

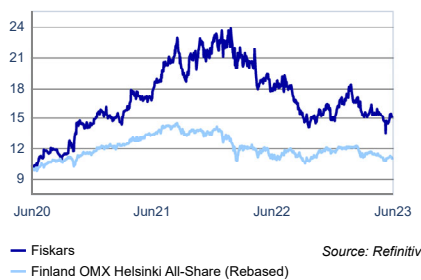
Fiskars

Consumer Goods
Finland

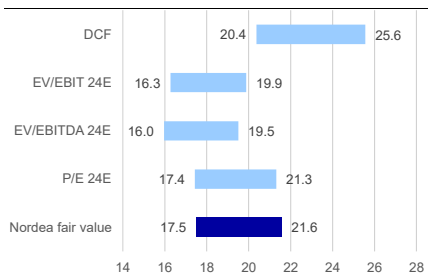
KEY DATA

Stock country	Finland
Bloomberg	FIS1V.FH
Reuters	FSKRS.HE
Share price (close)	EUR 15.16
Free float	58%
Market cap. (bn)	EUR 1.23/EUR 1.23
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)	-2%	-1%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Joni Sandvall
AnalystSvante Krokfors
Director

Challenging market conditions have continued

We expect high inventories at retailers to have continued burdening Fiskars' sales in Q2. However, the outlook for H2 appears more promising, with a likely strong performance in China and ongoing normalisation of Fiskars' inventory levels. We believe the share of direct-to-consumer sales has been increasing and that the company looks set to benefit slightly from its EUR 30m strategy acceleration programme as early as Q2, with an improving run-rate heading into H2. The company's focus in 2023 is on cash flows and profit protection, and we expect growth to return to targeted mid-single-digit levels in 2024. We calculate an unchanged DCF- and multiples-based fair value range of EUR 17.5-21.6 per Fiskars share.

High inventory levels at US retailers have persisted

We model Q2 LFL sales being down 7% y/y. Poor consumer confidence and high inventories at retailers continue to burden the top-line development, although the company has taken active measures to reduce its own inventories. Own production and sourcing volumes have declined by up to 50% y/y, which should have a positive impact on cash flow. Ahead of the important H2 season, we believe the company will move to increase its production levels. The EUR 30m profit-improvement programme should provide a slightly positive impact as soon as Q2, with a more significant boost to H2 earnings. Fiskars targets EUR 15m of savings in 2023.

According to the company, recovery in China has continued in line with March-April datapoints (+30% y/y), supporting gross margins through a higher share of direct-to-consumer sales. In addition, we note the importance of China when considering H2 performance, as sales mix is tilted towards Vita. Lower raw material and logistics costs could become visible with a slight lag owing to low production volumes at present.

We trim 2023-24 estimates slightly and leave 2025E intact

We trim 2023E-24E adjusted EBIT by 1-2% and leave 2025E intact. For 2023, we model an 8% adjusted EBIT decline, 2% above Refinitiv consensus. For Q2E, we are 1% below consensus on sales and 2% below on adjusted EBIT. Fiskars targets a mid-teens EBIT margin for 2025, while we are at 13.3%. We expect a recovery to mid-single-digit sales growth in 2024.

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. Our peer group suggests a fair value range of EUR 16-21, while our DCF valuation suggests a fair value range of EUR 20-26.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,090	1,116	1,254	1,248	1,170	1,229	1,282
EBITDA (adj)	137	185	216	210	198	219	234
EBIT (adj)	78	109	154	151	138	157	170
EBIT (adj) margin	7.1%	9.8%	12.3%	12.1%	11.8%	12.7%	13.3%
EPS (adj, EUR)	0.84	0.96	1.20	1.40	1.28	1.45	1.59
EPS (adj) growth	-23.8%	13.9%	24.6%	16.8%	-8.7%	13.5%	9.4%
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	10.0	8.4	7.5
P/E (adj)	13.3	15.6	19.2	11.0	11.9	10.4	9.5
P/BV	1.2	1.6	2.3	1.5	1.4	1.3	1.3
Dividend yield (ord)	5.0%	4.0%	3.3%	5.2%	5.5%	5.8%	6.1%
FCF Yield bef A&D, lease	3.5%	11.8%	3.4%	-10.6%	19.0%	11.8%	8.9%
Net debt	262	144	145	324	154	77	39
Net debt/EBITDA	2.2	0.8	0.7	1.7	0.8	0.4	0.2
ROIC after tax	6.0%	8.6%	12.8%	11.0%	9.8%	12.1%	13.1%

Source: Company data and Nordea estimates

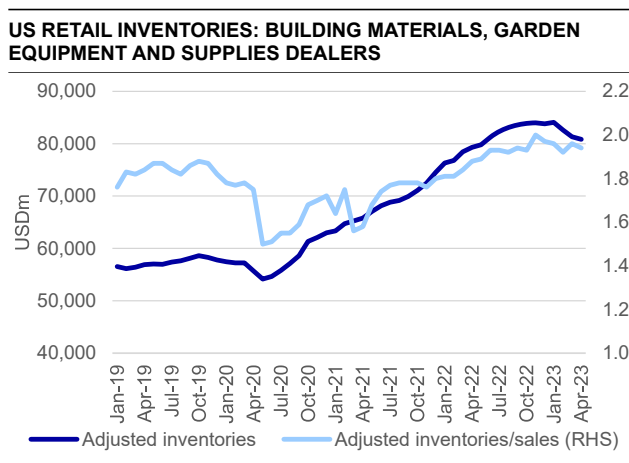
Expectations ahead of the Q2 report

Inventories at US retailers have continued to be at an elevated level, which could have had a negative impact on replenishment sales in Terra in Q2. However, we note the weak gardening season in 2022, which is why we do not expect a similar decline in Terra's sales as in Q1. Chinese sales growth has likely continued in line with March-April (+30% y/y). We highlight the importance of China for H2, which is clearly more important for Vita. The strategy acceleration programme should have a slightly positive impact on Q2 earnings, while a larger impact will become visible in H2 through streamlined operation and lower warehouse and logistics costs. Given low sourcing and own production volumes, we expect a continued inventory reduction and strong cash flows in Q2. We are 1-2% below Refinitiv consensus on sales and adjusted EBIT for Q2E, while we are 2% below on sales and 2% above on adjusted EBIT for 2023E. We expect adjusted EBIT to decline by 8% in 2023 compared to the company's guidance of slightly declining adjusted EBIT in 2023.

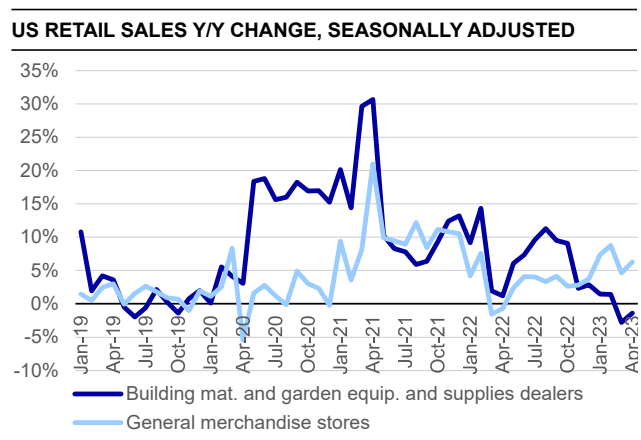
US inventories continue to be at a high level

For Fiskars, H1 is normally driven by Terra. Given continued high inventories at US retailers, we believe replenishment sales will have been soft in Q2. When we look into retail sales of building materials, garden equipment and supplies dealers, sales growth appears to be flattish despite sticky inflation.

We model Terra sales to be down 6% y/y in Q2 and note the exit from Russia in 2022. Fiskars' sales in Russia were mainly derived from Terra. We estimate a negative top-line impact of roughly EUR 5m from the exit.



Source: U.S. Census Bureau



Source: U.S. Census Bureau

We model Fiskars' sales in China increasing by 25% in 2023E

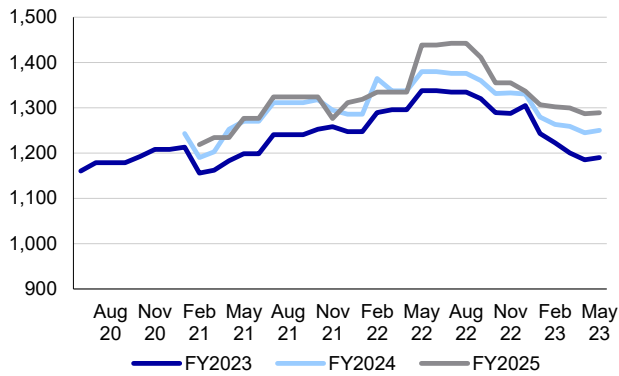
Strong performance in China has likely continued

We highlight China's reopening, as it will likely have a positive impact on Vita's performance. After a soft January-February due to lockdowns, growth in China was, to our understanding, above 30% y/y in March-April. We expect strong sales growth to continue in China and model Fiskars' sales in China increasing by 25% in 2023, while there could be further upside to our estimate depending on the momentum of the reopening. Based on our estimates, China will be one of Fiskars' top three markets by 2025, at the latest.

Consensus expectations

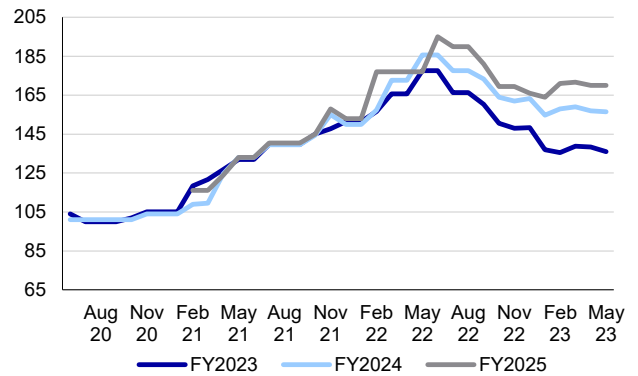
Fiskars will report its Q2 results on 20 July at 8.30 EET. Refinitiv consensus expectations have been lowered since summer 2022 and the profit warning in December 2022, while there were only minor revisions after the Q1 report. Based on consensus expectations, Fiskars is trading at around a 15-20% discount to its five-year average on NTM EV/EBIT and P/E.

CONSENSUS SALES EXPECTATIONS (EURm)



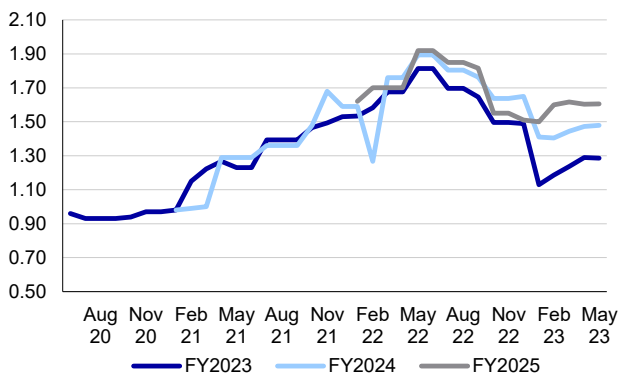
Source: Refinitiv

CONSENSUS EBIT EXPECTATIONS (EURm)



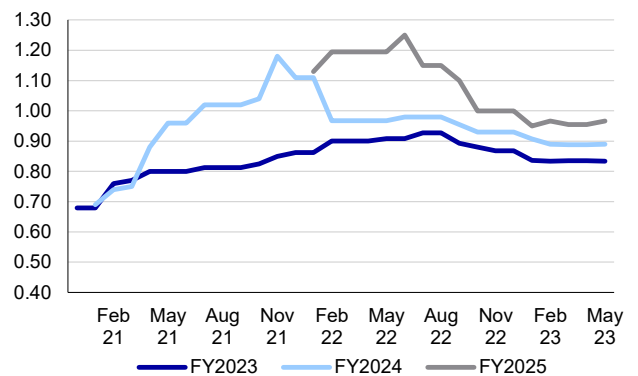
Source: Refinitiv

CONSENSUS EPS EXPECTATIONS (EUR)



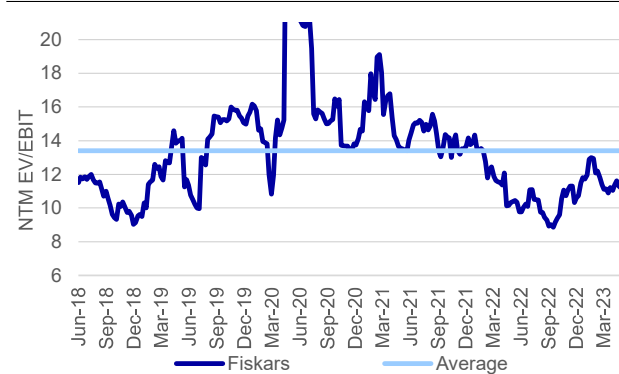
Source: Refinitiv

CONSENSUS DPS EXPECTATIONS (EUR)



Source: Refinitiv

CONSENSUS NTM EV/EBIT (x)



Source: Refinitiv

CONSENSUS NTM P/E (x)



Source: Refinitiv

We are fairly in line with consensus for 2023E-25E

Ahead of the Q2 results, we are slightly below Refinitiv consensus on the top line for 2023E-25E. However, owing to clearly higher gross margin assumptions, we are 2% ahead of consensus on adjusted EBIT for 2023E and in line for 2024E-25E.

OUR ESTIMATES VERSUS CONSENSUS

EURm	Actual	Nordea estimates				Consensus estimates				Difference %			
	2022	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E
Sales	1,248	293	1,170	1,229	1,282	295	1,190	1,250	1,289	-1%	-2%	-2%	-1%
Gross profit	556	136	544	576	607	129	530	565	590	6%	3%	2%	3%
Gross margin	44.5%	46.5%	46.5%	46.9%	47.4%	43.7%	44.5%	45.2%	45.7%	2.8pp	2.0pp	1.7pp	1.7pp
EBITDA	194	44	195	219	234	45	199	219	231	-2%	-2%	0%	1%
EBITDA margin	15.6%	15.0%	16.7%	17.8%	18.2%	15.3%	16.7%	17.5%	17.9%	-0.2pp	0.0pp	0.3pp	0.3pp
Adj. EBIT	151	30	138	157	170	31	136	157	170	-2%	2%	0%	0%
Adj. EBIT margin	12.1%	10.3%	11.8%	12.7%	13.3%	10.3%	11.4%	12.5%	13.2%	-0.1pp	0.4pp	0.2pp	0.1pp
EBIT	135	29	135	157	170	31	136	157	170	-4%	-1%	0%	0%
EBIT margin	10.8%	10.0%	11.5%	12.7%	13.3%	10.3%	11.4%	12.5%	13.2%	-0.4pp	0.1pp	0.2pp	0.1pp
PTP	124	27	127	148	162	26	120	145	158	5%	6%	2%	2%
EPS	1.20	0.27	1.24	1.45	1.59	0.26	1.23	1.44	1.56	4%	1%	1%	2%
Adj. EPS	1.40	0.28	1.28	1.45	1.59	0.26	1.29	1.48	1.61	8%	-1%	-2%	-1%
DPS	0.80		0.84	0.88	0.92		0.83	0.89	0.97		1%	-1%	-5%

Source: Company data, Refinitiv and Nordea estimates

Estimate revisions

We take a slightly more cautious view on the Q2 performance due to high inventories at US retailers and weak consumer confidence. We trim adjusted EBIT by 2% for 2023E and 1% for 2024E, while we leave 2025E intact. We note the EUR 30m strategy acceleration programme, which should support earnings mainly from H2 onwards.

ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E	Q2 2023E	2023E	2024E	2025E
Sales	293	1,170	1,229	1,282	300	1,176	1,231	1,278	-3%	0%	0%	0%
Gross profit	136	544	576	607	139	543	573	602	-2%	0%	1%	1%
Gross margin	46.5%	46.5%	46.9%	47.4%	46.1%	46.2%	46.6%	47.1%	0.4pp	0.3pp	0.3pp	0.3pp
Adj. EBIT	30	138	157	170	32	141	158	170	-7%	-2%	-1%	0%
Adj. EBIT margin	10.3%	11.8%	12.7%	13.3%	10.7%	12.0%	12.8%	13.3%	-0.5pp	-0.1pp	-0.1pp	0.0pp
EBIT	29.1	135	157	170	31.3	137	158	170	-7%	-2%	-1%	0%
EBIT margin	10.0%	11.5%	12.7%	13.3%	10.4%	11.7%	12.8%	13.3%	-0.5pp	-0.1pp	-0.1pp	0.0pp
PTP	27.3	127	148	162	29.5	130	149	162	-7%	-2%	-1%	0%
Adj. EPS, EUR	0.28	1.28	1.45	1.59	0.30	1.30	1.46	1.59	-7%	-2%	-1%	0%
EPS, EUR	0.27	1.24	1.45	1.59	0.29	1.26	1.46	1.59	-7%	-2%	-1%	0%
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
Sales												
Vita	114.5	538.6	570.9	599.5	116.8	539.5	571.8	600.4	-2%	0%	0%	0%
Terra	130.9	463.4	486.6	506.0	136.6	469.7	488.5	503.1	-4%	-1%	0%	1%
Crea	46.2	164.4	168.5	172.7	45.9	163.1	167.1	171.3	1%	1%	1%	1%
Other	1.0	3.5	3.5	3.5	1.0	3.5	3.5	3.5	0%	0%	0%	0%
TOTAL	293	1,169.9	1,229.5	1,281.7	300.3	1,175.7	1,231.0	1,278.4	-3%	0%	0%	0%
Adj. EBIT												
Vita	11.2	85.0	96.6	104.6	12.1	85.6	97.1	105.2	-8%	-1%	-1%	-1%
Terra	13.7	39.5	44.2	48.4	15.0	41.6	45.1	48.0	-9%	-5%	-2%	1%
Crea	9.1	32.7	35.2	36.7	9.0	32.5	35.0	36.4	1%	1%	1%	1%
Other	-4.0	-19.2	-19.4	-19.7	-4.0	-19.2	-19.4	-19.7	0%	0%	0%	0%
TOTAL	30.0	138.2	156.6	170.0	32.2	140.6	157.8	170.0	-7%	-2%	-1%	0%
Adj. EBIT margin												
Vita	9.8%	15.8%	16.9%	17.5%	10.4%	15.9%	17.0%	17.5%	-0.6pp	-0.1pp	-0.1pp	-0.1pp
Terra	10.5%	8.5%	9.1%	9.6%	11.0%	8.8%	9.2%	9.5%	-0.5pp	-0.3pp	-0.1pp	0.0pp
Crea	19.7%	19.9%	20.9%	21.3%	19.7%	19.9%	20.9%	21.3%	0.0pp	0.0pp	0.0pp	0.0pp
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.
TOTAL	10.3%	11.8%	12.7%	13.3%	10.7%	12.0%	12.8%	13.3%	-0.5pp	-0.1pp	-0.1pp	0.0pp

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	292.7	278.0	324.3
growth y/y	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-8%	-5%	7%
LFL	23%	14%	10%	11%	14%	8%	0%	-12%	-13%	-7%	-1%	8%
Gross profit	131.9	132.4	122.6	152.8	147.9	140.2	133.3	134.6	127.7	136.2	130.2	149.7
Gross margin	43.7%	43.1%	42.0%	43.3%	44.5%	43.9%	45.6%	44.3%	46.4%	46.5%	46.8%	46.2%
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	-3.9	-1.7	-3.1
EBIT	45.9	38.3	34.7	23.8	41.4	39.5	29.5	24.4	29.1	29.1	36.3	40.5
EBIT margin	15.2%	12.5%	11.9%	6.7%	12.4%	12.4%	10.1%	8.0%	10.6%	10.0%	13.1%	12.5%
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	30.0	36.3	40.5
Adj. EBIT margin	15.4%	13.4%	11.7%	9.1%	15.5%	11.4%	11.4%	9.8%	11.4%	10.3%	13.1%	12.5%
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	27.3	34.5	38.7
Taxes	-33.7	-9	-8	-5.9	-11.2	-5.8	-4.9	-3.1	-5.8	-5.5	-6.9	-7.7
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	21.9	27.6	30.9
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	0.27	0.34	0.38
Adj. EPS	0.11	0.42	0.36	0.33	0.51	0.37	0.33	0.20	0.29	0.28	0.34	0.38

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
Net sales												
Vita	108.2	115.6	133.8	187.0	120.8	126.8	140.3	175.9	107.7	114.5	133.6	182.8
Terra	157.1	148.7	111.5	118.2	173.1	139.4	108.1	86.7	129.5	130.9	103.8	99.2
Crea	35.9	42.2	45.6	46.9	38.1	51.9	43.1	40.3	37.3	46.2	39.5	41.3
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	292.7	278.0	324.3
Adj. EBIT												
Vita	10.6	12.2	24.5	31.9	10.7	14.4	24.6	35.9	7.8	11.2	25.2	40.9
Terra	31.2	17.4	6.2	-3.2	35.5	15.0	5.2	-7.3	22.8	13.7	6.0	-3.0
Crea	8.1	11.3	11.4	5.7	8.1	11.7	10.0	4.5	7.8	9.1	9.2	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	30.0	36.3	40.5
Adj. EBIT margin												
Vita	9.8%	10.6%	18.3%	17.1%	8.9%	11.4%	17.5%	20.4%	7.2%	9.8%	18.8%	22.4%
Terra	19.9%	11.7%	5.6%	-2.7%	20.5%	10.8%	4.8%	-8.4%	17.6%	10.5%	5.8%	-3.1%
Crea	22.6%	26.8%	25.0%	12.2%	21.3%	22.5%	23.2%	11.2%	20.9%	19.7%	23.2%	16.1%
GROUP	15.4%	13.5%	11.7%	9.1%	15.6%	11.4%	11.3%	9.7%	11.3%	10.3%	13.1%	12.5%
Sales growth, %												
Vita	16%	43%	21%	9%	12%	10%	5%	-6%	-11%	-10%	-5%	4%
Terra	22%	-3%	-1%	21%	10%	-6%	-3%	-27%	-25%	-6%	-4%	14%
Crea	11%	-6%	10%	8%	6%	23%	-5%	-14%	-2%	-11%	-8%	2%
GROUP	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-8%	-5%	7%
Sales split, %												
Vita	36%	38%	46%	53%	36%	40%	48%	58%	39%	39%	48%	56%
Terra	52%	48%	38%	33%	52%	44%	37%	29%	47%	45%	37%	31%
Crea	12%	14%	16%	13%	11%	16%	15%	13%	14%	16%	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	1169.9	1229.5	1281.7	1%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-6%	5%	4%	
LFL	2%	2%	-2%	-4%	4%	14%	2%	-3%	5%	4%	
Gross profit	502.8	512.2	485.0	447.3	452.0	539.7	556.0	543.9	576.5	607.4	3%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	46.5%	46.9%	47.4%	
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	-283.7	-298.6	3%
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	-8.7	-5.5	-5.9	-13%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	135.0	156.6	170.0	8%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.5%	12.7%	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	138.2	156.6	170.0	4%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	11.8%	12.7%	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	127.1	148.0	161.9	9%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-25.9	-29.6	-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	101.2	118.4	129.6	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	1.24	1.45	1.59	10%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.28	1.45	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
Net sales											
Vita				501	457	545	564	539	571	599	2%
Terra				443	494	535	507	463	487	506	0%
Crea				143	162	171	173	164	168	173	0%
Other				4	4	4	4	4	4	4	-4%
GROUP				1090	1116	1254	1248	1170	1229	1282	1%
Adj. EBIT											
Vita				38.9	41.0	79.2	85.6	85.0	96.6	104.6	7%
Terra				36.2	67.5	51.6	48.4	39.5	44.2	48.4	0%
Crea				28.1	41.0	36.5	34.3	32.7	35.2	36.7	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	138.2	156.6	170.0	4%
Adj. EBIT margin											
Vita				7.8%	9.0%	14.5%	15.2%	15.8%	16.9%	17.5%	
Terra				8.2%	13.7%	9.6%	9.5%	8.5%	9.1%	9.6%	
Crea				19.7%	25.3%	21.4%	19.8%	19.9%	20.9%	21.3%	
GROUP				7.1%	9.8%	12.3%	12.1%	11.8%	12.7%	13.3%	
Sales growth, %											
Vita					-9%	19%	4%	-4%	6%	5%	
Terra					12%	8%	-5%	-9%	5%	4%	
Crea					13%	5%	2%	-5%	2%	2%	
GROUP					2%	12%	0%	-6%	5%	4%	
Sales split, %											
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

Valuation

Based on a broad multiples-based approach and a DCF model, we derive a fair value range of EUR 17.5-21.6 per share for Fiskars Group. Our peer group consists of 13 listed peers, of which five are Nordic consumer goods peers and eight are global peers with exposure to at least one of Fiskars' three business areas.

We use a multiples- and DCF-based valuation approach

We derive a fair value range of EUR 17.5-21.6 for Fiskars

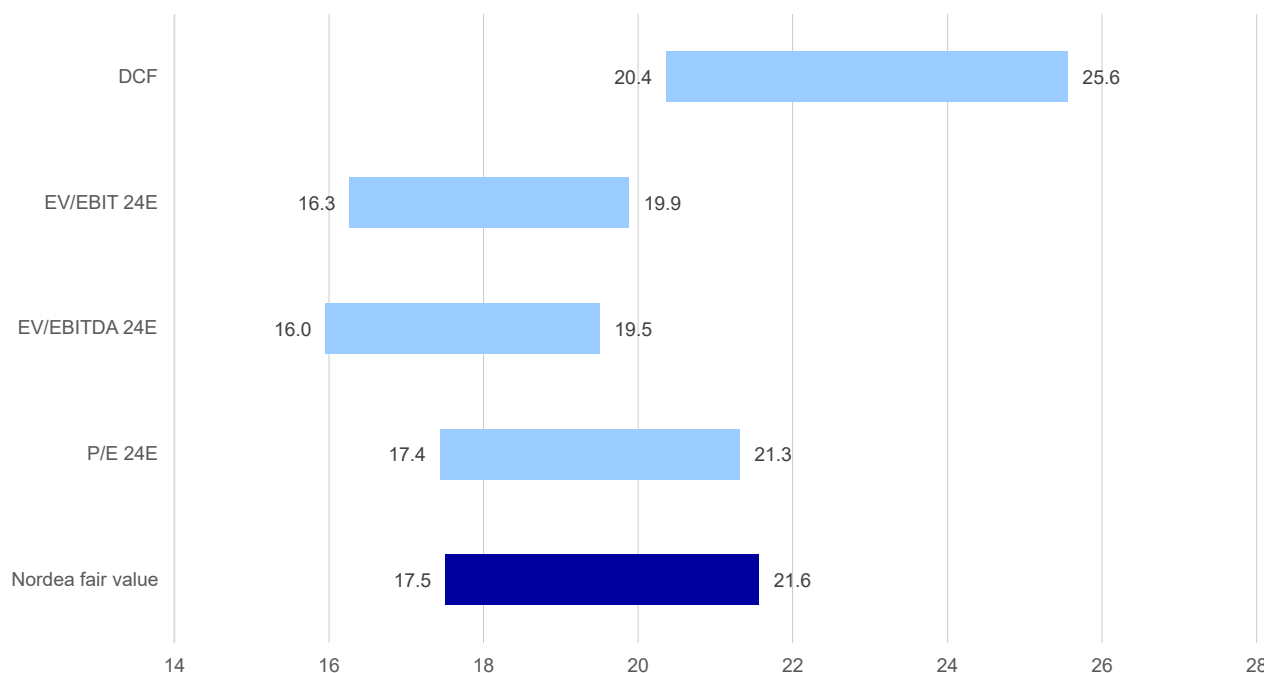
Using a combination of valuation multiples and a DCF model, we derive a fair value range of EUR 17.5-21.6 per share for Fiskars.

Our fair value range is based on 13 peers and a DCF model

Fiskars has no direct listed peers in the Nordics or globally. We therefore select a peer group that reflects Fiskars' offering and company profile. We categorise the companies into global and Nordic peers. Our global group consists of eight peers with exposure to at least one of Fiskars' three business areas. The Nordic group includes five consumer goods peers.

We base our valuation on a DCF model, with peer group valuation multiples for 2024E.

FAIR VALUE RANGE BASED ON DIFFERENT VALUATION METHODS (EUR)



Source: Nordea estimates

Our peer group suggests a fair value range of EUR 16.0-21.3

Looking at peers' 2024E EV/EBITDA, EV/EBIT and P/E multiples, the valuation range is EUR 16.0-21.3 per Fiskars share.

We focus mainly on EV/EBIT in our peer multiple valuation

The table below illustrates the valuation multiples that we derive for Fiskars based on the current share price (EUR 15.2 as of 19 June 2023) and our fair value range (EUR 17.5-21.6). We believe investors will focus mainly on EV/EBIT multiples.

FISKARS: DERIVED VALUATION MULTIPLES USING OUR FAIR VALUE RANGE AND THE CURRENT SHARE PRICE (AS OF 19 JUNE)

	Share price EUR 17.5			Share price EUR 21.6			Current share price EUR 15.2		
	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
EV/sales	1.4x	1.3x	1.2x	1.7x	1.6x	1.5x	1.3x	1.2x	1.1x
EV/EBITDA	8.3x	7.9x	6.8x	9.9x	9.6x	8.4x	7.5x	7.0x	6.0x
EV/EBIT	11.6x	11.4x	9.5x	13.9x	13.8x	11.7x	10.4x	10.0x	8.4x
P/E	12.5x	13.7x	12.1x	15.4x	16.9x	14.9x	10.9x	11.9x	10.5x
FCF yield	-9.3%	16.5%	10.2%	-7.5%	13.3%	8.3%	-10.7%	18.9%	11.7%
Dividend yield	4.6%	4.8%	5.0%	3.7%	3.9%	4.1%	5.2%	5.5%	5.8%

Source: Nordea estimates

Our fair value range corresponds to EV/EBIT of 11.4-13.8x for 2023E and 9.5-11.7x for 2024E

Our fair value range of EUR 17.5-21.6 implies 2023E-24E EV/EBITDA of 6.8-9.6x. Our fair value range corresponds to EV/EBIT multiples of 11.4-13.8x for 2023E and 9.5-11.7x for 2024E.

Our fair value range corresponds to 2023E and 2024E P/E of 13.7-16.9x and 12.1-14.9x, respectively, and FCF yields of 13.3-16.5% and 8.3-10.2% for the same respective years. We note that we expect a high release of working capital due to elevated inventories, especially for 2023. The dividend yields on our fair value range are 3.9-4.8% for 2023E and 4.1-5.0% for 2024E, assuming a ~65% payout ratio. The company's dividend policy is to distribute a stable dividend, increasing over time.

Relative valuation

There are no direct peers for Fiskars, so we use a blended peer group

As noted earlier, there are no direct listed peers for Fiskars in the Nordics or globally. Among the Nordic companies, Husqvarna is a relevant peer for the Terra business area, while among global peers, Villeroy & Boch AG and Groupe SEB are relevant for Vita. Luxury brand Hermès is included on our global peers list to reflect Fiskars Group's exposure to luxury brands, representing ~25% of group sales.

We use a broad peer group

In our approach, we use a broad peer group to calculate the relevant average and median valuation multiples, as presented in the table below.

PEER GROUP VALUATION MULTIPLES

	EV / SALES			EV / EBITDA			EV / EBIT			P/E		
	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
Global Peers												
Hermes International Sca	17.4x	14.7x	13.2x	36.6x	31.4x	27.4x	42.3x	35.1x	30.9x	60.8x	51.8x	46.1x
Leifheit Ag	0.8x	0.8x	0.8x	20.2x	13.2x	6.9x	73.9x	39.7x	9.8x	146.2x	65.5x	13.7x
Lifetime Brands Inc	0.4x	0.5x	0.4x	5.8x	5.8x	4.1x	9.7x	7.3x	5.9x	15.2x	7.9x	5.7x
Newell Brands Inc	0.8x	0.9x	0.9x	6.9x	8.0x	6.7x	8.8x	10.4x	8.9x	4.9x	8.6x	6.7x
Seb Sa	0.8x	0.8x	0.8x	7.8x	6.9x	5.8x	11.6x	9.9x	8.0x	14.6x	12.4x	10.4x
Societe Bic Sa	0.9x	0.9x	0.8x	4.5x	4.4x	4.1x	6.4x	6.0x	5.3x	10.4x	10.3x	9.5x
Stanley Black & Decker Inc	1.0x	1.1x	1.1x	12.3x	16.1x	10.0x	18.0x	25.3x	13.3x	18.9x	89.5x	17.9x
Villeroy & Boch Ag	0.5x	0.5x	0.5x	2.8x	2.9x	2.4x	3.9x	4.1x	3.4x	7.2x	7.5x	7.0x
Global Average	2.8x	2.5x	2.3x	12.1x	11.1x	8.4x	21.8x	17.2x	10.7x	34.8x	31.7x	14.6x
Global Median	0.8x	0.9x	0.8x	7.4x	7.5x	6.3x	10.6x	10.2x	8.4x	14.9x	11.4x	9.9x
Nordic Peers												
Husqvarna Ab	1.0x	1.1x	1.0x	9.4x	9.0x	7.6x	19.0x	14.7x	11.8x	23.1x	18.3x	14.0x
Marimekko Oyj	2.3x	2.1x	2.0x	9.3x	9.4x	7.9x	12.3x	12.2x	10.2x	16.7x	16.7x	13.9x
Orthex Oyj	1.2x	1.2x	1.2x	11.3x	7.9x	6.6x	19.7x	11.4x	9.1x	37.2x	13.7x	10.7x
Rapala Vmc Oyj	1.0x	1.0x	1.0x	9.0x	11.0x	8.4x	13.7x	20.4x	12.8x	26.4x	24.6x	13.4x
Thule Group Ab	3.1x	3.6x	3.3x	16.2x	19.1x	16.0x	18.0x	22.1x	18.1x	21.9x	27.1x	21.9x
Nordic Average	1.7x	1.8x	1.7x	11.0x	11.3x	9.3x	16.5x	16.2x	12.4x	25.1x	20.1x	14.8x
Nordic Median	1.2x	1.2x	1.2x	9.4x	9.4x	7.9x	18.0x	14.7x	11.8x	23.1x	18.3x	13.9x
Total Average	2.6x	2.4x	2.2x	12.4x	11.9x	9.3x	21.1x	17.9x	12.0x	33.0x	28.9x	15.3x
Total Median	1.0x	1.0x	1.0x	9.3x	9.0x	6.9x	13.7x	12.2x	9.8x	18.9x	16.7x	13.4x
Fiskars (NDA)	1.3x	1.2x	1.1x	7.5x	7.0x	6.0x	10.4x	10.1x	8.4x	11.0x	11.9x	10.5x
<i>difference (median)</i>	29%	16%	11%	-20%	-22%	-13%	-24%	-18%	-15%	-42%	-28%	-21%
Fiskars (cons.)	1.3x	1.4x	1.3x	6.5x	7.2x	6.4x	9.1x	10.6x	8.9x	10.3x	11.9x	10.3x
<i>difference (median)</i>	33%	32%	35%	-30%	-20%	-7%	-34%	-13%	-9%	-45%	-29%	-23%

Note: Data as of 13 April 2023

Source: Refinitiv and Nordea estimates

We expect the main valuation multiple to be EV/EBIT

The total peer group is trading at an average EV/EBIT of 17.9x for 2023E and a median of 12.2x. The salient multiples for 2024E are 12.0x and 9.8x, respectively.

DCF valuation

Our DCF model suggests a fair equity value range of EUR 1.7-2.1bn, or EUR 20.3-25.6 per share

On top of our relative valuation, we use a standard DCF model in our valuation of Fiskars. Below, we illustrate our general assumptions for calculating our DCF value range. Based on a WACC of 7.4-9.0%, our DCF indicates a fair equity value range of EUR 1.7-2.1bn or EUR 20.3-25.6 per share. The valuation model is built upon a stringent DCF framework, in which our ROIC-WACC modelling prevents above-market returns in perpetuity.

DCF VALUATION ASSUMPTIONS

Averages and assumptions	2023-28	2029-33	2034-38	2039-43	2044-48	2049-53	Sust.
Sales growth, CAGR	4.1%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT margin, excl associates	13.3%	13.0%	13.0%	13.0%	13.0%	5.0%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
NWC/sales	14.8%	15.0%	15.0%	15.0%	15.0%	15.0%	
FCFF, CAGR	-9.8%	3.1%	2.5%	2.5%	2.5%	-18.2%	2.5%

Source: Nordea estimates

An estimated 54% of the DCF value is related to the first ten years, and 93% falls into our 30-year estimate cycle, according to the table below. We apply a 2.5% terminal growth rate, which is in line with Nordea's standard assumption. The applied WACC of 7.4-9% is based on Nordea's standard assumption of the risk-free rate and risk premium, as well as a beta of 1.6-2.1x and a 70% equity weighting.

DCF VALUE BREAKDOWN FOR FISKARS (EUR/SHARE)

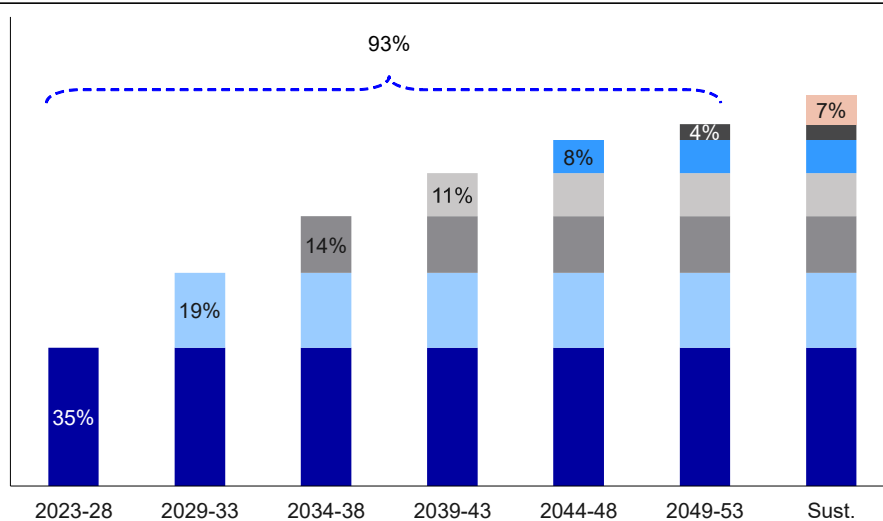
DCF value	Value	Per share
NPV FCFF	1894 - 2315	23.4 - 28.6
(Net debt)	-324	-4.0
Market value of associates	0	0.0
(Market value of minorities)	-4	-0.1
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	83	1.0
DCF Value	1650 - 2070	20.4 - 25.6

Source: Nordea estimates

WACC BREAKDOWN FOR FISKARS

WACC components	
Risk-free interest rate	3.0%
Market risk premium	4.0%
Forward looking asset beta	n.m.
Beta debt	0.0
Forward looking equity beta	1.6-2.1
Cost of equity	9.2-11.6%
Cost of debt	4.0%
Tax-rate used in WACC	21%
Equity weight	70%
WACC	7.4-9%

Source: Nordea estimates

DCF VALUE BREAKDOWN FOR FISKARS, 2023E-53E

Source: Nordea estimates

DCF sensitivity

In the table below, we provide a DCF sensitivity analysis of the equity value, with varying levels of sales growth, EBIT margins and WACC. Using changes of ± 0.5 pp for WACC, ± 0.5 pp for sales growth, and ± 0.5 pp for the EBIT margin, our DCF model yields a value range of EUR 20.2-25.1 per share, as shown in the table below.

DCF SENSITIVITY (EUR PER SHARE)

		WACC				
		7.1%	7.6%	8.1%	8.6%	9.1%
EBIT marg. change	+1.0pp	28.9	26.6	24.6	22.8	21.3
	+0.5pp	27.9	25.7	23.8	22.1	20.6
		26.8	24.8	23.0	21.4	20.0
	-0.5pp	25.8	23.8	22.2	20.7	19.4
	-1.0pp	24.8	22.9	21.4	20.0	18.8

		WACC				
		7.1%	7.6%	8.1%	8.6%	9.1%
Sales gr. change	+1.0pp	28.9	26.5	24.5	22.8	21.2
	+0.5pp	27.8	25.6	23.7	22.1	20.6
		26.8	24.8	23.0	21.4	20.0
	-0.5pp	25.9	23.9	22.3	20.8	19.5
	-1.0pp	25.0	23.2	21.6	20.2	19.0

		Sales growth change				
		-1.0pp	-0.5pp		+0.5pp	+1.0pp
EBIT margin change	+1.0pp	23.0	23.8	24.6	25.4	26.3
	+0.5pp	22.3	23.0	23.8	24.6	25.4
		21.6	22.3	23.0	23.7	24.5
	-0.5pp	20.9	21.5	22.2	22.9	23.6
	-1.0pp	20.2	20.8	21.4	22.0	22.7

Source: Nordea estimates

What if Fiskars could achieve a 5% sales CAGR with a 15% EBIT margin?

In addition to our base case, in which we expect a 1% sales CAGR for 2022-25 and a 13.3% adjusted EBIT margin for 2025, we provide a what-if scenario.

In our scenario, we assume Fiskars will reach a 5% sales CAGR for 2022-25, reaching EUR 1.45bn in sales for 2025.

Similarly, we assume roughly a 1 pp annual EBIT margin improvement for 2023-25, leading to a 15% adjusted EBIT margin for 2025. Given our EUR 1.45bn top-line projection, a 15% EBIT margin would yield EUR 217m in adjusted EBIT for 2025E.

We assume similar net financial expenses (EUR 8-9m annually), minority interest (EUR 0.8m annually) and tax rate (20%) as in our base case. The number of shares is 81 million from 2023 onwards.

If we assume a dividend payment in line with our base case, higher profitability would bring EUR 90m in additional cash flow for 2023-25 compared to our base case, we calculate. We adjust our net debt assumptions accordingly in our what-if-scenario.

Based on our what-if scenario, 2025E EV/EBIT would be 5.5x and P/E 7.5x.

If we use 12-14x EV/EBIT and a 10% cost of equity as a discount factor, this would yield a fair value range of EUR 26.1-30.7 per Fiskars share when discounted to the end of 2023E.

WHAT-IF SCENARIO WITH A 5% SALES CAGR AND 15% EBIT MARGIN FOR 2025E (EURm AND EPS IN EUR)

Base case	2022	2023E	2024E	2025E
Net sales	1,248	1,170	1,229	1,282
sales growth, y/y	0%	-6%	5%	4%
Adj. EBIT margin	151 12.1%	138 11.8%	157 12.7%	170 13.3%
Net financials	-11.6	-9.6	-9.1	-8.6
PTP	124	127	148	162
Taxes	-25	-26	-30	-32
Tax rate	20%	20%	20%	20%
Net profit	99	101	118	130
EPS	1.20	1.24	1.45	1.59
EV/EBIT (adj.)	10.5x	10.1x	8.4x	7.5x
P/E	12.8x	12.3x	10.5x	9.6x
What-if-scenario	2022	2023E	2024E	2025E
Net sales	1248	1311	1376	1445
sales growth, y/y	0%	5%	5%	5%
Adj. EBIT margin	151 12.1%	170 13%	193 14%	217 15%
Net financials	-11.6	-9.6	-9.1	-8.6
PTP	124	158	184	208
Taxes	-25	-32	-37	-42
Tax rate	20%	20%	20%	20%
Net income	99	126	147	167
EPS	1.20	1.55	1.80	2.04
EV/EBIT	10.5x	8.0x	6.5x	5.5x
P/E	12.8x	9.9x	8.5x	7.5x

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.

<p>Macroeconomic uncertainties relate mainly to consumer behaviour and consumer confidence</p>	<p>Macroeconomic environment</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>
<p>Political risks, e.g. related to China</p>	<p>Political environment</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>
<p>Functioning supply chains are important for Fiskars Group</p>	<p>Supply chain and suppliers</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>
<p>Fiskars has own manufacturing facilities in Europe, Asia and the US, in addition to its suppliers</p>	<p>Interruptions to its own manufacturing</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>
<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>	<p>Consumer behaviour</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>
<p>Consolidation among wholesale and retail customers could result in lower pricing power</p>	<p>Customers</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
Total revenue	1,105	1,205	1,186	1,119	1,090	1,116	1,254	1,248	1,170	1,229	1,282
Revenue growth	44.0%	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-6.3%	5.1%	4.2%
of which organic	3.7%	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-3.5%	5.1%	4.2%
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	195	219	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	135	157	170
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	47	83	98	92	60	98	143	135	135	157	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
Pre-tax profit	126	93	218	103	63	90	144	124	127	148	162
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	101	118	130
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	100	118	129
EPS, EUR	1.05	0.78	2.03	1.00	0.63	0.83	1.06	1.20	1.24	1.45	1.59
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%	16.7%	17.8%	18.2%
EBITA	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.5%	12.7%	13.3%
EBIT	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	11.5%	12.7%	13.3%

Adjusted earnings

EBITDA (adj)	108	131	143	145	137	185	216	210	198	219	234
EBITA (adj)	65	94	104	101	78	109	154	151	138	157	170
EBIT (adj)	65	94	104	101	78	109	154	151	138	157	170
EPS (adj, EUR)	1.28	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.28	1.45	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%	17.0%	17.8%	18.2%
EBITA (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	11.8%	12.7%	13.3%
EBIT (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	11.8%	12.7%	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%	0.9%	2.4%	2.8%
EBITDA	1.2%	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	7.6%	12.9%	6.1%
EBIT	-1.1%	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	8.1%	21.2%	11.7%
EPS	-1.7%	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	4.4%	18.2%	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%	16.9%

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	11.9	10.4	9.5
EV/EBITDA (adj)	8.1	6.0	7.4	4.2	8.7	7.4	9.4	7.5	7.0	6.0	5.4
EV/EBITA (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	10.0	8.4	7.5
EV/EBIT (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	10.0	8.4	7.5

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	12.2	10.4	9.5
EV/Sales	0.79	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.19	1.07	0.99
EV/EBITDA	9.8	6.5	7.7	4.4	9.9	7.9	9.9	8.2	7.1	6.0	5.4
EV/EBITA	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	10.3	8.4	7.5
EV/EBIT	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	10.3	8.4	7.5
Dividend yield (ord.)	5.0%	8.1%	4.0%	52.4%	5.0%	4.0%	3.3%	5.2%	5.5%	5.8%	6.1%
FCF yield	-27.4%	8.2%	5.3%	6.7%	5.4%	13.7%	4.6%	-5.9%	20.9%	13.8%	10.9%
FCF Yield bef A&D, lease adj	1.3%	4.3%	4.9%	6.5%	3.5%	11.8%	3.4%	-10.6%	19.0%	11.8%	8.9%
Payout ratio	54.6%	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	65.7%	60.7%	57.9%

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	320
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	852
Inventory	234	225	205	220	232	207	273	365	307	285	298
Accounts receivable	211	204	214	220	203	214	206	171	183	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	187	165	203
Total current assets	988	968	1,076	950	496	536	560	731	731	723	784
Assets held for sale	41	0	0	0	0	0	38	0	n.a.	n.a.	n.a.
Total assets	1,833	1,760	1,838	1,719	1,364	1,342	1,435	1,585	1,558	1,562	1,636
Shareholders equity	1,191	1,218	1,269	1,207	761	758	812	832	866	916	973
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	871	922	980
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	4	5	5
Accounts payable	237	238	247	268	268	310	139	69	135	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	171	180	188
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	431	434	450
Liabilities for assets held for sale	23	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	1,834	1,760	1,838	1,719	1,364	1,342	1,436	1,585	1,558	1,562	1,636
Balance sheet and debt metrics											
Net debt	-270	-289	-404	-317	262	144	145	324	154	77	39
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	212	174	181
Invested capital	994	1,032	978	966	1,062	942	969	1,193	1,040	1,013	1,033
Capital employed	1,464	1,413	1,472	1,371	1,036	969	993	1,277	1,213	1,164	1,223
ROE	7.4%	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	11.8%	13.2%	13.6%
ROIC	6.5%	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	9.8%	12.1%	13.1%
ROCE	4.7%	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	11.1%	13.2%	14.3%
Net debt/EBITDA	-3.0	-2.4	-3.0	-2.3	2.2	0.8	0.7	1.7	0.8	0.4	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%	58.6%	59.5%
Net gearing	-22.6%	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	17.7%	8.4%	4.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (adj) for associates	89	120	137	135	119	174	204	194	195	219	234
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	-14	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
Funds from operations (FFO)	98	55	97	93	93	153	180	148	178	180	193
Change in NWC	-51	29	7	13	4	46	-57	-209	127	38	-7
Cash flow from operations (CFO)	47	84	104	106	97	199	123	-61	304	218	186
Capital expenditure	-32	-38	-33	-46	-40	-30	-34	-48	-47	-49	-51
Free cash flow before A&D	15	46	71	60	57	169	88	-110	257	169	134
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	257	169	134
Free cash flow bef A&D, lease adj	15	46	71	60	33	145	64	-134	233	145	109
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	70	-23	39
Cash flow metrics											
Capex/D&A	75.7%	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	78.0%	79.5%	80.3%
Capex/Sales	2.9%	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.0%	4.0%	4.0%
Key information											
Share price year end (/current)	14	13	18	11	11	15	23	15	15	15	15
Market cap.	1,140	1,071	1,458	915	922	1,227	1,884	1,260	1,228	1,228	1,228
Enterprise value	873	784	1,057	601	1,188	1,375	2,033	1,587	1,387	1,311	1,274
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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