Nordea

Commisioned Equity Research

Flash Comment

17 July 2025

Commissioned research: Fiskars – Q2 clearly below expectations due to Vita

Marketing material commissioned by Fiskars

Following the profit warning on 12 June, Fiskars Q2 adjusted EBIT of EUR 3.0m came 71% (EUR 7.5m) below Modular Finance consensus expectations. Net sales were down 8% y/y to EUR 258m and came 2% below consensus. On comparable basis, sales were down 7% y/y (we had modelled -7%). On positive note, comparable direct-to-consumer sales were up 4% y/y. Comparable gross margin was 46.8%, down 230bp y/y driven, especially by Vita BA. Q2 EBIT miss was mainly driven by Vita BA where lower volumes clearly burdened margins. Q2 operating cash flow was EUR 30m (EUR 65m a year ago). Fiskars expects 2025 adjusted EBIT to be EUR 90-110m after EUR 111m in 2024. Consensus has been expecting EUR 99m adjusted EBIT, 1% below the mid-point of the guidance. Initially, we expect consensus to trim estimates to the tune of mid-single digits. We note low visibility in H2 which maintains guidance risk elevated although the company expects mitigation actions to support H2 profitability.

Q2 was weak and negatively impacted by the tariffs

- Q2 net sales were EUR 258m, down 8% y/y (-7% y/y on comparable basis), 2% below Modular Finance consensus expectations.
- Q2 adjusted EBIT was 3.0m, down 84% y/y and 71% below consensus at EUR 10.5m. There were EUR +2.2m of items affecting comparability (mainly related to the sale of the U.S. Watering business, completed in 2022) while consensus anticipated EUR -0.7m. We note that business areas' aggregated adjusted EBIT came 57% below consensus expectations.
- Q2 gross margin of 46.4% came 0.1pp above our expectation of 46.3%. On comparable basis, gross margin was down 230bp y/y to 46.8%. It seems that gross margin was negatively affected by lower volumes and tariffs.
- Q2 operating cash flow of EUR 30m (EUR 65m a year ago) while free cash flow was EUR 12m (EUR 49m a year ago).
- Net debt/LTM EBITDA was 3.2x up from 2.9x at the end of Q1, above the targeted level of below 2.5x.

Vita BA came below expectations

- Vita BA net sales were EUR 125m, 2% below consensus expectations. Comparable sales declined 3% y/y (we had anticipated -5%). Direct-to-consumer sales accounted for 58% of sales (51% a year ago). Adjusted EBIT was -7.8m, below consensus forecast of EUR EUR 0.1m. Vita BA gross margin declined 410bp y/y to 54.7%.
- Fiskars BA net sales were EUR 131m, 3% below consensus expectations. On comparable basis, sales declined 11% y/y (we had anticipated -9%), mainly due to distribution losses in US and in parts of Europe. The company notes continued growth in Germany while sales increased also in Sweden. Adjusted EBIT of EUR 14.0m came 2% below consensus expectation of EUR 14.3m. Fiskars BA gross margin declined by 150bp y/y to 39.1%.
- Other segment came slightly above expectations with EUR -3.2m versus consensus of EUR -3.8m.

Guidance was lowered on 12 June - guidance risk remains for H2

- Fiskars lowered its guidance on 12 June and expects adjusted EBIT to be EUR 90-110m in 2025 (EUR 111.4m in 2024). Prior to the Q2, Modular Finance consensus was expecting EUR 99m adjusted EBIT in 2025 while we have anticipated EUR 96m. Given the clearly limited visibility into important H2, we believe there is elevated guidance risk following the weak Q2. The company expects mitigation actions to become visible from H2 which likely give some support on profitability while we believe volume development in Vita BA has to improve slightly from Q2.

- Initially, we expect consensus to trim its EBIT estimates to the tune of mid-single-digits.

A webcast on the first quarter results will be held on at 11:00 p.m. (EEST). It will be held in English and can be followed at [Q2 Fiskars webcast]

FISKARS' Q2 DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	**Q2 2025**	**Q2 2025E**	**vs. actual**		**Q2 2025E**	**vs. actual**		**Q1 2025**	**q/q**	**Q2 2024**	**y/y**
Sales	**258**	**258**	**1**	**0%**	**263**	**-5**	**-2%**	**292**	**-11%**	**281**	**-8%**
Gross profit	120	119	0.6	1%				138	-13%	124	-3%
Gross margin	**46.4%**	**46.3%**		**0.1pp**				**47.3%**	**-0.9pp**	**44.0%**	**2.5pp**
Adj. EBIT	**3.0**	**4.5**	**-1.5**	**-34%**	**10.5**	**-7.5**	**-71%**	**26.8**	**-89%**	**19**	**-84%**
Adj. EBIT margin	1.2%	1.8%		-0.6pp	4.0%		-2.8pp	9.2%	-8.0pp	6.9%	-5.7pp
EBIT	5.2	6.0	-0.8	-14%	9.8	-4.6	-47%	(4.6)	-213%	0	1633%
EBIT margin	2.0%	2.3%			3.7%		-1.7pp	-1.6%	3.6pp	0.1%	1.9pp
PTP	(3.0)	3.5	-6.5	-185%	-	-3.0	#DIV/0!	(16.1)	-81%	(8)	-61%
Adj EPS, EUR	(0.05)	0.02	-0.07	-421%	0.04	-0.09	-225%	0.23	-122%	0.16	-131%
Business areas	**Actual**	**NDA est.**						**Q1 2025**	**q/q**	**Q2 2024**	**y/y**
Sales											
Vita	125	123	2	2%	127	-2	-2%	127	-1%	130	-4%
Fiskars	131	134	-3	-2%	135	-4	-3%	164	-20%	150	-13%
Other	2	1	1	90%	1	1	84%	1	58%	1	90%
TOTAL	258	258	1	0%	263	-5	-2%	292	-11%	281	-8%
Adj. EBIT											
Vita	-7.8	-3.8	-4.0	108%	0.1	-7.9	-9460%	1.3	-700%	1.6	-588%
Fiskars	14.0	12.3	1.7	14%	14.3	-0.3	-2%	30.6	-54%	22.3	-37%
Other	-3.2	-4.0	0.8	-20%	-3.8	0.6	-17%	-5.1	-37%	-4.7	-32%
TOTAL	3.0	4.5	-1.5	-34%	10.5	-7.5	-71%	26.8	-89%	19.2	-84%
Adj. EBIT margin											
Vita	-6.2%	-3.1%		-3.2pp	0.1%		-6.3pp	1%	-7.2pp	1%	-7.5pp
Fiskars	10.7%	9.2%		1.5pp	10.6%		0.1pp	19%	-8.0pp	15%	-4.2pp
TOTAL	1.2%	1.8%		-0.6pp	4.0%		-2.8pp	9%	-8.0pp	7%	-5.7pp

Source: Company data, Modular Finance and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	1,254	1,248	1,130	1,157	1,139	1,196	1,251
EBITDA (adj.)	216	210	176	194	145	205	224
EBIT (adj.)	154	151	110	111	96.5	132	149
EBIT (adj.) margin	12.3%	12.1%	9.77%	9.63%	8.47%	11.0%	11.9%
EPS (adj. EUR)	1.20	1.40	1.01	1.25	0.82	1.10	1.26
EPS (adj.) growth	24.6%	16.8%	-28.2%	24.3%	-34.2%	34.1%	13.9%
DPS (ord. EUR)	0.76	0.80	0.82	0.84	0.84	0.86	0.90
EV/Sales	1.62	1.27	1.68	1.48	1.49	1.40	1.33
EV/EBIT (adj.)	13.2	10.5	17.2	15.3	17.6	12.7	11.2
P/E (adj.)	19.2	11.0	17.7	11.9	18.1	13.5	11.8
P/BV	2.32	1.51	1.76	1.53	1.59	1.55	1.49
Dividend yield (ord.)	3.30%	5.20%	4.60%	5.62%	5.65%	5.79%	6.06%
FCF yield before A&D, lease-adj.	4.69%	-10.8%	7.47%	2.30%	5.48%	7.62%	6.88%
Net debt	145	324	447	494	492	468	453
Net debt/EBITDA	0.71	1.67	2.71	4.13	3.56	2.30	2.03
ROIC	12.8%	11.0%	6.99%	6.72%	5.86%	8.16%	9.15%

Source: Company data and Nordea estimates

Joni Sandvall
Associate Director
Nordea | Investment Banking & Equities | Equity Research Finland
Tel: +358 953 005 484
E-mail: joni.sandvall@nordea.com

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Nordea Bank Abp

Nordea IB & Equity Division, Equity Research

Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research

Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, Equity Research

Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research

Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650