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## Commissioned research: Aspo – Telko is speeding up growth by acquisitions

Marketing material commissioned by Aspo

Aspo acquired industrial lubricants distribution businesses from Petrus. The deal opens new markets in France and in Benelux for Aspo. Acquisition price of EUR 13.7m indicates EV/EBIT valuation of 6.2x. Operations consist of premium industrial specialty and high-performance lubricants, metalworking fluids and other general industrial lubricants and is in line with the company's strategy to grow via acquisitions in the Telko segment. Annual group level EBIT will grow by 6% via this acquisition. The Telko segment is also looking at smaller bolt-on acquisitions regardless of Petrus deal made on March 8. Separately, the company is selling two Supramax vessels, but the timing of these divestments has been uncertain. Possible divestment money could be used for new ships. Overall, 2023 was a weak year for the dry bulk sector but the overall risk/reward balance in the dry bulk sector looks more positive for 2024. But ongoing Q1 2024 could still be hard for Aspo due to tough winter conditions and strikes in ESL Shipping.

### SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	583	643	536	560	588	608
EBITDA (adj)	77	87	60	71	77	81
EBIT (adj)	44	55	27	35	40	44
EBIT (adj) margin	7.6%	8.6%	4.9%	6.2%	6.8%	7.2%
EPS (adj, EUR)	1.07	1.37	0.47	0.58	0.74	0.84
EPS (adj) growth	182.2%	27.4%	-65.5%	22.7%	28.0%	13.5%
DPS (ord, EUR)	0.45	0.46	0.47	0.48	0.49	0.51
EV/Sales	0.9	0.7	0.7	0.6	0.5	0.5
EV/EBIT (adj)	11.9	7.7	13.4	9.5	7.8	6.8
P/E (adj)	10.6	6.0	12.7	10.0	7.8	6.9
P/BV	2.8	1.8	1.3	1.1	1.1	1.0
Dividend yield (ord)	4.0%	5.6%	7.8%	8.3%	8.5%	8.8%
FCF Yield bef A&D, lease adj	3.8%	12.9%	6.2%	19.6%	19.1%	21.0%
Net debt	167	167	165	146	129	108
Net debt/EBITDA	2.5	2.6	3.8	2.1	1.7	1.3
ROIC after tax	13.4%	17.0%	7.9%	10.3%	12.1%	13.5%

Source: Company data and Nordea estimates

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