

## Earnings are trending up

Aspo's Q2 earnings were basically in line with estimates. H1 already showed some encouraging trends, and EBITA has room to improve over the course of H2 as well as next year.

### Q2 EBITA gained y/y especially due to low comparison figures

Aspo's EUR 154m revenue topped the EUR 142m/144m Evli/cons. estimates as ESL's figure included the gain from a vessel transfer. The EUR 7.4m comparable EBITA was well in line with estimates as ESL's EUR 6.1m figure topped the EUR 4.9m/5.0m Evli/cons. estimates while Telko's EUR 1.8m comparable EBITA was burdened by EUR 1m in M&A costs as well as EUR 0.6m due to related inventory revaluations. Telko should thus be able to reach an annual EBITA rate of above EUR 15m quite soon as it now focuses on integrating the recent acquisitions. H1'24 earnings still weren't that great, but the underlying performance suggests gains for H2 as certain headwinds and one-off costs will be there no more.

### H2 faces low comparison figures with new capacity

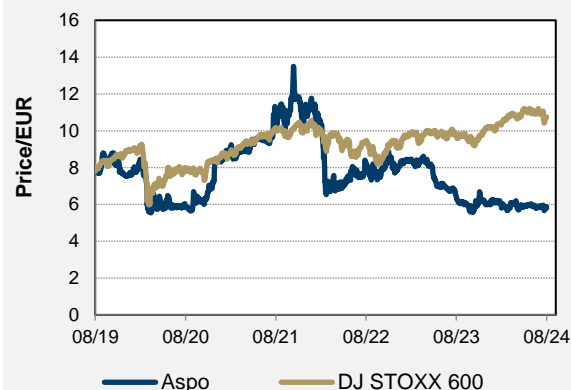
The price outlooks of Telko and Leipurin have now reversed as the former's environment was deflationary last year while the latter saw a period of raw materials inflation which has turned into a slight deflation. Telko's outlook has been expected to stabilize and this year might still see price gains, although in general demand remains soft albeit improving. Aspo's guidance suggests FY '24 EBITA will gain by at least EUR 4m y/y even if H1 earnings stayed flat; recovery relies especially on ESL's H2, helped by low comparison figures but also the new vessels. We estimate Aspo H2 EBITA to increase by EUR 7m y/y mostly due to ESL while Telko integrates the recent targets. We expect the EBITA of both ESL and Telko to gain by ca. EUR 10m from their FY '23 lows by the end of next year as they have invested in new capacity and M&A.

### Recent investments add to earnings also next year

We continue to expect Aspo FY '25 EBITA to gain by around EUR 15m y/y, more than half of which would be due to Telko as it has acquired some EUR 7.5m of EBIT this year (and added 40% to revenue). ESL shouldn't find it too hard to gain by around EUR 4-5m in EBITA then as it will have received a few additional green coasters while the market could have improved a little more. Aspo is valued about 7x EV/EBIT on our FY '25 estimates, which we view a rather low level. We retain our EUR 7.0 TP and BUY rating.

Rating

+ BUY



Share price, EUR (Last trading day's closing price) **5.88**  
Target price, EUR **7.0**

Latest change in recommendation 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 185  
Free float, % -  
Exchange rate EUR/SEK -  
Reuters code ASPO.HE  
Bloomberg code ASPO FH  
Average daily volume, EURm 0.1  
Next interim report 29-Oct-24  
Web site www.aspo.com

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+ BUY □ HOLD - SELL

## KEY FIGURES

|       | Sales<br>EURm | EBIT<br>EURm | EBIT<br>% | FCF<br>EURm | EPS<br>EUR | P/E<br>(x) | EV/Sales<br>(x) | EV/EBIT<br>(x) | FCF yield<br>% | DPS<br>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 | 592.4         | 24.1         | 4.1%      | 25.5        | 0.34       | 17.4       | 0.6             | 14.1           | 13.8           | 0.35       |
| 2025E | 673.3         | 46.7         | 6.9%      | 28.0        | 0.94       | 6.3        | 0.5             | 6.9            | 15.1           | 0.40       |
| 2026E | 688.3         | 52.8         | 7.7%      | 28.2        | 1.09       | 5.4        | 0.4             | 5.8            | 15.3           | 0.45       |

|                          |     |                         |       |                       |      |
|--------------------------|-----|-------------------------|-------|-----------------------|------|
| Market cap, EURm         | 185 | Gearing 2024E, %        | 113.3 | CAGR EPS 2023-26, %   | 28.5 |
| Net debt 2024E, EURm     | 154 | Price/book 2024E        | 1.4   | CAGR sales 2023-26, % | 8.7  |
| Enterprise value, EURm   | 339 | Dividend yield 2024E, % | 6.0   | ROE 2024E, %          | 7.7  |
| Total assets 2024E, EURm | 404 | Tax rate 2024E, %       | 15.2  | ROCE 2024E, %         | 7.4  |
| Goodwill 2024E, EURm     | 52  | Equity ratio 2024E, %   | 33.8  | PEG, P/E 24/CAGR      | 0.3  |

## Peer multiples and sum-of-the-parts valuation

| ESL PEER GROUP           | MCAP<br>MEUR | EV/EBITDA   |             |             | EV/EBIT      |             |             | P/B         |             |             |
|--------------------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
|                          |              | 23          | 24          | 25          | 23           | 24          | 25          | 23          | 24          | 25          |
| Algoma Central           | 394          | 5.3x        | 5.4x        | 5.0x        |              |             |             |             |             |             |
| Diana Shipping           | 286          | 6.1x        | 6.0x        | 3.8x        |              | 9.3x        | 4.9x        |             | 0.6x        | 0.6x        |
| Seanergy Maritime Hldgs  | 177          | 7.1x        | 4.0x        | 4.0x        | 16.8x        | 6.1x        | 6.1x        | 0.9x        | 0.8x        | 0.7x        |
| Genco Shipping & Trading | 694          | 8.4x        | 5.0x        | 5.1x        | 23.9x        | 8.3x        | 9.1x        | 0.8x        | 0.8x        | 0.8x        |
| Golden Ocean Group       | 2193         | 10.0x       | 7.0x        | 6.6x        | 17.5x        | 9.6x        | 9.0x        | 1.2x        | 1.2x        | 1.2x        |
| 2020 Bulkers             | 283          | 8.8x        | 7.3x        | 7.6x        | 11.5x        | 6.6x        | 8.9x        | 2.0x        | 1.8x        | 1.8x        |
| Pangaea Logistics        | 276          | 7.3x        | 5.7x        | 5.1x        | 12.9x        | 9.0x        | 7.8x        |             | 0.8x        | 0.7x        |
| Safe Bulkers             | 489          | 5.7x        | 5.2x        | 5.5x        | 8.6x         | 7.3x        | 8.3x        | 0.7x        | 0.6x        | 0.6x        |
| EuroDry                  | 52           | 11.3x       | 5.4x        | 3.9x        | 116.2x       | 10.4x       | 5.7x        | 0.5x        | 0.5x        | 0.5x        |
| Belships                 | 451          | 5.8x        | 7.0x        | 5.6x        | 8.1x         | 10.2x       | 7.7x        | 1.8x        | 2.3x        | 2.0x        |
| Star Bulk Carriers       | 2243         | 8.3x        | 4.8x        | 4.1x        | 13.1x        | 6.3x        | 5.3x        | 1.2x        | 1.0x        | 1.0x        |
| Peer Group Average       | 685          | <b>7.7x</b> | <b>5.7x</b> | <b>5.1x</b> | <b>25.4x</b> | <b>8.3x</b> | <b>7.3x</b> | <b>1.1x</b> | <b>1.0x</b> | <b>1.0x</b> |
| Peer Group Median        | 394          | <b>7.3x</b> | <b>5.4x</b> | <b>5.1x</b> | <b>13.1x</b> | <b>8.6x</b> | <b>7.8x</b> | <b>1.0x</b> | <b>0.8x</b> | <b>0.7x</b> |

| TELKO PEER GROUP   | MCAP<br>MEUR | EV/EBITDA    |              |             | EV/EBIT      |              |              | EBIT-%       |              |               |
|--------------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                    |              | 23           | 24           | 25          | 23           | 24           | 25           | 23           | 24           | 25            |
| AKR Corporindo     | 1752         | 7.7x         | 8.1x         | 7.6x        | 8.5x         | 9.1x         | 8.6x         | 8.4 %        | 9.0 %        | 9.2 %         |
| Ashland            | 3714         | 11.6x        | 10.7x        | 9.6x        | 24.6x        | 20.1x        | 16.6x        | 10.0 %       | 12.0 %       | 14.1 %        |
| Brenntag           | 9114         | 9.3x         | 7.9x         | 7.4x        | 11.6x        | 10.6x        | 9.7x         | 7.5 %        | 6.9 %        | 7.1 %         |
| IMCD               | 7855         | 18.5x        | 15.8x        | 14.3x       | 23.7x        | 19.8x        | 17.7x        | 9.6 %        | 9.6 %        | 10.1 %        |
| Azelis Group       | 4183         | 13.4x        | 10.9x        | 10.2x       | 15.5x        | 12.9x        | 12.1x        | 10.4 %       | 10.3 %       | 10.4 %        |
| Nagase             | 2126         |              |              |             | 12.3x        | 13.5x        | 12.3x        | 3.5 %        | 3.8 %        | 4.0 %         |
| Redox              | 1007         | 7.9x         | 10.6x        | 9.9x        | 8.7x         | 11.6x        | 10.6x        | 10.4 %       | 10.4 %       | 10.1 %        |
| Peer Group Average | 4250         | <b>11.4x</b> | <b>10.7x</b> | <b>9.8x</b> | <b>15.0x</b> | <b>13.9x</b> | <b>12.5x</b> | <b>8.6 %</b> | <b>8.9 %</b> | <b>9.3 %</b>  |
| Peer Group Median  | 3714         | <b>10.5x</b> | <b>10.6x</b> | <b>9.7x</b> | <b>12.3x</b> | <b>12.9x</b> | <b>12.1x</b> | <b>9.6 %</b> | <b>9.6 %</b> | <b>10.1 %</b> |

| LEIPURIN PEER GROUP    | MCAP<br>MEUR | EV/EBITDA   |             |             | EV/EBIT      |              |              | EBIT-%       |              |              |
|------------------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                        |              | 23          | 24          | 25          | 23           | 24           | 25           | 23           | 24           | 25           |
| Sligro Food Group NV   | 536          | 8.4x        | 6.8x        | 5.5x        | 37.2x        | 18.3x        | 11.1x        | 1.1 %        | 1.9 %        | 3.3 %        |
| Chefs' Warehouse       | 1334         | 11.5x       | 11.5x       | 10.4x       | 18.8x        | 19.0x        | 16.3x        | 3.4 %        | 3.5 %        | 3.8 %        |
| Marr                   | 727          | 8.0x        | 7.6x        | 6.9x        | 11.7x        | 10.9x        | 9.8x         | 4.1 %        | 4.3 %        | 4.7 %        |
| United Natural Foods   | 687          | 7.9x        | 8.5x        | 7.7x        | 19.3x        | 26.9x        | 22.4x        | 0.8 %        | 0.5 %        | 0.6 %        |
| Orkla                  | 7639         | 10.6x       | 11.0x       | 10.8x       | 14.5x        | 15.1x        | 14.5x        | 10.2 %       | 10.9 %       | 11.0 %       |
| Performance Food Group | 9527         | 11.1x       | 9.8x        | 9.0x        | 14.5x        | 12.8x        | 11.7x        | 1.9 %        | 2.0 %        | 2.1 %        |
| Sysco                  | 34258        | 12.1x       | 11.5x       | 10.9x       | 14.8x        | 13.9x        | 13.1x        | 4.3 %        | 4.5 %        | 4.5 %        |
| Tate & Lyle            | 2923         | 9.0x        | 8.2x        | 7.8x        | 11.4x        | 10.6x        | 10.0x        | 15.3 %       | 16.2 %       | 16.9 %       |
| Dole                   | 1261         | 6.5x        | 7.1x        | 6.7x        | 10.6x        | 11.0x        | 10.3x        | 2.9 %        | 2.9 %        | 2.9 %        |
| US Foods Holding       | 12014        | 10.4x       | 10.3x       | 9.4x        | 13.7x        | 13.5x        | 12.1x        | 3.3 %        | 3.5 %        | 3.7 %        |
| Nomad Foods            | 2762         | 8.4x        | 8.2x        | 7.7x        | 11.2x        | 10.4x        | 9.5x         | 13.2 %       | 14.0 %       | 14.9 %       |
| Peer Group Average     | 6697         | <b>9.4x</b> | <b>9.1x</b> | <b>8.4x</b> | <b>16.1x</b> | <b>14.8x</b> | <b>12.8x</b> | <b>5.5 %</b> | <b>5.8 %</b> | <b>6.2 %</b> |
| Peer Group Median      | 2762         | <b>9.0x</b> | <b>8.5x</b> | <b>7.8x</b> | <b>14.5x</b> | <b>13.5x</b> | <b>11.7x</b> | <b>3.4 %</b> | <b>3.5 %</b> | <b>3.8 %</b> |

| Segment                 | EB ITA<br>'24e <sup>1)</sup> | EB IT<br>'24e <sup>1)</sup> | EV/EB IT<br>'24e * | EV         | EB ITA<br>'25e | EB IT<br>'25e | EV/EB IT<br>'25e * | EV         |
|-------------------------|------------------------------|-----------------------------|--------------------|------------|----------------|---------------|--------------------|------------|
| ESL                     | 24.4                         | 24.3                        | 8.6x               | 209        | 29.0           | 28.9          | 7.8x               | 225        |
| Telko                   | 10.5                         | 9.2                         | 12.9x              | 119        | 19.2           | 17.8          | 12.1x              | 216        |
| Leipurin                | 5.2                          | 4.9                         | 13.5x              | 66         | 6.6            | 6.2           | 11.7x              | 72         |
| Other operations        | -5.9                         | -6.2                        | 10.3x              | -64        | -5.9           | -6.2          | 9.7x               | -60        |
| <b>Total</b>            | <b>34.2</b>                  | <b>32.2</b>                 | <b>10.3x</b>       | <b>330</b> | <b>48.9</b>    | <b>46.7</b>   | <b>9.7x</b>        | <b>453</b> |
| ESL minority            |                              |                             |                    | 29         |                |               |                    | 29         |
| Hybrid                  |                              |                             |                    | 30         |                |               |                    | 30         |
| Net debt (Evli YE est.) |                              |                             |                    | 154        |                |               |                    | 137        |
| Equity value            |                              |                             |                    | 117        |                |               |                    | 256        |
| Per share               |                              |                             |                    | 3.7        |                |               |                    | 8.2        |

\*Peer group median (FactSet)

<sup>1)</sup> adjusted for comparison

| VALUATION RESULTS        | BASE CASE DETAILS           | VALUATION ASSUMPTIONS   | ASSUMPTIONS FOR WACC           |      |
|--------------------------|-----------------------------|-------------------------|--------------------------------|------|
| Current share price      | 5.88 PV of Free Cash Flow   | 340 Long-term growth, % | 1.0 Risk-free interest rate, % | 2.25 |
| DCF share value          | 16.80 PV of Horizon value   | 368 WACC, %             | 7.4 Market risk premium, %     | 5.8  |
| Share price potential, % | 185.7 Unconsolidated equity | 0 Spread, %             | 0.5 Debt risk premium, %       | 2.8  |
| Maximum value            | 18.6 Marketable securities  | 31 Minimum WACC, %      | 6.9 Equity beta coefficient    | 1.00 |
| Minimum value            | 15.3 Debt - dividend        | -211 Maximum WACC, %    | 7.9 Target debt ratio, %       | 35   |
| Horizon value, %         | 52.0 Value of stock         | 528 Nr of shares, Mn    | 31.4 Effective tax rate, %     | 10   |

| DCF valuation, EURm               | 2023 | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | Horizon |
|-----------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| Net sales                         | 536  | 592   | 673   | 688   | 699   | 709   | 720   | 731   | 741   | 753   | 760   | 768     |
| <i>Sales growth, %</i>            | -4.3 | 10.4  | 13.7  | 2.2   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.0   | 1.0     |
| Operating income (EBIT)           | 26   | 24    | 47    | 53    | 63    | 50    | 50    | 51    | 52    | 53    | 53    | 54      |
| <i>Operating income margin, %</i> | 4.8  | 4.1   | 6.9   | 7.7   | 9.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0     |
| + Depreciation+amort.             | 34   | 38    | 30    | 30    | 23    | 22    | 22    | 20    | 20    | 20    | 20    |         |
| EBITDA                            | 59   | 62    | 77    | 82    | 86    | 71    | 73    | 71    | 72    | 73    | 74    |         |
| - Paid taxes                      | -2   | -3    | -5    | -5    | -6    | -5    | -5    | -5    | -5    | -5    | -5    |         |
| - Change in NWC                   | -2   | 7     | -8    | -15   | -5    | 2     | 6     | 6     | -1    | -1    | -1    |         |
| <i>NWC / Sales, %</i>             | 12.3 | 10.0  | 10.0  | 12.0  | 12.5  | 12.0  | 11.0  | 10.0  | 10.0  | 10.0  | 10.0  |         |
| + Change in other liabs           | -1   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |         |
| - Operative CAPEX                 | -22  | -20   | -20   | -20   | -20   | -24   | -6    | -21   | -22   | -22   | -22   |         |
| <i>opCAPEX / Sales, %</i>         | 7.9  | 5.1   | 3.5   | 3.0   | 2.9   | 3.5   | 0.9   | 3.0   | 3.0   | 3.0   | 2.9   |         |
| - Acquisitions                    | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |         |
| + Divestments                     | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |         |
| - Other items                     | -5   | 0     | -1    | -1    | -1    | -1    | -1    | -1    | -1    | -1    | 0     |         |
| = FCFF                            | 27   | 46    | 43    | 41    | 54    | 43    | 66    | 49    | 43    | 43    | 46    | 721     |
| = Discounted FCFF                 |      | 44    | 39    | 34    | 42    | 32    | 45    | 31    | 25    | 24    | 23    | 368     |
| = DFCF min WACC                   |      | 45    | 39    | 35    | 43    | 32    | 46    | 32    | 26    | 25    | 24    | 417     |
| = DFCF max WACC                   |      | 44    | 39    | 34    | 41    | 31    | 44    | 30    | 24    | 23    | 22    | 327     |

## INTERIM FIGURES

| EVLI ESTIMATES, EURm                 | 2023Q1      | 2023Q2        | 2023Q3       | 2023Q4       | 2023         | 2024Q1       | 2024Q2      | 2024Q3E     | 2024Q4E     | 2024E       | 2025E       | 2026E       |
|--------------------------------------|-------------|---------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales                            | 141.6       | 132.6         | 130.0        | 132.2        | 536.4        | 132.7        | 153.5       | 151.2       | 155.0       | 592.4       | 673.3       | 688.3       |
| EBITDA                               | 16.8        | 11.1          | 16.4         | 15.1         | 59.4         | 12.3         | 13.9        | 16.4        | 19.5        | 62.1        | 76.7        | 82.5        |
| <i>EBITDA margin (%)</i>             | <i>11.9</i> | <i>8.4</i>    | <i>12.6</i>  | <i>11.4</i>  | <i>11.1</i>  | <i>9.3</i>   | <i>9.1</i>  | <i>10.8</i> | <i>12.6</i> | <i>10.5</i> | <i>11.4</i> | <i>12.0</i> |
| EBIT                                 | 8.6         | 2.9           | 8.0          | 6.4          | 25.9         | -3.2         | 6.4         | 8.9         | 12.0        | 24.1        | 46.7        | 52.8        |
| <i>EBIT margin (%)</i>               | <i>6.1</i>  | <i>2.2</i>    | <i>6.2</i>   | <i>4.8</i>   | <i>4.8</i>   | <i>-2.4</i>  | <i>4.2</i>  | <i>5.9</i>  | <i>7.7</i>  | <i>4.1</i>  | <i>6.9</i>  | <i>7.7</i>  |
| Net financial items                  | -1.9        | -2.2          | -2.5         | -2.7         | -9.3         | -2.2         | -2.1        | -1.7        | -1.7        | -7.7        | -6.0        | -6.0        |
| Pre-tax profit                       | 6.7         | 0.7           | 5.5          | 3.7          | 16.6         | -5.4         | 4.3         | 7.2         | 10.3        | 16.4        | 40.7        | 46.8        |
| Tax                                  | -0.3        | 0.9           | -0.3         | -0.7         | -0.4         | -0.6         | -0.5        | -0.7        | -0.7        | -2.5        | -4.0        | -4.7        |
| <i>Tax rate (%)</i>                  | <i>4.5</i>  | <i>-128.6</i> | <i>5.5</i>   | <i>18.9</i>  | <i>2.4</i>   | <i>-11.1</i> | <i>11.6</i> | <i>9.7</i>  | <i>6.8</i>  | <i>15.2</i> | <i>9.8</i>  | <i>10.0</i> |
| Net profit                           | 6.4         | 1.6           | 5.2          | 3.0          | 16.2         | -7.4         | 4.9         | 5.0         | 8.1         | 10.6        | 29.5        | 34.4        |
| EPS                                  | 0.20        | 0.05          | 0.17         | 0.10         | 0.52         | -0.24        | 0.16        | 0.16        | 0.26        | 0.34        | 0.94        | 1.09        |
| EPS adjusted (diluted no. of shares) | 0.20        | 0.05          | 0.17         | 0.10         | 0.52         | -0.24        | 0.16        | 0.16        | 0.26        | 0.34        | 0.94        | 1.09        |
| Dividend per share                   | 0.00        | 0.00          | 0.00         | 0.00         | 0.47         | 0.00         | 0.00        | 0.00        | 0.00        | 0.35        | 0.40        | 0.45        |
| <b>SALES, EURm</b>                   |             |               |              |              |              |              |             |             |             |             |             |             |
| ESL Shipping                         | 52.7        | 44.0          | 43.0         | 49.3         | 189.0        | 49.9         | 60.3        | 56.2        | 57.7        | 224.1       | 230.8       | 235.4       |
| Leipurin                             | 34.6        | 34.4          | 33.2         | 33.9         | 136.1        | 32.6         | 32.3        | 33.7        | 36.8        | 135.4       | 145.6       | 148.5       |
| Telko                                | 54.3        | 54.2          | 53.8         | 49.0         | 211.3        | 50.2         | 60.9        | 61.3        | 60.5        | 232.9       | 296.9       | 304.4       |
| Total                                | 141.6       | 132.6         | 130.0        | 132.2        | 536.4        | 132.7        | 153.5       | 151.2       | 155.0       | 592.4       | 673.3       | 688.3       |
| <b>SALES GROWTH, Y/Y %</b>           |             |               |              |              |              |              |             |             |             |             |             |             |
| <i>ESL Shipping</i>                  | <i>-7.2</i> | <i>-27.0</i>  | <i>-33.8</i> | <i>-22.1</i> | <i>-23.0</i> | <i>-5.3</i>  | <i>37.0</i> | <i>30.7</i> | <i>17.0</i> | <i>18.6</i> | <i>3.0</i>  | <i>2.0</i>  |
| <i>Leipurin</i>                      | <i>61.7</i> | <i>49.6</i>   | <i>26.7</i>  | <i>-4.0</i>  | <i>28.5</i>  | <i>-5.8</i>  | <i>-6.1</i> | <i>1.5</i>  | <i>8.6</i>  | <i>-0.5</i> | <i>7.5</i>  | <i>2.0</i>  |
| <i>Telko</i>                         | <i>7.3</i>  | <i>2.5</i>    | <i>4.3</i>   | <i>-9.8</i>  | <i>0.9</i>   | <i>-7.6</i>  | <i>12.4</i> | <i>13.9</i> | <i>23.5</i> | <i>10.2</i> | <i>27.5</i> | <i>2.5</i>  |
| <i>Total</i>                         | <i>9.9</i>  | <i>-2.6</i>   | <i>-9.0</i>  | <i>-13.5</i> | <i>-4.3</i>  | <i>-6.3</i>  | <i>15.8</i> | <i>16.3</i> | <i>17.2</i> | <i>10.4</i> | <i>13.7</i> | <i>2.2</i>  |
| <b>EBIT, EURm</b>                    |             |               |              |              |              |              |             |             |             |             |             |             |
| ESL Shipping                         | 6.0         | 3.3           | 4.0          | 4.4          | 17.7         | -5.0         | 5.9         | 6.3         | 9.3         | 16.5        | 28.9        | 30.6        |
| Leipurin                             | 1.2         | 1.4           | 2.0          | 1.0          | 5.6          | 1.1          | 0.9         | 1.3         | 1.3         | 4.6         | 6.2         | 7.1         |
| Telko                                | 2.7         | -0.1          | 3.1          | 2.3          | 8.0          | 2.2          | 1.3         | 2.8         | 2.9         | 9.2         | 17.8        | 21.3        |
| Other operations                     | -1.3        | -1.7          | -1.1         | -1.3         | -5.4         | -1.5         | -1.7        | -1.5        | -1.5        | -6.2        | -6.2        | -6.2        |
| Total                                | 8.6         | 2.9           | 8.0          | 6.4          | 25.9         | -3.2         | 6.4         | 8.9         | 12.0        | 24.1        | 46.7        | 52.8        |
| <b>EBIT margin, %</b>                |             |               |              |              |              |              |             |             |             |             |             |             |
| <i>ESL Shipping</i>                  | <i>11.4</i> | <i>7.5</i>    | <i>9.3</i>   | <i>8.9</i>   | <i>9.4</i>   | <i>-10.0</i> | <i>9.8</i>  | <i>11.2</i> | <i>16.1</i> | <i>7.4</i>  | <i>12.5</i> | <i>13.0</i> |
| <i>Leipurin</i>                      | <i>3.5</i>  | <i>4.1</i>    | <i>6.0</i>   | <i>2.9</i>   | <i>4.1</i>   | <i>3.4</i>   | <i>2.8</i>  | <i>3.9</i>  | <i>3.5</i>  | <i>3.4</i>  | <i>4.3</i>  | <i>4.8</i>  |
| <i>Telko</i>                         | <i>5.0</i>  | <i>-0.2</i>   | <i>5.8</i>   | <i>4.7</i>   | <i>3.8</i>   | <i>4.4</i>   | <i>2.1</i>  | <i>4.6</i>  | <i>4.8</i>  | <i>4.0</i>  | <i>6.0</i>  | <i>7.0</i>  |
| <i>Total</i>                         | <i>6.1</i>  | <i>2.2</i>    | <i>6.2</i>   | <i>4.8</i>   | <i>4.8</i>   | <i>-2.4</i>  | <i>4.2</i>  | <i>5.9</i>  | <i>7.7</i>  | <i>4.1</i>  | <i>6.9</i>  | <i>7.7</i>  |

| INCOME STATEMENT, EURm                   | 2019       | 2020         | 2021        | 2022        | 2023        | 2024E       | 2025E       | 2026E       |
|--|------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sales                                    | 587.7      | 500.7        | 573.3       | 560.7       | 536.4       | 592.4       | 673.3       | 688.3       |
| <i>Sales growth (%)</i>                  | <i>8.7</i> | <i>-14.8</i> | <i>14.5</i> | <i>-2.2</i> | <i>-4.3</i> | <i>10.4</i> | <i>13.7</i> | <i>2.2</i>  |
| EBITDA                                   | 49.7       | 45.7         | 71.4        | 71.5        | 59.4        | 62.1        | 76.7        | 82.5        |
| <i>EBITDA margin (%)</i>                 | <i>8.5</i> | <i>9.1</i>   | <i>12.5</i> | <i>12.8</i> | <i>11.1</i> | <i>10.5</i> | <i>11.4</i> | <i>12.0</i> |
| Depreciation                             | -28.6      | -29.0        | -34.5       | -33.2       | -33.5       | -38.0       | -30.0       | -29.7       |
| EBITA                                    | 21.1       | 16.7         | 36.9        | 38.3        | 25.9        | 24.1        | 46.7        | 52.8        |
| Goodwill amortization / writedown        | 0.0        | 0.0          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| EBIT                                     | 21.1       | 16.7         | 36.9        | 38.3        | 25.9        | 24.1        | 46.7        | 52.8        |
| <i>EBIT margin (%)</i>                   | <i>3.6</i> | <i>3.3</i>   | <i>6.4</i>  | <i>6.8</i>  | <i>4.8</i>  | <i>4.1</i>  | <i>6.9</i>  | <i>7.7</i>  |
| Reported EBIT                            | 21.1       | 16.7         | 33.9        | 28.2        | 11.3        | 24.1        | 46.7        | 52.8        |
| <i>EBIT margin (reported) (%)</i>        | <i>3.6</i> | <i>3.3</i>   | <i>5.9</i>  | <i>5.0</i>  | <i>2.1</i>  | <i>4.1</i>  | <i>6.9</i>  | <i>7.7</i>  |
| Net financials                           | -2.9       | -4.5         | -3.9        | -5.9        | -9.3        | -7.7        | -6.0        | -6.0        |
| Pre-tax profit                           | 18.2       | 12.2         | 33.0        | 32.4        | 16.6        | 16.4        | 40.7        | 46.8        |
| Taxes                                    | -2.1       | -1.4         | -4.7        | -1.7        | -0.4        | -2.5        | -4.0        | -4.7        |
| Minority shares                          | 0.0        | 0.0          | 0.0         | 0.0         | 0.0         | -3.3        | -6.0        | -6.5        |
| Net profit                               | 16.1       | 10.8         | 25.3        | 20.6        | 1.6         | 10.6        | 29.5        | 34.4        |
| Cash NRIs                                | 0.0        | 0.0          | -3.0        | -10.1       | -14.6       | 0.0         | 0.0         | 0.0         |
| Non-cash NRIs                            | 0.0        | 0.0          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>BALANCE SHEET, EURm</b>               |            |              |             |             |             |             |             |             |
| Assets                                   |            |              |             |             |             |             |             |             |
| Fixed assets                             | 190        | 177          | 175         | 179         | 170         | 159         | 149         | 139         |
| Goodwill                                 | 43         | 49           | 40          | 47          | 52          | 52          | 52          | 52          |
| Right of use assets                      | 22         | 20           | 21          | 16          | 23          | 25          | 28          | 29          |
| Inventory                                | 56         | 42           | 69          | 70          | 59          | 71          | 81          | 89          |
| Receivables                              | 75         | 63           | 83          | 82          | 74          | 71          | 81          | 89          |
| Liquid funds                             | 24         | 32           | 18          | 22          | 31          | 24          | 27          | 28          |
| Total assets                             | 410        | 384          | 406         | 416         | 410         | 404         | 420         | 428         |
| Liabilities                              |            |              |             |             |             |             |             |             |
| Shareholder's equity                     | 122        | 113          | 129         | 144         | 141         | 136         | 155         | 177         |
| Minority interest                        | 0          | 0            | 0           | 0           | 0           | 0           | 0           | 0           |
| Convertibles                             | 0          | 0            | 0           | 0           | 0           | 0           | 0           | 0           |
| Lease liabilities                        | 9          | 7            | 7           | 5           | 24          | 25          | 28          | 29          |
| Deferred taxes                           | 0          | 0            | 0           | 0           | 0           | 0           | 0           | 0           |
| Interest bearing debt                    | 200        | 182          | 164         | 172         | 172         | 153         | 136         | 120         |
| Non-interest bearing current liabilities | 61         | 64           | 79          | 72          | 67          | 83          | 94          | 96          |
| Other interest-free debt                 | 18         | 18           | 27          | 23          | 6           | 6           | 6           | 6           |
| Total liabilities                        | 410        | 384          | 406         | 416         | 410         | 404         | 420         | 428         |
| <b>CASH FLOW, EURm</b>                   |            |              |             |             |             |             |             |             |
| + EBITDA                                 | 50         | 46           | 71          | 72          | 59          | 62          | 77          | 82          |
| - Net financial items                    | -3         | -4           | -4          | -6          | -9          | -8          | -6          | -6          |
| - Taxes                                  | 0          | -2           | -5          | -2          | -1          | -2          | -4          | -5          |
| - Increase in Net Working Capital        | -14        | 29           | -23         | -13         | -2          | 7           | -8          | -15         |
| +/- Other                                | 0          | 0            | 0           | -6          | -5          | -3          | -7          | -8          |
| = Cash flow from operations              | 33         | 68           | 40          | 45          | 42          | 55          | 51          | 49          |
| - Capex                                  | -7         | -21          | -31         | -28         | -43         | -30         | -23         | -21         |
| - Acquisitions                           | 0          | 0            | 0           | 0           | 0           | 0           | 0           | 0           |
| + Divestments                            | 0          | 0            | 0           | 0           | 0           | 0           | 0           | 0           |
| = Free cash flow                         | 25         | 48           | 9           | 17          | -1          | 26          | 28          | 28          |
| +/- New issues/buybacks                  | 28         | -12          | 2           | 8           | 10          | 0           | 0           | 0           |
| - Paid dividend                          | -14        | -7           | -11         | -14         | -14         | -15         | -11         | -13         |
| +/- Other                                | -35        | -20          | -14         | -6          | 15          | -18         | -14         | -15         |
| Change in cash                           | 4          | 9            | -15         | 4           | 9           | -7          | 3           | 1           |

| KEY FIGURES                                    | 2020   | 2021   | 2022   | 2023   | 2024E  | 2025E  | 2026E  |
|--|--------|--------|--------|--------|--------|--------|--------|
| M-cap  | 264    | 357    | 258    | 189    | 185    | 185    | 185    |
| Net debt (excl. convertibles)                  | 157    | 153    | 155    | 165    | 154    | 137    | 122    |
| Enterprise value                               | 420    | 510    | 413    | 354    | 339    | 322    | 307    |
| Sales  | 501    | 573    | 561    | 536    | 592    | 673    | 688    |
| EBITDA   | 46     | 71     | 72     | 59     | 62     | 77     | 82     |
| EBIT   | 17     | 37     | 38     | 26     | 24     | 47     | 53     |
| Pre-tax  | 12     | 33     | 32     | 17     | 16     | 41     | 47     |
| Earnings                                       | 11     | 28     | 31     | 16     | 11     | 29     | 34     |
| Equity book value (excl. minorities)           | 113    | 129    | 144    | 141    | 136    | 155    | 177    |
| <b>Valuation multiples</b>                     |        |        |        |        |        |        |        |
| EV/sales                                       | 0.8    | 0.9    | 0.7    | 0.7    | 0.6    | 0.5    | 0.4    |
| EV/EBITDA                                      | 9.2    | 7.1    | 5.8    | 6.0    | 5.5    | 4.2    | 3.7    |
| EV/EBITA                                       | 25.2   | 13.8   | 10.8   | 13.7   | 14.1   | 6.9    | 5.8    |
| EV/EBIT  | 25.2   | 13.8   | 10.8   | 13.7   | 14.1   | 6.9    | 5.8    |
| EV/OCF   | 6.2    | 12.9   | 9.2    | 8.5    | 6.1    | 6.3    | 6.3    |
| EV/FCFF  | 6.7    | 18.5   | 12.0   | 13.0   | 7.4    | 7.5    | 7.5    |
| P/FCFE   | 5.6    | 41.0   | 15.6   | -171.4 | 7.2    | 6.6    | 6.5    |
| P/E  | 24.4   | 12.6   | 8.4    | 11.6   | 17.4   | 6.3    | 5.4    |
| P/B  | 2.3    | 2.8    | 1.8    | 1.3    | 1.4    | 1.2    | 1.0    |
| Target EV/EBITDA                               | 0.0    | 0.0    | 0.0    | 0.0    | 6.0    | 4.7    | 4.1    |
| Target EV/EBIT                                 | 0.0    | 0.0    | 0.0    | 0.0    | 15.5   | 7.7    | 6.5    |
| Target EV/FCF                                  | 0.0    | 0.0    | 0.0    | 0.0    | 14.7   | 12.8   | 12.1   |
| Target P/B                                     | 0.0    | 0.0    | 0.0    | 0.0    | 1.6    | 1.4    | 1.2    |
| Target P/E                                     | 0.0    | 0.0    | 0.0    | 0.0    | 20.7   | 7.5    | 6.4    |
| <b>Per share measures</b>                      |        |        |        |        |        |        |        |
| Number of shares                               | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 |
| Number of shares (diluted)                     | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 | 31,420 |
| EPS  | 0.34   | 0.90   | 0.98   | 0.52   | 0.34   | 0.94   | 1.09   |
| Operating cash flow per share                  | 2.17   | 1.26   | 1.42   | 1.32   | 1.77   | 1.63   | 1.55   |
| Free cash flow per share                       | 1.51   | 0.28   | 0.53   | -0.04  | 0.81   | 0.89   | 0.90   |
| Book value per share                           | 3.61   | 4.12   | 4.57   | 4.47   | 4.34   | 4.93   | 5.62   |
| Dividend per share                             | 0.35   | 0.45   | 0.46   | 0.47   | 0.35   | 0.40   | 0.45   |
| Dividend payout ratio, %                       | 101.8  | 50.0   | 47.1   | 91.2   | 103.7  | 42.7   | 41.1   |
| Dividend yield, %                              | 4.2    | 4.0    | 5.6    | 7.8    | 6.0    | 6.8    | 7.7    |
| FCF yield, %                                   | 18.0   | 2.4    | 6.4    | -0.6   | 13.8   | 15.1   | 15.3   |
| <b>Efficiency measures</b>                     |        |        |        |        |        |        |        |
| ROE  | 9.2    | 23.3   | 22.5   | 11.4   | 7.7    | 20.2   | 20.8   |
| ROCE   | 5.3    | 12.3   | 12.3   | 7.9    | 7.4    | 14.7   | 16.4   |
| <b>Financial ratios</b>                        |        |        |        |        |        |        |        |
| Inventories as % of sales                      | 8.5    | 12.0   | 12.5   | 11.0   | 12.0   | 12.0   | 13.0   |
| Receivables as % of sales                      | 12.6   | 14.4   | 14.6   | 13.8   | 12.0   | 12.0   | 13.0   |
| Non-interest bearing liabilities as % of sales | 12.8   | 13.8   | 12.9   | 12.5   | 14.0   | 14.0   | 14.0   |
| NWC/sales, %                                   | 5.7    | 8.9    | 11.4   | 12.3   | 10.0   | 10.0   | 12.0   |
| Operative CAPEX/sales, %                       | 4.2    | 5.4    | 5.0    | 7.9    | 5.1    | 3.5    | 3.0    |
| CAPEX/sales (incl. acquisitions), %            | 4.2    | 5.4    | 5.0    | 7.9    | 5.1    | 3.5    | 3.0    |
| FCFF/EBITDA                                    | 1.4    | 0.4    | 0.5    | 0.5    | 0.7    | 0.6    | 0.5    |
| Net debt/EBITDA, book-weighted                 | 3.4    | 2.1    | 2.2    | 2.8    | 2.5    | 1.8    | 1.5    |
| Debt/equity, market-weighted                   | 0.7    | 0.5    | 0.7    | 0.9    | 0.8    | 0.7    | 0.7    |
| Equity ratio, book-weighted                    | 29.5   | 31.8   | 34.6   | 34.3   | 33.8   | 36.9   | 41.2   |
| Gearing, %                                     | 137.9  | 118.2  | 107.9  | 117.6  | 113.3  | 88.8   | 69.0   |

**COMPANY DESCRIPTION:** Aspo is a conglomerate featuring three independent wholly-owned business-to-business segments each operating in regions surrounding the Baltic Sea. The three segments engage in providing logistics solutions, such as maritime transportation and raw materials wholesale distribution. Aspo's goal is to help each of its operating segments to build long-lasting customer relationships. Aspo aims to create value by developing and internationalizing its subsidiary businesses while proactively considering potential acquisitions and divestitures.

**INVESTMENT CASE:** Aspo's key segment, ESL, has invested heavily in recent years by commissioning two LNG-powered vessels and acquiring a dry bulk carrier named Ato@B (which specializes in time-chartered smaller vessels suitable for biofuel shipments). Given ESL's stable long-term customer relationships and a fleet tailored for demanding Baltic Sea conditions, we expect the dry bulk carrier will post significantly higher operating profits going forward. We expect Telko, a chemical distributor, to achieve materially higher profitability following its cost efficiency program once the market situation stabilizes. We also see good scope for Leipurin's improvement.

| OWNERSHIP STRUCTURE                        | SHARES     | EURm    | %     |
|--|------------|---------|-------|
| Havsudden Oy Ab                            | 3,262,941  | 19.186  | 10.4% |
| Aev Capital Holding Oy                     | 3,253,554  | 19.131  | 10.4% |
| Varma Mutual Pension Insurance Company     | 1,423,076  | 8.368   | 4.5%  |
| Vehmas Tapio                               | 1,275,827  | 7.502   | 4.1%  |
| Ilmarinen Mutual Pension Insurance Company | 875,226    | 5.146   | 2.8%  |
| Nyberg Gustav                              | 851,524    | 5.007   | 2.7%  |
| Nordea Nordic Small Cap Fund               | 726,040    | 4.269   | 2.3%  |
| Mandatum Life Insurance Company Limited    | 679,428    | 3.995   | 2.2%  |
| Procurator-Holding Oy                      | 564,882    | 3.322   | 1.8%  |
| laik Oy                                    | 505,947    | 2.975   | 1.6%  |
| Ten largest                                | 13,418,445 | 78.900  | 43%   |
| Residual                                   | 18,001,334 | 105.848 | 57%   |
| Total                                      | 31,419,779 | 184.748 | 100%  |

#### EARNINGS CALENDAR

October 29, 2024

Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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IR:

## DEFINITIONS

|                       |  |                           |   |
|-----------------------|--|---------------------------|---|
| P/E                   | $\frac{\text{Price per share}}{\text{Earnings per share}}$   | EPS                       | $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$           |
| P/BV                  | $\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$   | DPS                       | Dividend for the financial period per share   |
| Market cap            | Price per share * Number of shares   | OCF (Operating cash flow) | EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments  |
| EV (Enterprise value) | Market cap + net debt + minority interest at market value – share of associated companies at market value  | FCF (Free cash flow)      | Operating cash flow – operative CAPEX – acquisitions + divestments  |
| EV/Sales              | $\frac{\text{Enterprise value}}{\text{Sales}}$   | FCF yield, %              | $\frac{\text{Free cash flow}}{\text{Market cap}}$   |
| EV/EBITDA             | $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$  | Operative CAPEX/sales     | $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$  |
| EV/EBIT               | $\frac{\text{Enterprise value}}{\text{Operating profit}}$  | Net working capital       | Current assets – current liabilities  |
| Net debt              | Interest bearing debt – financial assets   | Capital employed/Share    | $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$  |
| Total assets          | Balance sheet total  | Gearing                   | $\frac{\text{Net debt}}{\text{Equity}}$   |
| Div yield, %          | $\frac{\text{Dividend per share}}{\text{Price per share}}$   | Debt/Equity, %            | $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$                     |
| Payout ratio, %       | $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$   | Equity ratio, %           | $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$ |
| ROCE, %               | $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$ | CAGR, %                   | Cumulative annual growth rate = Average growth per year   |



|  |  |
|--|--|
| <p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$ |  |
|--|--|

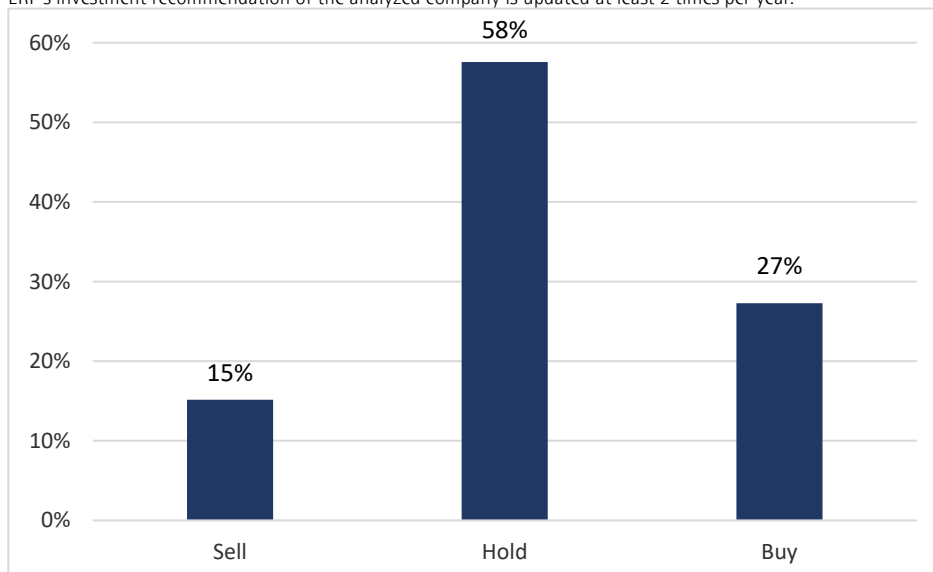
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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