

9 January 2024

Commissioned research: Fiskars – Records EUR 25m gain from negative goodwill related to Georg Jensen acquisition

Marketing material commissioned by Fiskars

Fiskars has completed the purchase price allocation of the Georg Jensen acquisition and recognizes negative goodwill from it. The gain of EUR 25.4m is treated as item affecting comparability in Q4 2023 and hence does not affect guidance for 2023. In addition, Georg Jensen Q4 contribution is expected to exceed the negative impact from PPA items affecting comparable EBIT. Hence the acquisition does not dilute EPS in 2023 and points to a strong Q4 from Georg Jensen. The acquisition was completed on 1 October with EV of EUR 155m, corresponding to 9.5x EV/EBITDA on a stand-alone basis and 4.7x with expected cost synergies of approximately EUR 18m and net of integration costs. The final price paid for net assets was EUR 125, after post completion adjustment based on the level of net working capital and cash and debt in the acquired business on the closing date. For Q4, we are 12% ahead of LSEG consensus on adjusted EBIT and 1% below on sales.

Income statement impacts of the purchase price allocations in Q4 2023 and 2024

EUR million	Q4 2023		2024	
	Income statement impact	of which recorded as IAC	Income statement impact	of which recorded as IAC
Negative goodwill	+25.4	+25.4	-	-
Inventory fair valuation	-13.7	-13.7	-41.1	-41.1
Depreciation and amortization*	-0.3	-	-1.2	-

* Depreciation and amortization over the expected useful lives of 20 years.

Source: Company data

FISKARS: OUR ESTIMATES VS. CONSENSUS

EURm	Actual		Nordea estimates			Consensus estimates				Difference %			
	2022	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E
Sales	1,248	344	1,128	1,308	1,388	346	1,130	1,281	1,345	-1%	0%	2%	3%
Gross profit	556	161	527	637	689	149	517	608	648	8%	2%	5%	6%
Gross margin	44.5%	46.8%	46.8%	48.7%	49.7%	42.9%	45.7%	47.5%	48.2%	3.9pp	1.0pp	1.2pp	1.5pp
EBITDA	194	49	160	228	246	48	173	203	230	2%	-8%	12%	7%
EBITDA margin	15.6%	14.2%	14.2%	17.4%	17.7%	13.9%	15.3%	15.8%	17.1%	0.3pp	-1.2pp	1.6pp	0.6pp
Adj. EBIT	151	39	112	146	180	35	105	138	171	12%	7%	6%	5%
Adj. EBIT margin	12.1%	11.5%	10.0%	11.2%	13.0%	10.2%	9.3%	10.8%	12.7%	1.3pp	0.6pp	0.4pp	0.2pp
EBIT	135	23	88	131	177	35	105	138	171	-34%	-16%	-5%	3%
EBIT margin	10.8%	6.8%	7.8%	10.0%	12.7%	10.2%	9.3%	10.8%	12.7%	-3.4pp	-1.5pp	-0.8pp	0.0pp
PTP	124	18	73	104	156	26	91	114	148	-33%	-20%	-9%	6%
EPS	1.20	0.17	0.69	1.02	1.54	0.34	0.71	1.03	1.42	-48%	-3%	-1%	8%
Adj. EPS	1.40	0.37	0.98	1.20	1.57	0.34	0.93	1.15	1.52	11%	6%	4%	3%
DPS	0.80		0.80	0.84	0.88		0.76	0.80	0.88		5%	5%	0%

Source: Company data, LSEG, and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,116	1,254	1,248	1,128	1,308	1,388
EBITDA (adj)	185	216	210	184	243	249
EBIT (adj)	109	154	151	112	146	180
EBIT (adj) margin	9.8%	12.3%	12.1%	10.0%	11.2%	13.0%
EPS (adj, EUR)	0.96	1.20	1.40	0.98	1.20	1.57
EPS (adj) growth	13.9%	24.6%	16.8%	-29.8%	22.5%	30.7%
DPS (ord, EUR)	0.60	0.76	0.80	0.80	0.84	0.88
EV/Sales	1.2	1.6	1.3	1.7	1.4	1.3
EV/EBIT (adj)	12.6	13.2	10.5	16.6	12.3	9.9
P/E (adj)	15.6	19.2	11.0	18.5	15.1	11.5
P/BV	1.6	2.3	1.5	1.8	1.8	1.6
Dividend yield (ord)	4.0%	3.3%	5.2%	4.4%	4.6%	4.8%
FCF Yield bef A&D, lease adj	11.8%	3.4%	-10.6%	10.4%	9.2%	6.4%
Net debt	144	145	324	390	320	294
Net debt/EBITDA	0.8	0.7	1.7	2.4	1.4	1.2
ROIC after tax	8.6%	12.8%	11.0%	7.3%	9.5%	11.8%

Source: Company data and Nordea estimates

Completion date: 09/01/2024 15:09:08 CET

Nordea analyst: Joni Sandvall

Joni Sandvall

Analyst, Consumer Goods and Retail, Food and Beverages, Healthcare, Investment companies

Nordea | Investment Banking & Equities | Equity Research FI

Visit me: Aleksis Kiven katu 7, 00500 HELSINKI, Finland

Write to me: Fleminginkatu 27, 00020 Nordea, Finland

Tel: +358 9 5300 5484 | Mob: +358 445460855

E-mail: joni.sandvall@nordea.com

Web: nordeamarkets.com

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

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