

Improving in stabilizing markets

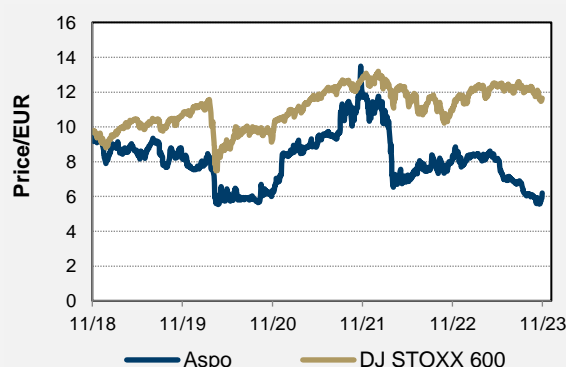
Aspo's Q3 results delivered a positive surprise due to Telko. ESL's recovery pace for next year remains a bit uncertain, but in our view all three segments have room to improve.

ESL continues to recover, but Q4 EBIT will remain moderate
Aspo's EUR 130m Q3 revenue came in vs the EUR 142m/137m Evli/cons estimates, but the EUR 7.4m adj. EBIT was higher than the EUR 6.6m/6.0m Evli/cons estimates as Telko's EUR 3.1m EBIT beat our estimate by EUR 1m. EBIT gained EUR 2.2m q/q as prices stabilized after a weak Q2. Plastics especially drove improvement, and its performance should continue to trend up despite still challenging market conditions. ESL's EBIT already gained a bit q/q from the lows; in our view the guidance midpoint suggests ESL's Q4 EBIT will remain low relative to its potential as the last quarter is the strongest. We estimate ESL's Q4'23 EBIT only at EUR 6.7m vs the EUR 10m levels seen in the two previous years.

ESL's long-term sustained EBIT rate should be ca. EUR 30m
Supramaxes have hit earnings and volumes have been lower also for smaller vessels following the very high demand levels of previous years. Forest and steel industry volumes have been soft but are stabilizing, however ESL's earnings recovery pace remains the most significant source of short-term uncertainty. The current market will not let ESL reach EUR 38m EBIT again anytime soon even when the company receives its green coasters, which are to support growth soon. We estimate ESL's FY '23 EBIT at EUR 20m, from which we see a gain of EUR 5m next year. Telko has implemented cost measures (a run-rate of EUR 1.5m); we estimate some 6% Telko EBIT margins going forward, on which there should be further long-term upside. We estimate 4% margins for Leipurin, in line with the Q3 result, which also remains short of long-term potential. We make only small group-level estimate revisions and see FY '24 EBIT at EUR 37.4m.

Next year's improvement still leaves room for further gains
We estimate EBIT to have bottomed out as ESL has plenty of room to gain next year even if the market stays a bit cool, whereas Telko and Leipurin should be able to keep their respective 6% and 4% EBIT margins. Aspo is valued some 8.5x EV/EBIT on our FY '24 estimates, which we don't view too demanding as our estimates leave long-term upside potential. We retain our EUR 7.0 TP; our new rating is BUY (HOLD).

Rating + BUY



Share price, EUR (Last trading day's closing price) 6.20
Target price, EUR 7.0

Latest change in recommendation 02-Nov-23
Latest report on company 11-Aug-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 195
Free float, % -
Exchange rate EUR/RUB -
Reuters code ASPO.HE
Bloomberg code ASPO FH
Average daily volume, EURm 0.1
Next interim report 16-Feb-24
Web site www.aspo.com

Analyst Joonas Ilvonen
E-mail joonas.ilvonen@evli.com
Telephone +358 44 430 9071

+ 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%	20.4	0.84	9.8	0.7	12.2	7.9	0.46
2023E	547.1	29.0	5.3%	31.3	0.62	10.0	0.6	11.5	16.1	0.47
2024E	573.3	37.4	6.5%	39.2	0.82	7.6	0.5	8.3	20.1	0.49
2025E	587.5	41.1	7.0%	75.4	0.97	6.4	0.4	6.0	38.7	0.52
Market cap, EURm	195			Gearing 2023E, %	92.9			CAGR EPS 2022-25, %	5.0	
Net debt 2023E, EURm	138			Price/book 2023E	1.3			CAGR sales 2022-25, %	1.6	
Enterprise value, EURm	333			Dividend yield 2023E, %	7.6			ROE 2023E, %	13.3	
Total assets 2023E, EURm	414			Tax rate 2023E, %	2.1			ROCE 2023E, %	9.1	
Goodwill 2023E, EURm	47			Equity ratio 2023E, %	35.9			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	379	5.1x	4.7x	4.2x	11.9x					
Diana Shipping	326	4.8x	5.8x	5.7x	6.3x	9.3x	9.2x	0.7x	0.7x	0.7x
Eagle Bulk Ship	384	3.1x	13.2x	7.6x	3.9x	46.0x	13.0x	0.6x	0.8x	0.7x
Genco Shipping & Trading	527	3.4x	7.0x	4.6x	4.6x	22.2x	8.5x	0.6x	0.6x	0.6x
Golden Ocean Group	1349	5.2x	9.7x	6.7x	6.7x	18.5x	10.1x	0.7x	0.8x	0.7x
2020 Bulkers	189	7.4x	9.2x	6.3x	9.5x	13.0x	7.8x	1.4x	1.2x	1.2x
Pangaea Logistics	259	3.3x	7.3x	6.2x	4.2x	13.5x	10.2x	0.8x	0.8x	0.8x
Safe Bulkers	331	2.7x	5.1x	4.4x	3.5x	8.1x	6.9x	0.5x	0.5x	0.4x
EuroDry	39	2.2x	8.6x	3.3x	2.8x		6.4x	0.4x	0.4x	0.3x
Belships	375	3.8x	5.5x	5.7x	4.4x	3.3x	3.4x	1.6x	1.4x	1.5x
Star Bulk Carriers	1797	3.8x	7.7x	5.7x	4.8x	12.6x	7.8x	0.9x	0.9x	0.9x
Peer Group Average	541	4.1x	7.6x	5.5x	5.7x	16.3x	8.3x	0.8x	0.8x	0.8x
Peer Group Median	375	3.8x	7.3x	5.7x	4.6x	13.0x	8.2x	0.7x	0.8x	0.7x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
AKR Corporindo	1767	8.1x	7.7x	7.3x	9.1x	8.7x	8.2x	6.6 %	8.3 %	8.6 %
Ashland	3693	12.0x	10.2x	9.2x	21.2x	20.3x	17.4x	13.7 %	11.5 %	12.7 %
Brenntag	10254	6.2x	8.3x	8.0x	8.1x	10.7x	10.2x	7.1 %	7.0 %	7.0 %
IMCD	6468	14.1x	13.9x	13.1x	16.9x	17.0x	16.0x	10.7 %	10.0 %	10.0 %
Univar Solutions		7.3x			8.8x			7.5 %		
Azelis Group	3959	15.7x	10.2x	9.6x	16.2x	11.6x	10.8x	11.1 %	10.7 %	10.8 %
Nagase	1677				11.7x	12.3x	11.1x	3.8 %	3.6 %	3.8 %
Redox	731		10.1x	9.3x		10.7x	9.8x		10.2 %	10.3 %
Peer Group Average	4078	10.5x	10.1x	9.4x	13.2x	13.0x	11.9x	8.7 %	8.8 %	9.0 %
Peer Group Median	3693	10.0x	10.1x	9.2x	11.7x	11.6x	10.8x	7.5 %	10.0 %	10.0 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Acom	578	8.2x			10.2x			6.0 %		
Chefs' Warehouse	781	12.5x	8.5x	7.6x	22.6x	14.4x	12.1x	3.3 %	3.6 %	3.9 %
Marr	738	12.4x	8.2x	7.2x	21.4x	11.4x	9.8x	2.4 %	4.1 %	4.7 %
United Natural Foods	787	8.1x	7.1x	8.1x	14.5x	18.6x	30.3x	1.4 %	0.7 %	0.4 %
Orkla	6535	9.5x	10.4x	10.0x	12.2x	14.3x	13.6x	12.6 %	10.3 %	10.6 %
Performance Food Group	8569	11.7x	9.7x	8.8x	15.8x	12.6x	11.3x	1.6 %	1.9 %	2.0 %
Sysco	31454	13.8x	10.9x	10.1x	17.3x	13.4x	12.4x	4.0 %	4.3 %	4.4 %
Tate & Lyle	2899	10.4x	8.6x	8.0x	13.8x	10.8x	9.9x	14.0 %	14.9 %	15.6 %
Dole	1027	7.3x	7.0x	6.8x	13.8x	11.1x	10.3x	1.9 %	2.8 %	2.9 %
US Foods Holding	9165	10.2x	9.2x	8.3x	14.2x	12.5x	11.0x	2.8 %	3.2 %	3.5 %
Nomad Foods	2249	8.9x	7.8x	7.4x	11.1x	9.9x	9.0x	14.3 %	13.7 %	14.7 %
Peer Group Average	5889	10.3x	8.7x	8.2x	15.2x	12.9x	13.0x	5.8 %	5.9 %	6.3 %
Peer Group Median	2249	10.2x	8.5x	8.0x	14.2x	12.6x	11.2x	3.3 %	3.8 %	4.1 %

Segment	EBIT '23e ¹⁾	EV/EBIT '23e [*]	EV	EBIT '24e	EV/EBIT '24e [*]	EV
ESL	20.0	13.0x	260	25.3	8.2x	207
Telko	9.9	11.6x	115	13.0	10.8x	140
Leipurin	4.7	12.6x	59	5.4	11.2x	60
Other operations	-5.8	12.5x	-73	-6.4	9.3x	-60
Total			361			349
Hybrid			30			30
Net debt (Evli YE est.)			138			114
Equity value			193			205
Per share			6.1			6.5

^{*}Peer group median (FactSet)

¹⁾ adjusted for comparison

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.20 PV of Free Cash Flow	336 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	15.45 PV of Horizon value	319 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	149.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	17.0 Marketable securities	22 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	14.1 Debt - dividend	-191 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	48.7 Value of stock	485 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	561	547	573	587	596	605	614	623	633	642	649	655
<i>Sales growth, %</i>	-2.2	-2.4	4.8	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	34	29	37	41	44	42	43	44	44	45	45	46
<i>Operating income margin, %</i>	6.0	5.3	6.5	7.0	7.3	7.0	7.0	7.0	7.0	7.0	7.0	7.0
+ Depreciation+amort.	37	33	34	29	19	19	19	19	17	17	17	
EBITDA	71	62	71	70	63	62	62	63	61	62	63	
- Paid taxes	-2	-1	-4	-4	-4	-4	-4	-4	-4	-4	-4	-5
- Change in NWC	-13	12	-3	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	11.4	9.4	9.4	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	0
- Operative CAPEX	-18	-22	-17	18	-21	-21	-21	-5	-19	-19	-19	
<i>opCAPEX / Sales, %</i>	5.3	6.0	3.1	-2.9	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	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	40	51	47	81	36	34	35	51	36	37	39	615
= Discounted FCFF		50	43	70	28	25	24	33	22	20	20	319
= DFCF min WACC		50	43	70	29	26	25	34	22	21	21	361
= DFCF max WACC		50	43	69	28	25	23	32	21	20	19	284

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	128.8	136.2	142.8	152.9	560.7	141.6	132.6	130.0	142.9	547.1	573.3	587.5
EBITDA	12.0	19.8	20.1	18.6	70.5	16.8	11.1	16.4	17.4	61.6	71.2	70.2
<i>EBITDA margin (%)</i>	<i>9.3</i>	<i>14.5</i>	<i>14.1</i>	<i>12.2</i>	<i>12.6</i>	<i>11.9</i>	<i>8.4</i>	<i>12.6</i>	<i>12.2</i>	<i>11.3</i>	<i>12.4</i>	<i>11.9</i>
EBIT	3.9	11.7	11.9	6.4	33.9	8.6	2.9	8.0	9.5	29.0	37.4	41.1
<i>EBIT margin (%)</i>	<i>3.0</i>	<i>8.6</i>	<i>8.3</i>	<i>4.2</i>	<i>6.0</i>	<i>6.1</i>	<i>2.2</i>	<i>6.2</i>	<i>6.6</i>	<i>5.3</i>	<i>6.5</i>	<i>7.0</i>
Net financial items	-1.1	-1.0	-1.9	-1.9	-5.9	-1.9	-2.2	-2.5	-2.2	-8.8	-7.4	-6.0
Pre-tax profit	2.8	10.7	10.0	4.5	28.0	6.7	0.7	5.5	7.3	20.2	30.0	35.1
Tax	-0.1	-0.6	-0.7	-0.3	-1.7	-0.3	0.9	-0.3	-0.7	-0.4	-3.0	-3.5
<i>Tax rate (%)</i>	<i>3.6</i>	<i>5.6</i>	<i>7.0</i>	<i>6.7</i>	<i>6.1</i>	<i>4.5</i>	<i>-128.6</i>	<i>5.5</i>	<i>10.0</i>	<i>2.1</i>	<i>10.0</i>	<i>10.0</i>
Net profit	2.7	10.1	9.3	4.2	26.3	6.4	1.6	5.2	6.3	19.5	25.8	30.4
EPS	0.09	0.32	0.30	0.13	0.84	0.20	0.05	0.17	0.20	0.62	0.82	0.97
EPS adjusted (diluted no. of shares)	0.09	0.32	0.30	0.13	0.84	0.20	0.05	0.17	0.20	0.62	0.82	0.97
Dividend per share	0.00	0.00	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.47	0.49	0.52
SALES, EURm												
ESL Shipping	56.8	60.3	65.0	63.3	245.4	52.7	44.0	43.0	49.7	189.4	202.7	208.7
Leipurin	21.4	23.0	26.2	35.3	105.9	34.6	34.4	33.2	37.7	139.9	144.1	147.7
Telko	50.6	52.9	51.6	54.3	209.4	54.3	54.2	53.8	55.5	217.8	226.5	231.0
Total	128.8	136.2	142.8	152.9	560.7	141.6	132.6	130.0	142.9	547.1	573.3	587.5
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>-33.8</i>	<i>-21.5</i>	<i>-22.8</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>26.7</i>	<i>6.8</i>	<i>32.1</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>4.3</i>	<i>2.2</i>	<i>4.0</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>-9.0</i>	<i>-6.5</i>	<i>-2.4</i>	<i>4.8</i>	<i>2.5</i>
EBIT, EURm												
ESL Shipping	9.2	9.0	9.8	10.1	38.1	6.0	3.3	4.0	6.7	20.0	25.3	27.8
Leipurin	-0.8	-0.3	-0.5	-3.2	-4.8	1.2	1.4	2.0	1.3	5.9	5.4	5.9
Telko	-2.0	4.4	3.6	1.3	7.3	2.7	-0.1	3.1	3.2	8.9	13.0	13.9
Other operations	-2.5	-1.4	-1.0	-1.8	-6.7	-1.3	-1.7	-1.1	-1.7	-5.8	-6.4	-6.4
Total	3.9	11.7	11.9	6.4	33.9	8.6	2.9	8.0	9.5	29.0	37.4	41.1
EBIT margin, %												
<i>ESL Shipping</i>	<i>16.2</i>	<i>14.9</i>	<i>15.1</i>	<i>16.0</i>	<i>15.5</i>	<i>11.4</i>	<i>7.5</i>	<i>9.3</i>	<i>13.5</i>	<i>10.6</i>	<i>12.5</i>	<i>13.3</i>
<i>Leipurin</i>	<i>-3.7</i>	<i>-1.3</i>	<i>-1.9</i>	<i>-9.1</i>	<i>-4.5</i>	<i>3.5</i>	<i>4.1</i>	<i>6.0</i>	<i>3.4</i>	<i>4.2</i>	<i>3.8</i>	<i>4.0</i>
<i>Telko</i>	<i>-4.0</i>	<i>8.3</i>	<i>7.0</i>	<i>2.4</i>	<i>3.5</i>	<i>5.0</i>	<i>-0.2</i>	<i>5.8</i>	<i>5.8</i>	<i>4.1</i>	<i>5.8</i>	<i>6.0</i>
<i>Total</i>	<i>3.0</i>	<i>8.6</i>	<i>8.3</i>	<i>4.2</i>	<i>6.0</i>	<i>6.1</i>	<i>2.2</i>	<i>6.2</i>	<i>6.6</i>	<i>5.3</i>	<i>6.5</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	547.1	573.3	587.5
<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>-2.4</i>	<i>4.8</i>	<i>2.5</i>
EBITDA	37.1	49.7	45.7	71.4	70.5	61.6	71.2	70.2
<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>11.3</i>	<i>12.4</i>	<i>11.9</i>
Depreciation	-11.7	-28.6	-29.0	-34.5	-36.6	-32.6	-33.9	-29.0
EBITA	25.4	21.1	16.7	36.9	33.9	29.0	37.4	41.1
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	29.0	37.4	41.1
<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>5.3</i>	<i>6.5</i>	<i>7.0</i>
Reported EBIT	20.6	21.1	16.7	36.9	33.9	29.0	37.4	41.1
<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>5.3</i>	<i>6.5</i>	<i>7.0</i>
Net financials	-4.2	-2.9	-4.5	-3.9	-5.9	-8.8	-7.4	-6.0
Pre-tax profit	16.4	18.2	12.2	33.0	28.0	20.2	30.0	35.1
Taxes	-2.2	-2.1	-1.4	-4.7	-1.7	-0.4	-3.0	-3.5
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	26.3	19.5	25.8	30.4
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	179	162	115
Goodwill	43	43	49	40	47	47	47	47
Right of use assets	37	22	20	21	16	16	17	18
Inventory	71	56	42	69	70	60	63	65
Receivables	78	75	63	83	82	84	87	89
Liquid funds	19	24	32	18	22	27	29	29
Total assets	436	410	384	406	416	414	405	363
Liabilities								
Shareholder's equity	92	122	113	129	144	149	160	175
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	18
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	199	200	182	164	172	149	125	65
Non-interest bearing current liabilities	105	61	64	79	72	77	80	82
Other interest-free debt	8	18	18	27	23	23	23	23
Total liabilities	430	410	384	406	416	414	405	363
CASH FLOW, EURm								
+ EBITDA	37	50	46	71	71	62	71	70
- Net financial items	-4	-3	-4	-4	-6	-9	-7	-6
- Taxes	-2	0	-2	-5	-2	0	-3	-4
- Increase in Net Working Capital	-11	-14	29	-23	-13	12	-3	-1
+/- Other	0	0	0	0	0	0	-1	-1
= Cash flow from operations	20	33	68	40	50	64	57	58
- Capex	-75	-7	-21	-31	-30	-33	-18	17
- 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	20	31	39	75
+/- New issues/buybacks	4	28	-12	-1	2	0	0	0
- Paid dividend	-13	-14	-7	-11	-14	-14	-15	-15
+/- Other	64	-35	-20	-11	-4	-11	-23	-59
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	195	195	195
Net debt (excl. convertibles)	185	157	153	155	138	114	54
Enterprise value	448	420	510	413	333	308	248
Sales	588	501	573	561	547	573	587
EBITDA	50	46	71	71	62	71	70
EBIT	21	17	37	34	29	37	41
Pre-tax	18	12	33	28	20	30	35
Earnings	16	11	28	26	19	26	30
Equity book value (excl. minorities)	122	113	129	144	149	160	175
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	5.4	4.3	3.5
EV/EBITA	21.2	25.2	13.8	12.2	11.5	8.3	6.0
EV/EBIT	21.2	25.2	13.8	12.2	11.5	8.3	6.0
EV/OCF	13.8	6.2	12.7	8.2	5.2	5.4	4.3
EV/FCFF	17.5	6.7	18.2	10.4	6.5	6.6	3.1
P/FCFE	10.3	5.6	38.8	12.6	6.2	5.0	2.6
P/E	16.4	24.4	12.6	9.8	10.0	7.6	6.4
P/B	2.2	2.3	2.8	1.8	1.3	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.8	4.7	3.9
Target EV/EBIT	0.0	0.0	0.0	0.0	12.3	8.9	6.7
Target EV/FCF	0.0	0.0	0.0	0.0	11.4	8.5	3.6
Target P/B	0.0	0.0	0.0	0.0	1.5	1.4	1.3
Target P/E	0.0	0.0	0.0	0.0	11.3	8.5	7.2
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	0.84	0.62	0.82	0.97
Operating cash flow per share	1.04	2.17	1.27	1.59	2.04	1.81	1.85
Free cash flow per share	0.81	1.51	0.29	0.65	1.00	1.25	2.40
Book value per share	3.88	3.61	4.12	4.57	4.73	5.08	5.56
Dividend per share	0.22	0.35	0.45	0.46	0.47	0.49	0.52
Dividend payout ratio, %	42.9	101.8	50.0	55.0	75.8	59.8	53.7
Dividend yield, %	2.6	4.2	4.0	5.6	7.6	7.9	8.4
FCF yield, %	9.7	18.0	2.6	7.9	16.1	20.1	38.7
Efficiency measures							
ROE	15.1	9.2	23.3	19.3	13.3	16.7	18.2
ROCE	6.5	5.3	12.3	10.9	9.1	12.1	14.7
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	15.3	15.2	15.1
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	9.4	9.5
Operative CAPEX/sales, %	1.2	4.2	5.4	5.3	6.0	3.1	-2.9
CAPEX/sales (incl. acquisitions), %	1.2	4.2	5.4	5.3	6.0	3.1	-2.9
FCFF/EBITDA	0.5	1.4	0.4	0.6	0.8	0.7	1.2
Net debt/EBITDA, book-weighted	3.7	3.4	2.1	2.2	2.2	1.6	0.8
Debt/equity, market-weighted	0.8	0.7	0.5	0.7	0.8	0.6	0.3
Equity ratio, book-weighted	29.8	29.5	31.8	34.6	35.9	39.4	48.1
Gearing, %	151.6	137.9	118.2	107.9	92.9	71.2	30.7

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	20.230	10.4%
Aev Capital Holding Oy	3,253,554	20.172	10.4%
Varma Mutual Pension Insurance Company	1,423,076	8.823	4.5%
Vehmas Tapio	1,275,827	7.910	4.1%
Nyberg Gustav	901,524	5.589	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	5.426	2.8%
Nordea Nordic Small Cap Fund	726,040	4.501	2.3%
Procurator-Holding Oy	514,882	3.192	1.6%
Skandinaviska Enskilda Banken AB	487,762	3.024	1.6%
laik Oy	479,810	2.975	1.5%
Ten largest	13,200,642	81.844	42%
Residual	18,219,137	112.959	58%
Total	31,419,779	194.803	100%

EARNINGS CALENDAR

February 16, 2024	FY 2023 Results
May 07, 2024	Q1 report
August 14, 2024	Q2 report
October 29, 2024	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Jansson Rolf	Keilaranta 17, FI-02150 Espoo
CFO: Meitsalo Arto	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

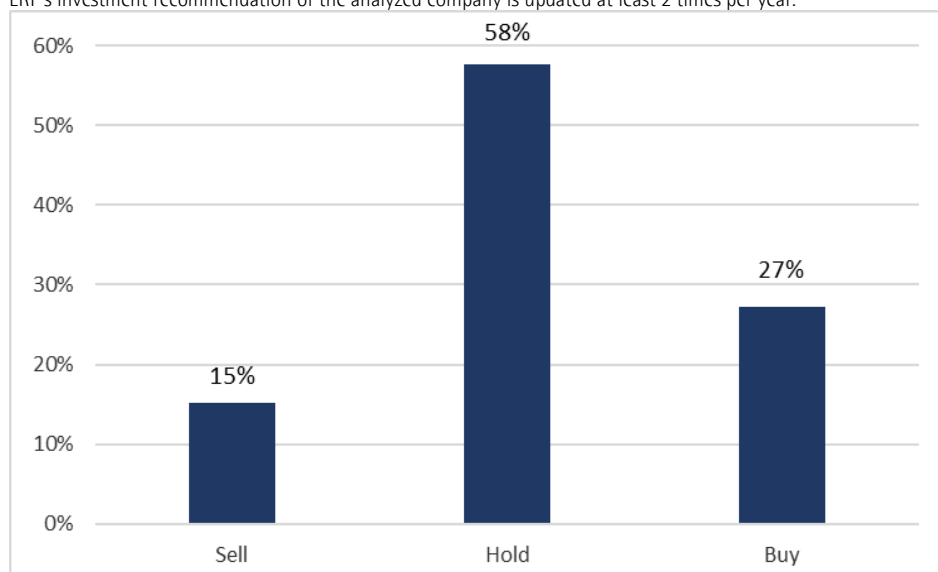
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Arttu Heikura	+358 40 082 8098
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000