

## Q2 figures very close to estimates

Aspo's Q2 results were mostly as expected as ESL's profitability topped estimates while Telko fell somewhat short. The EUR 7.4m comparable EBITA thus came in close to estimates.

- Aspo Q2 revenue from continuing operations amounted to EUR 153.5m vs the EUR 141.8m/144.2m Evli/consensus estimates. Comparable EBITA landed at EUR 7.4m, compared to the EUR 7.4m/7.4m Evli/consensus EBIT estimates.
  - ESL revenue was EUR 60.3m vs the EUR 49.9m/48.5m Evli/consensus estimates, while comparable EBITA amounted to EUR 6.1m vs the EUR 4.9m/5.0m Evli/consensus EBIT estimates. Strikes impacted Q2 profitability by some EUR 0.5m while unusually heavy ice conditions continued until May in the northernmost part of Bothnian Bay. Steel industry demand was good while forest industry continues to pick up also in H2.
  - Telko's top line amounted to EUR 60.9m, compared to the EUR 57.2m/60.5m Evli/consensus estimates, whereas comparable EBITA was EUR 1.8m vs the EUR 3.0m/2.8m Evli/consensus EBIT estimates. Sales prices were significantly lower y/y but have remained mainly stable so far this year. Market price-based valuation of inventories had a negative EBITA impact due to M&A. Especially construction and automotive related businesses have seen soft demand, however overall price levels are expected to increase and demand to pick up gradually in H2.
  - Leipurin revenue came in at EUR 32.3m, compared to the EUR 34.7m/35.1m Evli/consensus estimates. Comparable EBITA amounted to EUR 1.3m vs the EUR 1.2m/1.3m Evli/consensus EBIT estimates. Slightly deflationary market is expected going forward.
- Aspo guides FY '24 comparable EBITA to exceed EUR 32m, compared to EUR 27.9m the previous year (unchanged).

Rating				+ BUY
Q2'24	Actual	Evli	Year ago	Q1'24
Revenue	153.5	141.8	132.5	132.7
Adj. EBITA	7.4	7.8	3.9	5.1
Adj. EBITA-%	4.8 %	5.5 %	2.9 %	3.8 %
Share price, EUR (Last trading day's closing price)				5.78
Target price, EUR				7.0
Latest change in				02-Nov-23
Latest report on company				15-May-24
Research paid by issuer:				YES
No. of shares outstanding, '000's				31,420
No. of shares fully diluted, '000's				31,420
Market cap, EURm				182
Free float, %				-
Exchange rate EUR/SEK				-
Reuters code				ASPO.HE
Bloomberg code				ASPO FH
Average daily volume, EURm				0.1
Next interim report				14-Aug-24
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+ BUY   + HOLD   - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	560.7	38.3	6.8%	16.5	0.98	8.4	0.7	10.8	6.4	0.46
2023	536.4	25.9	4.8%	-1.1	0.52	11.6	0.7	13.7	-0.6	0.47
2024E	566.1	25.9	4.6%	16.1	0.31	18.7	0.6	13.3	8.8	0.35
2025E	643.0	46.4	7.2%	26.0	0.93	6.2	0.5	7.1	14.3	0.40
2026E	657.3	50.2	7.6%	38.4	1.02	5.7	0.5	6.1	21.2	0.45
Market cap, EURm		182	BV per share 2024E, EUR		121.0	CAGR EPS 2023-26, %				25.6
Net debt 2024E, EURm		164	Price/book 2024E		1.3	CAGR sales 2023-26, %				7.0
Enterprise value, EURm		346	Dividend yield 2024E, %		6.1	ROE 2024E, %				7.0
Total assets 2024E, EURm		407	Tax rate 2024E, %		14.8	ROCE 2024E, %				7.9
Goodwill 2024E, EURm		52	Equity ratio 2024E, %		33.2	PEG, P/E 24/CAGR				0.3

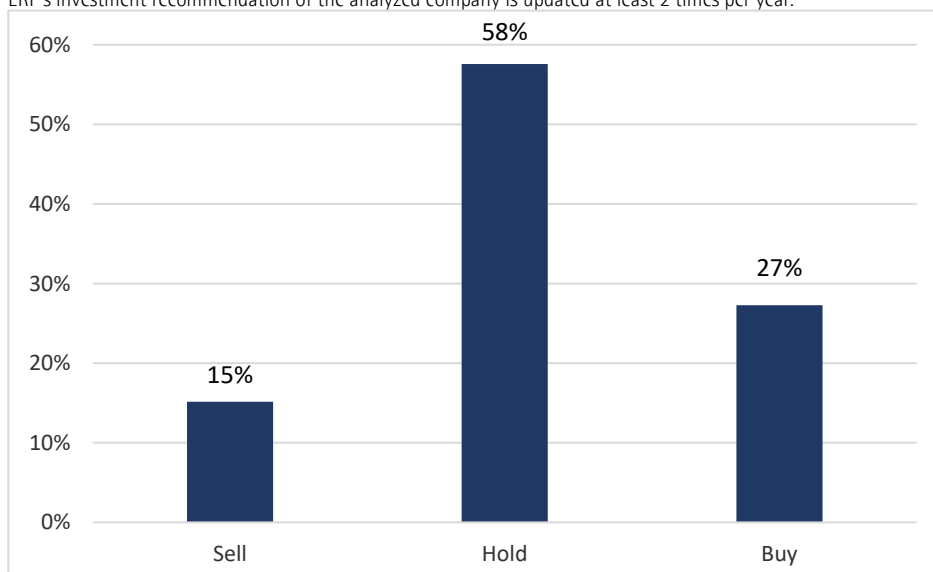
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Ilvonen

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