

Challenges cut EBIT for the year

Aspo's outlook worsened this spring, and Q2 results fell below reduced estimates. ESL and Telko face their own issues, but the challenges are largely temporary in nature.

ESL and Telko had issues which burdened profitability

Aspo's EUR 133m Q2 revenue was a bit soft relative to the EUR 143m/138m Evli/cons. estimates, while the EUR 3.6m adj. EBIT fell clearly short of the EUR 6.5m/6.5m Evli/cons. estimates due to especially because of ESL's challenges but also because of the hit Telko endured as market prices dropped (down 40% y/y in some plastics categories). Increased Asian imports restrained volumes in the case of plastics, but overall Telko's demand outlook stays good. ESL was hit by Supramax losses while demand for the smaller core vessels remains rather stable albeit at a lower level of volumes this year; the demand softness is due to the key industries, steel and forest, which make more than 50% of volumes. Leipurin performed pretty much as expected.

We expect modest improvement in conditions for H2

Aspo's guidance implies EBIT in the range of EUR 13-23m for H2; Q3 will improve a bit q/q but will still not be great. ESL's demand and Telko's market prices are the main drivers, meaning Aspo could still reach the upper end of the range should the situation begin to improve soon. We estimate ESL's FY '23 EBIT at EUR 22m, a steep drop relative to the EUR 37m comparison figure but also likely to be the trough before ESL's fleet expands with green coasters. The Supramaxes will be sold, and ESL's market opportunity is set to grow long-term thanks to significant industrial investments on both sides of the Bothnian Bay. Telko still pursues European M&A despite the market challenges.

This year is likely to set quite low comparison figures

We estimate adj. EBIT of EUR 28.7m for the year; the respective above 12x EV/EBIT multiple represents a somewhat elevated level as both ESL and Telko are likely to generate quite soft figures for the year. We believe Aspo has a fair chance of reaching above EUR 35m EBIT again next year as the recent troubles of ESL and Telko are largely temporary in nature and Leipurin proceeds according to plan. Aspo is then valued around 9x EV/EBIT on our FY '24 estimates, which we consider a fair level. Our new TP is EUR 7.0 (8.0) as we revise our EBIT estimates down by some 10-15% for this year and next. We retain our HOLD rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 6.68

Target price, EUR 7.0

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 210

Free float, % -

Exchange rate EUR/RUB -

Reuters code ASPO.HE

Bloomberg code ASPO FH

Average daily volume, EURm 0.1

Next interim report 01-Nov-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	560.7	33.9	6.0%	17.6	0.75	11.0	0.7	12.2	6.8	0.46
2023E	563.5	28.2	5.0%	32.0	0.62	10.8	0.6	12.3	15.2	0.47
2024E	590.6	36.8	6.2%	38.9	0.83	8.0	0.5	8.8	18.6	0.50
2025E	605.3	42.2	7.0%	72.5	1.06	6.3	0.4	6.3	34.5	0.52
Market cap, EURm	210			Gearing 2023E, %	92.5			CAGR EPS 2022-25, %	12.4	
Net debt 2023E, EURm	137			Price/book 2023E	1.4			CAGR sales 2022-25, %	2.6	
Enterprise value, EURm	347			Dividend yield 2023E, %	7.0			ROE 2023E, %	13.3	
Total assets 2023E, EURm	416			Tax rate 2023E, %	3.5			ROCE 2023E, %	8.9	
Goodwill 2023E, EURm	47			Equity ratio 2023E, %	35.7			PEG, P/E 23/CAGR	0.4	

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		22	23	24	22	23	24	22	23	24
Algoma Central	405	5.1x	4.3x	4.0x	11.9x					
Diana Shipping	375	4.8x	5.9x	5.3x	6.3x	9.3x	8.0x	0.8x	0.9x	0.9x
Eagle Bulk Ship	418	3.1x	11.1x	7.3x	3.9x	25.3x	12.0x	0.7x	0.8x	0.7x
Genco Shipping & Trading	554	3.4x	6.4x	4.2x	4.6x	14.6x	6.6x	0.6x	0.6x	0.6x
Golden Ocean Group	1408	5.2x	7.6x	5.2x	6.7x	11.8x	7.1x	0.8x	0.8x	0.8x
2020 Bulkers	203	7.4x	7.4x	5.2x	9.5x	9.4x	6.1x	1.4x	1.4x	1.3x
Pangaea Logistics	294	3.3x	6.9x	5.8x	4.2x	11.8x	8.3x	1.0x	1.0x	0.9x
Safe Bulkers	338	2.7x	4.7x	3.5x	3.5x	6.9x	4.9x	0.5x	0.5x	0.4x
D/S Norden	1325	0.6x	2.3x	2.2x	0.7x	1.7x	3.1x	1.2x	1.2x	1.1x
Wilson										
Star Bulk Carriers	1733	3.8x	7.3x	4.6x	4.8x	11.4x	5.6x	0.9x	0.9x	0.9x
Peer Group Average	705	3.9x	6.4x	4.7x	5.6x	11.4x	6.9x	0.9x	0.9x	0.8x
Peer Group Median	411	3.6x	6.6x	4.9x	4.7x	11.4x	6.6x	0.8x	0.9x	0.9x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
AKR Corporindo	1515	8.1x	7.3x	6.9x	9.1x	8.2x	7.7x	6.6 %	8.0 %	8.3 %
Ashland	4154	12.0x	11.3x	10.0x	21.0x	21.8x	17.6x	13.8 %	12.1 %	14.0 %
Brenntag	10740	6.2x	8.2x	7.9x	8.1x	10.6x	10.1x	7.1 %	6.9 %	7.0 %
IMCD	7472	14.1x	15.0x	14.3x	16.9x	18.3x	17.3x	10.7 %	10.1 %	10.1 %
Univar Solutions	5529	7.3x	8.6x	8.2x	8.8x	12.3x	11.4x	7.5 %	5.8 %	6.2 %
Azelis Group	4958	15.7x	12.0x	11.2x	16.2x	13.6x	12.8x	11.1 %	10.6 %	10.4 %
Peer Group Average	5728	10.5x	10.4x	9.7x	13.4x	14.1x	12.8x	9.5 %	8.9 %	9.3 %
Peer Group Median	5244	10.0x	10.0x	9.1x	12.7x	12.9x	12.1x	9.1 %	9.1 %	9.2 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Acomo	593	8.2x			10.2x			6.0 %		
Chefs' Warehouse	1040	12.5x	10.1x	9.0x	22.6x	17.3x	14.3x	3.3 %	3.5 %	3.9 %
Marr	861	12.4x	8.9x	7.9x	21.4x	12.8x	11.0x	2.4 %	4.1 %	4.7 %
Middleby	7151	12.0x	11.6x	10.9x	13.9x	13.8x	12.9x	17.9 %	18.4 %	19.0 %
Orkla	7095	9.5x	11.0x	10.5x	12.2x	14.8x	14.2x	12.6 %	10.6 %	10.8 %
Performance Food Group	8345	11.7x	9.9x	9.1x	15.8x	13.3x	12.3x	1.6 %	1.8 %	1.8 %
Sysco	33804	13.8x	11.7x	10.9x	17.3x	14.4x	13.4x	4.0 %	4.3 %	4.4 %
Tate & Lyle	3345	10.4x	9.7x	9.0x	13.8x	12.2x	11.1x	14.0 %	14.9 %	15.6 %
Dole	1161	7.3x	7.9x	7.4x	13.8x	12.8x	11.6x	1.9 %	2.4 %	2.6 %
US Foods Holding	8996	10.2x	10.0x	9.0x	14.2x	13.8x	12.0x	2.8 %	3.1 %	3.4 %
Nomad Foods	2837	8.9x	9.0x	8.4x	11.1x	11.1x	10.1x	14.3 %	13.7 %	14.8 %
Peer Group Average	6839	10.6x	10.0x	9.2x	15.1x	13.6x	12.3x	7.3 %	7.7 %	8.1 %
Peer Group Median	3345	10.4x	9.9x	9.0x	13.9x	13.5x	12.1x	4.0 %	4.2 %	4.6 %

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'23e ¹⁾	'23e *		'24e	'24e *	
ESL	21.7	11.4x	247	27.7	6.6x	183
Telko	8.3	12.9x	107	10.3	12.1x	125
Leipurin	4.7	13.5x	63	5.2	12.1x	63
Other operations	-6.0	12.0x	-72	-6.4	8.6x	-55
Total			346			316
Hybrid			30			30
Net debt (Evli YE est.)			137			113
Equity value			178			172
Per share			5.7			5.5

*Peer group median (FactSet)

¹⁾ adjusted for comparison

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	6.68 PV of Free Cash Flow	328 Long-term growth, %	1.0 Risk-free interest rate, %
DCF share value	15.33 PV of Horizon value	323 WACC, %	7.4 Market risk premium, %
Share price potential, %	129.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	16.9 Marketable securities	22 Minimum WACC, %	6.9 Equity beta coefficient
Minimum value	14.0 Debt - dividend	-191 Maximum WACC, %	7.9 Target debt ratio, %
Horizon value, %	49.7 Value of stock	482 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	561	564	591	605	614	623	633	642	652	662	668	675
<i>Sales growth, %</i>	-2.2	0.5	4.8	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	34	28	37	42	46	44	44	45	46	46	47	47
<i>Operating income margin, %</i>	6.0	5.0	6.2	7.0	7.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0
+ Depreciation+amort.	37	32	33	29	20	20	19	20	17	18	18	
EBITDA	71	60	70	71	66	63	64	65	63	64	65	
- Paid taxes	-5	-1	-4	-4	-5	-4	-4	-4	-5	-5	-5	
- Change in NWC	-13	11	-3	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	11.4	9.4	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-22	-17	12	-22	-22	-21	-6	-19	-19	-19	
<i>opCAPEX / Sales, %</i>	5.3	5.3	3.0	-2.0	3.6	3.5	3.4	0.9	3.0	3.0	2.9	
- 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	47	46	76	38	35	36	53	37	38	40	634
= Discounted FCFF		46	41	64	30	26	24	33	22	21	21	323
= DFCF min WACC		46	41	65	30	26	25	34	23	22	21	366
= DFCF max WACC		46	41	64	29	25	24	32	21	20	20	287

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	128.8	136.2	142.8	152.9	560.7	141.6	132.6	141.5	147.8	563.5	590.6	605.3
EBITDA	18.4	22.9	21.4	7.8	70.5	16.8	11.1	14.5	18.0	60.2	70.1	70.8
<i>EBITDA margin (%)</i>	<i>14.3</i>	<i>16.8</i>	<i>15.0</i>	<i>5.1</i>	<i>12.6</i>	<i>11.9</i>	<i>8.4</i>	<i>10.3</i>	<i>12.2</i>	<i>10.7</i>	<i>11.9</i>	<i>11.7</i>
EBIT	10.3	14.8	12.5	-3.7	33.9	8.6	2.9	6.6	10.1	28.2	36.8	42.2
<i>EBIT margin (%)</i>	<i>8.0</i>	<i>10.9</i>	<i>8.8</i>	<i>-2.4</i>	<i>6.0</i>	<i>6.1</i>	<i>2.2</i>	<i>4.7</i>	<i>6.8</i>	<i>5.0</i>	<i>6.2</i>	<i>7.0</i>
Net financial items	-1.8	-3.1	-2.1	0.7	-6.3	-1.9	-2.2	-1.7	-1.7	-7.5	-6.4	-3.7
Pre-tax profit	8.5	11.7	10.4	-3.0	27.6	6.7	0.7	4.9	8.4	20.7	30.4	38.5
Tax	-1.3	-0.7	-0.8	-1.3	-4.1	-0.3	0.9	-0.5	-0.8	-0.7	-3.0	-3.8
<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>-128.6</i>	<i>10.0</i>	<i>10.0</i>	<i>3.5</i>	<i>10.0</i>	<i>10.0</i>
Net profit	7.2	11.0	9.6	-4.3	23.5	6.4	1.6	4.1	7.3	19.4	26.2	33.4
EPS	0.23	0.35	0.31	-0.14	0.75	0.20	0.05	0.13	0.23	0.62	0.83	1.06
EPS adjusted (diluted no. of shares)	0.23	0.35	0.31	-0.14	0.75	0.20	0.05	0.13	0.23	0.62	0.83	1.06
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	44.0	48.9	53.4	199.0	212.9	219.3
Leipurin	21.4	23.0	26.2	35.3	105.9	34.6	34.4	36.9	38.2	144.1	148.4	152.1
Telko	50.6	52.9	51.6	54.3	209.4	54.3	54.2	55.7	56.2	220.4	229.2	233.8
Total	128.8	136.2	142.8	152.9	560.7	141.6	132.6	141.5	147.8	563.5	590.6	605.3
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>-27.0</i>	<i>-24.8</i>	<i>-15.6</i>	<i>-18.9</i>	<i>7.0</i>	<i>3.0</i>
<i>Leipurin</i>	<i>-23.6</i>	<i>-10.5</i>	<i>-5.4</i>	<i>11.4</i>	<i>-6.4</i>	<i>61.7</i>	<i>49.6</i>	<i>40.8</i>	<i>8.2</i>	<i>36.1</i>	<i>3.0</i>	<i>2.5</i>
<i>Telko</i>	<i>-12.8</i>	<i>-21.7</i>	<i>-25.9</i>	<i>-26.2</i>	<i>-22.1</i>	<i>7.3</i>	<i>2.5</i>	<i>7.9</i>	<i>3.5</i>	<i>5.3</i>	<i>4.0</i>	<i>2.0</i>
<i>Total</i>	<i>-0.5</i>	<i>-2.2</i>	<i>-1.2</i>	<i>-4.4</i>	<i>-2.2</i>	<i>9.9</i>	<i>-2.6</i>	<i>-0.9</i>	<i>-3.3</i>	<i>0.5</i>	<i>4.8</i>	<i>2.5</i>
EBIT, EURm												
ESL Shipping	9.2	9.0	9.7	10.2	38.1	6.0	3.3	4.5	7.9	21.7	27.7	29.6
Leipurin	-0.4	0.4	-0.5	-4.3	-4.8	1.2	1.4	1.3	1.3	5.2	5.2	6.1
Telko	4.0	6.8	4.2	-7.7	7.3	2.7	-0.1	2.1	2.6	7.3	10.3	12.9
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	2.9	6.6	10.1	28.2	36.8	42.2
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>7.5</i>	<i>9.2</i>	<i>14.8</i>	<i>10.9</i>	<i>13.0</i>	<i>13.5</i>
<i>Leipurin</i>	<i>-1.9</i>	<i>1.7</i>	<i>-1.9</i>	<i>-12.2</i>	<i>-4.5</i>	<i>3.5</i>	<i>4.1</i>	<i>3.5</i>	<i>3.4</i>	<i>3.6</i>	<i>3.5</i>	<i>4.0</i>
<i>Telko</i>	<i>7.9</i>	<i>12.9</i>	<i>8.1</i>	<i>-14.2</i>	<i>3.5</i>	<i>5.0</i>	<i>-0.2</i>	<i>3.8</i>	<i>4.6</i>	<i>3.3</i>	<i>4.5</i>	<i>5.5</i>
<i>Total</i>	<i>8.0</i>	<i>10.9</i>	<i>8.8</i>	<i>-2.4</i>	<i>6.0</i>	<i>6.1</i>	<i>2.2</i>	<i>4.7</i>	<i>6.8</i>	<i>5.0</i>	<i>6.2</i>	<i>7.0</i>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	540.9	587.7	500.7	573.3	560.7	563.5	590.6	605.3
<i>Sales growth (%)</i>	<i>7.7</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>-2.2</i>	<i>0.5</i>	<i>4.8</i>	<i>2.5</i>
EBITDA	37.1	49.7	45.7	71.4	70.5	60.2	70.1	70.8
<i>EBITDA margin (%)</i>	<i>6.9</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>12.6</i>	<i>10.7</i>	<i>11.9</i>	<i>11.7</i>
Depreciation	-11.7	-28.6	-29.0	-34.5	-36.6	-32.0	-33.3	-28.6
EBITA	25.4	21.1	16.7	36.9	33.9	28.2	36.8	42.2
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	28.2	36.8	42.2
<i>EBIT margin (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.0</i>	<i>5.0</i>	<i>6.2</i>	<i>7.0</i>
Reported EBIT	20.6	21.1	16.7	36.9	33.9	28.2	36.8	42.2
<i>EBIT margin (reported) (%)</i>	<i>3.8</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.0</i>	<i>5.0</i>	<i>6.2</i>	<i>7.0</i>
Net financials	-4.2	-2.9	-4.5	-3.9	-6.3	-7.5	-6.4	-3.7
Pre-tax profit	16.4	18.2	12.2	33.0	27.6	20.7	30.4	38.5
Taxes	-2.2	-2.1	-1.4	-4.7	-4.1	-0.7	-3.0	-3.8
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	19.4	26.2	33.4
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	176	160	119
Goodwill	43	43	49	40	47	47	47	47
Right of use assets	37	22	20	21	16	17	18	18
Inventory	71	56	42	69	70	62	65	67
Receivables	78	75	63	83	82	86	89	91
Liquid funds	19	24	32	18	22	28	30	30
Total assets	436	410	384	406	416	416	409	372
Liabilities								
Shareholder's equity	92	122	113	129	144	149	160	178
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	17	18	18
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	199	200	182	164	172	149	125	69
Non-interest bearing current liabilities	105	61	64	79	72	79	83	85
Other interest-free debt	8	18	18	27	23	23	23	23
Total liabilities	430	410	384	406	416	416	409	372
CASH FLOW, EURm								
+ EBITDA	37	50	46	71	71	60	70	71
- Net financial items	-4	-3	-4	-4	-6	-7	-6	-4
- Taxes	-2	0	-2	-5	-4	-1	-3	-4
- Increase in Net Working Capital	-11	-14	29	-23	-13	11	-3	-1
+/- Other	0	0	0	0	0	-1	-1	-1
= Cash flow from operations	20	33	68	40	47	62	57	61
- Capex	-75	-7	-21	-31	-30	-30	-18	12
- 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	32	39	72
+/- 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	-11	-23	-56
Change in cash	-1	4	9	-15	4	6	1	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	263	264	357	258	210	210	210
Net debt (excl. convertibles)	185	157	153	155	137	113	57
Enterprise value	448	420	510	413	347	323	266
Sales	588	501	573	561	564	591	605
EBITDA	50	46	71	71	60	70	71
EBIT	21	17	37	34	28	37	42
Pre-tax	18	12	33	28	21	30	38
Earnings	16	11	28	24	19	26	33
Equity book value (excl. minorities)	122	113	129	144	149	160	178
Valuation multiples							
EV/sales	0.8	0.8	0.9	0.7	0.6	0.5	0.4
EV/EBITDA	9.0	9.2	7.1	5.9	5.8	4.6	3.8
EV/EBITA	21.2	25.2	13.8	12.2	12.3	8.8	6.3
EV/EBIT	21.2	25.2	13.8	12.2	12.3	8.8	6.3
EV/OCF	13.8	6.2	12.7	8.7	5.6	5.7	4.4
EV/FCFF	17.5	6.7	18.2	11.2	7.4	7.1	3.5
P/FCFE	10.3	5.6	38.8	14.6	6.6	5.4	2.9
P/E	16.4	24.4	12.6	11.0	10.8	8.0	6.3
P/B	2.2	2.3	2.8	1.8	1.4	1.3	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.9	4.8	3.9
Target EV/EBIT	0.0	0.0	0.0	0.0	12.7	9.1	6.6
Target EV/FCF	0.0	0.0	0.0	0.0	11.2	8.6	3.8
Target P/B	0.0	0.0	0.0	0.0	1.5	1.4	1.2
Target P/E	0.0	0.0	0.0	0.0	11.4	8.4	6.6
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	0.62	0.83	1.06
Operating cash flow per share	1.04	2.17	1.27	1.51	1.97	1.81	1.93
Free cash flow per share	0.81	1.51	0.29	0.56	1.02	1.24	2.31
Book value per share	3.88	3.61	4.12	4.57	4.73	5.09	5.66
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	76.2	60.1	48.9
Dividend yield, %	2.6	4.2	4.0	5.6	7.0	7.5	7.8
FCF yield, %	9.7	18.0	2.6	6.8	15.2	18.6	34.5
Efficiency measures							
ROE	15.1	9.2	23.3	17.2	13.3	16.9	19.8
ROCE	6.5	5.3	12.3	10.9	8.9	11.9	14.9
Financial ratios							
Inventories as % of sales	9.5	8.5	12.0	12.5	11.0	11.0	11.0
Receivables as % of sales	12.8	12.6	14.4	14.6	15.2	15.1	15.0
Non-interest bearing liabilities as % of sales	10.4	12.8	13.8	12.9	14.0	14.0	14.0
NWC/sales, %	9.7	5.7	8.9	11.4	9.4	9.5	9.5
Operative CAPEX/sales, %	1.2	4.2	5.4	5.3	5.3	3.0	-2.0
CAPEX/sales (incl. acquisitions), %	1.2	4.2	5.4	5.3	5.3	3.0	-2.0
FCFF/EBITDA	0.5	1.4	0.4	0.5	0.8	0.6	1.1
Net debt/EBITDA, book-weighted	3.7	3.4	2.1	2.2	2.3	1.6	0.8
Debt/equity, market-weighted	0.8	0.7	0.5	0.7	0.7	0.6	0.3
Equity ratio, book-weighted	29.8	29.5	31.8	34.6	35.7	39.1	47.7
Gearing, %	151.6	137.9	118.2	107.9	92.5	70.8	31.8

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	21.796	10.4%
Aev Capital Holding Oy	3,253,554	21.734	10.4%
Varma Mutual Pension Insurance Company	1,423,076	9.506	4.5%
Vehmas Tapio	1,275,827	8.523	4.1%
Nyberg Gustav	901,524	6.022	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	5.847	2.8%
Nordea Nordic Small Cap Fund	726,040	4.850	2.3%
Procurator-Holding Oy	514,882	3.439	1.6%
Skandinaviska Enskilda Banken AB	487,762	3.258	1.6%
laik Oy	479,810	3.205	1.5%
Ten largest	13,200,642	88.180	42%
Residual	18,219,137	121.704	58%
Total	31,419,779	209.884	100%

EARNINGS CALENDAR

November 01, 2023

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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

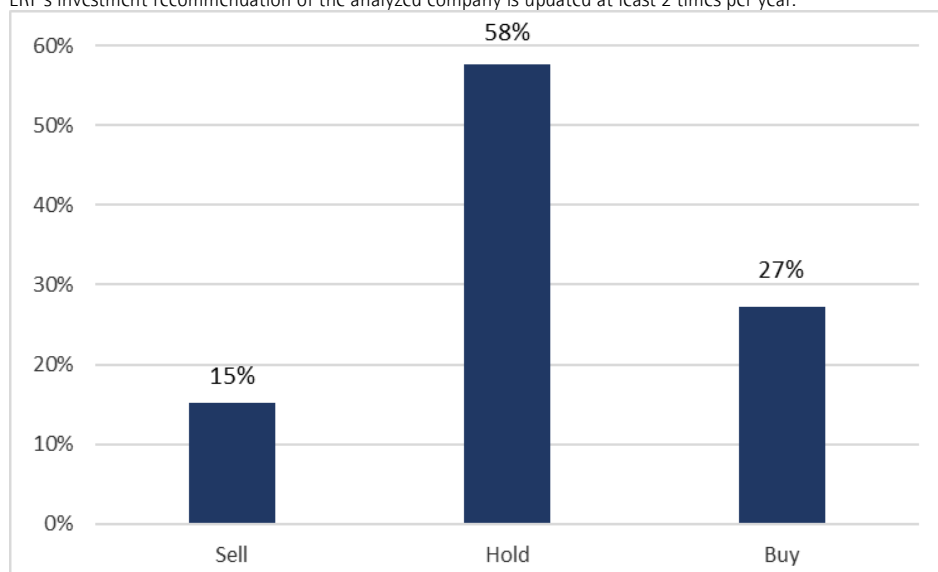
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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