

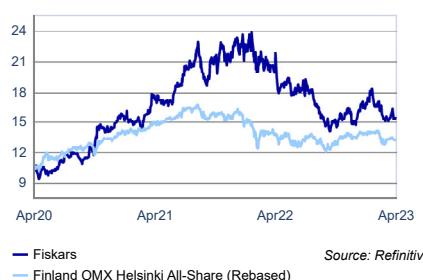
## Fiskars

Consumer Goods  
Finland

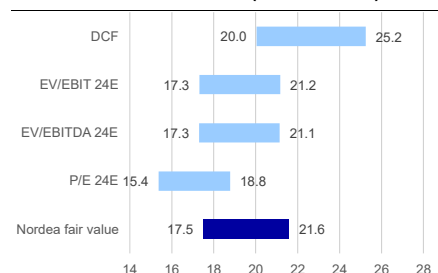
## KEY DATA

Stock country	Finland
Bloomberg	FIS1V.FH
Reuters	FSKRS.HE
Share price (close)	EUR 15.70
Free Float	58%
Market cap. (bn)	EUR 1.27/EUR 1.27
Website	fiskarsgroup.com
Next report date	20 Jul 2023

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



## ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSvante Krokfors  
Director

## Well on track despite difficult market conditions

Fiskars' Q1 was characterised by low demand due to high retailers' inventories and healthy gross margins. Adjusted EBIT fell slightly short of Refinitiv consensus expectations, while the company appeared confident about profit development for the remainder of the year. Lower sourcing volumes and furloughs should further reduce inventory levels, while there have been first signs of replenishment orders in the US gardening segment. China growth has picked up to above 30%, which bodes well for H2. We still expect adjusted EBIT to decline 7% y/y in 2023 but we expect a strong cash flow recovery during the year, and China could offer upside to our estimates for H2. We derive a DCF- and multiples-based fair value range of EUR 17.5-21.6 (17.8-21.9).

## Solid gross margin despite low volumes in Q1

Fiskars' Q1 net sales of EUR 275m were 5% below Refinitiv consensus expectations. Adjusted EBIT of EUR 31.2m was slightly below consensus at EUR 32.5m, while the adjusted EBIT margin of 11.4% was ahead of consensus at 10.7%. The 46.4% gross margin was well above consensus at 44%, driven by an improvement in Vita, a flat development in Crea and a decline in Terra. Given high inventories and low demand, the company has reduced its own production by 25-35%, while sourcing volumes are down around 50%. Hence, we continue to believe that the company can reduce its inventories clearly in 2023. Direct-to-consumer sales were up 4% y/y in Q1, driven by 12% y/y growth in own ecommerce. There were some initial signs of US big box retailers starting to replenish orders, while China growth returned to above 30% in March and April. Hence, combined with targeted EUR 15m savings, the outlook for H2 remains good.

## Estimates intact – China could offer upside

We keep our estimates intact after the Q1 report. Fiskars maintained its guidance and expects adjusted EBIT to be down slightly in 2023. We model a 7% y/y decline, while the China reopening could offer upside to our estimates. We model 25% growth in China in 2023, below the level of above 30%, and we note that China sales come with higher gross margins.

## We derive a fair value range of EUR 17.5-21.6 per share

We derive a DCF- and multiples-based fair value range of EUR 17.5-21.6 (17.8-21.9). Our peer group suggests a fair value range of EUR 15-21, while our DCF valuation suggests a fair value range of EUR 20-25.

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,090	1,116	1,254	1,248	1,176	1,231	1,278
EBITDA (adj)	137	185	216	210	201	220	234
EBIT (adj)	78	109	154	151	141	158	170
EBIT (adj) margin	7.1%	9.8%	12.3%	12.1%	12.0%	12.8%	13.3%
EPS (adj, EUR)	0.84	0.96	1.20	1.40	1.30	1.46	1.59
EPS (adj) growth	-23.8%	13.9%	24.6%	16.8%	-7.1%	12.4%	8.5%
DPS (ord, EUR)	0.56	0.60	0.76	0.80	0.84	0.88	0.92
EV/Sales	1.1	1.2	1.6	1.3	1.2	1.1	1.0
EV/EBIT (adj)	15.3	12.6	13.2	10.5	10.2	8.6	7.7
P/E (adj)	13.3	15.6	19.2	11.0	12.1	10.7	9.9
P/BV	1.2	1.6	2.3	1.5	1.5	1.4	1.3
Dividend yield (ord)	5.0%	4.0%	3.3%	5.2%	5.4%	5.6%	5.9%
FCF Yield bef A&D, lease	3.5%	11.8%	3.4%	-10.6%	18.4%	11.5%	8.7%
Net debt	262	144	145	324	153	75	35
Net debt/EBITDA	2.2	0.8	0.7	1.7	0.8	0.3	0.2
ROIC after tax	6.0%	8.6%	12.8%	11.0%	9.9%	12.1%	13.1%

Source: Company data and Nordea estimates

# Result takeaways

Fiskars' Q1 adjusted EBIT of EUR 31.2m came in 4% below Refinitiv consensus. Net sales of EUR 275m were down 17% y/y (-13% on a comparable basis) and fell 5% short of consensus. The gross margin of 46.4% came in above the consensus estimate of 44.0%. US sales declined by 21% y/y due to low gardening shipments, while China sales were up 14% y/y with a pickup towards the end of the quarter. Own e-commerce sales were up 12% y/y, driving direct-to-consumer sales growth of 4% y/y. On a divisional level, Vita missed our adjusted EBIT estimate, while Terra and Crea beat our expectations. Q1 operating cash flow recovered clearly and was EUR 22.1m (EUR -55.9m a year ago), supported by a EUR 18m decline in inventories. Net debt/LTM EBITDA increased to 2.0x (1.7x in 2022). EPS of EUR 0.25 came in slightly above consensus of EUR 0.27. There were EUR -2.3m of items affecting comparability at the EBIT level. The company kept its guidance for slightly declining adjusted EBIT unchanged.

## DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	Q1 2023	Q1 2023E	vs. actual		Q1 2023E	vs. actual		Q4 2022	q/q	Q1 2022	y/y
<b>Sales</b>	<b>275</b>	<b>279</b>	<b>-4</b>	<b>-1%</b>	<b>288</b>	<b>-13</b>	<b>-5%</b>	<b>304</b>	<b>-10%</b>	<b>333</b>	<b>-17%</b>
Gross profit	128	124	3.3	3%	127	0.6	0%	135	-5%	148	-14%
<b>Gross margin</b>	<b>46.4%</b>	<b>44.6%</b>	<b>1.8pp</b>		<b>44.0%</b>	<b>2.4pp</b>		<b>44.3%</b>	<b>2.2pp</b>	<b>44.5%</b>	<b>1.9pp</b>
<b>Adj. EBIT</b>	<b>31.2</b>	<b>32.4</b>	<b>-1.2</b>	<b>-4%</b>	<b>32.5</b>	<b>-1.3</b>	<b>-4%</b>	<b>29.7</b>	<b>5%</b>	<b>52</b>	<b>-40%</b>
Adj. EBIT margin	11.3%	11.6%	-0.3pp		10.7%	0.6pp		9.8%	1.6pp	15.5%	-4.2pp
EBIT	28.9	26.4	2.5	9%	32.5	-3.6	-11%	24.4	18%	41	-30%
EBIT margin	10.5%	9.5%	1.0pp		11.3%	-0.7pp		8.0%	2.5pp	12.4%	-1.9pp
PTP	26.3	23.6	2.7	11%	24.3	2.0	8%	14.5	81%	43	-38%
EPS, EUR	0.25	0.23	0.02	8%	0.23	0.02	9%	0.20	23%	0.51	-51%

Business areas	Actual	NDA est.				Q4 2022	q/q	Q1 2022	y/y
<b>Sales</b>									
Vita	107.7	112.9	-5.2	-5%		175.9	-39%	121	-11%
Terra	129.5	133.5	-4.0	-3%		86.7	49%	173	-25%
Crea	37.3	31.2	6.1	19%		40.3	-7%	38	-2%
Other	0.5	1.0	-0.5	-50%		1.2	-58%	1	-29%
<b>TOTAL</b>	<b>274.9</b>	<b>278.7</b>	<b>-3.8</b>	<b>-1%</b>		<b>304.1</b>	<b>-10%</b>	<b>333</b>	<b>-17%</b>
<b>Adj. EBIT</b>									
Vita	7.8	9.5	-1.7	-17%		35.9	-78%	10.7	-27%
Terra	22.8	21.6	1.2	6%		-7.3	-412%	35.5	-36%
Crea	7.8	4.8	3.0	61%		4.5	73%	8.1	-4%
Other	-7.2	-3.5	-3.7	106%		-3.5	106%	-2.4	200%
<b>TOTAL</b>	<b>31.2</b>	<b>32.4</b>	<b>-1.2</b>	<b>-4%</b>		<b>29.6</b>	<b>5%</b>	<b>51.9</b>	<b>-40%</b>
<b>Adj. EBIT margin</b>									
Vita	7.2%	8.4%	-1.1pp			20%	-13.2pp	9%	-1.6pp
Terra	17.6%	16.2%	1.4pp			-8%	26.0pp	21%	-2.9pp
Crea	20.9%	15.5%	5.4pp			11%	9.7pp	21%	-0.3pp
<b>TOTAL</b>	<b>11.3%</b>	<b>11.6%</b>	<b>-0.3pp</b>			<b>10%</b>	<b>1.6pp</b>	<b>16%</b>	<b>-4.3pp</b>

Source: Company data, Refinitiv and Nordea estimates

**Vita missed while Terra and Crea beat**

- Vita net sales were EUR 108m, 5% below our forecast. Comparable sales declined 9% y/y (we had anticipated -5%), due to the retail customer segment. Direct-to-consumer sales accounted for 47% of sales (41% a year ago). Adjusted EBIT was EUR 7.8m, 17% below our forecast of EUR EUR 9.5m. An improved gross margin and prudent cost control partially mitigated the decline in volumes.
- Terra net sales were EUR 130m, 3% below our expectation. On a comparable basis, sales declined 19% y/y (we had anticipated -21%), due to low shipments to the US with high retailer inventories. Adjusted EBIT of EUR 22.8m came in 6% above our estimate of EUR 21.6m.
- Crea net sales were EUR 37m, 19% above our forecast. Comparable sales declined 3% y/y (we had expected -20%). In the US, the top line was supported by the timing of shipments. Adjusted EBIT declined to EUR 7.8m and was 61% above our forecast of EUR 4.8m.

**Guidance intact**

Fiskars reiterated its guidance for slightly lower adjusted EBIT in 2023 (EUR 151m in 2022). Prior to Q1, Refinitiv consensus was for adjusted EBIT of EUR 137m, corresponding to a 10% y/y decline. We note that 2023 is likely to be back-end loaded due to the ongoing profitability programme and weaker demand during H1.

# Estimate revisions

We make only minor revisions after the Q1 report. We raise our gross margin assumptions, while higher operating expense assumptions mitigate the impact on EBIT.

## ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E
<b>Sales</b>	<b>300</b>	<b>1,176</b>	<b>1,231</b>	<b>1,278</b>	<b>300</b>	<b>1,178</b>	<b>1,234</b>	<b>1,281</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Gross profit	139	543	573	602	135	535	571	599	3%	2%	0%	0%
Gross margin	46.1%	46.2%	46.6%	47.1%	44.9%	45.4%	46.3%	46.8%	1.2pp	0.8pp	0.3pp	0.3pp
<b>Adj. EBIT</b>	<b>32</b>	<b>141</b>	<b>158</b>	<b>170</b>	<b>32</b>	<b>140</b>	<b>158</b>	<b>170</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Adj. EBIT margin	10.7%	12.0%	12.8%	13.3%	10.5%	11.9%	12.8%	13.3%	0.2pp	0.1pp	0.0pp	0.0pp
EBIT	31.3	137	158	170	31.6	134	158	170	-1%	2%	0%	0%
EBIT margin	10.4%	11.7%	12.8%	13.3%	10.5%	11.4%	12.8%	13.3%	-0.1pp	0.3pp	0.0pp	0.0pp
PTP	29.5	130	149	162	29.8	126	150	163	-1%	3%	0%	-1%
Adj. EPS, EUR	0.30	1.30	1.46	1.59	0.29	1.31	1.47	1.60	4%	-1%	-1%	-1%
<b>DPS, EUR</b>	<b>0.29</b>	<b>1.26</b>	<b>1.46</b>	<b>1.59</b>	<b>0.29</b>	<b>1.23</b>	<b>1.47</b>	<b>1.60</b>	<b>0%</b>	<b>2%</b>	<b>-1%</b>	<b>-1%</b>
DPS, EUR		0.84	0.88	0.92		0.84	0.88	0.92		0%	0%	0%

Business areas	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E
<b>Sales</b>												
Vita	116.8	539.5	571.8	600.4	116.8	541.5	574.0	602.7	0%	0%	0%	0%
Terra	136.6	469.7	488.5	503.1	139.4	476.5	495.6	510.5	-2%	-1%	-1%	-1%
Crea	45.9	163.1	167.1	171.3	43.3	156.4	160.3	164.3	6%	4%	4%	4%
Other	1.0	3.5	3.5	3.5	1.0	4.0	4.0	4.0	0%	-13%	-13%	-13%
<b>TOTAL</b>	<b>300</b>	<b>1,175.7</b>	<b>1,231.0</b>	<b>1,278.4</b>	<b>300.5</b>	<b>1,178.4</b>	<b>1,233.9</b>	<b>1,281.5</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Adj. EBIT</b>												
Vita	12.1	85.6	97.1	105.2	12.1	86.2	97.9	106.1	0%	-1%	-1%	-1%
Terra	15.0	41.6	45.1	48.0	15.5	40.3	44.0	47.0	-3%	3%	3%	2%
Crea	9.0	32.5	35.0	36.4	7.9	29.2	31.7	33.1	14%	11%	11%	10%
Other	-4.0	-19.2	-19.4	-19.7	-4.0	-15.5	-15.7	-15.9	0%	24%	24%	24%
<b>TOTAL</b>	<b>32.2</b>	<b>140.6</b>	<b>157.8</b>	<b>170.0</b>	<b>31.6</b>	<b>140.2</b>	<b>157.9</b>	<b>170.2</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Adj. EBIT margin</b>												
Vita	10.4%	15.9%	17.0%	17.5%	10.4%	15.9%	17.1%	17.6%	0.0pp	-0.1pp	-0.1pp	-0.1pp
Terra	11.0%	8.8%	9.2%	9.5%	11.1%	8.5%	8.9%	9.2%	-0.1pp	0.4pp	0.4pp	0.3pp
Crea	19.7%	19.9%	20.9%	21.3%	18.4%	18.7%	19.8%	20.1%	1.3pp	1.3pp	1.2pp	1.2pp
Other	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>TOTAL</b>	<b>10.7%</b>	<b>12.0%</b>	<b>12.8%</b>	<b>13.3%</b>	<b>10.5%</b>	<b>11.9%</b>	<b>12.8%</b>	<b>13.3%</b>	<b>0.2pp</b>	<b>0.1pp</b>	<b>0.0pp</b>	<b>0.0pp</b>

Source: Nordea estimates

# Detailed estimates

## QUARTERLY GROUP ESTIMATES (EURm; EPS IN EUR)

EURm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23E	Q3 23E	Q4 23E
Net sales	302.1	307.2	291.8	353.2	332.6	319.1	292.6	304.1	275.0	300.3	280.4	320.0
growth y/y	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-6%	-4%	5%
LFL	23%	14%	10%	11%	14%	8%	0%	-12%	-13%	-4%	0%	8%
Gross profit	131.9	132.4	122.6	152.8	147.9	140.2	133.3	134.6	127.7	138.5	130.1	146.5
Gross margin	43.7%	43.1%	42.0%	43.3%	44.5%	43.9%	45.6%	44.3%	46.4%	46.1%	46.4%	45.8%
Other operating income	0.9	1.2	1.2	0.8	5.2	7	-6.6	0.0	0.5	1.0	1.4	0.0
Sales and marketing	-59.5	-66.1	-58.9	-83.0	-67.9	-71.2	-63.7	-73.4	-62.6	-70.5	-62.4	-71.9
Administration	-23.7	-25.0	-26.1	-42.1	-32.3	-29.2	-28.2	-31.2	-30.9	-28.7	-26.2	-29.2
R&D	-3.7	-3.8	-3.7	-4.4	-5.0	-5.2	-4.8	-5.8	-5.6	-5.0	-5.0	-5.0
Goodwill and trademark	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	0	-0.4	-0.4	-0.3	-6.5	-2.1	-0.5	0.2	0.0	-4.0	-0.5	-0.8
EBIT	45.9	38.3	34.7	23.8	41.4	39.5	29.5	24.4	29.1	31.3	37.5	39.6
EBIT margin	15.2%	12.5%	11.9%	6.7%	12.4%	12.4%	10.1%	8.0%	10.6%	10.4%	13.4%	12.4%
NRI	-0.7	-2.9	0.6	-8.5	-10.3	3.2	-3.8	-5.3	-2.3	-0.9	0	0
Adj. EBIT	46.6	41.2	34.1	32.3	51.7	36.3	33.3	29.7	31.4	32.2	37.5	39.6
Adj. EBIT margin	15.4%	13.4%	11.7%	9.1%	15.5%	11.4%	11.4%	9.8%	11.4%	10.7%	13.4%	12.4%
Change in fair value of biological assets	0.3	0.4	0.3	0.2	0.5	0.6	0.9	-0.9	1.1	0.2	0.2	0.2
Financial income and expenses	-4.3	1.5	2.8	0.1	0.7	-0.7	-2.6	-9.0	-3.6	-2.0	-2.0	-2.0
PTP	41.9	40.2	37.8	24.1	42.6	39.4	27.8	14.5	26.6	29.5	35.7	37.8
Taxes	-33.7	-9	-8	-5.9	-11.2	-5.8	-4.9	-3.1	-5.8	-5.9	-7.1	-7.6
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0
Profit for the period	8.2	31.2	29.8	18.2	31.4	33.6	22.9	11.4	20.8	23.6	28.5	30.2
Minority	0.2	0.2	0.2	0.3	0.2	0.1	0.4	0.1	0.3	0.2	0.2	0.2
EPS	0.10	0.38	0.36	0.22	0.38	0.41	0.27	0.14	0.25	0.29	0.35	0.37
Adj. EPS	0.11	0.42	0.36	0.33	0.51	0.37	0.33	0.20	0.29	0.30	0.35	0.37

Source: Company data and Nordea estimates

**QUARTERLY BUSINESS AREA ESTIMATES**

Business areas, EURm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23E	Q3 23E	Q4 23E
<b>Net sales</b>												
Vita	108.2	115.6	133.8	187.0	120.8	126.8	140.3	175.9	107.7	116.8	134.8	180.2
Terra	157.1	148.7	111.5	118.2	173.1	139.4	108.1	86.7	129.5	136.6	105.6	98.0
Crea	35.9	42.2	45.6	46.9	38.1	51.9	43.1	40.3	37.3	45.9	39.1	40.9
Other	0.9	0.8	0.9	1.2	0.7	0.9	1.1	1.2	0.5	1.0	1.0	1.0
GROUP	302.1	307.3	291.8	353.3	332.7	319.0	292.6	304.1	275.0	300.3	280.4	320.0
<b>Adj. EBIT</b>												
Vita	10.6	12.2	24.5	31.9	10.7	14.4	24.6	35.9	7.8	12.1	25.7	39.9
Terra	31.2	17.4	6.2	-3.2	35.5	15.0	5.2	-7.3	22.8	15.0	6.7	-2.9
Crea	8.1	11.3	11.4	5.7	8.1	11.7	10.0	4.5	7.8	9.0	9.1	6.6
Other	-3.4	0.5	-8.0	-2.2	-2.4	-4.8	-6.6	-3.5	-7.2	-4.0	-4.0	-4.0
GROUP	46.5	41.4	34.1	32.2	51.9	36.3	33.2	29.6	31.2	32.2	37.5	39.6
<b>Adj. EBIT margin</b>												
Vita	9.8%	10.6%	18.3%	17.1%	8.9%	11.4%	17.5%	20.4%	7.2%	10.4%	19.1%	22.1%
Terra	19.9%	11.7%	5.6%	-2.7%	20.5%	10.8%	4.8%	-8.4%	17.6%	11.0%	6.3%	-3.0%
Crea	22.6%	26.8%	25.0%	12.2%	21.3%	22.5%	23.2%	11.2%	20.9%	19.7%	23.2%	16.2%
GROUP	15.4%	13.5%	11.7%	9.1%	15.6%	11.4%	11.3%	9.7%	11.3%	10.7%	13.4%	12.4%
<b>Sales growth, %</b>												
Vita	16%	43%	21%	9%	12%	10%	5%	-6%	-11%	-8%	-4%	2%
Terra	22%	-3%	-1%	21%	10%	-6%	-3%	-27%	-25%	-2%	-2%	13%
Crea	11%	-6%	10%	8%	6%	23%	-5%	-14%	-2%	-12%	-9%	1%
GROUP	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-6%	-4%	5%
<b>Sales split, %</b>												
Vita	36%	38%	46%	53%	36%	40%	48%	58%	39%	39%	48%	56%
Terra	52%	48%	38%	33%	52%	44%	37%	29%	47%	45%	38%	31%
Crea	12%	14%	16%	13%	11%	16%	15%	13%	14%	15%	14%	13%

Source: Company data and Nordea estimates

**ANNUAL GROUP ESTIMATES (EURm; EPS IN EUR)**

EURm	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2022-25E CAGR
Net sales	1204.6	1185.5	1118.5	1090.4	1116.2	1254.3	1248.4	1175.7	1231.0	1278.4	1%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-6%	5%	4%	
LFL	2%	2%	-2%	-4%	4%	14%	2%	-2%	5%	4%	
Gross profit	502.8	512.2	485.0	447.3	452.0	539.7	556.0	542.8	573.2	601.7	3%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	46.2%	46.6%	47.1%	
Other operating income	18.5	7.1	5.2	1.9	6.4	4.1	5.6	2.9	3.0	3.0	
Sales and marketing	-298.3	-300.2	-281.4	-284.4	-241.4	-267.5	-276.2	-267.4	-282.7	-296.4	2%
Administration	-115.0	-99.9	-90.1	-86.1	-90.4	-116.9	-120.9	-115.0	-113.0	-115.3	-2%
R&D	-18.0	-18.8	-18.4	-18.5	-16.5	-15.5	-20.8	-20.6	-20.6	-20.6	0%
Goodwill and trademark	0	0	0	0	-11.4	0	0	0	0	0	
Other operating expenses	-7.4	-2.5	-8.8	-0.3	-0.7	-1.1	-8.9	-5.3	-2.1	-2.5	-34%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	137.4	157.8	170.0	8%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.7%	12.8%	13.3%	
NRI	-11.1	-5.8	-9.2	-17.7	-10.9	-11.5	-16.2	-3.2	0	0	
Adj. EBIT	93.7	103.7	100.7	77.6	108.9	154.3	151.0	140.6	157.8	170.0	4%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	12.0%	12.8%	13.3%	
Change in fair value of biological assets	-0.5	0.7	2	-0.3	0.8	1.3	1.1	1.7	0.5	0.5	
Financial income and expenses	10.5	119.3	9.4	3.4	-8.8	0	-11.6	-9.6	-9.1	-8.6	
PTP	92.6	217.9	102.9	63.0	90.0	144.1	124.3	129.5	149.2	161.9	9%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-26.4	-29.8	-32.4	
Discontinued operations	0	0	0	0	0	0	0	0	0	0	
Profit for the period	65.2	167.1	81.8	52.2	68.6	87.6	99.3	103.1	119.4	129.5	9%
Minority	1.3	0.7	0.2	0.7	0.7	0.9	0.8	0.9	0.9	0.9	
EPS	0.78	2.03	1.00	0.63	0.83	1.06	1.20	1.26	1.46	1.59	10%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.30	1.46	1.59	
DPS	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.84	0.88	0.92	

Source: Company data and Nordea estimates

**ANNUAL BUSINESS AREA ESTIMATES**

Business areas, EURm	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2022-25E CAGR
<b>Net sales</b>											
Vita				501	457	545	564	539	572	600	2%
Terra				443	494	535	507	470	488	503	0%
Crea				143	162	171	173	163	167	171	0%
Other				4	4	4	4	4	4	4	-4%
GROUP				1090	1116	1254	1248	1176	1231	1278	1%
<b>Adj. EBIT</b>											
Vita				38.9	41.0	79.2	85.6	85.6	97.1	105.2	7%
Terra				36.2	67.5	51.6	48.4	41.6	45.1	48.0	0%
Crea				28.1	41.0	36.5	34.3	32.5	35.0	36.4	2%
Other				-12.4	-12.9	-13.1	-17.3	-19.2	-19.4	-19.7	4%
GROUP				77.6	108.9	154.3	151.0	140.6	157.8	170.0	4%
<b>Adj. EBIT margin</b>											
Vita				7.8%	9.0%	14.5%	15.2%	15.9%	17.0%	17.5%	
Terra				8.2%	13.7%	9.6%	9.5%	8.8%	9.2%	9.5%	
Crea				19.7%	25.3%	21.4%	19.8%	19.9%	20.9%	21.3%	
GROUP				7.1%	9.8%	12.3%	12.1%	12.0%	12.8%	13.3%	
<b>Sales growth, %</b>											
Vita				-9%	19%	4%	-4%	6%	5%		
Terra				12%	8%	-5%	-7%	4%	3%		
Crea				13%	5%	2%	-6%	2%	2%		
GROUP				2%	12%	0%	-6%	5%	4%		
<b>Sales split, %</b>											
Vita				46%	41%	43%	45%	46%	46%	47%	
Terra				41%	44%	43%	41%	40%	40%	39%	
Crea				13%	15%	14%	14%	14%	14%	13%	

Source: Company data and Nordea estimates



# Risk factors

Below, we introduce the key risk factors that we believe could affect Fiskars' operations and financial performance.

Macroeconomic uncertainties relate mainly to consumer behaviour and consumer confidence	<p><b>Macroeconomic environment</b></p> <p>The current macroeconomic environment creates uncertainties for Fiskars, due to possible changes in consumer behaviour and possibly lower consumer demand. On a global scale, economic growth is expected to be slower in 2023 than in previous years. Exchange rates could also exert pressure on net sales and profitability, although we note that Fiskars has diversified its commercial footprint.</p>
Political risks, e.g. related to China	<p><b>Political environment</b></p> <p>Given the rise in global political tensions, there is risk of trade disputes, sanctions, import restrictions and other geopolitical conflict, all of which could have a material adverse impact on the net sales and profits for Fiskars. Because China is one of the key supplier countries and a strategic focus for Fiskars, any sanctions or import restrictions would have a negative impact on the company.</p>
Functioning supply chains are important for Fiskars Group	<p><b>Supply chain and suppliers</b></p> <p>As seen during COVID-19, any disturbances to the global supply chain could have a negative impact on the net sales and profitability of Fiskars. Given the current macroeconomic environment, the company may face significant fluctuations in prices, as well as issues related to the availability or quality of raw materials, energy, components and finished products from suppliers.</p> <p>Fiskars manages the price, availability and quality risks inherent in contracts with multiple suppliers and by continuously seeking alternative sustainable materials. The company also holds extensive business interruption insurance.</p>
Fiskars has own manufacturing facilities in Europe, Asia and the US, in addition to its suppliers	<p><b>Interruptions to its own manufacturing</b></p> <p>In addition to its supply partners, Fiskars has its own manufacturing facilities in Europe, Asia and the US. Most of these suppliers are located in Asia. Any interruptions to its own manufacturing efforts could have a negative impact on the net sales and profitability of Fiskars. If not met, the high sustainability and quality requirements from customers could have a negative impact on the company's employer or brand reputation, and on consumer trust in the brands.</p> <p>Fiskars strives to build strong and long-term relationships with trusted suppliers to mitigate any risks before they arise. Suppliers are required to follow the Fiskars Supplier Code of Conduct, which sets out non-negotiable minimum standards.</p>
Changes in consumer behaviour patterns, e.g. accelerating growth in the share of online sales, could affect Fiskars Group's net sales and profitability	<p><b>Consumer behaviour</b></p> <p>In addition to possible lower demand caused by the macroeconomic environment, longer-term changes in consumer behaviour could materialise. An increase in online sales could burden physical store sales and have a negative impact on Fiskars' sales and profitability. Digitalisation may also cause faster changes in consumer preferences or introduce new competition to the market.</p> <p>Fiskars focuses on increasing its direct sales, including via its online and own store channels, as well as sustainability, by innovating circular designs and new business models to address the needs of the modern consumer.</p>
Consolidation among wholesale and retail customers could result in lower pricing power	<p><b>Customers</b></p> <p>Fiskars' main customers are wholesale and retail customers, so it is exposed to changes in the retail landscape. Any consolidation of the market could lead to lower pricing power. Retailers may also switch focus in favour of private label items, heralding lower sales for Fiskars' products.</p> <p>Fiskars enjoys a diverse customer base – no single customer accounts for more than 5% of overall revenue.</p>

Fiskars Group depends on centralised IT systems that could be affected, e.g. by cyberattacks

### **IT systems and cyber security**

Fiskars, like most other large companies, increasingly depends on centralised IT systems and suppliers that hold and process critical business information. Breaches or cyberattacks could hurt Fiskars' reputation and in turn hit sales and profits. The development of IT systems typically requires a large investment, while rapid developments within IT could lead them to become obsolete sooner than anticipated.

Fiskars integrates risk management into its decision-making. The security and capabilities of its IT systems are underpinned by various security technologies including network, endpoint and cloud detection and response, firewalls, threat intelligence and security operations.

Some product categories are affected by outside forces, such as weather

### **Seasonality**

Fiskars' product categories have seasonal patterns and negative events relating to product availability, demand or increased manufacturing or logistics costs during the high season can have a substantial bearing on full-year sales and profits. Due to the seasonality of some product categories, weather can have a significant impact on the demand for gardening or snow tools.

Fiskars addresses this seasonality by maintaining a broad and diversified product portfolio and a wide geographical footprint.

Acquisitions, although not high on Fiskars Group's agenda, could pose a risk

### **Acquisitions**

Although acquisitions are not central to its strategy, the company could grow via acquisitions. Acquired businesses may not perform as expected, key individuals may quit and integration costs may top expectations. Synergies could also disappoint.

Fiskars Group's financial investments could cause fluctuations in group earnings

### **Financial investments**

Fiskars' financial investments centre on unlisted private equity funds. The value of its investments may fluctuate with the financial markets and their fair value can be impacted by changing profits and losses.

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Total revenue</b>	<b>1,105</b>	<b>1,205</b>	<b>1,186</b>	<b>1,119</b>	<b>1,090</b>	<b>1,116</b>	<b>1,254</b>	<b>1,248</b>	<b>1,176</b>	<b>1,231</b>	<b>1,278</b>
Revenue growth	44.0%	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-5.8%	4.7%	3.9%
of which organic	3.7%	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-2.5%	4.7%	3.9%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	89	120	137	135	119	174	204	194	198	220	234
Depreciation and impairments PPE	-43	-37	-39	-44	-60	-76	-62	-59	-60	-62	-64
of which leased assets	0	0	0	0	-24	-24	-24	-24	-24	-24	-25
EBITA	47	83	98	92	60	98	143	135	137	158	170
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	47	83	98	92	60	98	143	135	137	158	170
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	23	11	11	9	3	-9	0	-12	-10	-9	-9
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	56	-1	109	2	0	1	1	1	2	1	1
<b>Pre-tax profit</b>	<b>126</b>	<b>93</b>	<b>218</b>	<b>103</b>	<b>63</b>	<b>90</b>	<b>144</b>	<b>124</b>	<b>130</b>	<b>149</b>	<b>162</b>
Reported taxes	-39	-27	-51	-21	-11	-21	-57	-25	-26	-30	-32
Net profit from continued operations	86	65	167	82	52	69	88	99	103	119	129
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	-1	-1	0	-1	-1	-1	-1	-1	-1	-1
Net profit to equity	86	64	166	82	52	68	87	99	102	118	129
<b>EPS, EUR</b>	<b>1.05</b>	<b>0.78</b>	<b>2.03</b>	<b>1.00</b>	<b>0.63</b>	<b>0.83</b>	<b>1.06</b>	<b>1.20</b>	<b>1.26</b>	<b>1.46</b>	<b>1.59</b>
DPS, EUR	0.70	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.84	0.88	0.92
of which ordinary	0.70	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.84	0.88	0.92
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	8.1%	10.0%	11.5%	12.1%	11.0%	15.6%	16.3%	15.6%	16.8%	17.9%	18.3%
EBITA	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.7%	12.8%	13.3%
EBIT	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.7%	12.8%	13.3%

## Adjusted earnings

EBITDA (adj)	108	131	143	145	137	185	216	210	201	220	234
EBITA (adj)	65	94	104	101	78	109	154	151	141	158	170
EBIT (adj)	65	94	104	101	78	109	154	151	141	158	170
EPS (adj, EUR)	1.28	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.30	1.46	1.59

## Adjusted profit margins in percent

EBITDA (adj)	9.8%	10.9%	12.0%	12.9%	12.6%	16.6%	17.2%	16.9%	17.1%	17.9%	18.3%
EBITA (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	12.0%	12.8%	13.3%
EBIT (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	12.0%	12.8%	13.3%

## Performance metrics

CAGR last 5 years											
Net revenue	9.1%	10.2%	9.7%	7.0%	7.3%	0.2%	0.8%	1.0%	1.0%	2.5%	2.8%
EBITDA	1.2%	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	7.9%	13.0%	6.1%
EBIT	-1.1%	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	8.5%	21.4%	11.6%
EPS	-1.7%	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	4.8%	18.4%	13.9%
DPS	-18.1%	23.4%	2.1%	12.3%	n.m.	-3.0%	-6.4%	2.1%	-32.2%	9.5%	8.9%
Average last 5 years											
Average EBIT margin	6.4%	6.4%	6.5%	6.7%	6.6%	7.5%	8.5%	9.0%	9.7%	11.1%	12.0%
Average EBITDA margin	9.9%	9.9%	10.0%	10.3%	10.5%	12.0%	13.4%	14.2%	15.1%	16.4%	17.0%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	10.9	14.3	8.5	10.1	13.3	15.6	19.2	11.0	12.1	10.7	9.9
EV/EBITDA (adj)	8.1	6.0	7.4	4.2	8.7	7.4	9.4	7.5	7.1	6.2	5.6
EV/EBITA (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	10.2	8.6	7.7
EV/EBIT (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	10.2	8.6	7.7

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	13.2	16.8	8.8	11.2	17.9	18.1	21.7	12.8	12.4	10.7	9.9
EV/Sales	0.79	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.22	1.10	1.03
EV/EBITDA	9.8	6.5	7.7	4.4	9.9	7.9	9.9	8.2	7.2	6.2	5.6
EV/EBITA	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	10.4	8.6	7.7
EV/EBIT	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	10.4	8.6	7.7
Dividend yield (ord.)	5.0%	8.1%	4.0%	52.4%	5.0%	4.0%	3.3%	5.2%	5.4%	5.6%	5.9%
FCF yield	-27.4%	8.2%	5.3%	6.7%	5.4%	13.7%	4.6%	-5.9%	20.3%	13.5%	10.6%
FCF Yield bef A&D, lease adj	1.3%	4.3%	4.9%	6.5%	3.5%	11.8%	3.4%	-10.6%	18.4%	11.5%	8.7%
Payout ratio	54.6%	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	64.5%	60.2%	58.0%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	541	526	501	498	508	482	489	500	500	500	500
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	303	296	280	281	289	268	270	279	279	279	279
of which goodwill	237	230	222	217	220	214	219	221	221	221	221
Tangible assets	204	206	201	207	295	265	278	286	295	307	319
of which leased assets	0	0	0	0	86	68	84	88	86	86	86
Shares associates	22	30	30	34	29	24	32	29	29	29	29
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	38	30	29	30	28	27	28	29	0	0	0
Other non-IB non-current assets	0	0	0	0	8	8	4	4	4	4	4
Other non-current assets	0	0	0	0	0	0	7	6	0	0	0
Total non-current assets	804	792	762	770	868	807	838	854	828	839	851
Inventory	234	225	205	220	232	207	273	365	308	286	297
Accounts receivable	211	204	214	220	203	214	206	171	184	217	226
Short-term leased assets	0	0	0	0	23	23	23	23	24	25	25
Other current assets	3	58	53	31	29	29	26	56	29	31	32
Cash and bank	540	482	604	478	9	63	32	118	188	167	207
Total current assets	988	968	1,076	950	496	536	560	731	734	726	787
Assets held for sale	41	0	0	0	0	0	38	0	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>1,833</b>	<b>1,760</b>	<b>1,838</b>	<b>1,719</b>	<b>1,364</b>	<b>1,342</b>	<b>1,435</b>	<b>1,585</b>	<b>1,562</b>	<b>1,565</b>	<b>1,638</b>
Shareholders equity	1,191	1,218	1,269	1,207	761	758	812	832	868	919	976
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	3	2	3	3	4	4	4	4	5	6	7
Total Equity	1,194	1,220	1,272	1,210	765	762	816	836	873	925	983
Deferred tax	50	53	73	44	33	31	32	35	35	35	35
Long term interest bearing debt	183	182	151	151	51	51	1	130	130	80	80
Pension provisions	14	14	13	13	13	13	13	11	0	0	0
Other long-term provisions	5	7	7	5	4	4	3	2	0	0	0
Other long-term liabilities	11	10	7	7	4	5	6	4	0	0	0
Non-current lease debt	0	0	0	0	88	72	89	93	91	91	91
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	262	266	252	220	194	175	144	275	256	206	206
Short-term provisions	11	17	8	5	4	6	15	5	5	5	5
Accounts payable	237	238	247	268	268	310	139	69	136	179	186
Current lease debt	0	0	0	0	23	23	23	23	24	25	25
Other current liabilities	20	9	10	7	2	6	234	183	172	180	187
Short term interest bearing debt	87	11	49	10	109	61	64	195	95	45	45
Total current liabilities	355	274	314	290	406	405	475	475	432	434	449
Liabilities for assets held for sale	23	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>1,834</b>	<b>1,760</b>	<b>1,838</b>	<b>1,719</b>	<b>1,364</b>	<b>1,342</b>	<b>1,436</b>	<b>1,585</b>	<b>1,562</b>	<b>1,565</b>	<b>1,638</b>
<b>Balance sheet and debt metrics</b>											
Net debt	-270	-289	-404	-317	262	144	145	324	153	75	35
of which lease debt	0	0	0	0	111	95	112	115	116	116	117
Working capital	190	240	216	197	194	135	132	339	213	174	181
Invested capital	994	1,032	978	966	1,062	942	969	1,193	1,041	1,013	1,032
Capital employed	1,464	1,413	1,472	1,371	1,036	969	993	1,277	1,215	1,167	1,225
ROE	7.4%	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	12.0%	13.3%	13.6%
ROIC	6.5%	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	9.9%	12.1%	13.1%
ROCE	4.7%	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	11.3%	13.3%	14.2%
Net debt/EBITDA	-3.0	-2.4	-3.0	-2.3	2.2	0.8	0.7	1.7	0.8	0.3	0.2
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	64.9%	69.2%	69.1%	70.2%	55.8%	56.5%	56.6%	52.5%	55.6%	58.7%	59.6%
Net gearing	-22.6%	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	17.6%	8.1%	3.6%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>EBITDA (adj) for associates</b>	<b>89</b>	<b>120</b>	<b>137</b>	<b>135</b>	<b>119</b>	<b>174</b>	<b>204</b>	<b>194</b>	<b>198</b>	<b>220</b>	<b>234</b>
Paid taxes	-18	-60	-26	-26	-18	-20	-36	-29	-26	-30	-32
Net financials	15	23	-1	-5	-3	-4	-5	-7	-10	-9	-9
Change in provisions	11	9	-9	-5	-2	1	9	-13	-13	0	0
Change in other LT non-IB	-7	7	-2	-2	-8	0	-1	-3	31	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	8	-44	-2	-4	5	2	9	6	0	0	0
<b>Funds from operations (FFO)</b>	<b>98</b>	<b>55</b>	<b>97</b>	<b>93</b>	<b>93</b>	<b>153</b>	<b>180</b>	<b>148</b>	<b>179</b>	<b>181</b>	<b>193</b>
Change in NWC	-51	29	7	13	4	46	-57	-209	126	39	-7
<b>Cash flow from operations (CFO)</b>	<b>47</b>	<b>84</b>	<b>104</b>	<b>106</b>	<b>97</b>	<b>199</b>	<b>123</b>	<b>-61</b>	<b>305</b>	<b>220</b>	<b>186</b>
Capital expenditure	-32	-38	-33	-46	-40	-30	-34	-48	-47	-49	-51
<b>Free cash flow before A&amp;D</b>	<b>15</b>	<b>46</b>	<b>71</b>	<b>60</b>	<b>57</b>	<b>169</b>	<b>88</b>	<b>-110</b>	<b>258</b>	<b>171</b>	<b>135</b>
Proceeds from sale of assets	4	48	8	3	1	1	3	36	0	0	0
Acquisitions	-331	-7	-2	-1	-8	-2	-4	0	0	0	0
Free cash flow	-312	88	77	62	50	169	87	-74	258	171	135
Free cash flow bef A&D, lease adj	15	46	71	60	33	145	64	-134	234	147	110
Dividends paid	-79	-59	-87	-60	-51	-46	-49	-63	-66	-68	-71
Equity issues / buybacks	0	-3	0	-3	-1	0	0	-18	0	0	0
Net change in debt	22	-79	7	-43	-1	-45	-48	259	-100	-100	0
Other financing adjustments	354	75	14	17	10	1	2	5	-22	-24	-24
Other non-cash adjustments	-245	-79	110	-99	-475	-26	-23	-23	0	0	0
Change in cash	-261	-58	121	-126	-469	53	-31	86	71	-21	40
<b>Cash flow metrics</b>											
Capex/D&A	75.7%	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	78.0%	79.2%	79.7%
Capex/Sales	2.9%	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.0%	4.0%	4.0%
<b>Key information</b>											
Share price year end (/current)	14	13	18	11	11	15	23	15	16	16	16
Market cap.	1,140	1,071	1,458	915	922	1,227	1,884	1,260	1,272	1,272	1,272
Enterprise value	873	784	1,057	601	1,188	1,375	2,033	1,587	1,430	1,352	1,314
Diluted no. of shares, year-end (m)	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.0	81.0	81.0

Source: Company data and Nordea estimates

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