

Results slightly lower than estimated

Aspo's Q1 results were a bit lower than estimated. We find there to have been mixed development underneath as Telko on the one hand beat our estimates while on the other ESL's profitability softened more than we had estimated.

- Aspo Q1 revenue was EUR 147.5m vs the EUR 159.8m/151.5m Evli/consensus estimates.
- Adjusted EBIT amounted to EUR 8.0m, compared to the EUR 9.7m/8.8m Evli/consensus estimates. EBIT for continuing operations was EUR 8.4m.
- ESL Q1 revenue landed at EUR 52.7m vs our EUR 59.7m estimate, while adjusted EBIT was EUR 6.0m vs our EUR 8.5m estimate. Handysize vessels had stable volumes, while coasters suffered not only from a strike but also capacity constraints due to limited availability of time charter tonnage and unexpected 35 days maintenance off-hire of two owned sister vessels. The market for Supramax vessels was significantly lower compared to year ago. The steel industry has fairly stable volume expectations for the remainder of the year.
- Telko revenue amounted to EUR 54.3m, compared to our EUR 58.6m estimate, whereas EBIT was EUR 2.7m vs our EUR 1.9m estimate. Prices seemed to have remained overall quite stable and should stay so over the course of H1.
- Leipurin revenue was EUR 34.6m in Q1 vs our EUR 41.5m estimate. EBIT came in at EUR 1.0m, compared to our EUR 1.2m estimate. Rapid raw material inflation has continued to hurt demand.
- Other operations cost EUR 1.3m, compared to our EUR 1.9m estimate.
- Aspo guides comparable operating profit to be higher than EUR 35m in 2023 (unchanged).

Rating				BUY
Q1'23	Actual	Evli	Year ago	Q4'22
Revenue	147.5	159.8	162.6	164.6
Adj. EBIT	8.0	9.7	15.0	11.3
EBIT-%	5.4 %	6.1 %	9.2 %	6.9 %
Share price, EUR (Last trading day's closing price)				8.15
Target price, EUR				9.5
Latest change in recommendation				05-May-22
Latest report on company				16-Feb-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				256
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

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
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	8.1	0.6	9.0	16.4	0.47
2024E	679.1	46.8	6.9%	48.2	1.15	7.1	0.5	7.5	18.8	0.50
2025E	696.1	51.7	7.4%	58.7	1.35	6.0	0.4	5.9	22.9	0.52
Market cap, EURm	256			BV per share 2023E, EUR		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	383			Dividend yield 2023E, %		5.8	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	

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

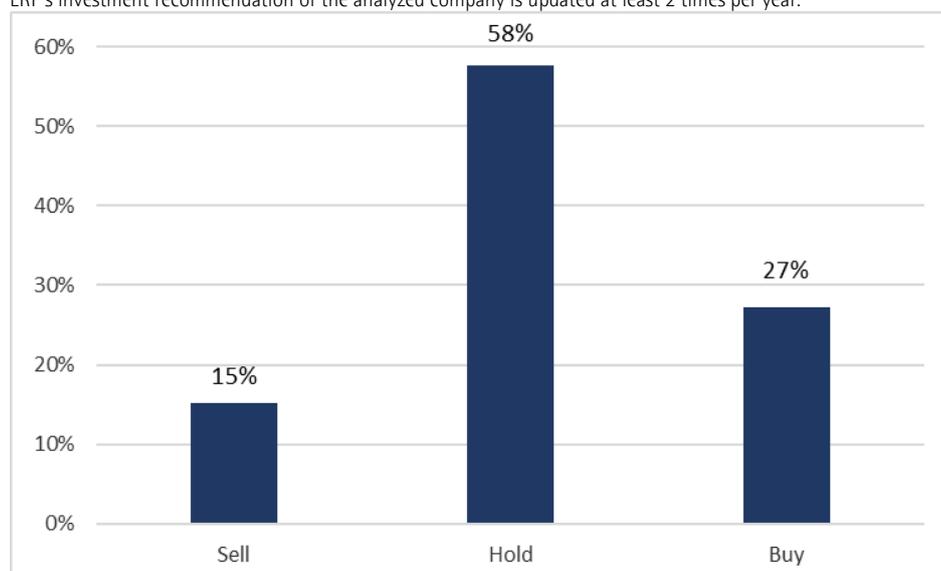
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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May 3, 2023

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