

Aspo Plc
Stock Exchange Release
Other information disclosed according to the rules of the Exchange
May 14, 2024, at 8:05 a.m.

Aspo's financial targets and dividend policy updated, and profitability metric of the guidance changed

Aspo holds a Capital Markets Day today, May 14, 2024, starting at 9.30 a.m. [(EEST)] in Helsinki. Aspo Group's new portfolio vision, disclosed earlier today, along with the adjusted long-term financial targets, ESG commitment, business strategies, dividend policy as well as current state of Aspo's business operations and prospects will be presented at the event.

Revised financial targets

Aspo's long-term financial targets remain fundamentally unchanged, but they have been slightly adjusted to consider the compounder strategy and management of growth financing. Key changes include change from operating profit (EBIT) to operating profit excluding amortization of intangible assets (EBITA) to mitigate the impact of amortization in M&A transactions, which will gradually build-up due to the compounder strategy, as well as replacing the gearing target with a target for Net debt / comparable EBITDA of below 3.0, to manage the growth financing in relation to development of financial performance.

Aspo's adjusted long-term financial targets are:

- EBITA of 8% (New: operating profit excluding amortization of intangible assets (EBITA), previously operating profit (EBIT))
 - Telko 8%
 - Leipurin 5%
 - ESL 14%
- Net sales growth 5–10% per year (New: defined as the minimum annual growth level to be achieved)
- Return on equity over 20%
- New: Net debt / comparable EBITDA below 3.0 (previously: Gearing less than 130%)

Updated dividend policy

To support the growth strategy execution, Aspo's dividend policy has been updated to reflect company strategy and growth ambition, the ongoing transition and specific business characteristics. Aspo's revised dividend policy:

- Aspo's dividend growth is based on positive profitability development with the aim to pay-out annually up to 50% of net profit as dividend. The goal is to gradually increase the amount of dividends, while considering financing needs of growth initiatives with strategic priority.

Profitability metric of the guidance changed from EBIT to EBITA, assumptions behind the guidance for year 2024 remain unchanged

Assumptions behind the guidance for year 2024 remain unchanged. The guidance for year 2024 has been changed to the new profitability metric operating profit excluding amortization of intangible assets (EBITA) (previously operating profit (EBIT)). New guidance for 2024 is:

Aspo Group's comparable EBITA is expected to exceed EUR 32 million in 2024 (2023: EUR 27.9 million)

For reference, Aspo Group's previous guidance for 2024 with the old profitability metric operating profit was:

Aspo Group's comparable operating profit is expected to exceed EUR 30 million in 2024 (2023: EUR 26.5 million).

Capital Markets Day webcast and presentation materials

The webcast can be followed live on Aspo's website (www.aspo.com) from 9.30 a.m. today. Webcast recording and presentation materials (in English) will be available on the website after the event.

"We are delighted to continue to execute clear and successful business strategies for all three segments. ESL Shipping is focused on sustainability-driven growth, combined with commercial and operational excellence. Telko's strategy is focused on organic growth supported by M&A and scalability. Leipurin continues its path to full profit potential through prioritised growth initiatives and development of commercial, supply chain and sourcing capabilities. We are also keen for sustainability to continue to shape our business strategies. Aspo Group's ambition is that Aspo and its businesses will commit to Science Based Targets by the end of 2024. Each of Aspo's businesses aim to be a sustainability forerunner in its industry", says Rolf Jansson, CEO of Aspo Group.

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