

A challenging quarter

Aspo's Q2 results fell short of estimates especially due to the loss-making Supramax vessels and certain other dry bulk market challenges, while Telko's business suffered from declining prices.

- Aspo Q2 revenue from continuing operations amounted to EUR 132.6m, compared to the EUR 143.2m/138.1m Evli/consensus estimates.
- Adjusted EBIT was EUR 3.6m vs the EUR 6.5m/6.5m Evli/consensus estimates. The shortfall was due to both ESL and Telko, whereas Leipurin met estimates.
- ESL Q2 revenue was EUR 44.0m, compared to our EUR 52.2m estimate, while adjusted EBIT landed at EUR 3.3m vs our EUR 4.9m estimate. Weak spot market demand for the two Supramax vessels had an especially negative impact. Pricing of time-chartered vessels, dockings and specific supply chain conditions also had a negative impact. Q2 is a seasonally slow quarter, so there's to be some pick up in demand after the summer although steel and forest industry demand is unlikely to be that high this year.
- Telko revenue amounted to EUR 54.2m vs our EUR 55.3m estimate, whereas adjusted EBIT came in at EUR 0.9m vs our EUR 2.1m estimate. Prices declined and plastics demand was soft. Higher Asian imports caused competition, while development in chemicals and especially lubricants was more positive. The overall price outlook for H2 looks somewhat more stable, but perhaps still on the soft side.
- Leipurin revenue landed at EUR 34.4m, compared to our EUR 35.7m estimate, while adjusted EBIT was EUR 1.1m vs our EUR 1.2m estimate.
- Other operations cost EUR 1.7m vs our EUR 1.7m estimate.
- Aspo guides comparable operating profit to be EUR 25-35m in FY '23 (EUR 55.3m in FY '22).

Rating				🟡 HOLD
Q2'23	Actual	Evli	Year ago	Q1'23
Revenue	132.6	143.2	136.2	147.5
Adj. EBIT	3.6	6.5	11.7	8.0
Adj. EBIT-%	2.7 %	4.5 %	8.6 %	5.4 %
Share price, EUR (Last trading day's closing price)				6.77
Target price, EUR				8.0
Latest change in recommendation				17-May-23
Latest report on company				17-May-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				213
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
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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	589.7	33.9	5.7%	36.0	0.75	9.0	0.6	10.2	16.9	0.47
2024E	612.9	40.4	6.6%	42.1	0.94	7.2	0.5	7.9	19.8	0.50
2025E	628.2	46.0	7.3%	68.9	1.17	5.8	0.4	5.8	32.4	0.52
Market cap, EURm	213		BV per share 2023E, EUR		87.3		CAGR EPS 2022-25, %		16.2	
Net debt 2023E, EURm	133		Price/book 2023E		1.4		CAGR sales 2022-25, %		-0.8	
Enterprise value, EURm	346		Dividend yield 2023E, %		6.9		ROE 2023E, %		16.0	
Total assets 2023E, EURm	422		Tax rate 2023E, %		8.6		ROCE 2023E, %		10.7	
Goodwill 2023E, EURm	47		Equity ratio 2023E, %		36.3		PEG, P/E 23/CAGR		0.4	

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

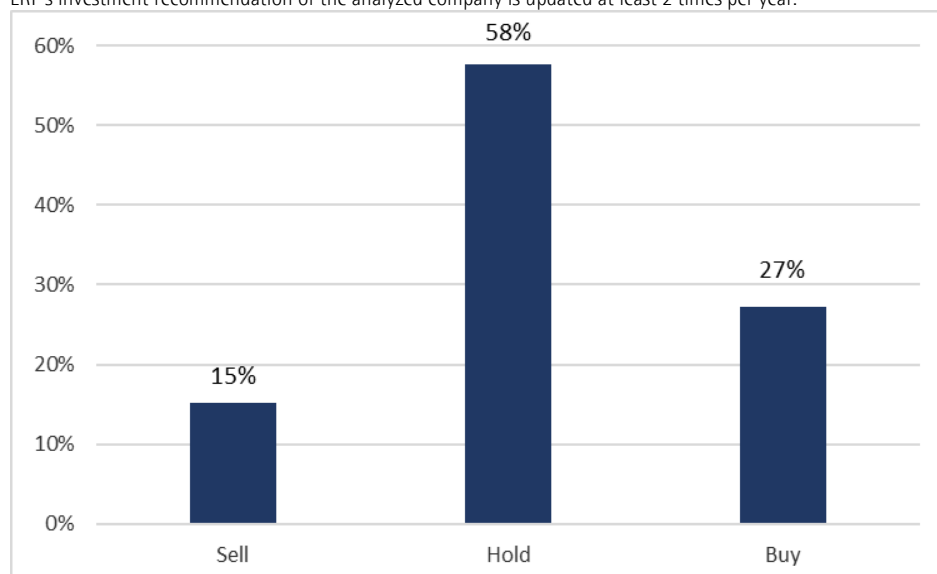
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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