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Commissioned research: Fiskars – Weak Q3 – lowers guidance

Marketing material commissioned by Fiskars

Fiskars lowers its guidance for 2023 and published preliminary information of Q3. The company now expect EUR 100-120m adjusted EBIT in 2023, down from EUR 120-130m previously. Refinitiv consensus has expected EUR 118m adjusted EBIT in 2023, i.e. 7% above new guidance mid-point. Fiskars notes challenging and volatile market conditions that are expected to continue in the Q4 (important for Vita). Low consumer confidence and retail customers' focus on inventory management are affecting demand and sales more than the company had earlier anticipated. In addition, the company notes that Georg Jensen acquisition is expected to have a positive impact on adjusted EBIT in Q4 (earlier anticipated negative impact). Q3 net sales declined 18% y/y on reported basis (-13% on comparable FX) while adjusted EBIT was approximately EUR 17m. Refinitiv consensus has been anticipating 11% y/y sales decline and EUR 29m adjusted EBIT in Q3. We note consensus deviation to guidance mid-point stems from Q3 miss. We expect consensus to adjust its estimates close to the new mid-point of the guidance, while 2024E-25E adjusted EBIT estimates are likely to come down around 5%, we believe.

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
Sales	1,248	258	1,162	1,343	1,417	262	1,144	1,294	1,354	-1%	2%	4%	5%
Gross profit	556	121	542	651	701	120	522	626	665	1%	4%	4%	5%
Gross margin	44.5%	46.8%	46.6%	48.5%	49.5%	45.7%	45.6%	48.4%	49.1%	1.2pp	0.9pp	0.1pp	0.4pp
EBITDA	194	42	175	238	261	44	175	228	251	-3%	0%	4%	4%
EBITDA margin	15.6%	16.4%	15.1%	17.7%	18.4%	16.6%	15.3%	17.6%	18.6%	-0.3pp	-0.3pp	0.1pp	-0.2pp
Adj. EBIT	151	28	121	146	186	29	118	153	186	-3%	2%	-4%	0%
Adj. EBIT margin	12.1%	10.7%	10.4%	10.9%	13.1%	10.9%	10.3%	11.8%	13.7%	-0.2pp	0.0pp	-0.9pp	-0.6pp
EBIT	135	28	106	141	183	29	118	153	186	-3%	-10%	-8%	-2%
EBIT margin	10.8%	10.7%	9.1%	10.5%	12.9%	10.9%	10.3%	11.8%	13.7%	-0.2pp	-1.2pp	-1.3pp	-0.8pp
PTP	124	24	89	113	162	25	97	123	154	-3%	-8%	-8%	5%
EPS	1.20	0.24	0.85	1.11	1.59	0.24	0.91	1.22	1.52	1%	-6%	-9%	5%
Adj. EPS	1.40	0.24	1.03	1.17	1.63	0.24	1.04	1.28	1.65	1%	-1%	-9%	-1%
DPS	0.80		0.84	0.88	0.92		0.82	0.88	0.94		2%	1%	-2%

Source: Company data, Refinitiv, and Nordea estimates

Note: we believe consensus is not fully reflecting Georg Jensen acquisition which we have incorporated to our estimates

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,116	1,254	1,248	1,162	1,343	1,417
EBITDA (adj)	185	216	210	190	243	264
EBIT (adj)	109	154	151	121	146	186
EBIT (adj) margin	9.8%	12.3%	12.1%	10.4%	10.9%	13.1%
EPS (adj, EUR)	0.96	1.20	1.40	1.03	1.17	1.63
EPS (adj) growth	13.9%	24.6%	16.8%	-26.2%	13.3%	39.0%
DPS (ord, EUR)	0.60	0.76	0.80	0.84	0.88	0.92
EV/Sales	1.2	1.6	1.3	1.5	1.3	1.2
EV/EBIT (adj)	12.6	13.2	10.5	14.9	11.8	9.1
P/E (adj)	15.6	19.2	11.0	16.7	14.8	10.6
P/BV	1.6	2.3	1.5	1.7	1.6	1.5
Dividend yield (ord)	4.0%	3.3%	5.2%	4.9%	5.1%	5.3%
FCF Yield bef A&D, lease adj	11.8%	3.4%	-10.6%	10.9%	10.3%	7.7%
Net debt	144	145	324	392	315	279
Net debt/EBITDA	0.8	0.7	1.7	2.2	1.3	1.1
ROIC after tax	8.6%	12.8%	11.0%	7.8%	9.4%	12.1%

Source: Company data and Nordea estimates

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