

## CMD notes

Aspo's CMD elaborated on major investment plans as both ESL and Telko will expand their operations also in the future.

### Handysize specs still open, but the market looks attractive

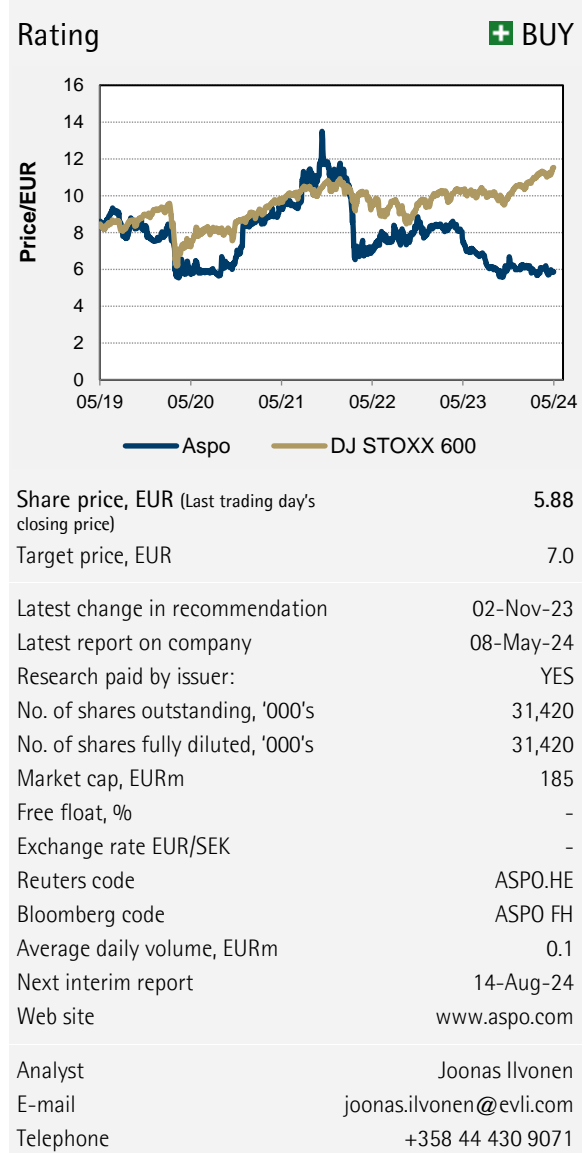
ESL plans to invest more than EUR 150m in a handful of new Handysize vessels, which would add a lot to capacity yet should easily achieve high utilization assuming the addressable market around the Bothnian Bay roughly doubles (many large industrial investments have already been confirmed in Northern Sweden and at least some will also take place in Finland) while competing fleet capacity within the relevant ice-classed segments could decline by 20% due to ageing. The exact investment specifications are still open, but ESL has in the past decade averaged 12-13% ROCE while it has further diversified its portfolio and recently sold the two Supramax vessels. The 12 green coasters will by themselves add EUR 15m in EBITDA potential in the coming years.

### Telko targets 10% M&A CAGR, plus another 4-5% organic

Telko's margins have varied due to recent years' inflationary and deflationary periods as well as the exit from Russia, yet ROCE remained in the double-digits even when EBITA margin declined some 300bps below the target. The market now lets earnings improve on an organic basis (assuming stable prices), in addition to which the two latest acquisitions will add EUR 7m in earnings; Telko is unlikely to grow 30% through M&A every year, but it could still repeat the respective 6x and 8-10x EV/EBIT multiples in the future as there remain opportunities to acquire smaller players thanks to e.g. succession issues and tighter regulation. Two-thirds of the EUR 350-400m investments are to be financed by OCF, which still leaves more than EUR 100m to be filled through debt (equity may also be used as seen in the recent ESL minority stake and Telko's potential M&A earn-out cases, plus vessel pooling).

### Multiples low in the light of ESL's EUR 300m EV valuation

Aspo's segments are not particularly complex, however all three have seen varying earnings levels in recent years and have also undertaken various value-creation measures. Recent comparison figures have thus been muddled, but in our view all the segments should improve going forward. Aspo is valued some 10x EV/EBIT on our FY '24 estimates, and we continue to expect EUR 12-13m EBIT gain for next year. We retain our EUR 7.0 TP and BUY rating.



## 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	19.0	0.6	13.5	8.7	0.35
2025E	643.0	46.4	7.2%	26.0	0.93	6.3	0.5	7.2	14.1	0.40
2026E	657.3	50.2	7.6%	38.4	1.02	5.8	0.5	6.1	20.8	0.45
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, %	6.0			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	383	5.3x	4.9x	4.8x						
Diana Shipping	343	6.1x	6.6x	4.5x	9.8x	11.1x	5.6x			
Seanergy Maritime Hldgs	178	7.1x	4.5x	3.9x	16.8x	7.3x	5.5x	0.9x	0.8x	
Genco Shipping & Trading	907	8.4x	6.3x	6.6x	23.9x	10.4x	11.0x	1.1x	1.0x	1.0x
Golden Ocean Group	2778	10.0x	8.2x	7.7x	17.5x	11.3x	10.5x	1.6x	1.5x	1.5x
2020 Bulkers	335	8.8x	7.9x	7.8x	11.5x	9.9x	9.0x	2.3x	2.2x	2.2x
Pangaea Logistics	328	7.4x	6.1x	5.2x	13.1x	10.2x	8.1x			
Safe Bulkers	564	5.7x	5.7x	6.2x	8.6x	8.2x	9.6x	0.8x	0.7x	0.7x
EuroDry	57	11.3x	4.4x	3.7x	116.2x	7.7x	5.5x	0.6x	0.5x	0.5x
Belships	561	5.8x	7.5x	5.8x	8.1x	10.8x	7.8x	2.2x	2.5x	2.1x
Star Bulk Carriers	2704	8.3x	5.5x	4.9x	13.1x	7.6x	6.5x	1.4x	1.3x	1.2x
Peer Group Average	831	<b>7.7x</b>	<b>6.2x</b>	<b>5.5x</b>	<b>23.9x</b>	<b>9.5x</b>	<b>7.9x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>1.3x</b>
Peer Group Median	383	<b>7.4x</b>	<b>6.1x</b>	<b>5.2x</b>	<b>13.1x</b>	<b>10.1x</b>	<b>7.9x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>1.2x</b>

TELKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
AKR Corporindo	1891	7.7x	7.9x	7.5x	8.5x	8.9x	8.4x	8.6 %	9.4 %	9.4 %
Ashland	4566	11.6x	11.9x	10.4x	24.5x	22.7x	18.6x	10.0 %	11.9 %	13.9 %
Brenntag	10732	9.3x	8.7x	8.2x	11.6x	11.4x	10.6x	7.5 %	7.0 %	7.1 %
IMCD	8390	18.5x	16.5x	15.2x	22.5x	20.3x	18.5x	10.2 %	9.9 %	10.2 %
Univar Solutions										
Azelis Group	5358	13.4x	12.5x	11.8x	15.3x	14.6x	13.7x	10.5 %	10.3 %	10.5 %
Nagase	2097				12.3x	13.6x	12.7x	3.5 %	3.7 %	3.8 %
Redox	976	8.0x	9.9x	9.0x	8.7x	10.8x	9.6x	10.4 %	10.5 %	10.5 %
Peer Group Average	4859	<b>11.4x</b>	<b>11.2x</b>	<b>10.3x</b>	<b>14.8x</b>	<b>14.6x</b>	<b>13.2x</b>	<b>8.7 %</b>	<b>9.0 %</b>	<b>9.4 %</b>
Peer Group Median	4566	<b>10.4x</b>	<b>10.9x</b>	<b>9.7x</b>	<b>12.3x</b>	<b>13.6x</b>	<b>12.7x</b>	<b>10.0 %</b>	<b>9.9 %</b>	<b>10.2 %</b>

LEIPURIN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Sligro Food Group NV	638	8.4x	6.8x	5.5x	37.2x	14.6x	9.6x	1.1 %	2.5 %	3.9 %
Chefs' Warehouse	1423	11.5x	11.9x	10.7x	18.8x	19.6x	17.0x	3.4 %	3.5 %	3.8 %
Marr	800	8.0x	7.7x	7.0x	11.7x	11.0x	9.9x	4.1 %	4.4 %	4.7 %
United Natural Foods	557	7.8x	8.2x	7.5x	19.7x	26.7x	22.2x	0.8 %	0.5 %	0.6 %
Orkla	7044	10.6x	10.4x	10.0x	14.5x	14.2x	13.5x	10.2 %	10.3 %	10.6 %
Performance Food Group	10261	11.1x	10.1x	9.3x	14.5x	13.2x	12.1x	1.9 %	2.0 %	2.1 %
Sysco	35239	12.1x	11.6x	10.9x	14.8x	14.2x	13.3x	4.3 %	4.5 %	4.6 %
Tate & Lyle	3122	9.0x	8.7x	8.1x	11.7x	11.3x	10.5x	14.7 %	16.0 %	16.8 %
Dole	1086	6.5x	6.4x	6.2x	10.5x	9.7x	9.2x	2.9 %	3.0 %	3.1 %
US Foods Holding	12470	10.4x	10.6x	9.7x	13.7x	13.8x	12.3x	3.3 %	3.5 %	3.7 %
Nomad Foods	2884	8.4x	8.5x	8.1x	11.2x	10.8x	9.9x	13.2 %	14.1 %	14.9 %
Peer Group Average	6866	<b>9.4x</b>	<b>9.2x</b>	<b>8.5x</b>	<b>16.2x</b>	<b>14.5x</b>	<b>12.7x</b>	<b>5.4 %</b>	<b>5.9 %</b>	<b>6.3 %</b>
Peer Group Median	2884	<b>9.0x</b>	<b>8.7x</b>	<b>8.1x</b>	<b>14.5x</b>	<b>13.8x</b>	<b>12.1x</b>	<b>3.4 %</b>	<b>3.5 %</b>	<b>3.9 %</b>

Segment	EBIT	EV/EBIT	EV	EBIT	EV/EBIT	EV
	'24e <sup>1)</sup>	'24e *		'25e	'25e *	
ESL	23.2	10.1x	234	27.8	7.9x	220
Telko	11.7	13.6x	159	18.5	12.7x	234
Leipurin	4.9	13.8x	68	6.4	12.1x	77
Other operations	-6.2	11.6x	-72	-6.2	10.1x	-63
<b>Total</b>	<b>33.6</b>	<b>11.6x</b>	<b>389</b>	<b>46.4</b>	<b>10.1x</b>	<b>469</b>
ESL minority			29			29
Hybrid			30			30
Net debt (Evli YE est.)			164			149
Equity value			166			260
Per share			5.3			8.3

\*Peer group median (FactSet)

<sup>1)</sup> adjusted for comparison

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.88 PV of Free Cash Flow	325 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	15.62 PV of Horizon value	345 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	165.6 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	14.2 Debt - dividend	-211 Maximum WACC, %	7.9 Target debt ratio, %	35
Horizon value, %	51.5 Value of stock	491 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	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	-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	392
= 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	0.35	0.40	0.45
<b>SALES, EURm</b>												
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
<b>Total</b>	<b>141.6</b>	<b>132.6</b>	<b>130.0</b>	<b>132.2</b>	<b>536.4</b>	<b>132.7</b>	<b>141.8</b>	<b>143.3</b>	<b>148.3</b>	<b>566.1</b>	<b>643.0</b>	<b>657.3</b>
<b>SALES GROWTH, Y/Y %</b>												
<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>
<b>Total</b>	<b>9.9</b>	<b>-2.6</b>	<b>-9.0</b>	<b>-13.5</b>	<b>-4.3</b>	<b>-6.3</b>	<b>6.9</b>	<b>10.2</b>	<b>12.2</b>	<b>5.5</b>	<b>13.6</b>	<b>2.2</b>
<b>EBIT, EURm</b>												
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
<b>Total</b>	<b>8.6</b>	<b>2.9</b>	<b>8.0</b>	<b>6.4</b>	<b>25.9</b>	<b>-3.2</b>	<b>7.4</b>	<b>9.3</b>	<b>12.4</b>	<b>25.9</b>	<b>46.4</b>	<b>50.2</b>
<b>EBIT margin, %</b>												
<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>
<b>Total</b>	<b>6.1</b>	<b>2.2</b>	<b>6.2</b>	<b>4.8</b>	<b>4.8</b>	<b>-2.4</b>	<b>5.2</b>	<b>6.5</b>	<b>8.4</b>	<b>4.6</b>	<b>7.2</b>	<b>7.6</b>

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
<b>BALANCE SHEET, EURm</b>								
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	154	173
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	148	122
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
<b>CASH FLOW, EURm</b>								
+ 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	-11	-13
+/- Other	-35	-20	-14	-6	15	-9	-12	-25
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	149	123
Enterprise value	420	510	413	354	349	334	308
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	154	173
<b>Valuation multiples</b>							
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	3.9
EV/EBITA	25.2	13.8	10.8	13.7	13.5	7.2	6.1
EV/EBIT	25.2	13.8	10.8	13.7	13.5	7.2	6.1
EV/OCF	6.2	12.9	9.2	8.5	8.5	6.8	5.2
EV/FCFF	6.7	18.5	12.0	13.0	10.4	8.2	6.0
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	19.0	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	4.8	4.3
Target EV/EBIT	0.0	0.0	0.0	0.0	14.8	7.9	6.8
Target EV/FCF	0.0	0.0	0.0	0.0	23.9	14.2	8.9
Target P/B	0.0	0.0	0.0	0.0	1.6	1.4	1.3
Target P/E	0.0	0.0	0.0	0.0	22.7	7.5	6.9
<b>Per share measures</b>							
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	4.89	5.51
Dividend per share	0.35	0.45	0.46	0.47	0.35	0.40	0.45
Dividend payout ratio, %	101.8	50.0	47.1	91.2	113.4	43.0	44.0
Dividend yield, %	4.2	4.0	5.6	7.8	6.0	6.8	7.7
FCF yield, %	18.0	2.4	6.4	-0.6	8.7	14.1	20.8
<b>Efficiency measures</b>							
ROE	9.2	23.3	22.5	11.4	7.0	20.2	19.6
ROCE	5.3	12.3	12.3	7.9	7.9	14.3	15.4
<b>Financial ratios</b>							
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	1.9	1.6
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	36.2	41.2
Gearing, %	137.9	118.2	107.9	117.6	121.0	96.9	71.0

**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	19.186	10.4%
Aev Capital Holding Oy	3,253,554	19.131	10.4%
Varma Mutual Pension Insurance Company	1,423,076	8.368	4.5%
Vehmas Tapio	1,275,827	7.502	4.1%
Ilmarinen Mutual Pension Insurance Company	875,226	5.146	2.8%
Nyberg Gustav	851,524	5.007	2.7%
Nordea Nordic Small Cap Fund	726,040	4.269	2.3%
Mandatum Life Insurance Company Limited	679,428	3.995	2.2%
Procurator-Holding Oy	564,882	3.322	1.8%
laik Oy	505,947	2.975	1.6%
Ten largest	13,418,445	78.900	43%
Residual	18,001,334	105.848	57%
Total	31,419,779	184.748	100%

**EARNINGS CALENDAR**

August 14, 2024

Q2 report

October 29, 2024

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Jansson Rolf

Keilaranta 17, FI-02150 Espoo

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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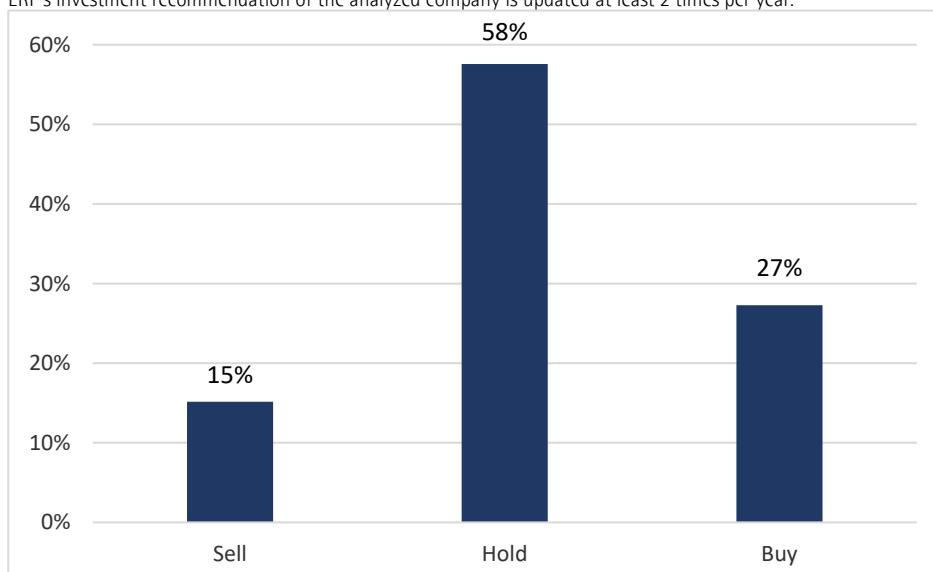
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Investment recommendations are defined as follows:

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

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lijja +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**

Atte Jortikka +358 40 054 3725  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149

**Evli Investment Solutions**

Johannes Asuja +358 9 4766 9205

# EVLI

**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