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Commissioned research: Aspo – Q3 above consensus, FY guidance midpoint downgraded

Marketing material commissioned by Aspo

The biggest positive surprise in Aspo's Q3 result was profitability in Telko segment. Furthermore, Leipurin segment reported better revenues and EBIT than market consensus (Refinitiv) in Q3. However, ESL Shipping segment was slightly under our expectations in Q3. The steel, forest and construction industries have witnessed demand weakness which could affect to ESL Shipping volumes also in Q4 2023. Aspo could even sell two supramax vessels late 2023 we believe. Aspo downgraded its full year 2023 EBIT guidance midpoint by 8% but market consensus was already under the lower end of given guidance range why consensus EBIT for 2023 could be upgraded by EUR 1-2m we believe.

Q3 key figures

- Net sales was EUR 130m (consensus EUR 139m).
- Group clean EBIT was EUR 7.4m in Q3 (consensus EUR 6.3m).
- Net sales in ELS Shipping segment was 5% below consensus (Refinitiv) in Q3. The segment's EBIT were 7% below consensus in Q3.
- Leipurin and Telko segment's reported better EBIT than market consensus in Q3.
- In a group level reported EPS was EUR 0.10.
- Group net gearing was 105% end-June.
- Cash flow from the operations was EUR 16m (EUR 11m) in Q3.

Full year 2023 guidance

- Clean EBIT is guided to EUR 25-30m in 2023 (downgraded, previously EUR 25-35m, 2022: EUR 55.3m)
- Consensus for 2023 EBIT has been EUR 24m.
- No guidance for net sales in 2023.
- Market consensus (Refinitiv) has expected a -14% y/y revenue growth.

ASPO: DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q3 2023	Q3 2023E	vs. actual		Q3 2023E	vs. actual		Q2 2023	q/q	Q3 2022	y/y
Sales	130	129	0.7	1%	139	-9	-7%	136	-5%	160	-19%
Adj. EBIT	7.4	5.2	2.2	43%	6.3	1	18%	3.6	106%	13.0	-43%
Adj. EBIT margin	5.7%	4.0%	1.7pp		4.5%		1.2pp	2.6%	3.1pp	8.1%	-2.4pp
EPS	0.10	0.07	0.03	51%	0.10	0.00	0%	-0.21	-148%	0.30	-67%

Divisional**Sales**

ESL	43.0	45.5	-2.5	-5%	45.5	-2.5	-5%	44.0	-2%	65.0	-34%
Leipurin	33.2	32.2	1.0	3%	32.6	0.6	2%	34.4	-3%	32.3	3%
Telko	53.8	51.6	2.2	4%	51.6	2.2	4%	54.2	-1%	60.5	-11%

Adj. EBIT

ESL	4.0	4.3	-0.3	-6%	4.3	-0.3	-7%	3.3	21%	9.7	-59%
Leipurin	1.3	0.9	0.4	44%	0.9	0.4	44%	1.1	18%	0.6	117%
Telko	3.1	1.6	1.5	94%	1.5	1.6	107%	0.9	244%	3.7	-16%

Source: Refinitiv, company data and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	501	583	643	542	570	596
EBITDA (adj)	52	77	87	57	72	78
EBIT (adj)	19	44	55	24	37	42
EBIT (adj) margin	3.9%	7.6%	8.6%	4.5%	6.4%	7.1%
EPS (adj, EUR)	0.38	1.07	1.37	0.43	0.73	0.89
EPS (adj) growth	-8.9%	182.2%	27.4%	-68.3%	67.9%	22.7%
DPS (ord, EUR)	0.35	0.45	0.46	0.46	0.48	0.50
EV/Sales	0.9	0.9	0.7	0.6	0.6	0.5
EV/EBIT (adj)	22.5	11.9	7.7	14.2	9.2	7.5
P/E (adj)	22.1	10.6	6.0	13.5	8.1	6.6
P/BV	2.3	2.8	1.8	1.3	1.2	1.1
Dividend yield (ord)	4.2%	4.0%	5.6%	7.8%	8.2%	8.5%
FCF Yield bef A&D, lease adj	16.9%	3.8%	12.9%	8.8%	13.5%	20.2%
Net debt	170	167	167	161	152	132
Net debt/EBITDA	3.3	2.5	2.6	3.2	2.1	1.7
ROIC after tax	5.6%	13.4%	17.0%	7.2%	10.9%	12.7%

Source: Company data and Nordea estimates

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