

Demand and performance stabilize

Aspo's Q4 showed some positive trends while EBIT remained quite low. H1'24 EBIT is only beginning to improve, but ESL has a lot of improvement potential already this year.

Still rather soft EBIT, yet improvement is to be expected

Aspo Q4 revenue landed at EUR 132m vs the EUR 143m/137m Evli/cons. estimates as ESL's top line was in line with our estimate while Telko and Leipurin fell short, however all three came in below our estimates in terms of EBIT. ESL's profitability continued to recover although the EUR 5m EBIT was still low for Q4. Forest and energy industries saw low volumes while weather conditions were challenging, in addition to which labor actions already had an impact. Telko saw relatively stable prices but many customer industries had low demand, while the EBIT of Leipurin was negatively affected by lower prices and inventory write-offs. The EUR 6.8m adj. EBIT thus fell short of the EUR 9.5m/8.2m Evli/cons. estimates.

Demand stabilizing while growth projects proceed

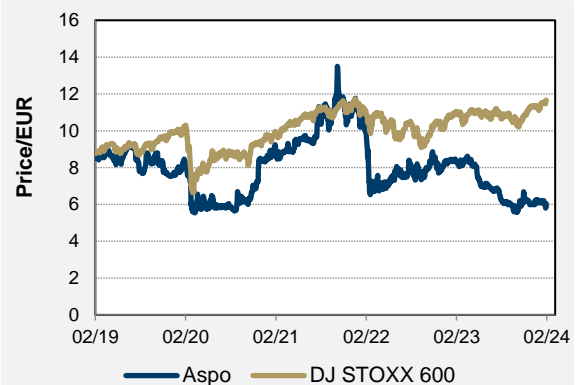
Q1 will be difficult for ESL as winter conditions have been very severe, while Finnish industrial strikes are another challenge. Steel and forest industries are to drive ESL's volumes this year, yet they start from rather different places as the former has been stable while the latter's volumes are only now recovering. The green coasters will also begin to contribute this year, however for now they represent only a marginal share of capacity. The Red Sea crisis may have a positive effect on Telko's prices, which would support EBIT, while it's likely to help spot market freight rates and further lift Supramax earnings (which are however to be divested some time). Telko is now better positioned for M&A as ESL's investments have found one source of financing through a minority stake sale.

Valuation not stretched as EBIT should gain also next year

Aspo is valued above 9x EV/EBIT on our FY '24 estimates, which isn't a stretched multiple as H1'24 profitability will still be subdued. We estimate ESL's EBIT to improve by EUR 6m this year, which would by itself be enough to justify the guidance. Meanwhile we estimate Telko's EBIT to gain by EUR 3m and hence see Aspo's FY '24 EBIT at EUR 35.0m. We believe EBIT has more room to gain also next year when H1 should no longer be as soft. We retain our EUR 7.0 TP and BUY rating.

Rating

+ BUY



Share price, EUR (Last trading day's closing price) 6.04

Target price, EUR 7.0

Latest change in recommendation 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 190

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 07-May-24

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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
2022	560.7	38.3	6.8%	22.9	0.98	8.4	0.7	10.8	8.9	0.46
2023	536.4	25.9	4.8%	3.7	0.52	11.6	0.7	13.7	2.0	0.47
2024E	551.9	35.0	6.3%	46.3	0.79	7.7	0.6	9.2	24.4	0.49
2025E	565.6	39.8	7.0%	37.2	0.93	6.5	0.5	7.6	19.6	0.52
2026E	574.0	42.2	7.4%	39.8	1.00	6.0	0.5	6.6	21.0	0.60

Market cap, EURm	190	Gearing 2024E, %	88.8	CAGR EPS 2023-26, %	24.7
Net debt 2024E, EURm	134	Price/book 2024E	1.3	CAGR sales 2023-26, %	2.3
Enterprise value, EURm	323	Dividend yield 2024E, %	8.1	ROE 2024E, %	17.0
Total assets 2024E, EURm	395	Tax rate 2024E, %	10.1	ROCE 2024E, %	10.8
Goodwill 2024E, EURm	52	Equity ratio 2024E, %	38.1	PEG, P/E 24/CAGR	0.8

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	402	5.1x	5.3x	4.9x	11.9x					
Diana Shipping	305	4.8x	5.9x	5.9x	6.3x	9.2x	8.9x	0.6x	0.6x	0.6x
Seanergy Maritime Hldgs	123	5.3x	8.0x	4.9x	10.6x	21.6x	8.4x	0.6x	0.6x	0.6x
Genco Shipping & Trading	699	3.4x	7.9x	5.2x	4.6x	22.2x	8.9x	0.8x	0.8x	0.8x
Golden Ocean Group	2064	5.2x	10.6x	8.0x	6.7x	18.8x	11.8x	1.2x	1.2x	1.1x
2020 Bulkers	304	7.4x	9.3x	7.6x	9.5x	12.0x	9.1x	2.1x	2.0x	2.0x
Pangaea Logistics	367	3.3x	7.0x	6.3x	4.2x	11.2x	9.5x	1.2x	1.1x	1.0x
Safe Bulkers	433	2.7x	5.5x	5.0x	3.5x	8.3x	7.8x	0.7x	0.6x	0.6x
EuroDry	55	2.2x	12.2x	4.7x	2.8x	281.8x	7.7x	0.5x	0.5x	0.5x
Belships	456	3.8x	6.0x	5.9x	4.4x	8.4x	7.8x	1.9x	1.7x	1.9x
Star Bulk Carriers	1933	3.8x	8.4x	5.9x	4.8x	13.5x	8.0x	1.1x	1.2x	1.0x
Peer Group Average	649	4.3x	7.8x	5.8x	6.3x	40.7x	8.8x	1.1x	1.0x	1.0x
Peer Group Median	402	3.8x	7.9x	5.9x	4.8x	12.7x	8.6x	1.0x	1.0x	0.9x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
AKR Corporindo	1907	8.1x	7.8x	8.0x	9.1x	8.7x	8.8x	6.6 %	8.1 %	8.6 %
Ashland	4315	12.2x	11.6x	11.8x	21.8x	25.0x	23.5x	13.3 %	9.8 %	11.1 %
Brenntag	11295	6.2x	9.3x	8.7x	8.1x	12.0x	11.2x	7.1 %	7.2 %	7.2 %
IMCD	8044	14.1x	18.7x	16.1x	16.9x	22.9x	19.8x	10.7 %	9.9 %	9.8 %
Azelis Group	4571	15.7x	13.3x	11.1x	16.2x	15.4x	12.7x	11.1 %	10.4 %	10.4 %
Nagase	1751				11.7x	12.5x	12.3x	3.8 %	3.4 %	3.6 %
Redox	773		10.2x	9.8x		11.0x	10.5x		10.1 %	10.2 %
Peer Group Average	4665	10.6x	11.8x	10.9x	13.2x	15.4x	14.1x	8.6 %	8.4 %	8.7 %
Peer Group Median	4315	10.1x	10.9x	10.4x	11.7x	12.5x	12.3x	7.5 %	9.8 %	9.8 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Sligro Food Group NV	594	8.1x	8.4x	6.5x	18.0x	43.2x	13.7x	2.4 %	0.9 %	2.5 %
Chefs' Warehouse	1282	12.5x	11.5x	11.5x	22.6x	18.8x	18.9x	3.3 %	3.4 %	3.5 %
Marr	735	12.4x	7.8x	7.0x	21.4x	11.3x	9.9x	2.4 %	4.1 %	4.5 %
United Natural Foods	906	8.1x	7.8x	8.6x	14.5x	19.9x	28.4x	1.4 %	0.7 %	0.5 %
Orkla	6623	9.5x	10.7x	9.7x	12.2x	14.5x	13.1x	12.6 %	10.2 %	10.5 %
Performance Food Group	10582	11.7x	11.1x	10.4x	15.8x	14.5x	13.5x	1.6 %	1.9 %	2.0 %
Sysco	36708	13.8x	12.0x	11.8x	17.3x	14.8x	14.5x	4.0 %	4.3 %	4.4 %
Tate & Lyle	2853	10.4x	8.9x	7.8x	13.8x	11.1x	9.6x	14.0 %	15.1 %	16.2 %
Dole	976	7.3x	6.9x	6.4x	13.8x	10.7x	9.2x	1.9 %	2.9 %	3.1 %
US Foods Holding	11092	10.2x	10.4x	9.9x	14.2x	13.7x	12.8x	2.8 %	3.4 %	3.5 %
Nomad Foods	2803	8.9x	8.6x	8.3x	11.1x	11.0x	10.1x	14.3 %	13.6 %	14.6 %
Peer Group Average	6832	10.3x	9.5x	8.9x	15.9x	16.7x	14.0x	5.5 %	5.5 %	6.0 %
Peer Group Median	2803	10.2x	8.9x	8.6x	14.5x	14.5x	13.1x	2.8 %	3.4 %	3.5 %

Segment	EBIT '23 ¹⁾	EV/EBIT '23 *	EV	EBIT '24e	EV/EBIT '24e *	EV
ESL	18.3	12.7x	232	24.2	8.6x	208
Telko	9.0	12.5x	113	12.3	12.3x	151
Leipurin	4.2	14.5x	61	4.9	13.1x	64
Other operations	-5.3	12.9x	-68	-6.4	10.2x	-65
Total			338			358
Hybrid			30			30
Net debt (Evli YE est.)			165			134
Equity value			142			194
Per share			4.5			6.2

*Peer group median (FactSet)

1) adjusted for comparison

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.04 PV of Free Cash Flow	304 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	13.86 PV of Horizon value	297 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	129.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	15.3 Marketable securities	31 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	12.6 Debt - dividend	-196 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	49.4 Value of stock	435 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	536	552	566	574	583	591	600	609	618	628	634	640
<i>Sales growth, %</i>	-4.3	2.9	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	26	35	40	42	41	41	42	43	43	44	44	45
<i>Operating income margin, %</i>	4.8	6.3	7.0	7.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
+ Depreciation+amort.	34	31	30	30	23	22	18	16	17	17	17	
EBITDA	59	66	70	72	64	63	60	59	60	61	61	
- Paid taxes	-2	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	
- Change in NWC	-2	11	-1	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	12.3	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
+ Change in other liabs	-1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-22	-20	-20	-20	-20	-2	-5	-18	-18	-18	-18	
<i>opCAPEX / Sales, %</i>	7.9	3.7	3.6	3.5	3.5	0.3	0.9	3.0	3.0	3.0	2.9	
- 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	32	54	43	46	37	55	49	35	35	36	38	601
= Discounted FCFF		50	38	37	28	39	32	21	20	19	19	297
= DFCF min WACC		51	38	38	29	40	33	22	21	20	20	337
= DFCF max WACC		50	37	37	28	38	31	21	19	18	18	263

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	141.6	132.6	130.0	132.2	536.4	132.7	138.3	139.7	141.2	551.9	565.6	574.0
EBITDA	16.8	11.1	16.4	15.1	59.4	13.7	15.2	17.1	20.2	66.2	69.8	71.8
<i>EBITDA margin (%)</i>	<i>11.9</i>	<i>8.4</i>	<i>12.6</i>	<i>11.4</i>	<i>11.1</i>	<i>10.3</i>	<i>11.0</i>	<i>12.2</i>	<i>14.3</i>	<i>12.0</i>	<i>12.3</i>	<i>12.5</i>
EBIT	8.6	2.9	8.0	6.4	25.9	5.9	7.4	9.3	12.4	35.0	39.8	42.2
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>2.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>	<i>4.4</i>	<i>5.4</i>	<i>6.7</i>	<i>8.8</i>	<i>6.3</i>	<i>7.0</i>	<i>7.4</i>
Net financial items	-1.9	-2.2	-2.5	-2.7	-9.3	-2.0	-2.0	-1.7	-1.7	-7.4	-6.0	-6.0
Pre-tax profit	6.7	0.7	5.5	3.7	16.6	3.9	5.4	7.6	10.7	27.6	33.8	36.2
Tax	-0.3	0.9	-0.3	-0.7	-0.4	-0.7	-0.7	-0.7	-0.7	-2.8	-3.4	-3.6
<i>Tax rate (%)</i>	<i>4.5</i>	<i>-128.6</i>	<i>5.5</i>	<i>18.9</i>	<i>2.4</i>	<i>17.9</i>	<i>13.0</i>	<i>9.2</i>	<i>6.5</i>	<i>10.1</i>	<i>10.0</i>	<i>10.0</i>
Net profit	6.4	1.6	5.2	3.0	16.2	3.2	4.7	6.9	10.0	24.8	29.2	31.4
EPS	0.20	0.05	0.17	0.10	0.52	0.10	0.15	0.22	0.32	0.79	0.93	1.00
EPS adjusted (diluted no. of shares)	0.20	0.05	0.17	0.10	0.52	0.10	0.15	0.22	0.32	0.79	0.93	1.00
Dividend per share	0.00	0.00	0.00	0.00	0.47	0.00	0.00	0.00	0.00	0.49	0.52	0.60
SALES, EURm												
ESL Shipping	52.7	44.0	43.0	49.3	189.0	47.1	49.9	50.3	52.8	200.1	206.1	210.2
Leipurin	34.6	34.4	33.2	33.9	136.1	33.3	34.7	33.8	35.6	137.4	140.8	142.9
Telko	54.3	54.2	53.8	49.0	211.3	52.3	53.7	55.6	52.8	214.4	218.7	220.9
Total	141.6	132.6	130.0	132.2	536.4	132.7	138.3	139.7	141.2	551.9	565.6	574.0
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>-7.2</i>	<i>-27.0</i>	<i>-33.8</i>	<i>-22.1</i>	<i>-23.0</i>	<i>-10.6</i>	<i>13.4</i>	<i>17.0</i>	<i>7.1</i>	<i>5.9</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>61.7</i>	<i>49.6</i>	<i>26.7</i>	<i>-4.0</i>	<i>28.5</i>	<i>-3.8</i>	<i>0.9</i>	<i>1.8</i>	<i>5.0</i>	<i>1.0</i>	<i>2.5</i>	<i>1.5</i>
<i>Telko</i>	<i>7.3</i>	<i>2.5</i>	<i>4.3</i>	<i>-9.8</i>	<i>0.9</i>	<i>-3.7</i>	<i>-0.9</i>	<i>3.3</i>	<i>7.8</i>	<i>1.5</i>	<i>2.0</i>	<i>1.0</i>
<i>Total</i>	<i>9.9</i>	<i>-2.6</i>	<i>-9.0</i>	<i>-13.5</i>	<i>-4.3</i>	<i>-6.3</i>	<i>4.3</i>	<i>7.5</i>	<i>6.8</i>	<i>2.9</i>	<i>2.5</i>	<i>1.5</i>
EBIT, EURm												
ESL Shipping	6.0	3.3	4.0	4.4	17.7	3.7	4.9	6.3	9.3	24.2	27.4	28.4
Leipurin	1.2	1.4	2.0	1.0	5.6	1.1	1.2	1.3	1.3	4.9	5.6	6.4
Telko	2.7	-0.1	3.1	2.3	8.0	2.8	3.0	3.2	3.3	12.3	13.1	13.8
Other operations	-1.3	-1.7	-1.1	-1.3	-5.4	-1.7	-1.7	-1.5	-1.5	-6.4	-6.4	-6.4
Total	8.6	2.9	8.0	6.4	25.9	5.9	7.4	9.3	12.4	35.0	39.8	42.2
EBIT margin, %												
<i>ESL Shipping</i>	<i>11.4</i>	<i>7.5</i>	<i>9.3</i>	<i>8.9</i>	<i>9.4</i>	<i>7.9</i>	<i>9.8</i>	<i>12.5</i>	<i>17.6</i>	<i>12.1</i>	<i>13.3</i>	<i>13.5</i>
<i>Leipurin</i>	<i>3.5</i>	<i>4.1</i>	<i>6.0</i>	<i>2.9</i>	<i>4.1</i>	<i>3.3</i>	<i>3.5</i>	<i>3.8</i>	<i>3.7</i>	<i>3.6</i>	<i>4.0</i>	<i>4.5</i>
<i>Telko</i>	<i>5.0</i>	<i>-0.2</i>	<i>5.8</i>	<i>4.7</i>	<i>3.8</i>	<i>5.4</i>	<i>5.6</i>	<i>5.8</i>	<i>6.3</i>	<i>5.7</i>	<i>6.0</i>	<i>6.3</i>
<i>Total</i>	<i>6.1</i>	<i>2.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>	<i>4.4</i>	<i>5.4</i>	<i>6.7</i>	<i>8.8</i>	<i>6.3</i>	<i>7.0</i>	<i>7.4</i>

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	587.7	500.7	573.3	560.7	536.4	551.9	565.6	574.0
<i>Sales growth (%)</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>-2.2</i>	<i>-4.3</i>	<i>2.9</i>	<i>2.5</i>	<i>1.5</i>
EBITDA	49.7	45.7	71.4	71.5	59.4	66.2	69.8	71.8
<i>EBITDA margin (%)</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>12.8</i>	<i>11.1</i>	<i>12.0</i>	<i>12.3</i>	<i>12.5</i>
Depreciation	-28.6	-29.0	-34.5	-33.2	-33.5	-31.2	-30.0	-29.6
EBITA	21.1	16.7	36.9	38.3	25.9	35.0	39.8	42.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	21.1	16.7	36.9	38.3	25.9	35.0	39.8	42.2
<i>EBIT margin (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.8</i>	<i>4.8</i>	<i>6.3</i>	<i>7.0</i>	<i>7.4</i>
Reported EBIT	21.1	16.7	36.9	38.3	25.9	35.0	39.8	42.2
<i>EBIT margin (reported) (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.8</i>	<i>4.8</i>	<i>6.3</i>	<i>7.0</i>	<i>7.4</i>
Net financials	-2.9	-4.5	-3.9	-5.9	-9.3	-7.4	-6.0	-6.0
Pre-tax profit	18.2	12.2	33.0	32.4	16.6	27.6	33.8	36.2
Taxes	-2.1	-1.4	-4.7	-1.7	-0.4	-2.8	-3.4	-3.6
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	16.1	10.8	28.3	30.7	16.2	24.8	29.2	31.4
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	190	177	175	179	170	158	148	139
Goodwill	43	49	40	47	52	52	52	52
Right of use assets	22	20	21	16	23	23	24	24
Inventory	56	42	69	70	59	61	62	63
Receivables	75	63	83	82	74	72	74	75
Liquid funds	24	32	18	22	31	28	28	29
Total assets	410	384	406	416	410	395	390	383
Liabilities								
Shareholder's equity	122	113	129	144	141	151	164	179
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	9	7	7	5	24	23	24	24
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	200	182	164	172	172	138	116	93
Non-interest bearing current liabilities	61	64	79	72	67	77	79	80
Other interest-free debt	18	18	27	23	6	6	6	6
Total liabilities	410	384	406	416	410	395	390	383
CASH FLOW, EURm								
+ EBITDA	50	46	71	72	59	66	70	72
- Net financial items	-3	-4	-4	-6	-9	-7	-6	-6
- Taxes	0	-2	-5	-2	-1	-3	-3	-4
- Increase in Net Working Capital	-14	29	-23	-13	-2	11	-1	-1
+/- Other	0	0	0	0	0	0	-1	-1
= Cash flow from operations	33	68	40	51	46	67	58	60
- Capex	-7	-21	-31	-28	-43	-21	-21	-20
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	25	48	9	23	4	46	37	40
+/- New issues/buybacks	28	-12	-1	-2	-5	0	0	0
- Paid dividend	-14	-7	-11	-14	-14	-15	-15	-16
+/- Other	-35	-20	-11	-2	25	-35	-21	-23
Change in cash	4	9	-15	4	9	-3	1	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	264	357	258	189	190	190	190
Net debt (excl. convertibles)	157	153	155	165	134	112	88
Enterprise value	420	510	413	354	323	302	278
Sales	501	573	561	536	552	566	574
EBITDA	46	71	72	59	66	70	72
EBIT	17	37	38	26	35	40	42
Pre-tax	12	33	32	17	28	34	36
Earnings	11	28	31	16	25	29	31
Equity book value (excl. minorities)	113	129	144	141	151	164	179
Valuation multiples							
EV/sales	0.8	0.9	0.7	0.7	0.6	0.5	0.5
EV/EBITDA	9.2	7.1	5.8	6.0	4.9	4.3	3.9
EV/EBITA	25.2	13.8	10.8	13.7	9.2	7.6	6.6
EV/EBIT	25.2	13.8	10.8	13.7	9.2	7.6	6.6
EV/OCF	6.2	12.7	8.1	7.6	4.8	5.2	4.6
EV/FCFF	6.7	18.2	10.1	11.0	6.0	7.0	6.1
P/FCFE	5.6	38.8	11.3	51.0	4.1	5.1	4.8
P/E	24.4	12.6	8.4	11.6	7.7	6.5	6.0
P/B	2.3	2.8	1.8	1.3	1.3	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.3	4.8	4.3
Target EV/EBIT	0.0	0.0	0.0	0.0	10.1	8.3	7.3
Target EV/FCF	0.0	0.0	0.0	0.0	7.6	8.9	7.8
Target P/B	0.0	0.0	0.0	0.0	1.5	1.3	1.2
Target P/E	0.0	0.0	0.0	0.0	8.9	7.5	7.0
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	0.34	0.90	0.98	0.52	0.79	0.93	1.00
Operating cash flow per share	2.17	1.27	1.63	1.47	2.13	1.84	1.91
Free cash flow per share	1.51	0.29	0.73	0.12	1.47	1.19	1.27
Book value per share	3.61	4.12	4.57	4.47	4.79	5.23	5.71
Dividend per share	0.35	0.45	0.46	0.47	0.49	0.52	0.60
Dividend payout ratio, %	101.8	50.0	47.1	91.2	62.1	56.0	60.0
Dividend yield, %	4.2	4.0	5.6	7.8	8.1	8.6	9.9
FCF yield, %	18.0	2.6	8.9	2.0	24.4	19.6	21.0
Efficiency measures							
ROE	9.2	23.3	22.5	11.4	17.0	18.5	18.3
ROCE	5.3	12.3	12.3	7.9	10.8	12.9	14.0
Financial ratios							
Inventories as % of sales	8.5	12.0	12.5	11.0	11.0	11.0	11.0
Receivables as % of sales	12.6	14.4	14.6	13.8	13.0	13.0	13.0
Non-interest bearing liabilities as % of sales	12.8	13.8	12.9	12.5	14.0	14.0	14.0
NWC/sales, %	5.7	8.9	11.4	12.3	10.0	10.0	10.0
Operative CAPEX/sales, %	4.2	5.4	5.0	7.9	3.7	3.6	3.5
CAPEX/sales (incl. acquisitions), %	4.2	5.4	5.0	7.9	3.7	3.6	3.5
FCFF/EBITDA	1.4	0.4	0.6	0.5	0.8	0.6	0.6
Net debt/EBITDA, book-weighted	3.4	2.1	2.2	2.8	2.0	1.6	1.2
Debt/equity, market-weighted	0.7	0.5	0.7	0.9	0.7	0.6	0.5
Equity ratio, book-weighted	29.5	31.8	34.6	34.3	38.1	42.2	46.8
Gearing, %	137.9	118.2	107.9	117.6	88.8	68.1	49.3

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	19.708	10.4%
Aev Capital Holding Oy	3,253,554	19.651	10.4%
Varma Mutual Pension Insurance Company	1,423,076	8.595	4.5%
Vehmas Tapio	1,275,827	7.706	4.1%
Nyberg Gustav	901,524	5.445	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	5.286	2.8%
Nordea Nordic Small Cap Fund	726,040	4.385	2.3%
Procurator-Holding Oy	514,882	3.110	1.6%
Skandinaviska Enskilda Banken AB	487,762	2.946	1.6%
laik Oy	479,810	2.898	1.5%
Ten largest	13,200,642	79.732	42%
Residual	18,219,137	110.044	58%
Total	31,419,779	189.775	100%

EARNINGS CALENDAR

May 07, 2024	Q1 report
August 14, 2024	Q2 report
October 29, 2024	Q3 report

OTHER EVENTS

May 14, 2024	CMD
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COMPANY MISCELLANEOUS

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CFO: Meitsalo Arto	Tel: +358 ,9 5,211
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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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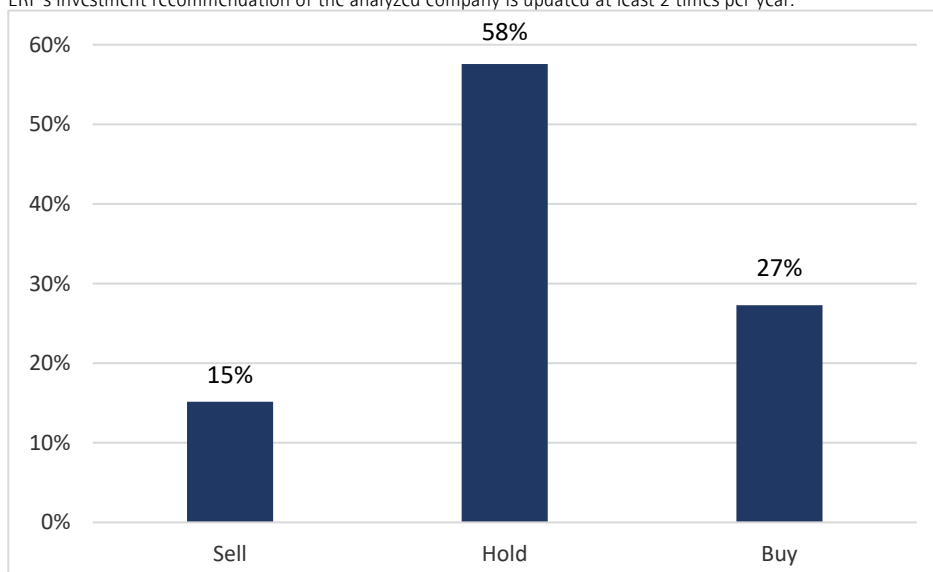
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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