

## Some softening after a record year

Aspo's Q4 didn't hold big news, however the segments' EBIT paths may diverge a bit this year after a very strong FY '22.

ESL and Leipurin topped our estimates, while Telko was soft. Aspo's Q4 revenue landed at EUR 165m, compared to the EUR 157m/158m Evli/cons. estimates, while adj. EBIT was EUR 11.3m vs the EUR 12.1m/11.7m Evli/cons. estimates. The figures were hence overall relatively close to estimates, however Telko's profitability was clearly below what we estimated whereas ESL and Leipurin were both somewhat better. Telko saw certain positive developments in Q4 as strong Western demand drove higher volumes organically and through acquisitions; lubricants also fared well, but plastics and chemicals prices decreased, in addition to which the challenging operating environment in Ukraine, Russia and Belarus limited profitability.

### We already expected considerable EBIT decline for Telko

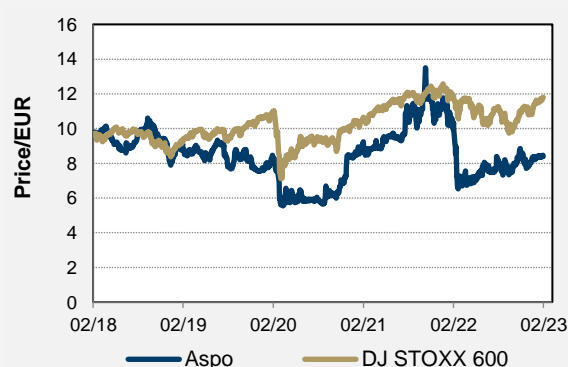
In our view Telko's EBIT should begin to stabilize in H1'23 but will not reach the EUR 21m EBIT seen in recent years anytime soon. Aspo's guidance doesn't seem to set the bar for Telko very high, which in our view reflects the still highly uncertain environment for pricing and volumes. We previously expected Telko's FY '23 EBIT to decline some EUR 10m, and we now estimate the decline at EUR 11.5m. ESL's outlook remains stable, at least for Q1 when the Supramaxes are still employed with good price levels, but it's early to say how they might fare in H2'23. Smaller vessels should still have no trouble achieving highly satisfactory results, yet it may be hard to gain on last year. We expect ESL's EBIT to decline a bit this year, but some of the new hybrid vessels are due to be delivered soon and hence EBIT should find further support even in the case of extended pricing headwinds. The Kobia acquisition's synergies weren't yet reflected last year, and hence we expect Leipurin EBIT to increase this year even if inflation and volume trends set some limits to organic development.

### Valuation not challenging despite EBIT softness this year

Aspo is valued ca. 9x EV/EBIT on our FY '23 estimates, which we see reflects relatively low valuation for ESL. An EV/EBIT multiple of 10x could be justified for the niche carrier as Algoma Central, arguably the most relevant peer, is valued above 10x as it derives a big share of its earnings through small dry bulk vessels around the Great Lakes region. We retain our EUR 9.5 TP and BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 8.39

Target price, EUR 9.5

Latest change in recommendation 05-May-22

Latest report on company 03-Nov-22

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 264

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 03-May-23

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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
2021	573.3	36.9	6.4%	9.2	0.90	12.6	0.9	13.8	2.6	0.45
2022	643.4	33.9	5.3%	17.6	0.75	11.0	0.6	12.2	6.8	0.46
2023E	653.4	42.4	6.5%	42.0	1.00	8.4	0.6	9.2	15.9	0.47
2024E	679.1	46.8	6.9%	48.2	1.15	7.3	0.5	7.6	18.3	0.50
2025E	696.1	51.7	7.4%	58.7	1.35	6.2	0.5	6.1	22.3	0.52
Market cap, EURm	264			Gearing 2023E, %	79.2			CAGR EPS 2022-25, %	21.8	
Net debt 2023E, EURm	127			Price/book 2023E	1.6			CAGR sales 2022-25, %	2.7	
Enterprise value, EURm	391			Dividend yield 2023E, %	5.6			ROE 2023E, %	20.7	
Total assets 2023E, EURm	436			Tax rate 2023E, %	10.0			ROCE 2023E, %	13.2	
Goodwill 2023E, EURm	47			Equity ratio 2023E, %	36.9			PEG, P/E 23/CAGR	0.6	

**Peer multiples and sum-of-the-parts valuation**

ESL PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		P/B	
		22	23	22	23	22	23
Algoma Central	423	5.0x	4.3x	12.8x	10.9x		
Diana Shipping	377	3.7x	4.1x	5.1x	6.3x	0.8x	0.7x
Eagle Bulk Ship	727	3.0x	6.1x	3.6x	9.3x	1.0x	0.9x
Genco Shipping & Trading	730	3.4x	4.8x	4.6x	7.1x	1.3x	1.2x
Golden Ocean Group	1758	5.5x	6.9x	7.2x	9.8x	1.0x	0.9x
2020 Bulkers	198	7.2x	6.3x	9.2x	7.7x	1.3x	1.3x
Pangaea Logistics	264	3.4x	5.4x	4.3x	7.9x	0.9x	0.8x
Safe Bulkers	363	3.0x	3.6x	3.8x	4.8x	0.5x	0.4x
D/S Norden	2039	2.1x	3.7x	3.1x	8.1x		2.2x
Wilson	274						
Star Bulk Carriers	2145	3.7x	5.5x	4.7x	7.4x	1.1x	1.1x
Peer Group Average	845	<b>4.0x</b>	<b>5.1x</b>	<b>5.8x</b>	<b>7.9x</b>	<b>1.0x</b>	<b>1.1x</b>
Peer Group Median	423	<b>3.5x</b>	<b>5.1x</b>	<b>4.6x</b>	<b>7.8x</b>	<b>1.0x</b>	<b>0.9x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
AKR Corporindo	1622	9.0x	8.2x	10.1x	9.3x	6.4 %	6.9 %
Ashland	5270	11.4x	10.6x	19.5x	17.9x	14.4 %	14.4 %
Brenntag	11192	6.3x	8.2x	7.7x	10.4x	7.9 %	7.3 %
IMCD	8707	14.9x	17.2x	17.5x	20.5x	10.9 %	10.2 %
Univar Solutions	5241	7.4x	8.9x	8.9x	11.2x	7.6 %	6.8 %
Peer Group Average	6406	<b>9.8x</b>	<b>10.6x</b>	<b>12.7x</b>	<b>13.9x</b>	<b>9.4 %</b>	<b>9.1 %</b>
Peer Group Median	5270	<b>9.0x</b>	<b>8.9x</b>	<b>10.1x</b>	<b>11.2x</b>	<b>7.9 %</b>	<b>7.3 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
Acomo	583						
Chefs' Warehouse	1322	11.8x	10.9x	20.6x	15.8x	3.5 %	4.4 %
Marr	775	11.4x	8.5x	16.4x	11.8x	3.0 %	4.1 %
Middleby	7781	12.1x	12.5x	15.6x	14.9x	16.1 %	18.4 %
Orkla	6431	9.4x	9.6x	12.1x	12.8x	12.6 %	11.3 %
Performance Food Group	8681	11.8x	10.1x	16.0x	13.5x	1.6 %	1.8 %
Sysco	36379	13.7x	12.2x	17.2x	14.9x	4.0 %	4.4 %
Tate & Lyle	3613	10.3x	10.6x	14.2x	14.1x	13.5 %	13.6 %
Dole	995	7.7x	7.3x	14.2x	11.8x	1.9 %	2.4 %
US Foods Holding	7622	10.2x	9.2x	14.1x	12.5x	2.7 %	3.0 %
Nomad Foods	2916	9.0x	8.8x	11.1x	10.5x	14.8 %	15.5 %
Peer Group Average	7009	<b>10.7x</b>	<b>10.0x</b>	<b>15.1x</b>	<b>13.3x</b>	<b>7.4 %</b>	<b>7.9 %</b>
Peer Group Median	3613	<b>10.9x</b>	<b>9.9x</b>	<b>14.9x</b>	<b>13.1x</b>	<b>3.7 %</b>	<b>4.4 %</b>

Segment	EBIT '22 <sup>1)</sup>	EV/EBIT '22 *	EV	EBIT '23e	EV/EBIT '23e *	EV
ESL	37.4	4.6x	172	35.2	7.8x	275
Telko	20.8	10.1x	210	9.3	11.2x	104
Leipurin	4.1	14.9x	61	5.1	13.1x	67
Other operations	-6.0	7.1x	-43	-7.2	9.0x	-65
Total			401			381
Hybrid			30			30
Net debt (Evli YE est.)			155			127
Equity value			216			223
Per share			6.9			7.1

\*Peer group median (FactSet)

<sup>1)</sup> adjusted for comparability

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.39 PV of Free Cash Flow	341 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	17.35 PV of Horizon value	359 WACC, %	7.4 Market risk premium, %
Share price potential, %	106.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	19.1 Marketable securities	22 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	15.8 Debt - dividend	-177 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	51.3 Value of stock	545 Nr of shares, Mn	31.4 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	643	653	679	696	707	717	728	739	750	761	769	777
<i>Sales growth, %</i>	<i>12.2</i>	<i>1.6</i>	<i>3.9</i>	<i>2.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	34	42	47	52	56	50	51	52	52	53	54	54
<i>Operating income margin, %</i>	<i>5.3</i>	<i>6.5</i>	<i>6.9</i>	<i>7.4</i>	<i>7.9</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	37	31	32	28	23	23	22	23	20	20	21	
EBITDA	71	74	79	79	79	73	73	74	73	74	75	
- Paid taxes	-5	-4	-5	-5	-6	-5	-5	-5	-5	-5	-5	
- Change in NWC	-13	2	-3	-2	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	<i>9.9</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.6</i>	<i>9.6</i>	<i>9.6</i>	<i>9.6</i>	<i>9.6</i>	<i>9.6</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-22	-17	-9	-25	-25	-24	-6	-22	-22	-22	
<i>opCAPEX / Sales, %</i>	<i>4.6</i>	<i>3.4</i>	<i>2.6</i>	<i>1.4</i>	<i>3.6</i>	<i>3.5</i>	<i>3.4</i>	<i>0.9</i>	<i>3.0</i>	<i>3.0</i>	<i>2.9</i>	
- 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	-1	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	37	48	54	62	46	41	41	61	43	44	46	729
= Discounted FCFF		45	47	50	35	29	27	37	24	23	23	359
= DFCF min WACC		45	47	51	36	29	28	38	25	24	24	408
= DFCF max WACC		45	46	50	34	28	27	36	24	22	22	319

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	160.4	161.4	157.8	163.8	643.4	159.8	163.3	166.8	163.5	653.4	679.1	696.1
EBITDA	18.4	22.9	21.4	7.8	70.5	17.6	18.2	18.7	19.5	73.6	79.0	79.4
<i>EBITDA margin (%)</i>	<i>11.5</i>	<i>14.2</i>	<i>13.6</i>	<i>4.8</i>	<i>11.0</i>	<i>11.0</i>	<i>11.1</i>	<i>11.2</i>	<i>11.9</i>	<i>11.3</i>	<i>11.6</i>	<i>11.4</i>
EBIT	10.3	14.8	12.5	-3.7	33.9	9.7	10.3	10.8	11.6	42.4	46.8	51.7
<i>EBIT margin (%)</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>-2.3</i>	<i>5.3</i>	<i>6.1</i>	<i>6.3</i>	<i>6.5</i>	<i>7.1</i>	<i>6.5</i>	<i>6.9</i>	<i>7.4</i>
Net financial items	-1.8	-3.1	-2.1	0.7	-6.3	-1.5	-1.5	-1.5	-1.5	-6.0	-5.2	-3.2
Pre-tax profit	8.5	11.7	10.4	-3.0	27.6	8.2	8.8	9.3	10.1	36.4	41.6	48.5
Tax	-1.3	-0.7	-0.8	-1.3	-4.1	-0.8	-0.9	-0.9	-1.0	-3.6	-4.2	-4.9
<i>Tax rate (%)</i>	<i>15.3</i>	<i>6.0</i>	<i>7.7</i>	<i>-43.3</i>	<i>14.9</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>
Net profit	7.2	11.0	9.6	-4.3	23.5	7.1	7.6	8.1	8.8	31.6	36.3	42.5
EPS	0.23	0.35	0.31	-0.14	0.75	0.23	0.24	0.26	0.28	1.00	1.15	1.35
EPS adjusted (diluted no. of shares)	0.23	0.35	0.31	-0.14	0.75	0.23	0.24	0.26	0.28	1.00	1.15	1.35
Dividend per share	0.00	0.00	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.47	0.50	0.52
<b>SALES, EURm</b>												
ESL Shipping	56.8	60.3	65.0	63.3	245.4	59.7	60.5	63.7	61.2	245.1	257.4	265.1
Leipurin	27.7	29.3	32.3	41.3	130.6	41.5	42.3	41.7	42.2	167.7	172.7	177.0
Telko	75.9	71.8	60.5	59.2	267.4	58.6	60.5	61.4	60.1	240.6	249.0	254.0
Total	160.4	161.4	157.8	163.8	643.4	159.8	163.3	166.8	163.5	653.4	679.1	696.1
<b>SALES GROWTH, Y/Y %</b>												
<i>ESL Shipping</i>	<i>30.9</i>	<i>31.1</i>	<i>37.4</i>	<i>15.7</i>	<i>28.2</i>	<i>5.1</i>	<i>0.3</i>	<i>-2.0</i>	<i>-3.3</i>	<i>-0.1</i>	<i>5.0</i>	<i>3.0</i>
<i>Leipurin</i>	<i>-1.1</i>	<i>14.0</i>	<i>16.6</i>	<i>30.3</i>	<i>15.5</i>	<i>49.8</i>	<i>44.4</i>	<i>29.1</i>	<i>2.2</i>	<i>28.4</i>	<i>3.0</i>	<i>2.5</i>
<i>Telko</i>	<i>30.9</i>	<i>6.2</i>	<i>-13.1</i>	<i>-19.6</i>	<i>-0.5</i>	<i>-22.8</i>	<i>-15.7</i>	<i>1.5</i>	<i>1.5</i>	<i>-10.0</i>	<i>3.5</i>	<i>2.0</i>
<i>Total</i>	<i>24.0</i>	<i>15.9</i>	<i>9.1</i>	<i>2.4</i>	<i>12.2</i>	<i>-0.4</i>	<i>1.2</i>	<i>5.7</i>	<i>-0.2</i>	<i>1.6</i>	<i>3.9</i>	<i>2.5</i>
<b>EBIT, EURm</b>												
ESL Shipping	9.2	9.0	9.7	10.2	38.1	8.5	8.7	8.8	9.2	35.2	34.7	35.8
Leipurin	-0.4	0.4	-0.5	-4.3	-4.8	1.2	1.2	1.3	1.4	5.1	6.0	7.1
Telko	4.0	6.8	4.2	-7.7	7.3	1.9	2.2	2.5	2.7	9.3	12.5	15.2
Other operations	-2.5	-1.4	-0.9	-1.9	-6.7	-1.9	-1.8	-1.8	-1.7	-7.2	-6.4	-6.4
Total	10.3	14.8	12.5	-3.7	33.9	9.7	10.3	10.8	11.6	42.4	46.8	51.7
<b>EBIT margin, %</b>												
<i>ESL Shipping</i>	<i>16.2</i>	<i>14.9</i>	<i>14.9</i>	<i>16.1</i>	<i>15.5</i>	<i>14.2</i>	<i>14.4</i>	<i>13.8</i>	<i>15.0</i>	<i>14.4</i>	<i>13.5</i>	<i>13.5</i>
<i>Leipurin</i>	<i>-1.4</i>	<i>1.4</i>	<i>-1.5</i>	<i>-10.4</i>	<i>-3.7</i>	<i>2.9</i>	<i>2.8</i>	<i>3.1</i>	<i>3.3</i>	<i>3.0</i>	<i>3.5</i>	<i>4.0</i>
<i>Telko</i>	<i>5.3</i>	<i>9.5</i>	<i>6.9</i>	<i>-13.0</i>	<i>2.7</i>	<i>3.2</i>	<i>3.6</i>	<i>4.1</i>	<i>4.5</i>	<i>3.9</i>	<i>5.0</i>	<i>6.0</i>
<i>Total</i>	<i>6.4</i>	<i>9.2</i>	<i>7.9</i>	<i>-2.3</i>	<i>5.3</i>	<i>6.1</i>	<i>6.3</i>	<i>6.5</i>	<i>7.1</i>	<i>6.5</i>	<i>6.9</i>	<i>7.4</i>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	540.9	587.7	500.7	573.3	643.4	653.4	679.1	696.1
<i>Sales growth (%)</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>12.2</i>	<i>1.6</i>	<i>3.9</i>	<i>2.5</i>
EBITDA	37.1	49.7	45.7	71.4	70.5	73.6	79.0	79.4
<i>EBITDA margin (%)</i>	<i>6.9</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>11.0</i>	<i>11.3</i>	<i>11.6</i>	<i>11.4</i>
Depreciation	-11.7	-28.6	-29.0	-34.5	-36.6	-31.2	-32.2	-27.7
EBITA	25.4	21.1	16.7	36.9	33.9	42.4	46.8	51.7
Goodwill amortization / writedown	-4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.6	21.1	16.7	36.9	33.9	42.4	46.8	51.7
<i>EBIT margin (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>5.3</i>	<i>6.5</i>	<i>6.9</i>	<i>7.4</i>
Reported EBIT	20.6	21.1	16.7	36.9	33.9	42.4	46.8	51.7
<i>EBIT margin (reported) (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>5.3</i>	<i>6.5</i>	<i>6.9</i>	<i>7.4</i>
Net financials	-4.2	-2.9	-4.5	-3.9	-6.3	-6.0	-5.2	-3.2
Pre-tax profit	16.4	18.2	12.2	33.0	27.6	36.4	41.6	48.5
Taxes	-2.2	-2.1	-1.4	-4.7	-4.1	-3.6	-4.2	-4.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	14.2	16.1	10.8	28.3	23.5	31.6	36.3	42.5
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
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	185	190	177	175	179	170	155	136
Goodwill	43	43	49	40	47	47	47	47
Right of use assets	37	22	20	21	16	16	17	17
Inventory	71	56	42	69	70	72	75	77
Receivables	78	75	63	83	82	97	101	103
Liquid funds	19	24	32	18	22	33	34	35
Total assets	436	410	384	406	416	436	429	416
Liabilities								
Shareholder's equity	92	122	113	129	144	161	182	209
Minority interest	0	0	0	0	0	0	0	0
Convertibles	25	0	0	0	0	0	0	0
Lease liabilities	0	9	7	7	5	16	17	17
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	199	200	182	164	172	144	111	69
Non-interest bearing current liabilities	105	61	64	79	72	91	95	97
Other interest-free debt	8	18	18	27	23	23	23	23
Total liabilities	430	410	384	406	416	436	429	416
<b>CASH FLOW, EURm</b>								
+ EBITDA	37	50	46	71	71	74	79	79
- Net financial items	-4	-3	-4	-4	-6	-6	-5	-3
- Taxes	-2	0	-2	-5	-4	-4	-4	-5
- Increase in Net Working Capital	-11	-14	29	-23	-13	2	-3	-2
+/- Other	0	0	0	0	0	-1	-1	-1
= Cash flow from operations	20	33	68	40	47	64	66	68
- Capex	-75	-7	-21	-31	-30	-22	-18	-10
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-55	25	48	9	18	42	48	59
+/- New issues/buybacks	4	28	-12	-1	5	0	0	0
- Paid dividend	-13	-14	-7	-11	-14	-14	-15	-16
+/- Other	64	-35	-20	-11	-4	-17	-32	-42
Change in cash	-1	4	9	-15	4	11	1	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	263	264	357	258	264	264	264
Net debt (excl. convertibles)	185	157	153	155	127	94	51
Enterprise value	448	420	510	413	391	358	315
Sales	588	501	573	643	653	679	696
EBITDA	50	46	71	71	74	79	79
EBIT	21	17	37	34	42	47	52
Pre-tax	18	12	33	28	36	42	49
Earnings	16	11	28	24	32	36	42
Equity book value (excl. minorities)	122	113	129	144	161	182	209
<b>Valuation multiples</b>							
EV/sales	0.8	0.8	0.9	0.6	0.6	0.5	0.5
EV/EBITDA	9.0	9.2	7.1	5.9	5.3	4.5	4.0
EV/EBITA	21.2	25.2	13.8	12.2	9.2	7.6	6.1
EV/EBIT	21.2	25.2	13.8	12.2	9.2	7.6	6.1
EV/OCF	13.8	6.2	12.7	8.7	6.1	5.4	4.6
EV/FCFF	17.5	6.7	18.2	11.2	8.2	6.7	5.1
P/FCFE	10.3	5.6	38.8	14.6	6.3	5.5	4.5
P/E	16.4	24.4	12.6	11.0	8.4	7.3	6.2
P/B	2.2	2.3	2.8	1.8	1.6	1.4	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.8	5.0	4.4
Target EV/EBIT	0.0	0.0	0.0	0.0	10.0	8.4	6.8
Target EV/FCF	0.0	0.0	0.0	0.0	10.1	8.1	6.0
Target P/B	0.0	0.0	0.0	0.0	1.9	1.6	1.4
Target P/E	0.0	0.0	0.0	0.0	9.5	8.2	7.0
<b>Per share measures</b>							
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	0.51	0.34	0.90	0.75	1.00	1.15	1.35
Operating cash flow per share	1.04	2.17	1.27	1.51	2.05	2.10	2.18
Free cash flow per share	0.81	1.51	0.29	0.56	1.34	1.53	1.87
Book value per share	3.88	3.61	4.12	4.57	5.12	5.80	6.65
Dividend per share	0.22	0.35	0.45	0.46	0.47	0.50	0.52
Dividend payout ratio, %	42.9	101.8	50.0	61.5	46.8	43.3	38.5
Dividend yield, %	2.6	4.2	4.0	5.5	5.6	6.0	6.2
FCF yield, %	9.7	18.0	2.6	6.8	15.9	18.3	22.3
<b>Efficiency measures</b>							
ROE	15.1	9.2	23.3	17.2	20.7	21.1	21.7
ROCE	6.5	5.3	12.3	10.9	13.2	14.8	17.1
<b>Financial ratios</b>							
Inventories as % of sales	9.5	8.5	12.0	10.9	11.0	11.0	11.0
Receivables as % of sales	12.8	12.6	14.4	12.7	14.9	14.8	14.8
Non-interest bearing liabilities as % of sales	10.4	12.8	13.8	11.2	14.0	14.0	14.0
NWC/sales, %	9.7	5.7	8.9	9.9	9.5	9.5	9.5
Operative CAPEX/sales, %	1.2	4.2	5.4	4.6	3.4	2.6	1.4
CAPEX/sales (incl. acquisitions), %	1.2	4.2	5.4	4.6	3.4	2.6	1.4
FCFF/EBITDA	0.5	1.4	0.4	0.5	0.6	0.7	0.8
Net debt/EBITDA, book-weighted	3.7	3.4	2.1	2.2	1.7	1.2	0.6
Debt/equity, market-weighted	0.8	0.7	0.5	0.7	0.5	0.4	0.3
Equity ratio, book-weighted	29.8	29.5	31.8	34.6	36.9	42.5	50.3
Gearing, %	151.6	137.9	118.2	107.9	79.2	51.5	24.4

**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	27.376	10.4%
Aev Capital Holding Oy	3,253,554	27.297	10.4%
Varma Mutual Pension Insurance Company	1,423,076	11.940	4.5%
Vehmas Tapio	1,275,827	10.704	4.1%
Nyberg Gustav	901,524	7.564	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	7.343	2.8%
Nordea Nordic Small Cap Fund	726,040	6.091	2.3%
Procurator-Holding Oy	514,882	4.320	1.6%
Skandinaviska Enskilda Banken AB laik Oy	487,762	4.092	1.6%
	479,810	4.026	1.5%
Ten largest	13,200,642	110.753	42%
Residual	18,219,137	152.859	58%
Total	31,419,779	263.612	100%

**EARNINGS CALENDAR**

May 03, 2023	Q1 report
August 10, 2023	Q2 report
November 01, 2023	Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Jansson Rolf  
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IR:

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## 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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



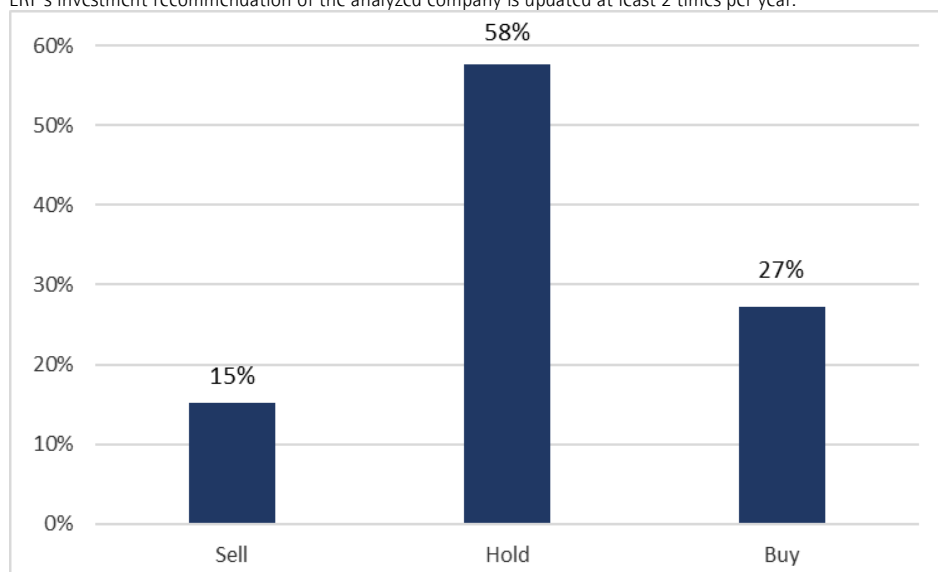
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Investment recommendations are defined as follows:

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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