Market cap, EURm | 183 | | BV per share 2023E, EUR | | 92.9 | | CAGR EPS 2022-25, % | | 5.0 | |
| Net debt 2023E, EURm | 138 | | Price/book 2023E | | 1.2 | | CAGR sales 2022-25, % | | 1.6 | |
| Enterprise value, EURm | 322 | | Dividend yield 2023E, % | | 8.0 | | ROE 2023E, % | | 13.3 | |
| Total assets 2023E, EURm | 414 | | Tax rate 2023E, % | | 2.1 | | ROCE 2023E, % | | 9.1 | |
| Goodwill 2023E, EURm | 47 | | Equity ratio 2023E, % | | 35.9 | | PEG, P/E 23/CAGR | | 0.4 | |

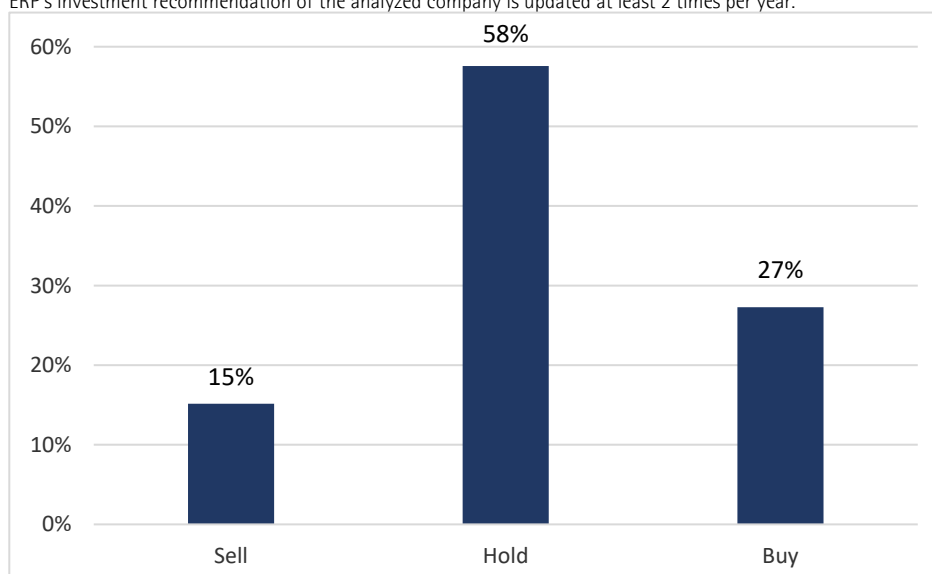
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| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 % | SELL |
| -10 – (+10) % | HOLD |
| > 10 % | BUY |

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

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