

13 September 2023

## Commissioned research: Fiskars – Simplification of organisational structure continues – targets EUR 25m cost savings

*Marketing material commissioned by Fiskars*

This morning, Fiskars announced its plans to simplify its organizational structure to speed up the continued transformation of the company and to increase efficiency. The company aims to combine Business areas Terra and Crea into one business area, Fiskars. Current business area Vita would continue to be organized as it is. Furthermore, the company aims to simplify its global supply chain organization to increase efficiency and ensure competitiveness. The planned changes are expected to lead to a net reduction of approximately 400 roles (~7% of workforce) globally while Fiskars targets approximately EUR 25m cost savings, of which majority would realize during 2024. One-off costs related to planned changes are expected to be around EUR 6m, recorded in Q4 2023. Now announced cost savings come on top of the EUR 30m cost savings announced in January 2023. Following the planned change, Fiskars plans to revise its reporting structure. As of Q4 2023, reporting segments would be Business areas Vita and Fiskars and segment Other. In addition, the company makes changes to its leadership team as Executive Vice President for Business area Terra, will leave the company, and Chief Sales officer Americas and President Americas, is stepping out of the Leadership Team. Furthermore, Fiskars will continue to have direct-to-consumer organization within Business area Vita, which we view as logical step as majority of the DTC sales are generated in Vita, and as we believe DTC sales to be more challenging to ramp-up within other business areas due to the product range. We view simplification as a logical step which should improve Fiskars brand recognition and improve efficiency as sourcing and sales channels of Terra and Crea are similar. In addition, given the challenging market conditions, we believe the company has been running behind its ambitions regarding both top line and profitability. We have anticipated market conditions to improve in 2024, while now announced cost savings should reduce estimate risks related to 2024. Fiskars will host a CMD event on 2 November, where we expect it to present more tangible bridge towards targeted mid-teens EBIT margin by 2025. Refinitiv consensus has been expecting 12.6% EBIT margin by 2025. We have been 3% below consensus on adjusted EBIT for 2023E, while we have been 8% above consensus for 2024E and 3% above for 2025E.

### Group leadership team as of 13 September

- Nathalie Ahlström, President and CEO
- Jussi Siitonen, Chief Financial Officer & deputy to the CEO
- Christian Bachler, Executive Vice President, Business Area Vita
- Peter Holmberg, Chief Digital Officer

- Gennady Jilinski, Chief Sales Officer, Europe and APAC (excl. China)
- Anna Mindelöf, Chief People Officer
- Aamir Shaukat, Chief Supply Chain Officer

#### FISKARS: OUR ESTIMATES VS. CONSENSUS

EURm	Actual		Nordea estimates			Consensus estimates				Difference %			
	2022	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
<b>Sales</b>	<b>1,248</b>	<b>259</b>	<b>1,109</b>	<b>1,187</b>	<b>1,246</b>	<b>267</b>	<b>1,123</b>	<b>1,196</b>	<b>1,248</b>	<b>-3%</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>
Gross profit	556	121	518	559	592	123	513	549	580	-1%	1%	2%	2%
<b>Gross margin</b>	<b>44.5%</b>	<b>46.8%</b>	<b>46.7%</b>	<b>47.1%</b>	<b>47.5%</b>	<b>45.9%</b>	<b>45.7%</b>	<b>45.9%</b>	<b>46.5%</b>	<b>0.9pp</b>	<b>1.0pp</b>	<b>1.3pp</b>	<b>1.0pp</b>
EBITDA	194	44	178	207	224	45	184	201	221	-2%	-3%	3%	1%
EBITDA margin	15.6%	17.0%	16.1%	17.5%	18.0%	16.9%	16.4%	16.8%	17.7%	0.1pp	-0.3pp	0.6pp	0.3pp
<b>Adj. EBIT</b>	<b>151</b>	<b>29</b>	<b>123</b>	<b>147</b>	<b>161</b>	<b>30</b>	<b>126</b>	<b>136</b>	<b>157</b>	<b>-2%</b>	<b>-3%</b>	<b>8%</b>	<b>3%</b>
Adj. EBIT margin	12.1%	11.4%	11.0%	12.4%	12.9%	11.3%	11.2%	11.4%	12.6%	0.1pp	-0.2pp	1.0pp	0.4pp
EBIT	135	29	119	147	161	30	126	136	157	-2%	-6%	8%	3%
EBIT margin	10.8%	11.4%	10.7%	12.4%	12.9%	11.3%	11.2%	11.4%	12.6%	0.1pp	-0.5pp	1.0pp	0.4pp
PTP	124	27	105	136	151	27	103	123	146	-1%	2%	10%	3%
EPS	1.20	0.26	1.02	1.33	1.48	0.27	1.06	1.28	1.41	-1%	-4%	4%	5%
<b>Adj. EPS</b>	<b>1.40</b>	<b>0.26</b>	<b>1.06</b>	<b>1.33</b>	<b>1.48</b>	<b>0.27</b>	<b>1.09</b>	<b>1.34</b>	<b>1.50</b>	<b>-1%</b>	<b>-3%</b>	<b>-1%</b>	<b>-1%</b>
<b>DPS</b>	<b>0.80</b>		<b>0.84</b>	<b>0.88</b>	<b>0.92</b>		<b>0.83</b>	<b>0.87</b>	<b>0.92</b>		<b>2%</b>	<b>1%</b>	<b>0%</b>

Source: Company data, Refinitiv, and Nordea estimates

#### SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,116	1,254	1,248	1,109	1,187	1,246
EBITDA (adj)	185	216	210	182	207	224
EBIT (adj)	109	154	151	123	147	161
EBIT (adj) margin	9.8%	12.3%	12.1%	11.0%	12.4%	12.9%
EPS (adj, EUR)	0.96	1.20	1.40	1.06	1.33	1.48
EPS (adj) growth	13.9%	24.6%	16.8%	-24.3%	25.4%	11.1%
DPS (ord, EUR)	0.60	0.76	0.80	0.84	0.88	0.92
EV/Sales	1.2	1.6	1.3	1.4	1.3	1.2
EV/EBIT (adj)	12.6	13.2	10.5	12.6	10.1	9.1
P/E (adj)	15.6	19.2	11.0	15.8	12.6	11.4
P/BV	1.6	2.3	1.5	1.6	1.5	1.5
Dividend yield (ord)	4.0%	3.3%	5.2%	5.0%	5.2%	5.5%
FCF Yield bef A&D, lease adj	11.8%	3.4%	-10.6%	14.9%	9.4%	7.2%
Net debt	144	145	324	183	123	97
Net debt/EBITDA	0.8	0.7	1.7	1.0	0.6	0.4
ROIC after tax	8.6%	12.8%	11.0%	8.6%	11.1%	12.2%

Source: Company data and Nordea estimates

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