

Aspo Plc
Inside information
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Inside information: Aspo announces partnership with OP Finland Infrastructure LP to accelerate the green transition of Aspo's subsidiary ESL Shipping

In April this year Aspo announced that it has initiated a program to accelerate ESL Shipping's green transition through a program assessing three alternative measures, including a launch of a new investment pool of fossil-free vessels, a possible equity injection in ESL Shipping by a minority shareholder, and the sales of the shipping company's two Supramax vessels.

As the first result of this assessment, Aspo has today signed an agreement with OP Finland Infrastructure LP regarding an investment of EUR 30 million into Aspo's subsidiary ESL Shipping. The investment will be made against issuance of new shares in ESL Shipping with an agreed pre-money equity valuation of EUR 165 million, corresponding to a 15.38% ownership stake in ESL Shipping. This implies an enterprise value of approx. EUR 300 million for ESL Shipping.

The transaction is subject to competition authority filings and change of control approvals from financial institutions. The closing of the transaction is expected to take place during Q1/2024.

"We are delighted to have found a partner in OP Finland Infrastructure LP to support Aspo and ESL Shipping in accelerating the company's low-carbon growth strategy. We see immense infra-like growth opportunities in ESL Shipping's market and want the company to play an active part in the ongoing sustainability transformation", says Rolf Jansson, CEO of Aspo Group.

"For us this is a great investment opportunity to accelerate the green transition of ESL Shipping and its customers in Finland and around the Baltic Sea.", says Ossi Vasala of OP Finland Infrastructure LP.

ESL Shipping's strategy

ESL Shipping's ambition is to instrumentally support the sustainability driven transformation of its industrial customers by taking further steps in offering them completely fossil-free sea transportation. ESL Shipping's strategy is focused on long-term industrial partnerships and on being a forerunner in sustainability. The ongoing green transition will substantially enlarge ESL Shipping's market and offer significant growth opportunities.

The already ongoing investment in twelve green coasters is progressing as planned. A total of seven vessels are already under construction and the first vessel in the series, Electramar, was successfully launched in June and is expected to be delivered during Q4/2023. The second vessel, Stellamar, was launched in October.

The program to accelerate ESL Shipping's green transformation will continue through further investments in fleet and technologies enabling fossil-free shipments for the company's customer base.

To finance the strategic growth of ESL Shipping, the parties will continue assessment of alternative measures, including launch of a new investment pool of fossil-free vessels, sales of the company's two Supramax vessels and raising further equity through additional co-investments into ESL Shipping.

Aspo Plc

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Aspo creates value by owning and developing business operations sustainably and in the long term. Our companies aim to be market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these aiming to be forerunners in sustainability. Aspo supports its businesses profitability and growth with the right capabilities. Aspo Group has businesses in 18 different countries, and it employs a total of approximately 800 professionals.

OP Finland Infrastructure LP is a fund investing in Finnish infrastructure. The fund is managed by OP Asset Management Ltd, part of OP Group. The fund has committed capital of some EUR 260 million from Finnish investors. The fund has an evergreen structure which enables the fund to be a truly long-term partner for owners of Finnish infrastructure.