Aspo

Business Services
Finland

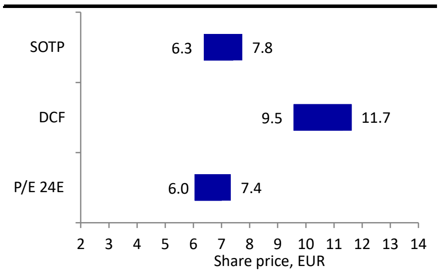
KEY DATA

Stock country	Finland
Bloomberg	ASPO FH
Reuters	ASPO.HE
Share price (close)	EUR 6.13
Free float	88%
Market cap. (bn)	EUR 0.19/EUR 0.19
Website	www.aspo.com
Next report date	

PERFORMANCE

Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	0%	1%
EBIT (adj)	2%	1%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Joni Sandvall
Analyst

2024 dry bulk sector pricing could improve

2023 was a weak year for the dry bulk sector, reflected in ESL Shipping's clean EBIT declining by 50% y/y. Demand for steel, pulp and construction materials was not strong. Looking ahead, Q1 could still be seasonally weak, but the overall risk/reward balance in the dry bulk sector looks more positive for 2024. Record-low supply could support pricing in the sector for this year. We forecast group-level 2024 EBIT guidance at over EUR 30m (LSEG Data & Analytics consensus: EUR 31m). Our fair value range of EUR 7.3-8.9 per share is based on equal weightings of our DCF, P/E and SOTP valuations.

Full-year 2024 guidance should indicate improving y/y EBIT

We forecast a 17% y/y revenue decline for Q4 2023 (consensus: -15%) and an EBIT margin for ESL Shipping of 11.1% (consensus: 10.3%). We also expect that the Telko segment could report clean EBIT of EUR 2.9m for Q4. Our expectation for the dividend proposal is EUR 0.47 (consensus: EUR 0.47). SSAB guides for higher q/q shipments in Europe for Q1 2024, which gives positive indications. If full-year guidance points to flat y/y 2024 EBIT, that would be a disappointment.

Freight rates suggest a stronger 2024

Further downside in the dry bulk sector could be limited because global supply growth looks lower than OECD GDP growth forecasts. Low supply may lead to higher freight rates, even in the medium term. For ESL Shipping, we forecast 10% y/y revenue growth for 2024 (2023E: -24%) and clean EBIT of EUR 24.2m (2023E: EUR 18.6m). The company is selling two Supramax vessels, but the timing of these transactions has been uncertain. Possible divestment money could be used for new ships.

Divestment indicates EV/EBIT of 12x for ESL Shipping

Aspo sold 15.4% of ESL Shipping for EUR 30m, indicating an EV/EBIT valuation of ~12x for the segment. The divestment price leaves EUR 60m enterprise value (including the hybrid loan) for other business areas, giving EV/EBIT of 5x for all other segments combined. In a scenario where these other businesses were valued at EV/EBIT of 9x and ESL Shipping at 12x, we calculate that the total EV of the Aspo group would then be over EUR 400m in 2024. Our conclusion is that the current valuation does not look overly challenging.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	588	501	583	643	540	569	595
EBITDA (adj)	50	52	77	87	61	72	77
EBIT (adj)	21	19	44	55	28	36	41
EBIT (adj) margin	3.6%	3.9%	7.6%	8.6%	5.2%	6.3%	6.9%
EPS (adj, EUR)	0.42	0.38	1.07	1.37	0.54	0.67	0.82
EPS (adj) growth	-28.3%	-8.9%	182.2%	27.4%	-60.7%	24.4%	22.8%
DPS (ord, EUR)	0.22	0.35	0.45	0.46	0.47	0.48	0.49
EV/Sales	0.7	0.9	0.9	0.7	0.6	0.6	0.5
EV/EBIT (adj)	20.9	22.5	11.9	7.7	12.2	9.5	7.9
P/E (adj)	18.3	22.1	10.6	6.0	11.4	9.2	7.5
P/BV	2.0	2.3	2.8	1.8	1.3	1.3	1.2
Dividend yield (ord)	2.9%	4.2%	4.0%	5.6%	7.7%	7.8%	8.0%
FCF Yield bef A&D, lease	13.9%	16.9%	3.8%	12.9%	13.1%	11.0%	18.5%
Net debt	198	170	167	167	152	147	129
Net debt/EBITDA	4.0	3.3	2.5	2.6	2.9	2.1	1.7
ROIC after tax	5.8%	5.6%	13.4%	17.0%	8.5%	10.9%	12.5%

Source: Company data and Nordea estimates

Segment estimates

ESTIMATES BY SEGMENT, QUARTERLY (EURm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23E	Q1 24E	Q2 24E	Q3 24E	Q4 24E
ESL Shipping												
Sales	56.8	60.3	65.0	63.3	52.7	44.0	43.0	47.5	51.1	51.5	50.3	53.6
- sales growth	31%	31%	37%	16%	-7%	-27%	-34%	-25%	-3%	17%	17%	13%
EBIT	7.9	9.2	9.7	10.6	6.0	3.3	4.0	5.3	5.5	5.7	6.0	7.0
EBIT margin	14%	15%	15%	17%	11%	8%	9%	11%	11%	11%	12%	13%
Leipurin												
Sales	27.7	29.3	32.3	41.3	34.6	34.4	33.2	33.9	35.6	35.4	34.4	35.1
- sales growth	-1%	14%	17%	30%	25%	17%	3%	-18%	3%	3%	3%	3%
EBIT	0.7	0.9	0.6	1.1	1.0	1.1	1.3	1.1	1.2	1.2	1.2	1.2
EBIT margin	3%	3%	2%	3%	3%	3%	4%	3%	4%	4%	4%	4%
Telko												
Sales	75.9	71.8	60.5	59.2	54.3	54.2	53.8	54.1	53.9	55.3	57.0	56.3
- sales growth	24%	1%	-17%	-20%	-28%	-25%	-11%	-9%	-1%	2%	6%	4%
EBIT	8.6	7.2	3.7	1.3	2.7	0.9	3.1	2.9	3.0	3.0	3.1	3.2
EBIT margin	11%	10%	6%	2%	5%	2%	6%	5%	6%	6%	5%	6%
Aspo Group												
Sales	160.4	161.4	157.8	163.8	147.5	136.4	133.3	135.4	140.6	142.2	141.7	145.0
- sales growth	21%	13%	7%	2%	-8%	-15%	-16%	-17%	-5%	4%	6%	7%
EBIT clean	15.0	15.9	13.0	11.3	8.0	3.6	7.9	7.7	8.4	8.7	8.9	10.0
EBIT margin	9.4%	9.9%	8.2%	6.9%	5.4%	2.6%	5.9%	5.7%	6.0%	6.1%	6.3%	6.9%
PTP clean	13.2	14.0	10.9	12.0	6.1	1.4	5.4	5.2	5.9	6.1	6.4	7.4
Net Profit clean	11.9	13.2	10.1	10.7	5.8	1.1	5.1	4.7	5.3	5.5	5.7	6.7
EPS clean, EUR	0.36	0.38	0.31	0.26	0.19	0.03	0.14	0.13	0.15	0.15	0.16	0.19
EPS reported, EUR	0.21	0.31	0.30	-0.21	0.21	-0.21	0.10	0.13	0.15	0.15	0.16	0.19

Source: Company data and Nordea estimates

ESTIMATES BY SEGMENT, ANNUAL (EURm)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E
ESL Shipping												
Sales	78	85	76	71	79	120	175	148	191	245	187	207
- sales growth	8%	10%	-11%	-6%	11%	51%	46%	-15%	29%	28%	-24%	10%
EBIT	8	16	15	13	14	17	15	8	27	37	19	24
EBIT margin	10%	19%	19%	18%	17%	14%	8%	5%	14%	15%	10%	12%
Leipurin												
Sales	137	135	118	113	122	121	116	101	113	131	136	140
- sales growth	4%	-1%	-12%	-5%	9%	-1%	-4%	-13%	12%	15%	4%	3%
EBIT	5.2	4.4	2.4	2.0	3.6	3.3	3.0	1.4	1.9	3.3	4.5	4.9
EBIT margin	4%	3%	2%	2%	3%	3%	3%	1%	2%	3%	3%	4%
Telko												
Sales	230	227	215	240	262	266	297	251	279	267	216	222
- sales growth	-3%	-1%	-5%	12%	9%	2%	12%	-15%	11%	-4%	-19%	3%
EBIT	6	10	10	10	11	12	8	15	21	21	10	12
EBIT margin	3%	4%	5%	4%	4%	5%	3%	6%	8%	8%	4%	5%
Aspo Group												
Sales	476	483	446	457	502	541	588	501	583	643	540	569
- sales growth	-1%	1%	-8%	3%	10%	8%	9%	-15%	16%	10%	-16%	6%
EBIT clean	11	25	21	20	24	27	21	19	44	55	28	36
EBIT margin	2.3%	5.2%	4.6%	4.5%	4.7%	4.9%	3.6%	3.9%	7.6%	8.6%	5.2%	6.3%
PTP clean	7	19	17	17	20	21	17	15	40	49	19	26
Net Profit clean	9	19	15	15	18	18	13	12	34	43	17	21
EPS clean, EUR	0.28	0.60	0.50	0.48	0.59	0.58	0.42	0.38	1.07	1.37	0.54	0.67
EPS reported, EUR	0.28	0.60	0.60	0.48	0.57	0.42	0.47	0.38	0.75	0.65	0.28	0.67

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**446**	**457**	**502**	**541**	**588**	**501**	**583**	**643**	**540**	**569**	**595**
Revenue growth	-7.6%	2.5%	9.8%	7.7%	8.7%	-14.8%	16.5%	10.3%	-16.1%	5.5%	4.5%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	33	32	35	37	50	52	67	65	53	72	77
Depreciation and impairments PPE	-13	-12	-12	-12	-29	-29	-30	-32	-33	-36	-36
of which leased assets	0	0	0	0	-14	-13	-14	-17	-14	-14	-14
EBITA	21	20	23	25	21	23	37	33	20	36	41
Amortisation and impairments	0	0	0	-5	0	-3	-3	0	0	0	0
EBIT	21	20	23	21	21	19	34	33	20	36	41
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-4	-4	-5	-3	-5	-4	-6	-9	-10	-10
of which lease interest	0	0	0	0	-1	-1	-1	-1	-1	-1	-1
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**20**	**17**	**19**	**15**	**18**	**15**	**30**	**26**	**11**	**26**	**31**
Reported taxes	-2	-2	-2	-2	-2	-1	-5	-4	0	-3	-3
Net profit from continued operations	18	15	18	13	16	13	25	22	11	23	28
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	18	15	18	13	15	12	23	20	9	21	26
EPS, EUR	**0.60**	**0.48**	**0.57**	**0.42**	**0.47**	**0.38**	**0.75**	**0.65**	**0.28**	**0.67**	**0.82**
DPS, EUR	0.41	0.41	0.43	0.44	0.22	0.35	0.45	0.46	0.47	0.48	0.49
of which ordinary	0.41	0.41	0.43	0.44	0.22	0.35	0.45	0.46	0.47	0.48	0.49
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	7.4%	7.0%	7.0%	6.9%	8.5%	10.3%	11.4%	10.1%	9.9%	12.6%	13.0%
EBITA	4.6%	4.5%	4.6%	4.7%	3.6%	4.5%	6.4%	5.1%	3.7%	6.3%	6.9%
EBIT	4.6%	4.5%	4.6%	3.8%	3.6%	3.9%	5.8%	5.1%	3.7%	6.3%	6.9%
Adjusted earnings											
EBITDA (adj)	33	32	36	38	50	52	77	87	61	72	77
EBITA (adj)	21	20	24	26	21	23	47	55	28	36	41
EBIT (adj)	21	20	24	27	21	19	44	55	28	36	41
EPS (adj, EUR)	0.50	0.48	0.59	0.58	0.42	0.38	1.07	1.37	0.54	0.67	0.82
Adjusted profit margins in percent											
EBITDA (adj)	7.4%	7.0%	7.1%	7.0%	8.4%	10.3%	13.2%	13.6%	11.4%	12.6%	13.0%
EBITA (adj)	4.6%	4.5%	4.7%	4.9%	3.6%	4.5%	8.1%	8.6%	5.2%	6.3%	6.9%
EBIT (adj)	4.6%	4.5%	4.7%	4.9%	3.6%	3.9%	7.6%	8.6%	5.2%	6.3%	6.9%
Performance metrics											
CAGR last 5 years											
Net revenue	2.4%	-0.8%	0.8%	2.6%	4.0%	2.3%	5.0%	5.1%	0.0%	-0.6%	3.5%
EBITDA	4.9%	1.5%	10.3%	11.4%	6.6%	9.3%	15.8%	13.1%	7.5%	7.6%	8.3%
EBIT	2.8%	-1.0%	16.9%	13.8%	-3.3%	-1.3%	10.6%	7.2%	-0.6%	11.3%	16.2%
EPS	8.8%	0.8%	10.4%	8.1%	-5.0%	-8.7%	9.0%	2.6%	-7.9%	7.5%	16.7%
DPS	-0.5%	-0.5%	0.5%	15.9%	-11.3%	-3.1%	1.9%	1.4%	1.3%	16.9%	7.0%
Average last 5 years											
Average EBIT margin	3.7%	3.7%	4.2%	4.5%	4.2%	4.0%	4.3%	4.5%	4.4%	5.0%	5.6%
Average EBITDA margin	6.0%	6.2%	6.7%	7.1%	7.4%	7.9%	8.8%	9.5%	10.0%	10.9%	11.4%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	15.1	16.9	16.8	13.7	18.3	22.1	10.6	6.0	11.4	9.2	7.5
EV/EBITDA (adj)	10.1	11.1	11.9	11.3	8.8	8.4	6.8	4.9	5.6	4.7	4.2
EV/EBITA (adj)	16.2	17.5	17.9	16.4	20.9	19.1	11.1	7.7	12.2	9.5	7.9
EV/EBIT (adj)	16.2	17.5	17.9	16.2	20.9	22.5	11.9	7.7	12.2	9.5	7.9

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	12.5	16.9	17.5	19.1	16.4	22.1	15.2	12.6	22.2	9.2	7.5
EV/Sales	0.75	0.78	0.85	0.80	0.74	0.87	0.90	0.66	0.64	0.60	0.54
EV/EBITDA	10.1	11.1	12.2	11.6	8.8	8.4	7.9	6.6	6.5	4.7	4.2
EV/EBITA	16.2	17.5	18.5	16.9	20.7	19.1	14.1	13.0	17.2	9.5	7.9
EV/EBIT	16.2	17.5	18.5	20.9	20.7	22.5	15.5	13.0	17.2	9.5	7.9
Dividend yield (ord.)	5.5%	5.0%	4.3%	5.5%	2.9%	4.2%	4.0%	5.6%	7.7%	7.8%	8.0%
FCF yield	6.7%	3.9%	-0.1%	-13.9%	18.8%	21.1%	7.6%	13.2%	23.5%	18.3%	25.9%
FCF Yield bef A&D, lease adj	4.5%	3.9%	-0.1%	-9.1%	13.9%	16.9%	3.8%	12.9%	13.1%	11.0%	18.5%
Payout ratio	82.6%	84.7%	72.4%	75.7%	52.8%	92.1%	42.0%	33.7%	87.4%	71.8%	59.7%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	54	52	50	52	51	55	46	47	47	47	47
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	11	9	8	9	8	8	1	0	0	0	0
of which goodwill	43	43	42	43	43	47	45	47	47	47	47
Tangible assets	116	113	120	175	189	176	172	185	189	188	177
of which leased assets	0	0	0	0	8	7	3	7	7	7	6
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	4	5	4	4	2	2	2	2	2	2	2
Total non-current assets	174	170	174	231	242	233	220	234	237	236	226
Inventory	48	57	61	71	56	42	69	70	59	63	65
Accounts receivable	58	60	66	78	75	63	74	69	65	68	71
Short-term leased assets	0	0	0	0	13	14	17	9	9	9	10
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	24	23	20	19	24	32	18	22	32	26	30
Total current assets	131	139	147	168	168	152	177	170	165	166	176
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8	12	n.a.	n.a.	n.a.
Total assets	**305**	**310**	**321**	**400**	**410**	**385**	**406**	**416**	**402**	**402**	**402**
Shareholders equity	103	115	112	117	122	114	129	144	146	152	163
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	20	25	25	25	25	20	22	22	22	22	22
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	103	115	112	117	122	114	129	144	146	152	163
Deferred tax	5	4	3	0	0	0	0	0	0	0	0
Long term interest bearing debt	116	117	109	171	142	149	142	154	99	109	97
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	1	0	1	7	5	5	6	8	8	8	8
Non-current lease debt	0	0	0	0	9	7	7	5	7	7	7
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	121	121	113	178	155	161	155	167	114	124	112
Short-term provisions	0	1	1	0	0	0	0	0	0	0	0
Accounts payable	68	64	67	76	61	65	78	72	65	69	73
Current lease debt	0	0	0	0	13	13	14	12	9	9	10
Other current liabilities	1	1	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	12	9	27	29	58	33	21	18	68	48	45
Total current liabilities	81	74	96	105	133	111	114	102	142	126	127
Liabilities for assets held for sale	0	0	0	0	0	0	7	4	0	0	0
Total liabilities and equity	**305**	**310**	**321**	**400**	**410**	**385**	**405**	**416**	**402**	**402**	**402**
Balance sheet and debt metrics											
Net debt	104	103	117	180	198	170	167	167	152	147	129
of which lease debt	0	0	0	0	22	21	21	16	16	16	16
Working capital	38	52	60	73	70	41	65	67	59	62	64
Invested capital	212	222	234	304	312	274	285	301	296	298	290
Capital employed	231	240	249	316	344	316	315	332	330	326	322
ROE	17.8%	13.8%	15.6%	11.4%	12.3%	10.1%	19.3%	15.0%	6.0%	14.1%	16.4%
ROIC	8.2%	8.0%	8.9%	8.4%	5.8%	5.6%	13.4%	17.0%	8.5%	10.9%	12.5%
ROCE	11.1%	8.7%	9.7%	9.4%	6.3%	5.9%	14.0%	17.1%	8.5%	11.0%	12.7%
Net debt/EBITDA	3.1	3.2	3.3	4.9	4.0	3.3	2.5	2.6	2.9	2.1	1.7
Interest coverage	6.1	6.8	8.3	4.7	17.6	6.9	15.4	7.1	2.7	4.3	5.1
Equity ratio	33.7%	37.0%	35.0%	29.2%	29.8%	29.5%	31.9%	34.6%	36.4%	37.9%	40.6%
Net gearing	101.4%	89.8%	103.9%	154.5%	162.3%	149.7%	129.4%	116.0%	103.9%	96.7%	79.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA (adj) for associates	**33**	**32**	**35**	**37**	**50**	**52**	**67**	**65**	**53**	**72**	**77**
Paid taxes	-2	-2	-3	-2	-3	-3	-4	-4	0	-3	-3
Net financials	-3	-3	-4	-3	-3	-3	-4	-4	-9	-10	-10
Change in provisions	0	1	1	-1	0	0	0	0	0	0	0
Change in other LT non-IB	3	-1	1	7	0	0	1	2	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-2	1	0	-6	0	-3	6	15	8	0	0
Funds from operations (FFO)	**29**	**27**	**30**	**31**	**43**	**42**	**66**	**74**	**52**	**59**	**64**
Change in NWC	-4	-11	-13	-11	9	23	-22	-7	8	-3	-2
Cash flow from operations (CFO)	**25**	**16**	**17**	**20**	**53**	**65**	**44**	**68**	**60**	**56**	**62**
Capital expenditure	-15	-6	-18	-43	-5	-7	-17	-18	-20	-21	-12
Free cash flow before A&D	**10**	**10**	**0**	**-23**	**47**	**58**	**27**	**50**	**39**	**35**	**50**
Proceeds from sale of assets	0	0	0	1	1	3	1	2	10	0	0
Acquisitions	5	0	0	-13	-3	-5	-1	-18	-4	0	0
Free cash flow	15	10	0	-35	45	56	27	34	45	35	50
Free cash flow bef A&D, lease adj	10	10	0	-23	33	45	13	33	25	21	36
Dividends paid	-12	-13	-13	-13	-14	-7	-11	-14	-14	-15	-15
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	2	1	7	50	-27	-31	-30	-10	-5	-10	-15
Other financing adjustments	0	0	0	-2	-2	-2	-2	0	-16	-16	-16
Other non-cash adjustments	-1	-4	4	-1	1	-2	-1	-6	0	0	0
Change in cash	5	-1	-3	-1	4	9	-15	4	10	-6	4
Cash flow metrics											
Capex/D&A	n.m.	54.3%	n.m.	n.m.	18.9%	22.2%	51.4%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	3.3%	1.4%	3.5%	8.0%	0.9%	1.4%	2.9%	2.8%	3.8%	3.6%	2.0%
Key information											
Share price year end (/current)	8	8	10	8	8	8	11	8	6	6	6
Market cap.	229	253	310	250	240	264	357	258	193	193	193
Enterprise value	333	356	426	430	438	434	524	424	344	340	322
Diluted no. of shares, year-end (m)	30.5	31.0	31.0	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.
The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.
Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.
This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has has market-making obligations in Aspo shares.

As of 31/01/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Aspo.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions and/or services

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

01 Feb 2024, 22:21 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650