02 November 2022

Commissioned research: Aspo – Strong Q3, full year guidance unchanged

Marketing material commissioned by Aspo

Revenues were 11% above Refinitiv consensus in Q3. Clean operating profit of EUR 13m was EUR 2.7m above market consensus in Q3. We believe a part of good development could have come from favourable official EUR/RUB exchange rate. But ESL Shipping reported a very strong result in Q3. However, fuel prices have increased, spot market rates softened and end demand weakening in Q4. Full year guidance was unchanged (already upgraded in October) and the company still feels very confident about full-year performance in 2022. But further improvement could be challenging in next year and we already expect a lower clean EBIT for 2023 y/y. Negative one-off items will be close to EUR 25m in 2022. The majority of these extra costs and write downs are related to Russia exit. Overall, the company looks to survive relatively well from its Russia exit - at least better than feared in the spring 2022.

Q3 key figures

- Net sales were EUR 160m (Refinitiv consensus EUR 144m).
- Group EBIT was EUR 13m without one-offs in Q3 (consensus EUR 10.3m).
- ELS Shipping clean EBIT of EUR 9.7m was above our expectation of EUR 8.3m. Freight rates in the spot market were favorable in Q3.
- Leipurin segment reported even 23% higher net sales than we expected in Q3. Segment's sales were supported by high raw material prices, FX and Kobia acquisition.
- Revenue in Telko segment was EUR 61m (Nordea EUR 61m) and clean EBIT even EUR 4.2m (Nordea estimate EUR 2.7m) in Q3.
- In a group level reported EPS was EUR 0.30 (consensus EUR 0.28).
- Group net gearing was 98% in September (130%).
- Cash flow from the operations was EUR 11m (EUR 11m) in Q3.

Full year 2022 guidance

- Aspo guides full year 2022 clean operating profit to be EUR 52-57m (unchanged).
- Consensus (Refinitiv) for 2022 EBIT has been EUR 43m. Consensus has not been upgraded after the guidance update in October 2022.
- Our forecast for full year 2022 clean EBIT has been EUR 51m.

ASPO: DEVIATION TABLE

EURm	Actual Q3 2022	NDA est. Q3 2022E	Deviation vs. actual		Consensus Q3 2022E	Deviation vs. actual		Actual Q2 2022	q/q	Actual Q3 2021	y/y
Sales	160	146	14.5	10%	144	16	11%	161	-1%	148	8%
Adj. EBIT	13.0	10.1	2.9	29%	10.3	3	26%	17.1	-24%	12.8	2%
Adj. EBIT margin	8.1%	6.9%		1.2pp	7.2%		0.9pp	10.6%	-2.5pp	8.6%	-0.5pp
EPS	0.30	0.09	0.21	248%	0.28	0.02	7%	0.31	-2%	0.16	90%
Divisional											
Sales											
ESL	65.0	58.7	6.3	11%				60.3	8%	47.3	37%
Leipurin	32.3	26.3	6.0	23%				29.3	10%	27.7	17%
Telko	60.5	60.6	-0.1	0%				71.8	-16%	73.0	-17%
Adj. EBIT											
ESL	9.7	8.3	1.4	16%				9.2	5%	7.1	37%
Leipurin	-0.5	0.7	-1.2	-176%				0.9	-156%	0.6	-183%
Telko	4.2	2.7	1.5	54%				7.2	-42%	5.9	-29%

Source: Refinitiv, company data and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	588	501	583	620	585	614
EBITDA (adj)	50	52	77	84	77	81
EBIT (adj)	21	19	44	51	43	45
EBIT (adj) margin	3.6%	3.9%	7.6%	8.3%	7.4%	7.3%
EPS (adj, EUR)	0.42	0.38	1.07	1.28	1.08	1.14
EPS (adj) growth	-28.3%	-8.9%	182.2%	19.3%	-15.8%	6.0%
DPS (ord, EUR)	0.22	0.35	0.45	0.47	0.49	0.51
EV/Sales	0.7	0.9	0.9	0.7	0.7	0.6
EV/EBIT (adj)	20.9	22.5	11.9	8.0	9.1	8.4
P/E (adj)	18.3	22.1	10.6	6.3	7.4	7.0
P/BV	2.0	2.3	2.8	1.7	1.5	1.4
Dividend yield (ord)	2.9%	4.2%	4.0%	5.9%	6.1%	6.4%
FCF Yield bef A&D, lease adj	13.9%	16.9%	3.7%	10.4%	11.1%	12.5%
Net debt	198	170	167	160	144	125
Net debt/EBITDA	4.0	3.3	2.5	2.4	1.9	1.5
ROIC after tax	5.8%	5.6%	13.4%	15.9%	13.1%	13.5%

Source: Company data and Nordea estimates

Completion date: 02 Nov 2022, 09:33 CET

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