

10 August 2023

## Commissioned research: Aspo – Q2 below consensus, FY guidance unchanged

*Marketing material commissioned by Aspo*

The overall freight market activity slowed down significantly compared to the previous year in Q2. Weak spot market had a negative impact on the profitability of the ESL Shipping segment. Also Telko segment suffered from declining prices combined with soft end demand. Group level adjusted EBIT was EUR 2.7m (43%) below consensus (Refinitiv) in Q2. Weak demand and pricing environment could remain in Telko and in ESL Shipping segments in Q3 2023 we believe. Aspo kept the full year guidance unchanged and was not able to tighten the full year adjusted EBIT guidance range. Adjusted EBIT guidance range for 2023 is even EUR 10m which could indicate weak visibility and uncertainty related to H2 2023.

### Q2 key figures

- Net sales was EUR 136m (consensus EUR 140m).
- Group clean EBIT was EUR 3.6m without combined EUR -8.8m one-offs in Q2 (consensus EUR 6.3m).
- Net sales in ELS Shipping segment was 14% below consensus (Refinitiv) in Q2. The segment's EBIT were even 41% below consensus in Q2.
- Leipurin and Telko segment's reported slightly better revenues than consensus in Q2.
- In a group level reported EPS was EUR -0.19.
- Group net gearing was 115% end-June.
- Cash flow from the operations was EUR 6.5m (EUR 19.1m) in Q2.

### Full year 2023 guidance

- Clean EBIT is guided to EUR 25-35m in 2023 (unchanged, 2022: EUR 55.3m)
- Consensus for 2023 EBIT has been EUR 32m.
- No guidance for net sales in 2023.
- Market consensus (Refinitiv) has expected a -11% y/y revenue growth.

**ASPO: DEVIATION TABLE**

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q2 2023	Q2 2023E	vs. actual		Q2 2023E	vs. actual		Q1 2023	q/q	Q2 2022	y/y
Sales	136	133	3.2	2%	140	-4	-3%	148	-8%	161	-15%
Adj. EBIT	3.6	7.1	-3.5	-49%	6.3	-3	-43%	8.1	-56%	17.1	-79%
Adj. EBIT margin	2.6%	5.3%	-2.7pp		4.5%	-1.9pp		5.5%	-2.9pp	10.6%	-8.0pp
EPS	-0.19	0.16	-0.35	-219%	0.10	-0.29	-290%	0.21	-191%	0.31	-162%

**Divisional****Sales**

ESL	44.0	50.0	-6.0	-12%	51.3	-7.3	-14%	52.7	-17%	60.3	-27%
Leipurin	34.4	33.0	1.4	4%	33.0	1.4	4%	34.6	-1%	29.3	17%
Telko	54.2	50.1	4.1	8%	50.8	3.4	7%	54.3	0%	71.8	-25%

**Adj. EBIT**

ESL	3.3	5.8	-2.5	-43%	5.6	-2.3	-41%	6.0	-45%	9.2	-64%
Leipurin	1.1	0.9	0.2	23%	0.9	0.2	22%	1.0	10%	0.9	22%
Telko	0.9	2.0	-1.1	-55%	2.0	-1.1	-55%	2.7	-67%	7.2	-88%

Source: Refinitiv, company data and Nordea estimates

**SUMMARY TABLE - KEY FIGURES**

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	501	583	643	552	598	624
EBITDA (adj)	52	77	87	63	76	83
EBIT (adj)	19	44	55	31	41	47
EBIT (adj) margin	3.9%	7.6%	8.6%	5.6%	6.9%	7.5%
EPS (adj, EUR)	0.38	1.07	1.37	0.64	0.94	1.11
EPS (adj) growth	-8.9%	182.2%	27.4%	-53.0%	47.0%	17.4%
DPS (ord, EUR)	0.35	0.45	0.46	0.47	0.49	0.51
EV/Sales	0.9	0.9	0.7	0.7	0.6	0.5
EV/EBIT (adj)	22.5	11.9	7.7	11.7	8.6	7.1
P/E (adj)	22.1	10.6	6.0	10.5	7.2	6.1
P/BV	2.3	2.8	1.8	1.4	1.3	1.2
Dividend yield (ord)	4.2%	4.0%	5.6%	6.9%	7.2%	7.5%
FCF Yield bef A&D, lease adj	16.9%	3.8%	12.9%	9.2%	11.5%	18.0%
Net debt	170	167	167	146	139	119
Net debt/EBITDA	3.3	2.5	2.6	2.2	1.8	1.4
ROIC after tax	5.6%	13.4%	17.1%	9.4%	12.6%	14.2%

Source: Company data and Nordea estimates

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