

14 August 2024

Commissioned research: Aspo – Clean EPS close to consensus in Q2, full year 2024 guidance unchanged

Marketing material commissioned by Aspo

Net sales without EUR 12.8m one-of item was close to our expectation of EUR 142m in Q2. Clean EPS came close to market consensus (LSEG) in Q2. Strikes and severe winter ice conditions took EUR 0.5m of the ESL Shipping segment's EBITA in Q2. Profitability (EBIT margin) in a group level was slightly under our expectations in Q2. Full year 2024 guidance was repeated but operating environment is estimated to remain challenging. The end demand coming from the forest industry is expected to gradually pick up in H2 2024. Telko segment could witness slow picking-up in the end demand but positive momentum could be missing in Leipurin segment. Aspo is concentrating on value creation by several divestments and acquisitions which we believe is a right strategy. However, several changes in the group structure increase the complexity and could reduce visibility.

Q2 key figures

- Reported net sales was EUR 154m (LSEG consensus EUR 145m)
- Group clean EBIT was EUR 6.9m and clean EBITA from continuing operations EUR 7.4m in Q2
- In a group level clean EPS was EUR 0.09 (consensus EUR 0.09)
- Net debt per EBITDA was 2.0x (2.3x)
- Free cash flow was EUR 26.4m (EUR 5.9m) in Q2

Full year 2024 guidance

- Clean EBITA is guided to over EUR 32m in 2024 (unchanged)
- Nordea estimate for 2024 EBITA has been EUR 33.7m.
- No guidance for net sales in 2024.
- Market consensus (LSEG) has expected a 9% y/y revenue growth

ASPO: DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q2 2024	Q2 2024E	vs. actual		Q2 2024E	vs. actual		Q1 2024	q/q	Q2 2023	y/y
Sales	154	142	11.6	8%	145	9	6%	133	16%	136	13%
Adj. EBIT	6.9	8.7	-1.8	-21%	6.9	0	0%	4.8	44%	3.6	92%
Adj. EBIT margin	4.5%	6.1%	-1.6pp		4.7%	-0.2pp		3.6%	0.9pp	2.6%	1.9pp
EPS	0.09	0.14	-0.05	-37%	0.09	0.00	0%	-0.17	-154%	-0.21	-144%

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	583	643	536	577	639	661
EBITDA (adj)	77	87	60	88	97	102
EBIT (adj)	44	55	27	34	42	47
EBIT (adj) margin	7.6%	8.6%	4.9%	5.8%	6.7%	7.1%
EPS (adj, EUR)	1.07	1.37	0.47	0.60	0.75	0.89
EPS (adj) growth	182.2%	27.4%	-65.5%	27.0%	25.8%	17.8%
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	0.4
EV/EBIT (adj)	11.9	7.7	13.4	10.4	7.7	6.2
P/E (adj)	10.6	6.0	12.7	9.7	7.7	6.5
P/BV	2.8	1.8	1.3	1.5	1.4	1.3
Dividend yield (ord)	4.0%	5.6%	7.8%	8.3%	8.4%	8.8%
FCF Yield bef A&D, lease adj	3.8%	12.9%	6.2%	19.6%	23.5%	28.5%
Net debt	167	167	165	131	104	68
Net debt/EBITDA	2.5	2.6	3.8	1.6	1.1	0.7
ROIC after tax	13.3%	17.0%	7.9%	10.4%	14.1%	16.7%

Source: Company data and Nordea estimates

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