

## Earnings to gain some EUR 10m

Aspo's Q4 earnings came in a bit soft relative to estimates, but the midpoint of FY'25 comparable EBITA guidance indicates the results could improve by more than EUR 10m this year.

- Aspo Q4 revenue from continuing operations was EUR 159.8m vs the EUR 159.1m/164.2m Evli/consensus estimates. Comparable EBITA was EUR 8.0m vs the EUR 9.1m/8.9m Evli/consensus estimates.
- ESL revenue was EUR 54.7m, compared to the EUR 52.7m/58.3m Evli/consensus estimates, while comparable EBITA amounted to EUR 4.3m vs the EUR 5.1m/5.1m Evli/consensus estimates. Spot market prices were weak, unusually for the period, and contractual volumes were lower than expected. Market remains soft early this year, however volumes from forest and steel industry customers are expected to slowly revive during the year.
- Telko revenue came in at EUR 69.8m vs the EUR 70.2m/71.1m Evli/consensus estimates, whereas comparable EBITA was EUR 3.9m vs the EUR 4.0m/4.1m Evli/consensus estimates. Sales margins developed positively during the quarter. Stable market development is expected going forward with demand slowly picking up.
- Leipurin revenue amounted to EUR 35.3m, compared to the EUR 36.2m/35.0m Evli/consensus estimates. Comparable EBITA landed at EUR 1.1m vs the EUR 1.3m/1.4m Evli/consensus estimates. Flat pricing and volumes prevailed during the quarter, and the market is expected to remain stable this year. The food industry represents growth opportunities, and Leipurin should still be able to improve its profitability.
- The BoD proposes a dividend of EUR 0.19 per share to be distributed for FY'24, compared to the EUR 0.25/0.19 Evli/consensus estimates.
- Aspo guides FY'25 comparable EBITA to be in the range of EUR 35–45m (EUR 29.1m in FY'24). Operating environment is estimated to remain challenging in H1'25 but gradually improve in H2'25.

Rating ++ Buy

Q4'24	Actual	Evli	Year ago	Q3'24
Revenue	159.8	159.1	132.2	146.6
Adj. EBITA	8.0	9.1	7.2	8.7
Adj. EBITA-%	5.0 %	5.7 %	5.5 %	5.9 %

Share price, EUR (Last trading day's closing price) **5.02**  
Target price, EUR 6.0

Latest change in recommendation 02–Nov–23

Latest report on company 11–Dec–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 158

Free float, % –

Exchange rate –

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 17–Feb–25

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++ BUY + ACCUMULATE - REDUCE -- 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%	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%	0.24
2024E	591.9	20.0	3.4%	12.0	0.17	28.7	0.5	15.9	7.6%	0.25
2025E	664.8	42.5	6.4%	16.4	0.77	6.5	0.5	7.3	10.4%	0.35
2026E	682.9	51.6	7.6%	29.9	1.06	4.7	0.4	5.6	19.0%	0.40
Market cap, EURm	158		Gearing 2024E, %		116.1 %		CAGR EPS 2023–26, %		27.1 %	
Net debt 2024E, EURm	161		Price/book 2024E		1.1		CAGR Sales 2023–26, %		8.4 %	
Enterprise value, EURm	318		Dividend yield 2024E, %		5.0 %		ROE 2024E, %		3.9 %	
Total assets 2024E, EURm	412		Tax rate 2024E, %		32.4 %		ROCE 2024E, %		6.1 %	
Goodwill 2024E, EURm	52		Equity ratio 2024E, %		33.6 %		PEG, P/E 24/CAGR		0.3	

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

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Recommendation	Percentage
Sell	0%
Hold	48%
Buy	52%

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

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