

EBIT to rise above EUR 40m next year

Aspo's Q1 EBIT was soft relative to estimates, yet markets have now mostly stabilized; all three segments can improve organically but also with the help of recent investments.

ESL's performance held up well despite many challenges

Aspo's EUR 4.8m comparable Q1 EBIT fell short of the EUR 5.9m/6.3m Evli/cons estimates as there were EUR 3.7m in extra Q1 costs mostly due to the conditions ESL faced. ESL's EUR 2.7m comparable EBIT hence would have remained quite flat y/y if there would not have been political strikes and extraordinarily icy winter conditions around the Bothnian Bay. The relatively strong underlying performance suggests ESL's EBIT could improve by some EUR 5m already this year despite the headwinds (of which Q2 still faces EUR 0.5m). Telko was a bit soft relative to estimates, but its markets have stabilized and acquisitions will add a lot of potential towards next year. In our view all three segments now face relatively stable market conditions going forward.

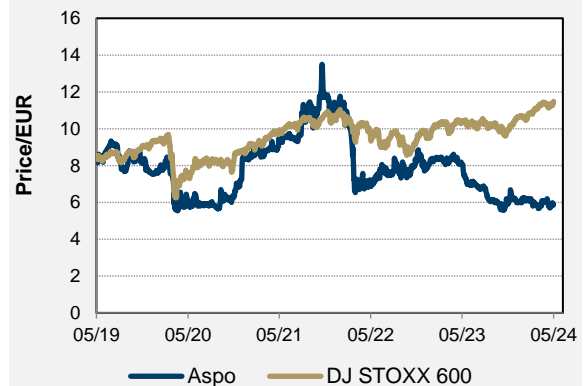
Aspo's EBIT has multiple strong drivers towards next year

EBIT now improves organically but also thanks to the green coasters and acquisitions by Telko. Telko's two targets should add more than EUR 7m to EBIT by next year (without any synergies penciled in); we estimate Telko's FY '25 EBIT to gain EUR 6.8m. We estimate ESL FY '24 comparable EBIT at EUR 23m, still a rather low figure as H1'24 bears some EUR 4m in extra burden; we see EBIT could improve by some EUR 4-5m next year (even when the Supramaxes will no longer be there to contribute ca. EUR 2-3m) as the new green coasters can be profitably employed for e.g. the cargoes of Metsä Group and Outokumpu. We estimate the latest investments and M&A will help (in addition to organic improvement) FY '25 to gain EUR 12-13m as all three segments have solid potential for further gains. The organic development of Leipurin has recently added pace, and the latest Kebelco acquisition could help EBIT improve by at least another EUR 1m.

Valuation quite modest considering the earnings potential

We estimate FY '24 comparable EBIT at EUR 34m, on which Aspo now trades some 10x, while we expect the figure to reach EUR 46m next year. On those estimates Aspo trades 7x EV/EBIT, which isn't a demanding level especially when many segmental peers are valued well above 10x. We retain our EUR 7.0 TP and BUY rating.

Rating + BUY



Share price, EUR (Last trading day's closing price) **5.90**
Target price, EUR **7.0**

Latest change in recommendation 02-Nov-23
Latest report on company 19-Feb-24
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 185
Free float, % -
Exchange rate EUR/SEK -
Reuters code ASPO.HE
Bloomberg code ASPO FH
Average daily volume, EURm 0.1
Next interim report 14-Aug-24
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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
2022	560.7	38.3	6.8%	16.5	0.98	8.4	0.7	10.8	6.4	0.46
2023	536.4	25.9	4.8%	-1.1	0.52	11.6	0.7	13.7	-0.6	0.47
2024E	566.1	25.9	4.6%	16.1	0.31	19.1	0.6	13.5	8.7	0.49
2025E	643.0	46.4	7.2%	26.0	0.93	6.3	0.5	7.3	14.0	0.52
2026E	657.3	50.2	7.6%	38.4	1.02	5.8	0.5	6.3	20.7	0.54
Market cap, EURm		185	Gearing 2024E, %			121.0	CAGR EPS 2023-26, %			25.6
Net debt 2024E, EURm		164	Price/book 2024E			1.4	CAGR sales 2023-26, %			7.0
Enterprise value, EURm		349	Dividend yield 2024E, %			8.3	ROE 2024E, %			7.0
Total assets 2024E, EURm		407	Tax rate 2024E, %			14.8	ROCE 2024E, %			7.9
Goodwill 2024E, EURm		52	Equity ratio 2024E, %			33.2	PEG, P/E 24/CAGR			0.3

Peer multiples and sum-of-the-parts valuation

ESL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		23	24	25	23	24	25	23	24	25
Algoma Central	387	5.3x	4.9x	4.8x						
Diana Shipping	335	6.1x	6.8x	5.2x	9.8x	13.3x	8.0x			
Seanergy Maritime Hldgs	162	6.7x	4.8x	4.4x	16.8x	9.7x	9.0x	0.8x	0.8x	
Genco Shipping & Trading	866	8.4x	6.4x	6.4x	23.9x	11.1x	11.7x	1.0x	1.0x	1.0x
Golden Ocean Group	2672	10.0x	8.0x	7.6x	17.5x	11.0x	10.4x	1.5x	1.5x	1.4x
2020 Bulkers	323	8.8x	8.0x	7.5x	11.6x	8.1x	8.7x	2.3x	2.3x	2.3x
Pangaea Logistics	319	7.4x	6.1x	5.2x	13.1x	9.6x	7.8x			
Safe Bulkers	537	5.7x	5.5x	6.0x	8.6x	8.0x	9.4x	0.7x	0.7x	0.6x
EuroDry	53	11.3x	4.2x	3.7x	116.2x	7.2x	5.6x	0.5x	0.5x	0.4x
Belships	530	5.8x	6.8x	5.5x	8.1x	9.8x	7.4x	2.0x	2.3x	2.0x
Star Bulk Carriers	2630	8.3x	5.6x	5.2x	13.1x	8.1x	7.2x	1.3x	1.2x	1.1x
Peer Group Average	801	7.6x	6.1x	5.6x	23.9x	9.6x	8.5x	1.3x	1.3x	1.3x
Peer Group Median	387	7.4x	6.1x	5.2x	13.1x	9.6x	8.4x	1.2x	1.1x	1.1x

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
AKR Corporindo	1897	7.7x	8.0x	7.5x	8.5x	8.9x	8.5x	8.6 %	9.4 %	9.4 %
Ashland	4526	11.6x	11.8x	10.3x	24.5x	22.5x	18.3x	10.0 %	11.9 %	14.1 %
Brenntag	10446	9.3x	8.5x	8.0x	11.6x	11.3x	10.4x	7.5 %	6.9 %	7.1 %
IMCD	8145	18.5x	16.0x	14.7x	22.5x	19.7x	18.0x	10.2 %	9.9 %	10.2 %
Univar Solutions										
Azelis Group	5402	13.4x	12.6x	11.9x	15.3x	14.7x	13.8x	10.5 %	10.3 %	10.5 %
Nagase	1842				12.5x	13.2x	11.9x	3.4 %	3.5 %	3.7 %
Redox	1062	8.0x	10.8x	9.8x	8.7x	11.8x	10.5x	10.4 %	10.5 %	10.5 %
Peer Group Average	4760	11.4x	11.3x	10.4x	14.8x	14.6x	13.0x	8.7 %	8.9 %	9.4 %
Peer Group Median	4526	10.4x	11.3x	10.1x	12.5x	13.2x	11.9x	10.0 %	9.9 %	10.2 %

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Sligro Food Group NV	639	8.4x	6.8x	5.5x	37.2x	14.6x	9.7x	1.1 %	2.5 %	3.9 %
Chefs' Warehouse	1392	11.5x	11.7x	10.6x	18.8x	19.4x	16.8x	3.4 %	3.5 %	3.8 %
Marr	796	8.0x	7.7x	7.0x	11.7x	10.9x	9.9x	4.1 %	4.4 %	4.7 %
United Natural Foods	534	7.8x	8.2x	7.5x	19.7x	26.5x	22.1x	0.8 %	0.5 %	0.6 %
Orkla	6906	10.6x	10.2x	9.7x	14.5x	13.9x	13.2x	10.2 %	10.4 %	10.7 %
Performance Food Group	10038	11.1x	10.1x	9.2x	14.5x	13.0x	11.9x	1.9 %	2.0 %	2.1 %
Sysco	34866	12.1x	11.6x	10.9x	14.8x	14.1x	13.2x	4.3 %	4.5 %	4.6 %
Tate & Lyle	3098	9.0x	8.6x	8.0x	11.7x	11.1x	10.4x	14.7 %	16.0 %	16.8 %
Dole	1094	6.5x	6.5x	6.2x	10.5x	9.8x	9.3x	2.9 %	3.0 %	3.1 %
US Foods Holding	11983	10.4x	10.6x	9.7x	13.7x	13.7x	12.3x	3.3 %	3.5 %	3.7 %
Nomad Foods	2696	8.4x	8.4x	8.0x	11.2x	10.6x	9.8x	13.2 %	14.1 %	14.8 %
Peer Group Average	6731	9.4x	9.1x	8.4x	16.2x	14.3x	12.6x	5.4 %	5.9 %	6.3 %
Peer Group Median	2696	9.0x	8.6x	8.0x	14.5x	13.7x	11.9x	3.4 %	3.5 %	3.9 %

Segment	EBIT '24e ¹⁾	EV/EBIT '24e *	EV	EBIT '25e	EV/EBIT '25e *	EV
ESL	23.2	9.6x	223	27.8	8.4x	233
Telko	11.7	13.2x	154	18.5	11.9x	220
Leipurin	4.9	13.7x	67	6.4	11.9x	76
Other operations	-6.2	11.2x	-69	-6.2	10.1x	-62
Total	33.6	11.2x	375	46.4	10.1x	467
ESL minority			45			45
Hybrid			30			30
Net debt (Evli YE est.)			164			153
Equity value			136			238
Per share			4.3			7.6

*Peer group median (FactSet)

¹⁾ adjusted for comparison

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.90 PV of Free Cash Flow	325 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	15.59 PV of Horizon value	345 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	164.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	17.3 Marketable securities	31 Minimum WACC, %	6.9 Equity beta coefficient	1.00
Minimum value	14.1 Debt - dividend	-211 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	51.5 Value of stock	490 Nr of shares, Mn	31.4 Effective tax rate, %	10

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	536	566	643	657	667	677	687	698	708	719	726	733
<i>Sales growth, %</i>	-4.3	5.5	13.6	2.2	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	26	26	46	50	60	47	48	49	50	50	51	51
<i>Operating income margin, %</i>	4.8	4.6	7.2	7.6	9.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
+ Depreciation+amort.	34	39	30	29	22	21	21	19	19	19	20	
EBITDA	59	65	76	79	83	69	69	68	69	70	70	
- Paid taxes	-2	-4	-5	-5	-6	-5	-5	-5	-5	-5	-5	
- Change in NWC	-2	-7	-10	-2	2	2	6	6	-1	-1	-1	
<i>NWC / Sales, %</i>	12.3	13.0	13.0	13.0	12.5	12.0	11.0	10.0	10.0	10.0	10.0	
+ Change in other liabs	-1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-22	-20	-20	-20	-20	-20	-6	-20	-21	-21	-21	
<i>opCAPEX / Sales, %</i>	7.9	4.4	3.6	3.1	3.1	3.1	0.9	3.0	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	-5	0	-1	-1	-1	-1	-1	-1	-1	-1	0	
= FCFF	27	33	41	51	57	44	63	47	41	41	44	688
= Discounted FCFF		32	36	42	44	32	42	29	23	22	22	345
= DFCF min WACC		32	36	43	45	33	43	30	24	23	23	391
= DFCF max WACC		32	36	42	43	31	41	28	23	21	21	306

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	141.6	132.6	130.0	132.2	536.4	132.7	141.8	143.3	148.3	566.1	643.0	657.3
EBITDA	16.8	11.1	16.4	15.1	59.4	12.3	15.2	17.1	20.2	64.8	76.4	79.0
<i>EBITDA margin (%)</i>	<i>11.9</i>	<i>8.4</i>	<i>12.6</i>	<i>11.4</i>	<i>11.1</i>	<i>9.3</i>	<i>10.7</i>	<i>11.9</i>	<i>13.6</i>	<i>11.4</i>	<i>11.9</i>	<i>12.0</i>
EBIT	8.6	2.9	8.0	6.4	25.9	-3.2	7.4	9.3	12.4	25.9	46.4	50.2
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>2.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>	<i>-2.4</i>	<i>5.2</i>	<i>6.5</i>	<i>8.4</i>	<i>4.6</i>	<i>7.2</i>	<i>7.6</i>
Net financial items	-1.9	-2.2	-2.5	-2.7	-9.3	-2.2	-2.0	-1.7	-1.7	-7.6	-6.0	-6.0
Pre-tax profit	6.7	0.7	5.5	3.7	16.6	-5.4	5.4	7.6	10.7	18.3	40.4	44.2
Tax	-0.3	0.9	-0.3	-0.7	-0.4	-0.6	-0.7	-0.7	-0.7	-2.7	-4.0	-4.4
<i>Tax rate (%)</i>	<i>4.5</i>	<i>-128.6</i>	<i>5.5</i>	<i>18.9</i>	<i>2.4</i>	<i>-11.1</i>	<i>13.0</i>	<i>9.2</i>	<i>6.5</i>	<i>14.8</i>	<i>9.9</i>	<i>10.0</i>
Net profit	6.4	1.6	5.2	3.0	16.2	-7.4	3.2	5.4	8.5	9.7	29.2	32.1
EPS	0.20	0.05	0.17	0.10	0.52	-0.24	0.10	0.17	0.27	0.31	0.93	1.02
EPS adjusted (diluted no. of shares)	0.20	0.05	0.17	0.10	0.52	-0.24	0.10	0.17	0.27	0.31	0.93	1.02
Dividend per share	0.00	0.00	0.00	0.00	0.47	0.00	0.00	0.00	0.00	0.49	0.52	0.54
SALES, EURm												
ESL Shipping	52.7	44.0	43.0	49.3	189.0	49.9	49.9	50.3	52.8	202.9	209.0	213.2
Leipurin	34.6	34.4	33.2	33.9	136.1	32.6	34.7	34.5	37.8	139.6	150.1	153.1
Telko	54.3	54.2	53.8	49.0	211.3	50.2	57.2	58.5	57.7	223.6	284.0	291.1
Total	141.6	132.6	130.0	132.2	536.4	132.7	141.8	143.3	148.3	566.1	643.0	657.3
SALES GROWTH, Y/Y %												
<i>ESL Shipping</i>	<i>-7.2</i>	<i>-27.0</i>	<i>-33.8</i>	<i>-22.1</i>	<i>-23.0</i>	<i>-5.3</i>	<i>13.4</i>	<i>17.0</i>	<i>7.1</i>	<i>7.4</i>	<i>3.0</i>	<i>2.0</i>
<i>Leipurin</i>	<i>61.7</i>	<i>49.6</i>	<i>26.7</i>	<i>-4.0</i>	<i>28.5</i>	<i>-5.8</i>	<i>0.9</i>	<i>3.9</i>	<i>11.5</i>	<i>2.6</i>	<i>7.5</i>	<i>2.0</i>
<i>Telko</i>	<i>7.3</i>	<i>2.5</i>	<i>4.3</i>	<i>-9.8</i>	<i>0.9</i>	<i>-7.6</i>	<i>5.5</i>	<i>8.7</i>	<i>17.8</i>	<i>5.8</i>	<i>27.0</i>	<i>2.5</i>
Total	9.9	-2.6	-9.0	-13.5	-4.3	-6.3	6.9	10.2	12.2	5.5	13.6	2.2
EBIT, EURm												
ESL Shipping	6.0	3.3	4.0	4.4	17.7	-5.0	4.9	6.3	9.3	15.5	27.8	28.8
Leipurin	1.2	1.4	2.0	1.0	5.6	1.1	1.2	1.3	1.3	4.9	6.4	7.3
Telko	2.7	-0.1	3.1	2.3	8.0	2.2	3.0	3.2	3.3	11.7	18.5	20.4
Other operations	-1.3	-1.7	-1.1	-1.3	-5.4	-1.5	-1.7	-1.5	-1.5	-6.2	-6.2	-6.2
Total	8.6	2.9	8.0	6.4	25.9	-3.2	7.4	9.3	12.4	25.9	46.4	50.2
EBIT margin, %												
<i>ESL Shipping</i>	<i>11.4</i>	<i>7.5</i>	<i>9.3</i>	<i>8.9</i>	<i>9.4</i>	<i>-10.0</i>	<i>9.8</i>	<i>12.5</i>	<i>17.6</i>	<i>7.6</i>	<i>13.3</i>	<i>13.5</i>
<i>Leipurin</i>	<i>3.5</i>	<i>4.1</i>	<i>6.0</i>	<i>2.9</i>	<i>4.1</i>	<i>3.4</i>	<i>3.5</i>	<i>3.8</i>	<i>3.4</i>	<i>3.5</i>	<i>4.3</i>	<i>4.8</i>
<i>Telko</i>	<i>5.0</i>	<i>-0.2</i>	<i>5.8</i>	<i>4.7</i>	<i>3.8</i>	<i>4.4</i>	<i>5.2</i>	<i>5.5</i>	<i>5.7</i>	<i>5.2</i>	<i>6.5</i>	<i>7.0</i>
Total	6.1	2.2	6.2	4.8	4.8	-2.4	5.2	6.5	8.4	4.6	7.2	7.6

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	587.7	500.7	573.3	560.7	536.4	566.1	643.0	657.3
<i>Sales growth (%)</i>	<i>8.7</i>	<i>-14.8</i>	<i>14.5</i>	<i>-2.2</i>	<i>-4.3</i>	<i>5.5</i>	<i>13.6</i>	<i>2.2</i>
EBITDA	49.7	45.7	71.4	71.5	59.4	64.8	76.4	79.0
<i>EBITDA margin (%)</i>	<i>8.5</i>	<i>9.1</i>	<i>12.5</i>	<i>12.8</i>	<i>11.1</i>	<i>11.4</i>	<i>11.9</i>	<i>12.0</i>
Depreciation	-28.6	-29.0	-34.5	-33.2	-33.5	-38.9	-30.0	-28.8
EBITA	21.1	16.7	36.9	38.3	25.9	25.9	46.4	50.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	21.1	16.7	36.9	38.3	25.9	25.9	46.4	50.2
<i>EBIT margin (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>6.4</i>	<i>6.8</i>	<i>4.8</i>	<i>4.6</i>	<i>7.2</i>	<i>7.6</i>
Reported EBIT	21.1	16.7	33.9	28.2	11.3	25.9	46.4	50.2
<i>EBIT margin (reported) (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>5.9</i>	<i>5.0</i>	<i>2.1</i>	<i>4.6</i>	<i>7.2</i>	<i>7.6</i>
Net financials	-2.9	-4.5	-3.9	-5.9	-9.3	-7.6	-6.0	-6.0
Pre-tax profit	18.2	12.2	33.0	32.4	16.6	18.3	40.4	44.2
Taxes	-2.1	-1.4	-4.7	-1.7	-0.4	-2.7	-4.0	-4.4
Minority shares	0.0	0.0	0.0	0.0	0.0	-5.9	-6.0	-6.5
Net profit	16.1	10.8	25.3	20.6	1.6	9.7	29.2	32.1
Cash NRIs	0.0	0.0	-3.0	-10.1	-14.6	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	190	177	175	179	170	154	144	136
Goodwill	43	49	40	47	52	52	52	52
Right of use assets	22	20	21	16	23	24	27	28
Inventory	56	42	69	70	59	76	87	89
Receivables	75	63	83	82	74	76	87	89
Liquid funds	24	32	18	22	31	23	26	26
Total assets	410	384	406	416	410	407	424	421
Liabilities								
Shareholder's equity	122	113	129	144	141	135	149	165
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	9	7	7	5	24	24	27	28
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	200	182	164	172	172	163	152	130
Non-interest bearing current liabilities	61	64	79	72	67	79	90	92
Other interest-free debt	18	18	27	23	6	6	6	6
Total liabilities	410	384	406	416	410	407	424	421
CASH FLOW, EURm								
+ EBITDA	50	46	71	72	59	65	76	79
- Net financial items	-3	-4	-4	-6	-9	-8	-6	-6
- Taxes	0	-2	-5	-2	-1	-3	-4	-4
- Increase in Net Working Capital	-14	29	-23	-13	-2	-7	-10	-2
+/- Other	0	0	0	-6	-5	-6	-7	-8
= Cash flow from operations	33	68	40	45	42	41	49	59
- Capex	-7	-21	-31	-28	-43	-25	-23	-21
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	25	48	9	17	-1	16	26	38
+/- New issues/buybacks	28	-12	2	8	10	0	0	0
- Paid dividend	-14	-7	-11	-14	-14	-15	-15	-16
+/- Other	-35	-20	-14	-6	15	-9	-8	-22
Change in cash	4	9	-15	4	9	-8	3	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	264	357	258	189	185	185	185
Net debt (excl. convertibles)	157	153	155	165	164	153	131
Enterprise value	420	510	413	354	349	339	317
Sales	501	573	561	536	566	643	657
EBITDA	46	71	72	59	65	76	79
EBIT	17	37	38	26	26	46	50
Pre-tax	12	33	32	17	18	40	44
Earnings	11	28	31	16	10	29	32
Equity book value (excl. minorities)	113	129	144	141	135	149	165
Valuation multiples							
EV/sales	0.8	0.9	0.7	0.7	0.6	0.5	0.5
EV/EBITDA	9.2	7.1	5.8	6.0	5.4	4.4	4.0
EV/EBITA	25.2	13.8	10.8	13.7	13.5	7.3	6.3
EV/EBIT	25.2	13.8	10.8	13.7	13.5	7.3	6.3
EV/OCF	6.2	12.9	9.2	8.5	8.5	6.9	5.4
EV/FCFF	6.7	18.5	12.0	13.0	10.4	8.3	6.2
P/FCFE	5.6	41.0	15.6	-171.4	11.5	7.1	4.8
P/E	24.4	12.6	8.4	11.6	19.1	6.3	5.8
P/B	2.3	2.8	1.8	1.3	1.4	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.9	4.9	4.4
Target EV/EBIT	0.0	0.0	0.0	0.0	14.8	8.0	7.0
Target EV/FCF	0.0	0.0	0.0	0.0	23.9	14.4	9.1
Target P/B	0.0	0.0	0.0	0.0	1.6	1.5	1.3
Target P/E	0.0	0.0	0.0	0.0	22.7	7.5	6.9
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	0.34	0.90	0.98	0.52	0.31	0.93	1.02
Operating cash flow per share	2.17	1.26	1.42	1.32	1.31	1.57	1.88
Free cash flow per share	1.51	0.28	0.53	-0.04	0.51	0.83	1.22
Book value per share	3.61	4.12	4.57	4.47	4.31	4.75	5.25
Dividend per share	0.35	0.45	0.46	0.47	0.49	0.52	0.54
Dividend payout ratio, %	101.8	50.0	47.1	91.2	158.7	55.9	52.9
Dividend yield, %	4.2	4.0	5.6	7.8	8.3	8.8	9.2
FCF yield, %	18.0	2.4	6.4	-0.6	8.7	14.0	20.7
Efficiency measures							
ROE	9.2	23.3	22.5	11.4	7.0	20.5	20.4
ROCE	5.3	12.3	12.3	7.9	7.9	14.3	15.4
Financial ratios							
Inventories as % of sales	8.5	12.0	12.5	11.0	13.5	13.5	13.5
Receivables as % of sales	12.6	14.4	14.6	13.8	13.5	13.5	13.5
Non-interest bearing liabilities as % of sales	12.8	13.8	12.9	12.5	14.0	14.0	14.0
NWC/sales, %	5.7	8.9	11.4	12.3	13.0	13.0	13.0
Operative CAPEX/sales, %	4.2	5.4	5.0	7.9	4.4	3.6	3.1
CAPEX/sales (incl. acquisitions), %	4.2	5.4	5.0	7.9	4.4	3.6	3.1
FCFF/EBITDA	1.4	0.4	0.5	0.5	0.5	0.5	0.6
Net debt/EBITDA, book-weighted	3.4	2.1	2.2	2.8	2.5	2.0	1.7
Debt/equity, market-weighted	0.7	0.5	0.7	0.9	0.9	0.8	0.7
Equity ratio, book-weighted	29.5	31.8	34.6	34.3	33.2	35.2	39.2
Gearing, %	137.9	118.2	107.9	117.6	121.0	102.7	79.5

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	19.251	10.4%
Aev Capital Holding Oy	3,253,554	19.196	10.4%
Varma Mutual Pension Insurance Company	1,423,076	8.396	4.5%
Vehmas Tapio	1,275,827	7.527	4.1%
Nyberg Gustav	901,524	5.319	2.9%
Ilmarinen Mutual Pension Insurance Company	875,226	5.164	2.8%
Nordea Nordic Small Cap Fund	726,040	4.284	2.3%
Procurator-Holding Oy	514,882	3.038	1.6%
Skandinaviska Enskilda Banken AB	487,762	2.878	1.6%
laik Oy	479,810	2.831	1.5%
Ten largest	13,200,642	77.884	42%
Residual	18,219,137	107.493	58%
Total	31,419,779	185.377	100%

EARNINGS CALENDAR

August 14, 2024	Q2 report
October 29, 2024	Q3 report

OTHER EVENTS

May 14, 2024	CMD
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COMPANY MISCELLANEOUS

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CFO: Repo Erkka	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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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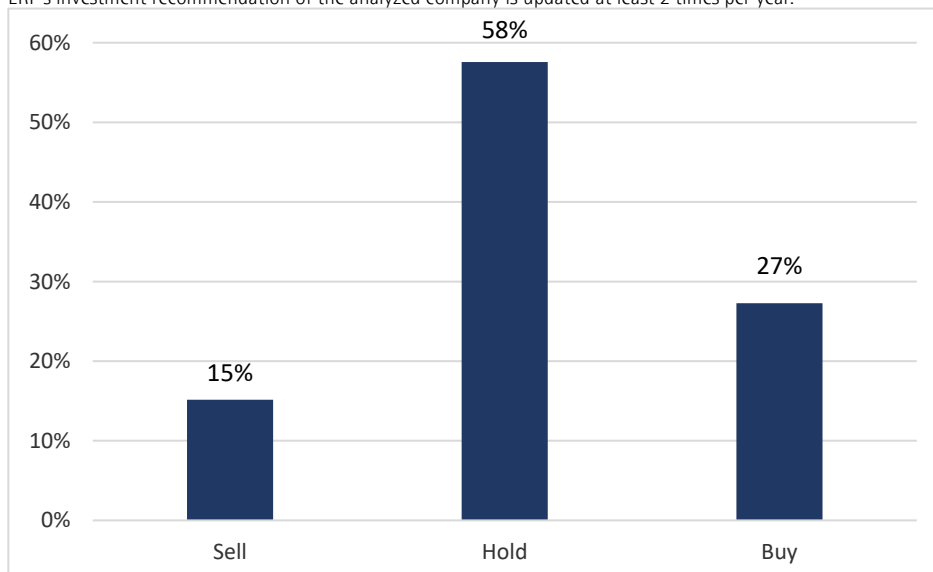
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Investment recommendations are defined as follows:

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

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

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