

Fiskars

Consumer Goods
Finland

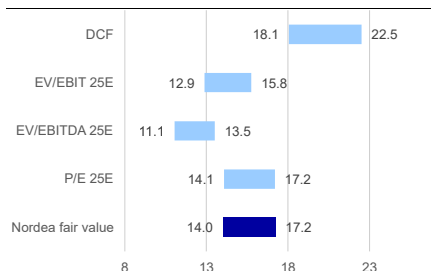
KEY DATA

Stock country	Finland
Bloomberg	FIS1V.FH
Reuters	FSKRS.HE
Share price (close)	EUR 17.24
Free float	58%
Market cap. (bn)	EUR 1.40/EUR 1.40
Website	fiskarsgroup.com
Next report date	08 Feb 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	-5%	-5%
EBIT (adj)	-2%	-10%	-8%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Joni Sandvall
AnalystSvante Krokfors
Director

Flattish organic growth for 2024

Fiskars hosted its CMD event in November and reiterated its financial targets for 2025. Given the current macroenvironment, we expect only minor organic growth for 2024, while its profit-improvement programmes and the acquisition of Georg Jensen could offer positive margin trajectory towards its mid-teens EBIT margin target by 2025. We expect solid cash flow development for Q4 and view the targeted leverage level as achievable during 2024. We derive a somewhat lower DCF- and multiples-based fair value range of EUR 14.0-17.2 (14.4-17.7) per Fiskars share.

Slow demand situation has likely continued in Q4

Retailers' inventories in the US continued to decline in October-November. However, inventory levels are still elevated on relative terms which, combined with higher interest rates, will likely see the soft demand situation persisting at least during H1 2024. As retail sales in the US point to slightly positive sales development, combined with better sales in China, we expect Fiskars' organic sales growth to return to improving territory in H2 2024. For Q4 2023, we model a 3% organic sales decline, while reported sales growth will be supported by the acquisition of Georg Jensen at the beginning of the quarter. We expect adjusted EBIT of EUR 37m in Q4, implying a 10.9% EBIT margin, up from 9.8% in Q4 2022. Fiskars has two profit-improvement programmes ongoing, of which EUR 30m supports Q4 earnings while the other, for EUR 25m, will likely be most visible in 2024.

We adjust for Georg Jensen PPA calculations

Fiskars is recording EUR 25.4m non-recurring income from negative goodwill related to the Georg Jensen acquisition. Inventory writedowns (non-recurring and no cash flow impact) will have negative profit impacts of EUR 14m in Q4 and EUR 41m in 2024. We adjust our estimates for non-recurring items and reset our growth assumption for 2024. We trim the 2024E-25E top line by 5% and adjusted EBIT by 8-10%. We now model 12.5% adjusted EBIT margin for 2025E, at the low-end of Fiskars' target of mid-teens by 2025. From 2023, we forecast flat DPS of EUR 0.80 and expect the company to guide for improving adjusted EBIT (we model EUR 132m, after EUR 110m in 2023E).

Cash flows remain strong – leverage below target in 2024

We expect the strong cash flow trend to continue, owing to low sourcing and own production volumes. Following the acquisition of Georg Jensen, leverage will be above its targeted level of below 2.5x, although we expect Fiskars to be able to lower its leverage below target during 2024.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,090	1,116	1,254	1,248	1,123	1,241	1,318
EBITDA (adj)	137	185	216	210	173	202	237
EBIT (adj)	78	109	154	151	110	132	165
EBIT (adj) margin	7.1%	9.8%	12.3%	12.1%	9.8%	10.6%	12.5%
EPS (adj, EUR)	0.84	0.96	1.20	1.40	0.93	1.14	1.43
EPS (adj) growth	-23.8%	13.9%	24.6%	16.8%	-33.5%	21.9%	25.9%
DPS (ord, EUR)	0.56	0.60	0.76	0.80	0.80	0.84	0.88
EV/Sales	1.1	1.2	1.6	1.3	1.6	1.5	1.3
EV/EBIT (adj)	15.3	12.6	13.2	10.5	16.8	13.7	10.7
P/E (adj)	13.3	15.6	19.2	11.0	18.5	15.2	12.1
P/BV	1.2	1.6	2.3	1.5	1.7	1.7	1.6
Dividend yield (ord)	5.0%	4.0%	3.3%	5.2%	4.6%	4.9%	5.1%
FCF Yield bef A&D, lease	3.5%	11.8%	3.4%	-10.6%	9.4%	7.4%	7.4%
Net debt	262	144	145	324	441	402	367
Net debt/EBITDA	2.2	0.8	0.7	1.7	2.7	2.6	1.6
ROIC after tax	6.0%	8.6%	12.8%	11.0%	7.0%	8.2%	10.4%

Source: Company data and Nordea estimates

Estimate revisions

Following the acquisition of Georg Jensen, Fiskars recognises negative goodwill of EUR 25.4m (positive impact on P&L) in Q4, which will be booked in other operating income and treated as an item, affecting comparability. Following the booking, we raise inventory writedown estimates for Q4 and 2024E (no cash flow impact), affecting reported figures. In addition, we reset our growth assumption for 2024E. We trim 2024E-25E top line by 5% and adjusted EBIT by 8-10%. We expect flat DPS for 2023 and an annual increase of EUR 0.04 for 2024-25.

ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E
Sales	339	1,123	1,241	1,318	344	1,128	1,308	1,388	-1%	0%	-5%	-5%
Gross profit	144	511	564	650	161	527	637	689	-10%	-3%	-11%	-6%
Gross margin	42.5%	45.5%	45.4%	49.3%	46.8%	46.8%	48.7%	49.7%	-4.3pp	-1.3pp	-3.3pp	-0.4pp
Adj. EBIT	37.0	110	132	165	39.4	112	146	180	-6%	-2%	-10%	-8%
Adj. EBIT margin	10.9%	9.8%	10.6%	12.5%	11.5%	10.0%	11.2%	13.0%	-0.5pp	-0.2pp	-0.6pp	-0.4pp
EBIT	32.7	98	87	162	23.4	88	131	177	40%	11%	-34%	-8%
EBIT margin	9.7%	8.7%	7.0%	12.3%	6.8%	7.8%	10.0%	12.7%	2.8pp	0.9pp	-3.1pp	-0.4pp
PTP	26.9	82	59	142	17.6	73	104	156	53%	13%	-43%	-9%
Adj. EPS, EUR	0.32	0.93	1.14	1.43	0.37	0.98	1.20	1.57	-14%	-5%	-6%	-9%
EPS, EUR	0.27	0.78	0.58	1.39	0.17	0.69	1.02	1.54	53%	13%	-43%	-10%
DPS, EUR		0.80	0.84	0.88		0.8	0.84	0.88		0%	0%	0%

Business areas	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E
Sales												
Vita	217.5	558.3	666.0	712.6	219.6	560.4	694.0	742.6	-1%	0%	-4%	-4%
Fiskars	120.3	560.7	571.5	601.0	123.0	563.4	610.3	641.3	-2%	0%	-6%	-6%
Terra	84.2	406.2	413.8	438.6	84.7	406.7	447.3	474.2	-1%	0%	-8%	-8%
Crea	36.1	154.5	157.7	162.4	38.3	156.7	163.0	167.1	-6%	-1%	-3%	-3%
Other	1.0	3.8	4.0	4.0	1.0	3.8	3.8	3.8	0%	0%	5%	5%
TOTAL	339	1,122.8	1,241.5	1,317.6	343.6	1,127.6	1,308.1	1,387.6	-1%	0%	-5%	-5%
Adj. EBIT												
Vita	38.7	66.4	78.6	101.9	39.6	67.3	86.9	111.6	-2%	-1%	-10%	-9%
Fiskars	3.3	69.5	74.1	84.3	4.3	70.5	80.0	89.0	-24%	-1%	-7%	-5%
Terra	-3.1	33.6	38.2	45.8	-2.7	34.0	42.4	49.2	16%	-1%	-10%	-7%
Crea	6.4	35.9	36.0	38.5	7.0	36.5	37.6	39.8	-9%	-2%	-4%	-3%
Other	-5.0	-26.4	-21.0	-21.3	-4.5	-25.9	-20.6	-20.8	11%	2%	2%	2%
TOTAL	37.0	109.8	131.7	164.9	39.4	112.2	146.3	179.8	-6%	-2%	-10%	-8%
Adj. EBIT margin												
Vita	17.8%	11.9%	11.8%	14.3%	18.0%	12.0%	12.5%	15.0%	-0.2pp	-0.1pp	-0.7pp	-0.7pp
Fiskars	2.7%	12.4%	13.0%	14.0%	3.5%	12.5%	13.1%	13.9%	-0.8pp	-0.1pp	-0.1pp	0.1pp
Terra	-3.7%	8.3%	9.2%	10.4%	-3.1%	8.4%	9.5%	10.4%	-0.5pp	-0.1pp	-0.3pp	0.1pp
Crea	17.7%	23.2%	22.8%	23.7%	18.3%	23.3%	23.1%	23.8%	-0.6pp	-0.1pp	-0.2pp	-0.1pp
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	10.9%	9.8%	10.6%	12.5%	11.5%	10.0%	11.2%	13.0%	-0.5pp	-0.2pp	-0.6pp	-0.4pp

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 23	Q3 23	Q4 23E
Net sales	302.1	307.2	291.8	353.2	332.6	319.1	292.6	304.1	275.0	267.8	241.2	338.8
growth y/y	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-16%	-18%	11%
LFL	23%	14%	10%	11%	14%	8%	0%	-12%	-13%	-13%	-13%	-3%
Gross profit	131.9	132.4	122.6	152.8	147.9	140.2	133.3	134.6	127.7	125.3	113.6	144.0
Gross margin	43.7%	43.1%	42.0%	43.3%	44.5%	43.9%	45.6%	44.3%	46.4%	46.8%	47.1%	42.5%
Other operating income	0.9	1.2	1.2	0.8	5.2	7	-6.6	0.0	0.5	0.7	0.8	25.4
Sales and marketing	-59.5	-66.1	-58.9	-83.0	-67.9	-71.2	-63.7	-73.4	-62.6	-70.3	-66.5	-81.2
Administration	-23.7	-25.0	-26.1	-42.1	-32.3	-29.2	-28.2	-31.2	-30.9	-28.4	-29.7	-41.2
R&D	-3.7	-3.8	-3.7	-4.4	-5.0	-5.2	-4.8	-5.8	-5.6	-4.8	-4.3	-6.0
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	-0.4	-0.1	-8.3
EBIT	45.9	38.3	34.7	23.8	41.4	39.5	29.5	24.4	29.1	22.1	13.7	32.7
EBIT margin	15.2%	12.5%	11.9%	6.7%	12.4%	12.4%	10.1%	8.0%	10.6%	8.3%	5.7%	9.7%
NRI	-0.7	-2.9	0.6	-8.5	-10.3	3.2	-3.8	-5.3	-2.3	-1.2	-4.3	-4.3
Adj. EBIT	46.6	41.2	34.1	32.3	51.7	36.3	33.3	29.7	31.4	23.3	18.0	37.0
Adj. EBIT margin	15.4%	13.4%	11.7%	9.1%	15.5%	11.4%	11.4%	9.8%	11.4%	8.7%	7.5%	10.9%
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	1.5	1.2	0.2
Financial income and expenses	-4.3	1.5	2.8	0.1	0.7	-0.7	-2.6	-9.0	-3.6	-7.1	-3.2	-6.0
PTP	41.9	40.2	37.8	24.1	42.6	39.4	27.8	14.5	26.6	16.5	11.7	26.9
Taxes	-33.7	-9	-8	-5.9	-11.2	-5.8	-4.9	-3.1	-5.8	-4.0	-2.8	-5.4
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	12.5	8.9	21.5
Minority	0.2	0.2	0.2	0.3	0.2	0.1	0.4	0.1	0.3	0	0	0.2
EPS	0.10	0.38	0.36	0.22	0.38	0.41	0.27	0.14	0.25	0.15	0.11	0.26
Adj. EPS	0.11	0.42	0.36	0.33	0.51	0.37	0.33	0.20	0.29	0.17	0.16	0.32

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 23	Q3 23	Q4 23E
Net sales												
Vita	108.2	115.6	133.8	187.0	120.8	126.8	140.3	175.9	107.7	113.7	119.4	217.5
Fiskars	193.0	190.9	157.1	165.1	211.2	191.3	151.2	127.0	166.8	153.0	120.6	120.3
Terra	157.1	148.7	111.5	118.2	173.1	139.4	108.1	86.7	129.5	105.9	86.6	84.2
Crea	35.9	42.2	45.6	46.9	38.1	51.9	43.1	40.3	37.3	47.1	34.0	36.1
Other	0.9	0.8	0.9	1.2	0.7	0.9	1.1	1.2	0.5	1.1	1.2	1.0
GROUP	302.1	307.3	291.8	353.3	332.7	319.0	292.6	304.1	275.0	267.8	241.2	338.8
Adj. EBIT												
Vita	10.6	12.2	24.5	31.9	10.7	14.4	24.6	35.9	7.8	3.0	16.9	38.7
Fiskars	39.3	28.7	17.6	2.5	43.6	26.7	15.2	-2.8	30.6	24.6	11.0	3.3
Terra	31.2	17.4	6.2	-3.2	35.5	15.0	5.2	-7.3	22.8	11.8	2.1	-3.1
Crea	8.1	11.3	11.4	5.7	8.1	11.7	10.0	4.5	7.8	12.8	8.9	6.4
Other	-3.4	0.5	-8.0	-2.2	-2.4	-4.8	-6.6	-3.5	-7.2	-4.2	-10.0	-5.0
GROUP	46.5	41.4	34.1	32.2	51.9	36.3	33.2	29.6	31.2	23.4	17.9	37.0
Adj. EBIT margin												
Vita	9.8%	10.6%	18.3%	17.1%	8.9%	11.4%	17.5%	20.4%	7.2%	2.6%	14.2%	17.8%
Fiskars	20.4%	15.0%	11.2%	1.5%	20.6%	14.0%	10.1%	-2.2%	18.3%	16.1%	9.1%	2.7%
Terra	19.9%	11.7%	5.6%	-2.7%	20.5%	10.8%	4.8%	-8.4%	17.6%	11.1%	2.4%	-3.7%
Crea	22.6%	26.8%	25.0%	12.2%	21.3%	22.5%	23.2%	11.2%	20.9%	27.2%	26.2%	17.7%
GROUP	15.4%	13.5%	11.7%	9.1%	15.6%	11.4%	11.3%	9.7%	11.3%	8.7%	7.4%	10.9%
Sales growth, %												
Vita	16%	43%	21%	9%	12%	10%	5%	-6%	-11%	-10%	-15%	24%
Fiskars	19%	-4%	2%	17%	9%	0%	-4%	-23%	-21%	-20%	-20%	-5%
Terra	22%	-3%	-1%	21%	10%	-6%	-3%	-27%	-25%	-24%	-20%	-3%
Crea	11%	-6%	10%	8%	6%	23%	-5%	-14%	-2%	-9%	-21%	-10%
GROUP	18%	10%	9%	13%	10%	4%	0%	-14%	-17%	-16%	-18%	11%
Sales split, %												
Vita	36%	38%	46%	53%	36%	40%	48%	58%	39%	42%	50%	64%
Fiskars	64%	62%	54%	47%	63%	60%	52%	42%	61%	57%	50%	36%
Terra	52%	48%	38%	33%	52%	44%	37%	29%	47%	40%	36%	25%
Crea	12%	14%	16%	13%	11%	16%	15%	13%	14%	18%	14%	11%

Source: Company data and Nordea estimates

ANNUAL GROUP ESTIMATES (EURm; EPS AND DPS 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	1122.8	1241.5	1317.6	2%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-10%	11%	6%	
LFL	2%	2%	-2%	-4%	4%	14%	2%	-10%	2%	6%	
Gross profit	502.8	512.2	485.0	447.3	452.0	539.7	556.0	510.6	563.6	649.6	5%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	45.5%	45.4%	49.3%	
Other operating income	18.5	7.1	5.2	1.9	6.4	4.1	5.6	27.4	27.9	28.5	
Sales and marketing	-298.3	-300.2	-281.4	-284.4	-241.4	-267.5	-276.2	-280.6	-315.9	-335.3	7%
Administration	-115.0	-99.9	-90.1	-86.1	-90.4	-116.9	-120.9	-130.2	-148.2	-141.2	5%
R&D	-18.0	-18.8	-18.4	-18.5	-16.5	-15.5	-20.8	-20.7	-25.0	-26.0	8%
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	-8.8	-15.8	-13.7	16%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	97.7	86.7	161.9	6%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.7%	7.0%	12.3%	
NRI	-11.1	-5.8	-9.2	-17.7	-10.9	-11.5	-16.2	-12.1	-45.0	-3.0	
Adj. EBIT	93.7	103.7	100.7	77.6	108.9	154.3	151.0	109.8	131.7	164.9	3%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	10.6%	12.5%	
Change in fair value of biological assets	-0.5	0.7	2	-0.3	0.8	1.3	1.1	4	0.5	0.5	
Financial income and expenses	10.5	119.3	9.4	3.4	-8.8	0	-11.6	-19.9	-27.9	-20.9	
PTP	92.6	217.9	102.9	63.0	90.0	144.1	124.3	81.8	59.3	141.5	4%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-18.0	-11.9	-28.3	
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	63.8	47.5	113.2	4%
Minority	1.3	0.7	0.2	0.7	0.7	0.9	0.8	0.5	0.5	0.5	
EPS	0.78	2.03	1.00	0.63	0.83	1.06	1.20	0.78	0.58	1.39	5%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	0.93	1.14	1.43	
DPS	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.80	0.84	0.88	

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	558	666	713	8%
Fiskars				586	656	706	681	561	571	601	-4%
Terra				443	494	535	507	406	414	439	-5%
Crea				143	162	171	173	155	158	162	-2%
Other				4	4	4	4	4	4	4	1%
GROUP				1090	1116	1254	1248	1123	1241	1318	2%
Adj. EBIT											
Vita				38.9	41.0	79.2	85.6	66.4	78.6	101.9	6%
Fiskars				59.1	108.5	88.1	82.7	69.5	74.1	84.3	1%
Terra				36.2	67.5	51.6	48.4	33.6	38.2	45.8	-2%
Crea				28.1	41.0	36.5	34.3	35.9	36.0	38.5	4%
Other				-12.4	-12.9	-13.1	-17.3	-26.4	-21.0	-21.3	7%
GROUP				77.6	108.9	154.3	151.0	109.8	131.7	164.9	3%
Adj. EBIT margin											
Vita				7.8%	9.0%	14.5%	15.2%	11.9%	11.8%	14.3%	
Fiskars				10.1%	16.5%	12.5%	12.1%	12.4%	13.0%	14.0%	
Terra				8.2%	13.7%	9.6%	9.5%	8.3%	9.2%	10.4%	
Crea				19.7%	25.3%	21.4%	19.8%	23.2%	22.8%	23.7%	
GROUP				7.1%	9.8%	12.3%	12.1%	9.8%	10.6%	12.5%	
Sales growth, %											
Vita					-9%	19%	4%	-1%	19%	7%	
Fiskars					12%	8%	-4%	-18%	2%	5%	
Terra					12%	8%	-5%	-20%	2%	6%	
Crea					13%	5%	2%	-11%	2%	3%	
GROUP					2%	12%	0%	-10%	11%	6%	
Sales split, %											
Vita				46%	41%	43%	45%	50%	54%	54%	
Fiskars				54%	59%	56%	55%	50%	46%	46%	
Terra				41%	44%	43%	41%	36%	33%	33%	
Crea				13%	15%	14%	14%	14%	13%	12%	

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 14.0-17.2 (14.4-17.7) per share for Fiskars Group. Our peer group consists of 13 listed peers, five of which are Nordic consumer goods peers and eight of which are global peers with exposure to at least one of Fiskars' three business areas.

We use a multiples- and DCF-based valuation approach

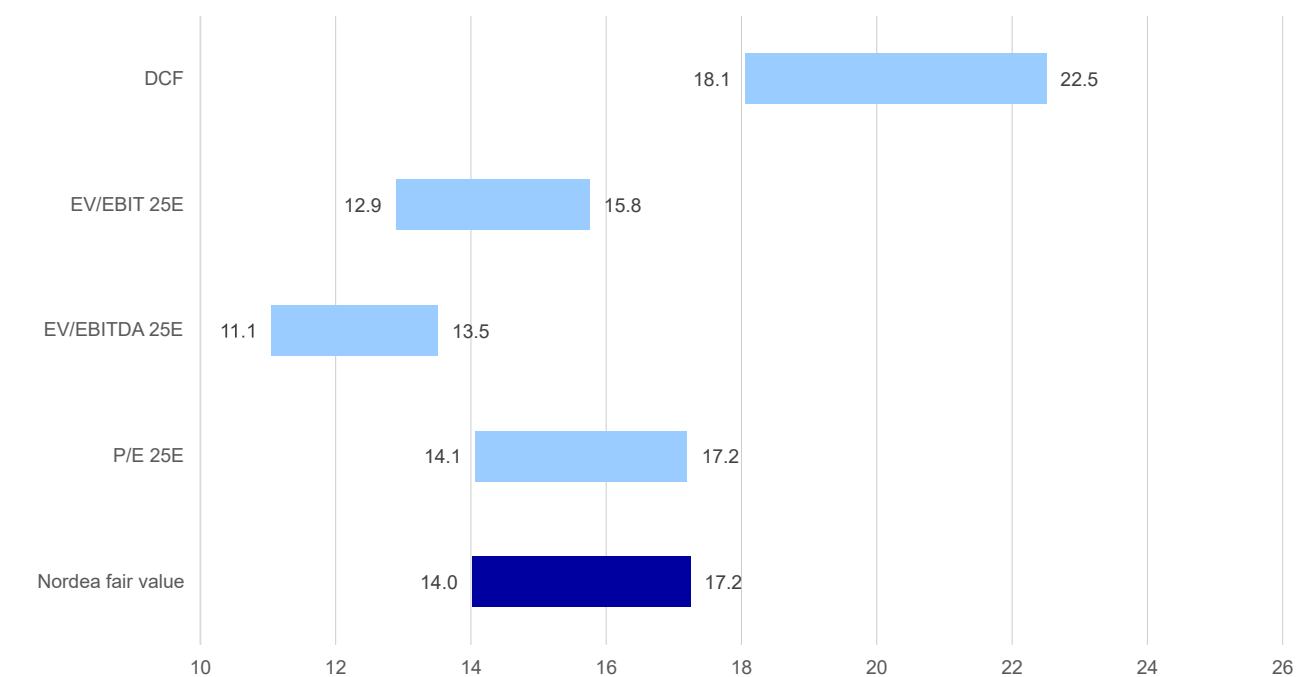
We derive a fair value range of EUR 14.0-17.2 for Fiskars

Using a combination of valuation multiples and a DCF model, we derive a fair value range of EUR 14.0-17.2 (14.4-17.7) 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 2025E.

FAIR VALUE RANGE BASED ON DIFFERENT VALUATION METHODS (EUR)



Source: Nordea estimates

Our peer group suggests a fair value range of EUR 11.1-17.2

Looking at peers' 2025E EV/EBITDA, EV/EBIT and P/E multiples, the valuation range is EUR 11.1-17.2 (12.1-15.9) 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 17.02 as of 17 January 2024) and our fair value range (EUR 14.0-17.2). 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 17 JAN 2024)

	Share price EUR 14			Share price EUR 17.2			Current share price EUR 17		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
EV/sales	1.4x	1.2x	1.1x	1.6x	1.4x	1.3x	1.6x	1.4x	1.3x
EV/EBITDA	9.1x	7.6x	6.3x	10.6x	8.9x	7.4x	10.5x	8.8x	7.4x
EV/EBIT	14.3x	11.7x	9.1x	16.7x	13.6x	10.7x	16.6x	13.5x	10.6x
P/E	15.0x	12.3x	9.8x	18.5x	15.2x	12.0x	18.3x	15.0x	11.9x
FCF yield	11.6%	9.1%	9.1%	9.4%	7.4%	7.4%	9.5%	7.5%	7.5%
Dividend yield	5.7%	6.0%	6.3%	4.7%	4.9%	5.1%	4.7%	4.9%	5.2%

Source: Nordea estimates

Relative valuation

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

As noted before, 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 more than one-third 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		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Global Peers												
Hermes International Sca	14.0x	12.6x	11.4x	29.9x	26.8x	23.7x	33.4x	30.0x	26.4x	46.9x	42.9x	38.8x
Leifheit Ag	0.7x	0.7x	0.6x	13.5x	5.9x	4.6x	29.2x	8.3x	6.0x	48.5x	10.9x	8.8x
Lifetime Brands Inc	0.6x	0.6x	0.6x	6.6x	5.5x	3.7x	8.1x	6.9x	4.4x	13.4x	10.7x	8.4x
Newell Brands Inc	1.1x	1.1x	1.1x	9.5x	7.5x	7.4x	14.2x	10.3x	10.0x	10.9x	10.4x	8.5x
Seb Sa	0.9x	0.9x	0.9x	7.9x	6.7x	6.1x	11.4x	9.4x	8.4x	14.3x	11.7x	10.4x
Societe Bic Sa	1.0x	1.0x	0.9x	5.2x	4.7x	4.4x	7.0x	6.2x	5.7x	11.6x	10.6x	9.7x
Stanley Black & Decker Inc	1.5x	1.5x	1.4x	14.9x	10.4x	8.9x	23.3x	14.5x	11.4x	70.7x	20.9x	15.0x
Villeroy & Boch Ag	0.4x	0.4x	0.4x	2.8x	2.6x	2.2x	4.3x	3.9x	3.3x	7.3x	8.4x	8.0x
Global Average	2.5x	2.3x	2.2x	11.3x	8.8x	7.6x	16.4x	11.2x	9.5x	27.9x	15.8x	13.5x
Global Median	1.0x	0.9x	0.9x	8.7x	6.3x	5.3x	12.8x	8.8x	7.2x	13.9x	10.8x	9.2x
Nordic Peers												
Husqvarna Ab	1.1x	1.1x	1.1x	7.9x	7.3x	6.1x	12.7x	11.4x	9.1x	16.0x	13.3x	10.9x
Marimekko Oyj	2.8x	2.6x	2.5x	12.2x	10.9x	9.8x	15.7x	13.8x	12.3x	21.0x	18.6x	16.8x
Orthex Oyj	1.5x	1.4x	1.4x	8.2x	7.7x	6.9x	11.2x	10.3x	9.3x	15.6x	12.8x	11.2x
Rapala Vmc Oyj	1.0x	0.9x	0.9x	14.7x	8.7x	6.9x	47.1x	13.5x	10.5x		16.2x	11.1x
Thule Group Ab	3.0x	2.8x	2.6x	15.9x	13.6x	11.9x	18.5x	15.5x	13.4x	23.7x	19.6x	16.8x
Nordic Average	1.9x	1.8x	1.7x	11.8x	9.6x	8.3x	21.0x	12.9x	10.9x	19.1x	16.1x	13.4x
Nordic Median	1.5x	1.4x	1.4x	12.2x	8.7x	6.9x	15.7x	13.5x	10.5x	18.5x	16.2x	11.2x
Total Average	2.4x	2.3x	2.1x	12.2x	9.6x	8.4x	19.3x	12.5x	10.6x	26.6x	16.5x	13.9x
Total Median	1.1x	1.1x	1.1x	9.5x	7.5x	6.9x	14.2x	10.3x	9.3x	15.8x	12.8x	10.9x
Fiskars (NDA)	1.7x	1.5x	1.4x	11.0x	9.3x	7.8x	17.4x	14.2x	11.2x	19.5x	16.0x	12.7x
<i>difference (median)</i>	60%	36%	33%	16%	24%	13%	22%	38%	20%	24%	25%	16%
Fiskars (cons.)	1.5x	1.3x	1.3x	10.3x	9.1x	7.5x	16.4x	12.6x	10.1x	18.4x	14.8x	11.3x
<i>difference (median)</i>	43%	21%	22%	8%	21%	9%	15%	22%	9%	17%	16%	4%

Note: Data as of 17 January 2024

Source: LSEG Data & Analytics 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 12.5x for 2024E and a median of 10.3x. The salient multiples for 2025E are 10.6x and 9.3x, respectively.

DCF valuation

Our DCF model suggests a fair equity value range of EUR 1.5-1.8bn, or EUR 18.1-22.5 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 7.8-9.4%, our DCF indicates a fair equity value range of EUR 1.5-1.8bn, i.e. EUR 18.1-22.5 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	5.7%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT margin, excl associates	11.7%	13.0%	13.0%	13.0%	13.0%	5.5%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	
NWC/sales	16.5%	15.0%	15.0%	15.0%	15.0%	15.0%	
FCFF, CAGR	-229.3%	1.2%	2.5%	2.5%	2.5%	-16.2%	2.5%

Source: Nordea estimates

An estimated 48% of the DCF value is related to the first ten years, and 91% 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

7.8-9.4% 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.

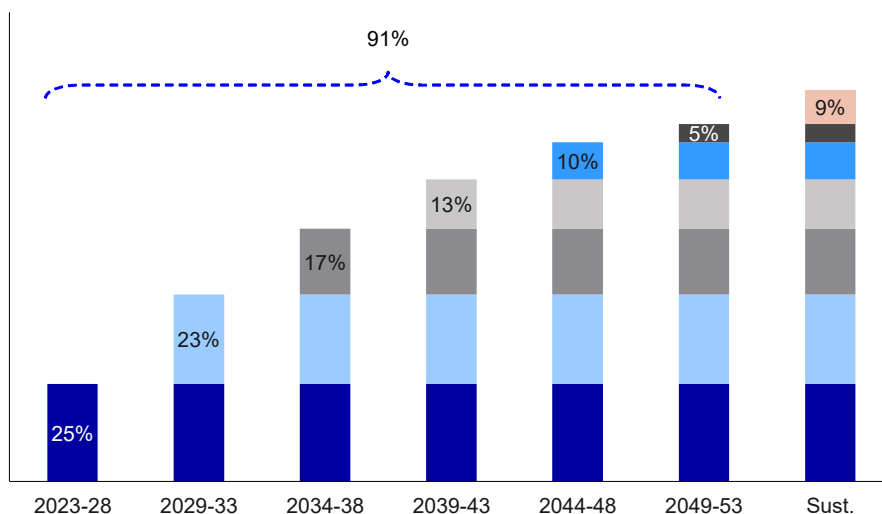
DCF VALUE BREAKDOWN FOR FISKARS (EUR/SHARE)		
DCF value	Value	Per share
NPV FCFF	1622 - 1983	20 - 24.5
(Net debt)	-324	-4.0
Market value of associates	0	0.0
(Market value of minorities)	-4	-0.1
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	168	2.1
DCF Value	1462 - 1823	18.1 - 22.5

Source: Nordea estimates

WACC BREAKDOWN FOR FISKARS	
WACC components	
Risk-free interest rate	3.5%
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	9.7-12.1%
Cost of debt	4.0%
Tax-rate used in WACC	21%
Equity weight	70%
WACC	7.8-9.4%

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 17.9-23.0 per share, as shown in the table below.

DCF SENSITIVITY (EUR PER SHARE)

		WACC				
		7.5%	8.0%	8.5%	9.0%	9.5%
EBIT marg. change	+1.0pp	26.3	23.9	21.9	20.1	18.5
	+0.5pp	25.3	23.0	21.1	19.4	17.9
		24.2	22.1	20.3	18.7	17.2
	-0.5pp	23.2	21.2	19.5	17.9	16.6
	-1.0pp	22.2	20.3	18.7	17.2	15.9
		WACC				
		7.5%	8.0%	8.5%	9.0%	9.5%
Sales gr. change	+1.0pp	26.4	24.0	21.9	20.1	18.5
	+0.5pp	25.3	23.0	21.1	19.3	17.8
		24.2	22.1	20.3	18.7	17.2
	-0.5pp	23.3	21.3	19.6	18.0	16.7
	-1.0pp	22.4	20.5	18.9	17.4	16.1
		Sales growth change				
		-1.0pp	-0.5pp		+0.5pp	+1.0pp
EBIT margin change	+1.0pp	20.3	21.1	21.9	22.8	23.7
	+0.5pp	19.6	20.3	21.1	21.9	22.8
		18.9	19.6	20.3	21.1	21.9
	-0.5pp	18.2	18.8	19.5	20.2	21.0
	-1.0pp	17.4	18.0	18.7	19.3	20.1

Source: Nordea estimates

- A +/-1 pp sales growth change translates to a change of +8/-7% in the fair value
- A +/-1 pp EBIT margin change translates into a change of +/-8% in the fair value

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 conflicts, all of which could have a materially 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 net sales and profitability for 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 its 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 the 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 consumers' 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 potentially 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 their 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	<p>IT systems and cybersecurity</p> <p>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.</p> <p>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.</p>
Some product categories are affected by outside forces, such as weather	<p>Seasonality</p> <p>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.</p> <p>Fiskars addresses this seasonality by maintaining a broad and diversified product portfolio and a wide geographical footprint.</p>
Acquisitions, although not high on Fiskars Group's agenda, could pose a risk	<p>Acquisitions</p> <p>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.</p>
Fiskars Group's financial investments could cause fluctuations in group earnings	<p>Financial investments</p> <p>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.</p>

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	1,123	1,241	1,318
Revenue growth	44.0%	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-10.1%	10.6%	6.1%
of which organic	3.7%	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-10.5%	2.1%	6.1%
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	161	157	234
Depreciation and impairments PPE	-43	-37	-39	-44	-60	-76	-62	-59	-63	-71	-72
of which leased assets	0	0	0	0	-24	-24	-24	-24	-26	-32	-32
EBITA	47	83	98	92	60	98	143	135	98	87	162
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	47	83	98	92	60	98	143	135	98	87	162
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	-20	-28	-21
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	4	1	1
Pre-tax profit	126	93	218	103	63	90	144	124	82	59	142
Reported taxes	-39	-27	-51	-21	-11	-21	-57	-25	-18	-12	-28
Net profit from continued operations	86	65	167	82	52	69	88	99	64	47	113
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	63	47	113
EPS, EUR	1.05	0.78	2.03	1.00	0.63	0.83	1.06	1.20	0.78	0.58	1.39
DPS, EUR	0.70	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.80	0.84	0.88
of which ordinary	0.70	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.80	0.84	0.88
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%	14.4%	12.7%	17.8%
EBITA	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.7%	7.0%	12.3%
EBIT	4.2%	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.7%	7.0%	12.3%

Adjusted earnings

EBITDA (adj)	108	131	143	145	137	185	216	210	173	202	237
EBITA (adj)	65	94	104	101	78	109	154	151	110	132	165
EBIT (adj)	65	94	104	101	78	109	154	151	110	132	165
EPS (adj, EUR)	1.28	0.92	2.10	1.11	0.84	0.96	1.20	1.40	0.93	1.14	1.43

Adjusted profit margins in percent

EBITDA (adj)	9.8%	10.9%	12.0%	12.9%	12.6%	16.6%	17.2%	16.9%	15.4%	16.3%	18.0%
EBITA (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	10.6%	12.5%
EBIT (adj)	5.9%	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	10.6%	12.5%

Performance metrics

CAGR last 5 years											
Net revenue	9.1%	10.2%	9.7%	7.0%	7.3%	0.2%	0.8%	1.0%	0.1%	2.6%	3.4%
EBITDA	1.2%	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	3.6%	5.7%	6.1%
EBIT	-1.1%	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	1.3%	7.7%	10.6%
EPS	-1.7%	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	-4.7%	-1.6%	10.9%
DPS	-18.1%	23.4%	2.1%	12.3%	n.m.	-3.0%	-6.4%	2.1%	-32.8%	8.4%	8.0%
Average last 5 years											
Average EBIT margin	6.4%	6.4%	6.5%	6.7%	6.6%	7.5%	8.5%	9.0%	9.1%	9.4%	10.1%
Average EBITDA margin	9.9%	9.9%	10.0%	10.3%	10.5%	12.0%	13.4%	14.2%	14.6%	14.9%	15.4%

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	18.5	15.2	12.1
EV/EBITDA (adj)	8.1	6.0	7.4	4.2	8.7	7.4	9.4	7.5	10.6	8.9	7.5
EV/EBITA (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	16.8	13.7	10.7
EV/EBIT (adj)	13.4	8.4	10.2	6.0	15.3	12.6	13.2	10.5	16.8	13.7	10.7

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	22.0	29.7	12.4
EV/Sales	0.79	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.64	1.45	1.34
EV/EBITDA	9.8	6.5	7.7	4.4	9.9	7.9	9.9	8.2	11.4	11.5	7.6
EV/EBITA	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	18.8	20.8	10.9
EV/EBIT	18.8	9.5	10.8	6.6	19.8	14.0	14.2	11.8	18.8	20.8	10.9
Dividend yield (ord.)	5.0%	8.1%	4.0%	52.4%	5.0%	4.0%	3.3%	5.2%	4.6%	4.9%	5.1%
FCF yield	-27.4%	8.2%	5.3%	6.7%	5.4%	13.7%	4.6%	-5.9%	0.4%	9.7%	9.7%
FCF Yield bef A&D, lease adj	1.3%	4.3%	4.9%	6.5%	3.5%	11.8%	3.4%	-10.6%	9.4%	7.4%	7.4%
Payout ratio	54.6%	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	85.9%	74.0%	61.6%

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	627	627	627
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	331	331	331
of which goodwill	237	230	222	217	220	214	219	221	296	296	296
Tangible assets	204	206	201	207	295	265	278	286	345	354	365
of which leased assets	0	0	0	0	86	68	84	88	114	114	114
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	29	29	29
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	1,034	1,043	1,054
Inventory	234	225	205	220	232	207	273	365	306	282	286
Accounts receivable	211	204	214	220	203	214	206	171	187	232	246
Short-term leased assets	0	0	0	0	23	23	23	23	32	32	33
Other current assets	3	58	53	31	29	29	26	56	28	31	33
Cash and bank	540	482	604	478	9	63	32	118	86	75	60
Total current assets	988	968	1,076	950	496	536	560	731	638	652	658
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	1,671	1,694	1,711
Shareholders equity	1,191	1,218	1,269	1,207	761	758	812	832	829	812	856
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	5	6
Total Equity	1,194	1,220	1,272	1,210	765	762	816	836	834	817	862
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	316	266	216
Pension provisions	14	14	13	13	13	13	13	11	11	11	11
Other long-term provisions	5	7	7	5	4	4	3	2	2	2	2
Other long-term liabilities	11	10	7	7	4	5	6	4	4	4	4
Non-current lease debt	0	0	0	0	88	72	89	93	119	119	119
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	487	437	387
Short-term provisions	11	17	8	5	4	6	15	5	4	5	5
Accounts payable	237	238	247	268	268	310	139	69	90	162	172
Current lease debt	0	0	0	0	23	23	23	23	32	32	33
Other current liabilities	20	9	10	7	2	6	234	183	165	182	193
Short term interest bearing debt	87	11	49	10	109	61	64	195	60	60	60
Total current liabilities	355	274	314	290	406	405	475	475	351	441	463
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	1,671	1,694	1,711
Balance sheet and debt metrics											
Net debt	-270	-289	-404	-317	262	144	145	324	441	402	367
of which lease debt	0	0	0	0	111	95	112	115	151	152	152
Working capital	190	240	216	197	194	135	132	339	266	201	200
Invested capital	994	1,032	978	966	1,062	942	969	1,193	1,299	1,243	1,253
Capital employed	1,464	1,413	1,472	1,371	1,036	969	993	1,277	1,361	1,294	1,290
ROE	7.4%	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	7.6%	5.7%	13.5%
ROIC	6.5%	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	7.0%	8.2%	10.4%
ROCE	4.7%	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	8.3%	9.9%	12.8%
Net debt/EBITDA	-3.0	-2.4	-3.0	-2.3	2.2	0.8	0.7	1.7	2.7	2.6	1.6
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%	49.6%	47.9%	50.0%
Net gearing	-22.6%	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	52.9%	49.2%	42.6%

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	161	157	234
Paid taxes	-18	-60	-26	-26	-18	-20	-36	-29	-18	-12	-28
Net financials	15	23	-1	-5	-3	-4	-5	-7	-20	-28	-21
Change in provisions	11	9	-9	-5	-2	1	9	-13	0	0	0
Change in other LT non-IB	-7	7	-2	-2	-8	0	-1	-3	6	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	129	118	185
Change in NWC	-51	29	7	13	4	46	-57	-209	73	65	1
Cash flow from operations (CFO)	47	84	104	106	97	199	123	-61	203	183	186
Capital expenditure	-32	-38	-33	-46	-40	-30	-34	-48	-45	-48	-51
Free cash flow before A&D	15	46	71	60	57	169	88	-110	157	135	135
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	-152	0	0
Free cash flow	-312	88	77	62	50	169	87	-74	5	135	135
Free cash flow bef A&D, lease adj	15	46	71	60	33	145	64	-134	131	104	103
Dividends paid	-79	-59	-87	-60	-51	-46	-49	-63	-66	-65	-68
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	50	-50	-50
Other financing adjustments	354	75	14	17	10	1	2	5	-22	-31	-32
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	-32	-11	-15
Cash flow metrics											
Capex/D&A	75.7%	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	71.4%	67.9%	70.6%
Capex/Sales	2.9%	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.0%	3.9%	3.9%
Key information											
Share price year end (/current)	14	13	18	11	11	15	23	15	18	17	17
Market cap.	1,140	1,071	1,458	915	922	1,227	1,884	1,260	1,396	1,396	1,396
Enterprise value	873	784	1,057	601	1,188	1,375	2,033	1,587	1,842	1,804	1,769
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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