

Many avenues for long-term growth

Aspo's Q1 results came in quite close to estimates. ESL's outlook for the year has softened a bit more than we previously estimated, but new vessel investments should take the carrier to a whole new level in the coming years.

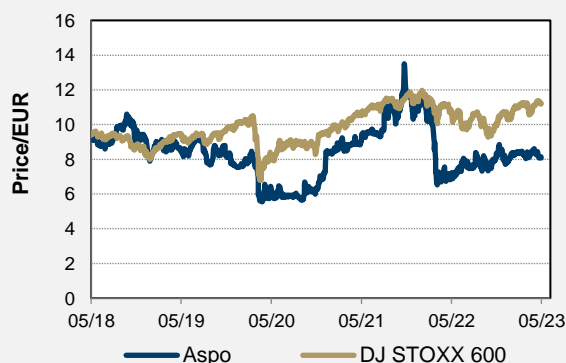
Overall Q1 results didn't show any particular large surprises. Q1 revenue from cont. operations grew 10% y/y to EUR 142m, driven by the Kobia acquisition and Telko's 7% growth excl. Russia and Belarus. The EUR 148m top line, incl. non-cont. operations, was soft vs the EUR 160m/152m Evli/cons. estimates. ESL's EBIT declined to EUR 6.0m, missing our EUR 8.5m estimate, due to lower volumes. Meanwhile Telko's EUR 2.7m EBIT was clearly above our EUR 1.9m estimate; EUR 10m annual EBIT shouldn't be too hard to achieve as recent M&A is yet to reach full earnings accretion. Leipurin bottom line developed well, as expected, and the overall EUR 8.5m EBIT came in relatively close to the EUR 9.7m/8.8m Evli/cons. estimates. Our updated EBIT estimate for the year stands at EUR 39.7m (prev. EUR 42.4m).

FY '23 somewhat softer for ESL, but the fleet will grow

The Kobia deal is delivering according to plan and Telko's EBIT is stabilizing around a 5% margin after the Russian exit, while M&A should continue to contribute. ESL sees lower volumes this year, yet pricing holds up. We thus expect EBIT to hold around EUR 40m, in the short and medium term, for the current operations. Large industrial investments around the Baltic Rim will expand ESL's market in the future. ESL seems well-placed to capitalize on a big cargo increase, and we believe its plans will involve several new Handysize vessels. ESL will soon begin to receive its own (and pooled) Coaster hybrid vessels, but the EUR 150m investment is likely to be topped by the long-term opportunity. The move will require measures such as divesting the Supramaxes, new external minority equity and vessel pooling.

10x EV/EBIT isn't high as all three are to grow long-term

ESL's fleet is to grow by a significant amount over the long-term and the new assets will further solidify its position. The moves add to ESL's value attributable to current shareholders, but the magnitude of the positive is hard to gauge due to the open size of the investment and financing required. Meanwhile Aspo is valued 10x EV/EBIT on our FY '23 estimates, a level we don't view too challenging. We retain our EUR 9.5 TP and BUY rating.

Rating BUY


Share price, EUR (Last trading day's closing price)	8.07
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	254
Free float, %	-
Exchange rate EUR/RUB	-
Reuters code	ASPO.HE
Bloomberg code	ASPO FH
Average daily volume, EURm	0.1
Next interim report	10-Aug-23
Web site	www.aspo.com

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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	593.6	39.7	6.7%	40.7	0.92	8.8	0.6	9.6	16.1	0.47
2024E	617.0	42.0	6.8%	43.5	0.98	8.2	0.6	8.4	17.2	0.50
2025E	632.4	46.5	7.3%	68.5	1.19	6.8	0.5	6.5	27.0	0.52
Market cap, EURm	254			Gearing 2023E, %	81.4			CAGR EPS 2022-25, %	16.6	
Net debt 2023E, EURm	129			Price/book 2023E	1.6			CAGR sales 2022-25, %	-0.6	
Enterprise value, EURm	382			Dividend yield 2023E, %	5.8			ROE 2023E, %	19.1	
Total assets 2023E, EURm	423			Tax rate 2023E, %	8.9			ROCE 2023E, %	12.5	
Goodwill 2023E, EURm	47			Equity ratio 2023E, %	37.4			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	394	5.1x	4.2x	11.9x	9.4x		
Diana Shipping	340	4.8x	5.3x	6.3x	7.8x	0.8x	0.7x
Eagle Bulk Ship	538	3.1x	5.3x	3.9x	8.4x	0.7x	0.7x
Genco Shipping & Trading	546	3.4x	4.1x	4.6x	5.9x	0.6x	0.6x
Golden Ocean Group	1543	5.2x	6.6x	6.7x	9.7x	0.9x	0.9x
2020 Bulklers	193	7.4x	6.4x	9.5x	7.9x	1.4x	1.3x
Pangaea Logistics	259	3.3x	5.7x	4.2x	8.8x	0.9x	0.8x
Safe Bulklers	374	2.7x	3.6x	3.5x	4.7x	0.5x	0.5x
D/S Norden	1680	1.8x	2.5x	0.7x	3.4x	1.5x	1.4x
Wilson	246						
Star Bulk Carriers	1806	3.8x	5.2x	4.8x	7.2x	1.0x	0.9x
Peer Group Average	720	4.1x	4.9x	5.6x	7.3x	0.9x	0.9x
Peer Group Median	394	3.6x	5.3x	4.7x	7.9x	0.9x	0.8x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
AKR Corporindo	1903	8.4x	9.8x	9.4x	11.0x	6.4 %	7.6 %
Ashland	4550	11.4x	9.9x	19.5x	16.7x	14.5 %	14.6 %
Brenntag	11411	6.2x	8.1x	8.1x	10.3x	7.1 %	7.0 %
IMCD	7691	14.1x	14.4x	16.8x	17.3x	10.8 %	10.2 %
Univar Solutions	5093	7.3x	8.9x	8.8x	11.2x	7.5 %	6.6 %
Azelis Group	5004	15.7x	12.1x	16.2x	14.0x	11.1 %	9.8 %
Peer Group Average	5942	10.5x	10.5x	13.1x	13.4x	9.6 %	9.3 %
Peer Group Median	5048	9.9x	9.8x	12.8x	12.6x	9.2 %	8.7 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA		EV/EBIT		EBIT-%	
		22	23	22	23	22	23
Acomo	663	8.2x	9.5x	10.2x	11.7x	6.0 %	5.9 %
Chefs' Warehouse	1193	12.5x	10.7x	22.6x	16.0x	3.3 %	4.2 %
Marr	913	12.4x	10.0x	21.3x	14.0x	2.4 %	4.0 %
Middleby	7174	12.0x	11.9x	13.9x	14.1x	17.9 %	18.5 %
Orkla	6416	9.5x	10.5x	12.2x	14.0x	12.6 %	10.9 %
Performance Food Group	8736	11.8x	10.4x	16.0x	13.9x	1.6 %	1.7 %
Sysco	34643	13.8x	12.1x	17.3x	14.9x	4.0 %	4.3 %
Tate & Lyle	3724	10.3x	10.8x	14.2x	14.4x	13.4 %	13.6 %
Dole	1059	7.3x	7.8x	13.8x	13.2x	1.9 %	2.3 %
US Foods Holding	7641	10.2x	9.5x	14.2x	13.1x	2.8 %	3.0 %
Nomad Foods	2978	8.9x	8.9x	11.2x	10.9x	14.1 %	14.4 %
Peer Group Average	6831	10.6x	10.2x	15.2x	13.7x	7.3 %	7.5 %
Peer Group Median	3724	10.3x	10.4x	14.2x	14.0x	4.0 %	4.3 %

Segment	EBIT '22 ¹⁾	EV/EBIT '22 *	EV	EBIT '23e	EV/EBIT '23e *	EV
ESL	37.4	4.7x	176	29.9	7.9x	236
Telko	20.8	12.8x	266	10.8	12.6x	136
Leipurin	4.1	14.2x	58	4.9	14.0x	69
Other operations	-6.0	8.0x	-48	-6.0	9.7x	-58
Total			452			383
Hybrid			30			30
Net debt (Evli YE est.)			155			129
Equity value			267			224
Per share			8.5			7.1

*Peer group median (FactSet)

¹⁾ adjusted for comparability

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.07 PV of Free Cash Flow	337 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	15.87 PV of Horizon value	332 WACC, %	7.4 Market risk premium, %
Share price potential, %	96.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	17.5 Marketable securities	22 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	14.5 Debt - dividend	-191 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	49.6 Value of stock	499 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	594	617	632	642	652	661	671	681	691	698	705
<i>Sales growth, %</i>	<i>12.2</i>	<i>-7.7</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	40	42	46	51	46	46	47	48	48	49	49
<i>Operating income margin, %</i>	<i>5.3</i>	<i>6.7</i>	<i>6.8</i>	<i>7.3</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	32	33	28	21	21	20	21	18	19	19	
EBITDA	71	71	75	75	71	66	67	68	66	67	68	
- Paid taxes	-5	-4	-4	-5	-5	-5	-5	-5	-5	-5	-5	
- Change in NWC	-13	8	-2	-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>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	<i>9.5</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-22	-17	5	-23	-23	-22	-6	-20	-20	-20	
<i>opCAPEX / Sales, %</i>	<i>4.6</i>	<i>4.6</i>	<i>2.9</i>	<i>-0.7</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	52	50	72	41	37	38	55	39	40	42	662
= Discounted FCFF		50	44	60	32	26	25	34	23	21	21	332
= DFCF min WACC		50	45	60	32	27	26	35	23	22	22	376
= DFCF max WACC		50	44	59	31	26	24	33	22	20	20	294

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	160.4	161.4	157.8	163.8	643.4	141.6	145.1	152.3	154.6	593.6	617.0	632.4
EBITDA	18.4	22.9	21.4	7.8	70.5	16.8	16.0	19.2	19.6	71.3	74.7	74.6
<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>11.9</i>	<i>11.0</i>	<i>12.6</i>	<i>12.7</i>	<i>12.0</i>	<i>12.1</i>	<i>11.8</i>
EBIT	10.3	14.8	12.5	-3.7	33.9	8.6	8.1	11.3	11.7	39.7	42.0	46.5
<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>5.6</i>	<i>7.4</i>	<i>7.6</i>	<i>6.7</i>	<i>6.8</i>	<i>7.3</i>
Net financial items	-1.8	-3.1	-2.1	0.7	-6.3	-1.9	-1.7	-1.7	-1.7	-7.0	-6.4	-3.7
Pre-tax profit	8.5	11.7	10.4	-3.0	27.6	6.7	6.4	9.6	10.0	32.7	35.6	42.8
Tax	-1.3	-0.7	-0.8	-1.3	-4.1	-0.3	-0.6	-1.0	-1.0	-2.9	-3.6	-4.3
<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>4.5</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>8.9</i>	<i>10.0</i>	<i>10.0</i>
Net profit	7.2	11.0	9.6	-4.3	23.5	6.4	5.5	8.3	8.7	28.9	30.8	37.3
EPS	0.23	0.35	0.31	-0.14	0.75	0.20	0.17	0.27	0.28	0.92	0.98	1.19
EPS adjusted (diluted no. of shares)	0.23	0.35	0.31	-0.14	0.75	0.20	0.17	0.27	0.28	0.92	0.98	1.19
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
SALES, EURm												
ESL Shipping	56.8	60.3	65.0	63.3	245.4	52.7	53.3	57.6	58.3	221.9	233.0	240.0
Leipurin	27.7	29.3	32.3	41.3	130.6	34.6	35.7	37.2	38.4	145.9	150.3	154.0
Telko	75.9	71.8	60.5	59.2	267.4	54.3	56.1	57.5	57.9	225.8	233.7	238.4
Total	160.4	161.4	157.8	163.8	643.4	141.6	145.1	152.3	154.6	593.6	617.0	632.4
SALES GROWTH, Y/Y %												
<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>-7.2</i>	<i>-11.6</i>	<i>-11.4</i>	<i>-7.9</i>	<i>-9.6</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>24.9</i>	<i>21.8</i>	<i>15.2</i>	<i>-7.0</i>	<i>11.7</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>-28.5</i>	<i>-21.9</i>	<i>-5.0</i>	<i>-2.2</i>	<i>-15.6</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>-11.7</i>	<i>-10.1</i>	<i>-3.5</i>	<i>-5.6</i>	<i>-7.7</i>	<i>3.9</i>	<i>2.5</i>
EBIT, EURm												
ESL Shipping	9.2	9.0	9.7	10.2	38.1	6.0	6.2	8.5	9.2	29.9	31.5	32.4
Leipurin	-0.4	0.4	-0.5	-4.3	-4.8	1.2	1.2	1.3	1.3	5.0	5.3	6.2
Telko	4.0	6.8	4.2	-7.7	7.3	2.7	2.4	2.8	2.9	10.8	11.7	14.3
Other operations	-2.5	-1.4	-0.9	-1.9	-6.7	-1.3	-1.7	-1.3	-1.7	-6.0	-6.4	-6.4
Total	10.3	14.8	12.5	-3.7	33.9	8.6	8.1	11.3	11.7	39.7	42.0	46.5
EBIT margin, %												
<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>11.4</i>	<i>11.6</i>	<i>14.8</i>	<i>15.8</i>	<i>13.5</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>3.5</i>	<i>3.4</i>	<i>3.5</i>	<i>3.4</i>	<i>3.4</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>5.0</i>	<i>4.3</i>	<i>4.9</i>	<i>5.0</i>	<i>4.8</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>5.6</i>	<i>7.4</i>	<i>7.6</i>	<i>6.7</i>	<i>6.8</i>	<i>7.3</i>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	540.9	587.7	500.7	573.3	643.4	593.6	617.0	632.4
<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>-7.7</i>	<i>3.9</i>	<i>2.5</i>
EBITDA	37.1	49.7	45.7	71.4	70.5	71.3	74.7	74.6
<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>12.0</i>	<i>12.1</i>	<i>11.8</i>
Depreciation	-11.7	-28.6	-29.0	-34.5	-36.6	-31.6	-32.7	-28.2
EBITA	25.4	21.1	16.7	36.9	33.9	39.7	42.0	46.5
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	39.7	42.0	46.5
<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>6.7</i>	<i>6.8</i>	<i>7.3</i>
Reported EBIT	20.6	21.1	16.7	36.9	33.9	39.7	42.0	46.5
<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>6.7</i>	<i>6.8</i>	<i>7.3</i>
Net financials	-4.2	-2.9	-4.5	-3.9	-6.3	-7.0	-6.4	-3.7
Pre-tax profit	16.4	18.2	12.2	33.0	27.6	32.7	35.6	42.8
Taxes	-2.2	-2.1	-1.4	-4.7	-4.1	-2.9	-3.6	-4.3
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	28.9	30.8	37.3
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	185	190	177	175	179	173	157	124
Goodwill	43	43	49	40	47	47	47	47
Right of use assets	37	22	20	21	16	18	19	19
Inventory	71	56	42	69	70	65	68	70
Receivables	78	75	63	83	82	90	93	95
Liquid funds	19	24	32	18	22	30	31	32
Total assets	436	410	384	406	416	423	415	386
Liabilities								
Shareholder's equity	92	122	113	129	144	158	174	196
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	18	19	19
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	199	200	182	164	172	141	112	60
Non-interest bearing current liabilities	105	61	64	79	72	83	86	89
Other interest-free debt	8	18	18	27	23	23	23	23
Total liabilities	430	410	384	406	416	423	415	386
CASH FLOW, EURm								
+ EBITDA	37	50	46	71	71	71	75	75
- Net financial items	-4	-3	-4	-4	-6	-7	-6	-4
- Taxes	-2	0	-2	-5	-4	-3	-4	-4
- Increase in Net Working Capital	-11	-14	29	-23	-13	8	-2	-2
+/- Other	0	0	0	0	0	-1	-1	-1
= Cash flow from operations	20	33	68	40	47	68	61	64
- Capex	-75	-7	-21	-31	-30	-27	-18	5
- 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	41	44	68
+/- 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	-18	-28	-52
Change in cash	-1	4	9	-15	4	8	1	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	263	264	357	258	254	254	254
Net debt (excl. convertibles)	185	157	153	155	129	100	47
Enterprise value	448	420	510	413	382	354	301
Sales	588	501	573	643	594	617	632
EBITDA	50	46	71	71	71	75	75
EBIT	21	17	37	34	40	42	46
Pre-tax	18	12	33	28	33	36	43
Earnings	16	11	28	24	29	31	37
Equity book value (excl. minorities)	122	113	129	144	158	174	196
Valuation multiples							
EV/sales	0.8	0.8	0.9	0.6	0.6	0.6	0.5
EV/EBITDA	9.0	9.2	7.1	5.9	5.4	4.7	4.0
EV/EBITA	21.2	25.2	13.8	12.2	9.6	8.4	6.5
EV/EBIT	21.2	25.2	13.8	12.2	9.6	8.4	6.5
EV/OCF	13.8	6.2	12.7	8.7	5.6	5.8	4.7
EV/FCFF	17.5	6.7	18.2	11.2	7.3	7.1	4.2
P/FCFE	10.3	5.6	38.8	14.6	6.2	5.8	3.7
P/E	16.4	24.4	12.6	11.0	8.8	8.2	6.8
P/B	2.2	2.3	2.8	1.8	1.6	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.0	5.3	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	10.8	9.5	7.4
Target EV/FCF	0.0	0.0	0.0	0.0	10.5	9.2	5.0
Target P/B	0.0	0.0	0.0	0.0	1.9	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	10.3	9.7	8.0
Per share measures							
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	0.92	0.98	1.19
Operating cash flow per share	1.04	2.17	1.27	1.51	2.16	1.95	2.03
Free cash flow per share	0.81	1.51	0.29	0.56	1.30	1.39	2.18
Book value per share	3.88	3.61	4.12	4.57	5.03	5.54	6.23
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	51.1	50.9	43.8
Dividend yield, %	2.6	4.2	4.0	5.6	5.8	6.2	6.4
FCF yield, %	9.7	18.0	2.6	6.8	16.1	17.2	27.0
Efficiency measures							
ROE	15.1	9.2	23.3	17.2	19.1	18.6	20.2
ROCE	6.5	5.3	12.3	10.9	12.5	13.5	16.0
Financial ratios							
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	15.1	15.0	15.0
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	4.6	2.9	-0.7
CAPEX/sales (incl. acquisitions), %	1.2	4.2	5.4	4.6	4.6	2.9	-0.7
FCFF/EBITDA	0.5	1.4	0.4	0.5	0.7	0.7	1.0
Net debt/EBITDA, book-weighted	3.7	3.4	2.1	2.2	1.8	1.3	0.6
Debt/equity, market-weighted	0.8	0.7	0.5	0.7	0.6	0.4	0.2
Equity ratio, book-weighted	29.8	29.5	31.8	34.6	37.4	42.0	50.7
Gearing, %	151.6	137.9	118.2	107.9	81.4	57.4	24.1

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	26.332	10.4%
Aev Capital Holding Oy	3,253,554	26.256	10.4%
Varma Mutual Pension Insurance Company	1,423,076	11.484	4.5%
Vehmas Tapio	1,275,827	10.296	4.1%
Nyberg Gustav	901,524	7.275	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	7.063	2.8%
Nordea Nordic Small Cap Fund	726,040	5.859	2.3%
Procurator-Holding Oy	514,882	4.155	1.6%
Skandinaviska Enskilda Banken AB laik Oy	487,762 479,810	3.936 3.872	1.6% 1.5%
Ten largest	13,200,642	106.529	42%
Residual	18,219,137	147.028	58%
Total	31,419,779	253.558	100%

EARNINGS CALENDAR

August 10, 2023

Q2 report

November 01, 2023

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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Tel: +358 9 5,211

IR:

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

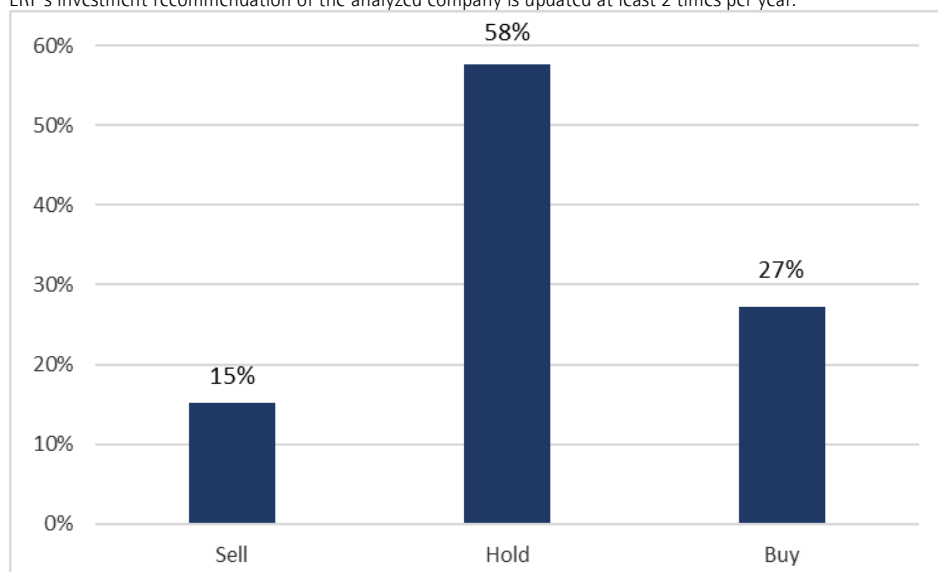
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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