

## Challenging Q1 conditions hit EBIT

Aspo's Q1 results were burdened by political strikes in Finland especially in the case of ESL, which also had to operate in exceptionally icy conditions. Aspo's guidance continues to suggest EBIT improves particularly after the summer.

- Aspo Q1 revenue from continuing operations was EUR 132.7m, compared to the EUR 132.7m/134.7m Evli/consensus estimates. Comparable EBIT amounted to EUR 4.8m vs the EUR 5.9m/6.3m Evli/consensus estimates.
- ESL Q1 revenue was EUR 49.9m, compared to the EUR 47.1m/47.7m Evli/consensus estimates. Comparable EBIT landed at EUR 2.7m vs the EUR 3.7m/3.5m Evli/consensus estimates. Political strikes had a negative impact on profitability, in addition to an exceptionally cold January in Northern Scandinavia (combined effect estimated to have been some EUR 3.5m in Q1). Strikes are estimated to affect Q2 by around EUR 0.5m. Steel industry demand is expected to remain at a good level and gradually to pick up in forest industry.
- Telko's revenue came in at EUR 50.2m vs the EUR 52.3m/53.6m Evli/consensus estimates, whereas EBIT was EUR 2.2m vs the EUR 2.8m/2.7m Evli/consensus estimates. Political strikes had a negative impact of about EUR 0.1m in Q1 (similar effect is seen for Q2). Market is expected to develop stable going forward.
- Leipurin top line amounted to EUR 32.6m, compared to the EUR 33.3m/34.2m Evli/consensus estimates, while EBIT was EUR 1.1m vs the EUR 1.1m/1.2m Evli/consensus estimates. Political strikes had a negative impact of about EUR 0.1m in Q1 (similar effect is seen for Q2). Market is expected to be slightly deflationary with modest volume growth.
- Aspo guides comparable FY '24 EBIT to exceed EUR 30m (unchanged).

### Rating + BUY

Q1'24	Actual	Evli	Year ago	Q4'23
Revenue	132.7	132.7	141.6	132.2
Adj. EBIT	4.8	5.9	8.4	6.8
Adj. EBIT-%	3.6 %	4.4 %	5.9 %	5.1 %

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 19-Feb-24

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/SEK -

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

### 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
2022	560.7	38.3	6.8%	16.5	0.98	8.4	0.7	10.8	6.4	0.46
2023	536.4	25.9	4.8%	-1.1	0.52	11.6	0.7	13.7	-0.6	0.47
2024E	551.9	35.0	6.3%	46.3	0.79	7.4	0.6	9.1	25.2	0.49
2025E	565.6	39.8	7.0%	37.2	0.93	6.3	0.5	7.4	20.3	0.52
2026E	574.0	42.2	7.4%	39.8	1.00	5.8	0.5	6.4	21.7	0.60

Market cap, EURm	183	BV per share 2024E, EUR	88.8	CAGR EPS 2023-26, %	24.7
Net debt 2024E, EURm	134	Price/book 2024E	1.2	CAGR sales 2023-26, %	2.3
Enterprise value, EURm	317	Dividend yield 2024E, %	8.4	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

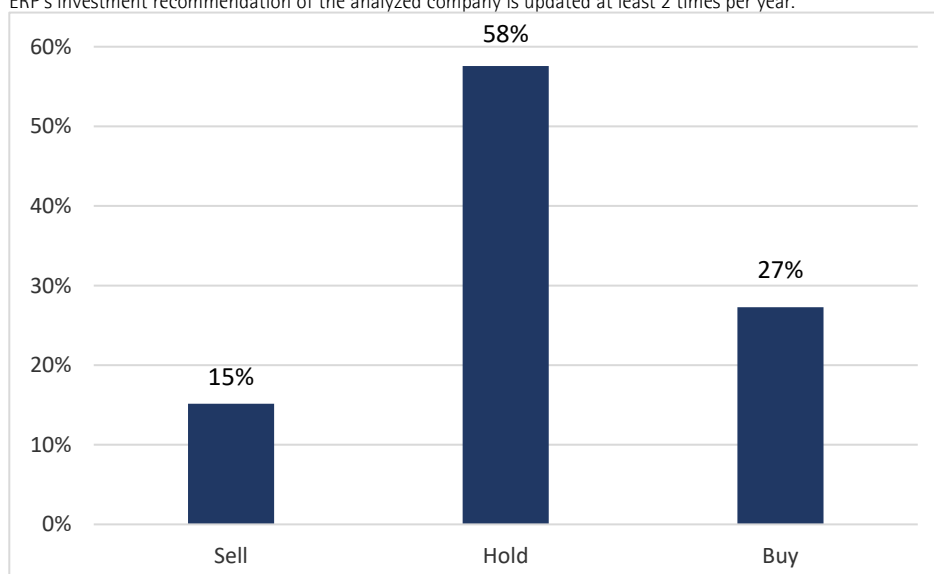
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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