

Earnings slightly below estimates

Aspo's Q3 earnings didn't quite reach estimates as ESL's EBITA remained low while Telko's EUR 4.6m EBITA clearly topped expectations. Aspo's EUR 8.7m Q3 comparable EBITA thus improved, but not as fast as was estimated. Aspo retains its guidance.

- Aspo Q3 revenue from continuing operations was EUR 146.6m, compared to the EUR 155.0m/153.3m Evli/consensus estimates. Comparable EBITA amounted to EUR 8.7m vs the EUR 9.3m/9.6m Evli/consensus estimates.
- ESL revenue landed at EUR 41.3m, compared to the EUR 56.2m/50.4m Evli/consensus estimates, while comparable EBITA was EUR 3.8m vs the EUR 6.3m/6.0m Evli/consensus estimates. Handysize vessels' spot market volumes remained limited and pricing levels were overall weak; the same was true for coasters. Coaster contractual volumes experienced a decline, while that of handysize was in line with expectations. Steel industry demand should remain rather good while forest industry recovery may be slow.
- Telko revenue was EUR 72.4m vs the EUR 65.1m/69.0m Evli/consensus estimates, while comparable EBITA was EUR 4.6m vs our EUR 3.2m estimate. Positive sales margin development continued, but demand has remained soft in most European markets. Volumes grew on an organic basis, in addition to M&A, while prices were quite stable although still on the soft side. Demand and price levels should slowly pick up going forward.
- Leipurin revenue amounted to EUR 32.9m, compared to the EUR 33.7m/33.9m Evli/consensus estimates, whereas comparable EBITA came in at EUR 1.3m vs the EUR 1.3m/1.4m Evli/consensus estimates. Market prices decreased in certain product categories. The intention to improve sales mix resulted in lower volumes in low margin categories. Artesan customer demand has overall been rather soft but varied significantly between countries. Market is expected to be slightly deflationary also going forward.
- Aspo guides FY'24 comparable EBITA to exceed EUR 32m (unchanged).

Rating ++ Buy

Q3'24	Actual	Evli	Year ago	Q2'24
Revenue	146.6	155.0	130.1	153.5
Adj. EBITA	8.7	9.3	7.7	7.4
Adj. EBITA-%	5.9 %	6.0 %	5.9 %	4.8 %

Share price, EUR (Last trading day's closing price) **5.84**
Target price, EUR 7.0

Latest change in recommendation 02–Nov–23

Latest report on company 11–Sep–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 –

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 29–Oct–24

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++ BUY 0 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	601.4	24.1	4.0%	17.9	0.33	17.5	0.6	14.3	9.8%	0.35
2025E	670.0	46.3	6.9%	14.8	0.91	6.4	0.5	7.4	8.1%	0.40
2026E	686.0	52.7	7.7%	37.0	1.08	5.4	0.5	6.0	20.1%	0.45
Market cap, EURm	183		Gearing 2024E, %		119.0 %		CAGR EPS 2023–26, %		27.8 %	
Net debt 2024E, EURm	162		Price/book 2024E		1.3		CAGR Sales 2023–26, %		8.6 %	
Enterprise value, EURm	346		Dividend yield 2024E, %		6.0 %		ROE 2024E, %		7.6 %	
Total assets 2024E, EURm	413		Tax rate 2024E, %		15.2 %		ROCE 2024E, %		7.3 %	
Goodwill 2024E, EURm	52		Equity ratio 2024E, %		33.0 %		PEG, P/E 24/CAGR		0.2	

All the important disclosures can be found on the last pages of this report

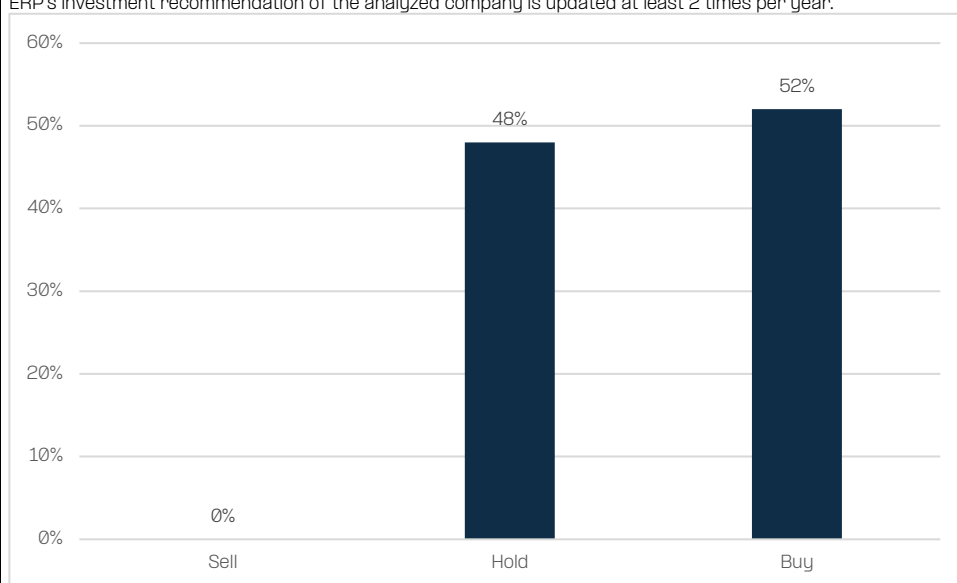
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Target price compared to share price	Recommendation
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-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Joonas Iivonen

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