

## Fiskars

Consumer Goods  
Finland

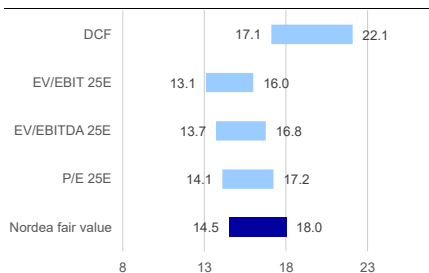
## KEY DATA

Stock country	Finland
Bloomberg	FIS1V.FH
Reuters	FSKRS.HE
Share price (close)	EUR 17.20
Free float	58%
Market cap. (bn)	EUR 1.39/EUR 1.39
Website	fiskarsgroup.com
Next report date	25 Apr 2024

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	-1%	-1%
EBIT (adj)	-8%	-4%	-4%

Source: Nordea estimates

## Soft market could burden H1 performance

Fiskars' Q4 was bang in line with consensus expectations (LSEG Data & Analytics). Cash flows were strong and the company reached targeted leverage after the acquisition of Georg Jensen in 2023. Per strong cash flows, the dividend proposal is up from 2022. Market conditions are likely to remain challenging in H1, mirrored by new guidance of only slightly improving adjusted EBIT in 2024. An improving underlying gross margin and structural changes bode well for when demand recovers, and Fiskars is sticking with its mid-teens EBIT margin target by 2025. We derive a slightly higher DCF- and multiples-based fair value range of EUR 14.5-18.0 (14.0-17.2).

## Comparable sales were flat in Q4

Fiskars' Q4 sales of EUR 346m and adjusted EBIT of EUR 37.7m were in line with consensus. On a comparable basis, the top line was flat y/y, supported by phasing of sales in the Fiskars business area. The recently acquired Georg Jensen had sales of EUR 53.8m and adjusted EBIT of EUR 12.2m in Q4, corresponding to a ~22.7% margin, slightly ahead of our expectations. The comparable gross margin of 46.8% was up 120bp y/y despite low manufacturing volumes, and is a key driver of the company's ambition for EBIT margins in the mid-teens by 2025. Leverage reached the targeted 2.5x level well ahead of earlier indications, supported by EUR 78m in free cash flow in Q4. Inventories have reached 2021 levels, and the company viewed EUR 80-100m lower working capital as achievable within the next couple of years. The dividend proposal of EUR 0.82 was ahead of the consensus expectation of EUR 0.76 and marks a EUR 0.02 increase from 2022.

## Guidance could turn out to be conservative

Fiskars guides for slightly improving adjusted EBIT in 2024, after EUR 110.3m in 2023. Assuming a consumer recovery, we believe the guidance could turn out to be conservative. Fiskars suffered from low capacity utilisation in 2023, and when this situation starts to normalise, lower raw material prices will begin to support gross margin development. However, we do not expect this to happen before H2 2024. We trim 2024E-26E revenue by 0-1% and cut adjusted EBIT by 8% for 2024E and 4% for 2025E-26E. We model continued strong cash flows in 2024 and expect the company to keep increasing its dividends, offering around 5% yield for 2024E-26E. We derive a slightly higher DCF- and multiples-based fair value range of EUR 14.5-18.0 (14.0-17.2), mainly due to higher cash flows and slightly higher peer multiples.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	1,116	1,254	1,248	1,130	1,241	1,311	1,368
EBITDA (adj)	185	216	210	176	198	237	255
EBIT (adj)	109	154	151	110	121	158	175
EBIT (adj) margin	9.8%	12.3%	12.1%	9.8%	9.7%	12.1%	12.8%
EPS (adj, EUR)	0.96	1.20	1.40	1.01	1.07	1.39	1.62
EPS (adj) growth	13.9%	24.6%	16.8%	-28.2%	6.1%	30.6%	16.1%
DPS (ord, EUR)	0.60	0.76	0.80	0.82	0.84	0.88	0.92
EV/Sales	1.2	1.6	1.3	1.7	1.5	1.3	1.3
EV/EBIT (adj)	12.6	13.2	10.5	17.2	15.0	11.1	9.9
P/E (adj)	15.6	19.2	11.0	17.7	16.1	12.3	10.6
P/BV	1.6	2.3	1.5	1.8	1.8	1.7	1.6
Dividend yield (ord)	4.0%	3.3%	5.2%	4.6%	4.9%	5.1%	5.3%
FCF Yield bef A&D, lease	11.8%	3.4%	-10.6%	10.0%	6.9%	8.8%	7.6%
Net debt	144	145	324	447	416	361	327
Net debt/EBITDA	0.8	0.7	1.7	2.7	2.7	1.5	1.3
ROIC after tax	8.6%	12.8%	11.0%	7.0%	7.5%	10.1%	11.1%

Source: Company data and Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSvante Krokfors  
Director

# Result takeaways

Fiskars' Q4 2023 adjusted EBIT of EUR 37.7m was bang in line with LSEG Data & Analytics consensus. Net sales were up by 14% y/y, to EUR 346m, driven by the Georg Jensen acquisition. On a comparable basis, sales were flat y/y. Comparable direct-to-consumer sales were stable y/y, driven by a 5% increase in e-commerce and a 3% decline in own retail network. At the divisional level, Vita missed our estimates slightly while Terra beat them clearly. Q4 operating cash flow saw obvious improvement to EUR 101m (EUR 61m a year ago). Net debt/LTM EBITDA was 2.5x, despite the acquisition of Georg Jensen. The dividend proposal of EUR 0.82 was above the consensus expectation of EUR 0.76 and up from EUR 0.80 a year ago. Fiskars' guidance for 2024 includes slight improvement in adjusted EBIT. Pre-Q4 consensus has been expecting adjusted EBIT of EUR 124m (+12%) for the year.

## DEVIATION TABLE

EURm	Actual Q4 2023	NDA est. Q4 2023E	Deviation vs. actual		Consensus Q4 2023E	Deviation vs. actual		Actual Q3 2023	q/q	Actual Q4 2022	y/y
Sales	346	339	7	2%	345	1	0%	241	43%	304	14%
Gross profit	145	144	0.8	1%	140	4.8	3%	114	27%	135	8%
Gross margin	41.9%	42.5%	-0.6pp		40.6%	1.3pp		47.1%	-5.2pp	44.3%	-2.4pp
Adj. EBIT	37.7	37.0	0.7	2%	37.7	0.0	0%	18.0	109%	30	27%
Adj. EBIT margin	10.9%	10.9%	0.0pp		10.9%	0.0pp		7.5%	3.4pp	9.8%	1.1pp
EBIT	34.0	32.7	1.3	4%	37.7	-3.7	-10%	13.7	148%	24	39%
EBIT margin	9.8%	9.7%			10.9%	-1.1pp		5.7%	4.2pp	8.0%	1.8pp
PTP	25.0	26.9	-1.9	-7%	30.0	-5.0	-17%	11.7	114%	15	72%
EPS, EUR	0.35	0.27	0.08	32%	0.30	0.05	15%	0.11	219%	0.14	151%
DPS, EUR	0.82	0.80	0.0	2%	0.76	0.06	8%			0.80	2%

Business areas	Actual	NDA est.		Q3 2023	q/q	Q4 2022	y/y
Sales							
Vita	214.5	217.5	-3.0 -1%	119.4	80%	176	22%
Fiskars	130.0	120.3	9.7 8%	120.6	8%	127	2%
Other	1.2	1.0	0.2 20%	1.2	0%	1	0%
TOTAL	345.8	338.8	7.0 2%	241.2	43%	304	14%
Adj. EBIT							
Vita	34.7	38.7	-4.0 -10%	16.9	105%	35.9	-3%
Fiskars	7.4	3.3	4.1 124%	11	-33%	-2.8	-364%
Other	-4.4	-5.0	0.6 -12%	-10	-56%	-3.5	26%
TOTAL	37.7	37.0	0.7 2%	17.9	111%	29.6	27%
Adj. EBIT margin							
Vita	16.2%	17.8%	-1.6pp	14%	2.0pp	20%	-4.2pp
Fiskars	5.7%	2.7%	2.9pp	9%	-3.4pp	-2%	7.9pp
TOTAL	10.9%	10.9%	0.0pp	7%	3.5pp	10%	1.2pp

Source: Company data, LSEG Data & Analytics and Nordea estimates

## BA Vita below our estimates, while BA Fiskars beat our estimates

BA Vita top line and adjusted EBIT were below our estimates...

BA Vita net sales were EUR 215m, 1% below our forecast. Comparable sales declined by 4.5% y/y (our estimate: -3%) due to the retail customer segment and the execution of Fiskars' channel strategy. Direct-to-consumer sales accounted for 48% of sales (46% a year ago), supported by the Georg Jensen acquisition. Adjusted EBIT was 34.7m, 10% below our forecast of EUR EUR 38.7m. The gross margin declined y/y.

...while BA Fiskars beat our estimates

BA Fiskars (formerly BA Terra and BA Crea) net sales were EUR 130m, 8% above our expectations. On a comparable basis, sales increased by 6.4% y/y (our estimate: -3%), especially due to the US, where comps were easy. Phasing has also had a positive impact in the US. Adjusted EBIT of EUR 7.4m was 124% above our expectation of EUR 3.3m. Improved volumes, a stronger gross margin and prudent cost management supported profitability in Q4.

The Other segment was largely in line with our expectations.

Fiskars' expects slightly improving adjusted EBIT for 2024 (from EUR 110.3m in 2023)

### **Fiskars expects slightly improving adjusted EBIT in 2024**

Fiskars issued new guidance, calling for adjusted EBIT to improve slightly in 2024 (EUR 110.3m in 2023). Prior to Q4, consensus had expected adjusted EBIT of EUR 124m for 2024 (+12%). We note the ongoing profitability programmes that should support 2024 earnings, although those are partially offset by wage inflation. Guidance is based on the assumption of a challenging operating environment, especially in H1 2024.

Initially, we expect consensus to make slightly negative EBIT revisions for 2024, although this could be driven by allocations related to the Georg Jensen acquisition. However, we note strong cash flows and higher-than-anticipated DPS. The underlying gross margin also continues to improve, which bodes well for when volumes recover.

# Estimate revisions

For 2024-26, we lower our top-line estimates by 0-1%. We lower adjusted EBIT by 4-8% for 2024E-26E.

## ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>295</b>	<b>1,241</b>	<b>1,311</b>	<b>1,368</b>	n.a.	<b>1,241</b>	<b>1,318</b>	<b>1,375</b>	n.a.	<b>0%</b>	<b>-1%</b>	<b>-1%</b>
Gross profit	127	559	642	672	n.a.	564	650	679	n.a.	-1%	-1%	-1%
Gross margin	43.0%	45.1%	49.0%	49.1%	n.a.	45.4%	49.3%	49.4%	n.a.	-0.3pp	-0.3pp	-0.3pp
<b>Adj. EBIT</b>	<b>25.9</b>	<b>121</b>	<b>158</b>	<b>175</b>	n.a.	<b>132</b>	<b>165</b>	<b>183</b>	n.a.	<b>-8%</b>	<b>-4%</b>	<b>-4%</b>
Adj. EBIT margin	8.8%	9.7%	12.1%	12.8%	n.a.	10.6%	12.5%	13.3%	n.a.	-0.9pp	-0.5pp	-0.5pp
EBIT	10.2	75	155	173	n.a.	87	162	181	n.a.	-14%	-4%	-5%
EBIT margin	3.5%	6.0%	11.8%	12.6%	n.a.	7.0%	12.3%	13.2%	n.a.	-1.0pp	-0.5pp	-0.5pp
PTP	4.4	51	138	162	n.a.	59	142	167	n.a.	-13%	-2%	-3%
Adj. EPS, EUR	0.24	1.07	1.39	1.62	n.a.	1.14	1.43	1.66	n.a.	-6%	-2%	-3%
<b>EPS, EUR</b>	<b>0.04</b>	<b>0.50</b>	<b>1.36</b>	<b>1.59</b>	n.a.	<b>0.58</b>	<b>1.39</b>	<b>1.64</b>	n.a.	<b>-14%</b>	<b>-2%</b>	<b>-3%</b>
DPS, EUR		0.84	0.88	0.92		0.84	0.88	0.92		0%	0%	0%

Business areas	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
<b>Sales</b>												
Vita	135.7	662.8	709.2	751.8	n.a.	666.0	712.6	n.a.	n.a.	0%	0%	n.a.
Fiskars	158.8	574.4	597.4	612.3	n.a.	571.5	601.0	n.a.	n.a.	1%	-1%	n.a.
Other	1.0	4.0	4.0	4.0	n.a.	4.0	4.0	n.a.	n.a.	0%	0%	n.a.
<b>TOTAL</b>	<b>295</b>	<b>1,241</b>	<b>1,311</b>	<b>1,368</b>	n.a.	<b>1,241</b>	<b>1,318</b>	n.a.	n.a.	<b>0%</b>	<b>-1%</b>	n.a.
<b>Adj. EBIT</b>												
Vita	4.9	68.7	95.7	109.1	n.a.	78.6	101.9	n.a.	n.a.	-13%	-6%	n.a.
Fiskars	26.5	73.0	83.2	87.0	n.a.	74.1	84.3	n.a.	n.a.	-2%	-1%	n.a.
Other	-5.5	-21.0	-20.9	-21.1	n.a.	-21.0	-21.3	n.a.	n.a.	0%	-2%	n.a.
<b>TOTAL</b>	<b>25.9</b>	<b>120.8</b>	<b>158.0</b>	<b>175.0</b>	n.a.	<b>131.7</b>	<b>164.9</b>	n.a.	n.a.	<b>-8%</b>	<b>-4%</b>	n.a.
<b>Adj. EBIT margin</b>												
Vita	3.6%	10.4%	13.5%	14.5%	n.a.	11.8%	14.3%	n.a.	n.a.	-1.4pp	-0.8pp	n.a.
Fiskars	16.7%	12.7%	13.9%	14.2%	n.a.	13.0%	14.0%	n.a.	n.a.	-0.3pp	-0.1pp	n.a.
Other	n.m.	n.m.	n.m.	n.m.	n.a.	n.m.	n.m.	n.a.	n.a.	n.m.	n.m.	n.a.
<b>TOTAL</b>	<b>8.8%</b>	<b>9.7%</b>	<b>12.1%</b>	<b>12.8%</b>	n.a.	<b>10.6%</b>	<b>12.5%</b>	n.a.	n.a.	<b>-0.9pp</b>	<b>-0.5pp</b>	n.a.

Source: Nordea estimates

# Detailed estimates

## QUARTERLY GROUP ESTIMATES (EURm; EPS IN EUR)

EURm	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net sales	332.6	319.1	292.6	304.1	275.0	267.8	241.2	345.7	295.5	301.5	285.9	358.3
growth y/y	10%	4%	0%	-14%	-17%	-16%	-18%	14%	7%	13%	19%	4%
LFL	14%	8%	0%	-12%	-13%	-13%	-13%	-4%	-3%	1%	4%	4%
Gross profit	147.9	140.2	133.3	134.6	127.7	125.3	113.6	144.7	127.0	130.1	127.8	174.4
Gross margin	44.5%	43.9%	45.6%	44.3%	46.4%	46.8%	47.1%	41.9%	43.0%	43.1%	44.7%	48.7%
Other operating income	5.2	7	-6.6	0.0	0.5	0.7	0.8	26.9	0.5	0.7	0.8	0.9
Sales and marketing	-67.9	-71.2	-63.7	-73.4	-62.6	-70.3	-66.5	-93.3	-72.7	-80.2	-74.5	-90.5
Administration	-32.3	-29.2	-28.2	-31.2	-30.9	-28.4	-29.7	-35.5	-32.9	-32.4	-31.7	-36.5
R&D	-5.0	-5.2	-4.8	-5.8	-5.6	-4.8	-4.3	-5.1	-5.5	-6.0	-4.5	-5.5
Goodwill and trademark	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	-6.5	-2.1	-0.5	0.2	0.0	-0.4	-0.1	-3.8	-6.2	-4.8	-0.9	-2.7
EBIT	41.4	39.5	29.5	24.4	29.1	22.1	13.7	34.0	10.2	7.4	17.0	40.1
EBIT margin	12.4%	12.4%	10.1%	8.0%	10.6%	8.3%	5.7%	9.8%	3.5%	2.5%	5.9%	11.2%
NRI	-10.3	3.2	-3.8	-5.3	-2.3	-1.2	-4.3	-3.7	-15.7	-15.7	-14.7	0
Adj. EBIT	51.7	36.3	33.3	29.7	31.4	23.3	18.0	37.7	25.9	23.1	31.7	40.1
Adj. EBIT margin	15.5%	11.4%	11.4%	9.8%	11.4%	8.7%	7.5%	10.9%	8.8%	7.7%	11.1%	11.2%
Change in fair value of biological assets	0.5	0.6	0.9	-0.9	1.1	1.5	1.2	1	0.2	0.2	0.2	0.2
Financial income and expenses	0.7	-0.7	-2.6	-9.0	-3.6	-7.1	-3.2	-10.0	-6.0	-6.0	-6.0	-6.0
PTP	42.6	39.4	27.8	14.5	26.6	16.5	11.7	25.0	4.4	1.6	11.2	34.3
Taxes	-11.2	-5.8	-4.9	-3.1	-5.8	-4.0	-2.8	3.0	-0.9	-0.3	-2.2	-6.9
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0
Profit for the period	31.4	33.6	22.9	11.4	20.8	12.5	8.9	28.0	3.5	1.3	9.0	27.4
Minority	0.2	0.1	0.4	0.1	0.3	0	0	-0.1	0.2	0.2	0.2	0.2
EPS	0.38	0.41	0.27	0.14	0.25	0.15	0.11	0.35	0.04	0.01	0.11	0.34
Adj. EPS	0.51	0.37	0.33	0.20	0.29	0.17	0.16	0.39	0.24	0.21	0.29	0.34

Source: Company data and Nordea estimates

## QUARTERLY BUSINESS AREA ESTIMATES

Business areas, EURm	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
<b>Net sales</b>												
Vita	120.8	126.8	140.3	175.9	107.7	113.7	119.4	214.5	135.7	142.1	160.1	224.9
Fiskars	211.2	191.3	151.2	127.0	166.8	153.0	120.6	130.0	158.8	158.4	124.8	132.5
Other	0.7	0.9	1.1	1.2	0.5	1.1	1.2	1.2	1.0	1.0	1.0	1.0
GROUP	332.7	319.0	292.6	304.1	275.0	267.8	241.2	345.7	295.5	301.5	285.9	358.3
<b>Adj. EBIT</b>												
Vita	10.7	14.4	24.6	35.9	7.8	3.0	16.9	34.7	4.9	2.3	24.6	36.8
Fiskars	43.6	26.7	15.2	-2.8	30.6	24.6	11.0	7.4	26.5	26.3	12.0	8.2
Other	-2.4	-4.8	-6.6	-3.5	-7.2	-4.2	-10.0	-4.4	-5.5	-5.5	-5.0	-5.0
GROUP	95.5	63.0	48.4	26.8	61.8	48.0	28.9	37.7	25.9	23.1	31.7	40.1
<b>Adj. EBIT margin</b>												
Vita	8.9%	11.4%	17.5%	20.4%	7.2%	2.6%	14.2%	16.2%	3.6%	1.6%	15.4%	16.4%
Fiskars	20.6%	14.0%	10.1%	-2.2%	18.3%	16.1%	9.1%	5.7%	16.7%	16.6%	9.7%	6.2%
GROUP	28.7%	19.7%	16.5%	8.8%	22.5%	17.9%	12.0%	10.9%	8.8%	7.7%	11.1%	11.2%
<b>Sales growth, %</b>												
Vita	12%	10%	5%	-6%	-11%	-10%	-15%	22%	26%	25%	34%	5%
Fiskars	9%	0%	-4%	-23%	-21%	-20%	-20%	2%	-5%	4%	3%	2%
GROUP	10%	4%	0%	-14%	-17%	-16%	-18%	14%	7%	13%	19%	4%
<b>Sales split, %</b>												
Vita	36%	40%	48%	58%	39%	42%	50%	62%	46%	47%	56%	63%
Fiskars	63%	60%	52%	42%	61%	57%	50%	38%	54%	53%	44%	37%

Source: Company data and Nordea estimates

**ANNUAL GROUP ESTIMATES (EURm; EPS AND DPS IN EUR)**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2023-26E CAGR
Net sales	1204.6	1185.5	1118.5	1090.4	1116.2	1254.3	1248.4	1129.7	1241.3	1310.6	1368.1	7%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-10%	10%	6%	4%	
LFL	2%	2%	-2%	-4%	4%	14%	2%	-11%	1%	6%	4%	
Gross profit	502.8	512.2	485.0	447.3	452.0	539.7	556.0	511.3	559.3	642.2	671.7	10%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	45.3%	45.1%	49.0%	49.1%	
Other operating income	18.5	7.1	5.2	1.9	6.4	4.1	5.6	28.9	2.9	3.0	3.0	
Sales and marketing	-298.3	-300.2	-281.4	-284.4	-241.4	-267.5	-276.2	-292.7	-317.9	-335.7	-350.4	6%
Administration	-115.0	-99.9	-90.1	-86.1	-90.4	-116.9	-120.9	-124.5	-133.5	-126.2	-124.4	0%
R&D	-18.0	-18.8	-18.4	-18.5	-16.5	-15.5	-20.8	-19.8	-21.5	-26.0	-26.0	10%
Goodwill and trademark	0	0	0	0	-11.4	0	0	0	0	0	0	
Other operating expenses	-7.4	-2.5	-8.8	-0.3	-0.7	-1.1	-8.9	-4.3	-14.6	-2.3	-1.0	-40%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	98.9	74.7	155.0	173.0	20%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	6.0%	11.8%	12.6%	
NRI	-11.1	-5.8	-9.2	-17.7	-10.9	-11.5	-16.2	-11.5	-46.1	-3.0	-2.0	
Adj. EBIT	93.7	103.7	100.7	77.6	108.9	154.3	151.0	110.4	120.8	158.0	175.0	17%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.7%	12.1%	12.8%	
Change in fair value of biological assets	-0.5	0.7	2	-0.3	0.8	1.3	1.1	4.8	0.8	0.5	0.5	
Financial income and expenses	10.5	119.3	9.4	3.4	-8.8	0	-11.6	-23.9	-24	-17.0	-11.0	
PTP	92.6	217.9	102.9	63.0	90.0	144.1	124.3	79.8	51.5	138.5	162.5	27%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-9.6	-10.3	-27.7	-32.5	
Discontinued operations	0	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	70.2	41.2	110.8	130.0	23%
Minority	1.3	0.7	0.2	0.7	0.7	0.9	0.8	0.2	0.8	0.8	0.8	
EPS	0.78	2.03	1.00	0.63	0.83	1.06	1.20	0.86	0.50	1.36	1.59	23%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.07	1.39	1.62	
DPS	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.82	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	2023	2024E	2025E	2026E	2023-26E CAGR
<b>Net sales</b>												
Vita				501	457	545	564	555	663	709	752	11%
Fiskars				586	656	706	681	570	574	597	612	2%
Other				4	4	4	4	4	4	4	4	0%
GROUP				1090	1116	1254	1248	1130	1241	1311	1368	7%
<b>Adj. EBIT</b>												
Vita				38.9	41.0	79.2	85.6	62.4	68.7	95.7	109.1	20%
Fiskars				59.1	108.5	88.1	82.7	73.6	73.0	83.2	87.0	6%
Other				-12.4	-12.9	-13.1	-17.3	-25.8	-21.0	-20.9	-21.1	-6%
GROUP				77.6	108.9	154.3	151.0	110.4	120.8	158.0	175.0	17%
<b>Adj. EBIT margin</b>												
Vita				7.8%	9.0%	14.5%	15.2%	11.2%	10.4%	13.5%	14.5%	
Fiskars				10.1%	16.5%	12.5%	12.1%	12.9%	12.7%	13.9%	14.2%	
GROUP				7.1%	9.8%	12.3%	12.1%	9.8%	9.7%	12.1%	12.8%	
<b>Sales growth, %</b>												
Vita					-9%	19%	4%	-2%	19%	7%	6%	
Fiskars					12%	8%	-4%	-16%	1%	4%	2%	
GROUP					2%	12%	0%	-10%	10%	6%	4%	
<b>Sales split, %</b>												
Vita				46%	41%	43%	45%	49%	53%	54%	55%	
Fiskars				54%	59%	56%	55%	50%	46%	46%	45%	

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 14.5-18.0 (14.0-17.2) 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

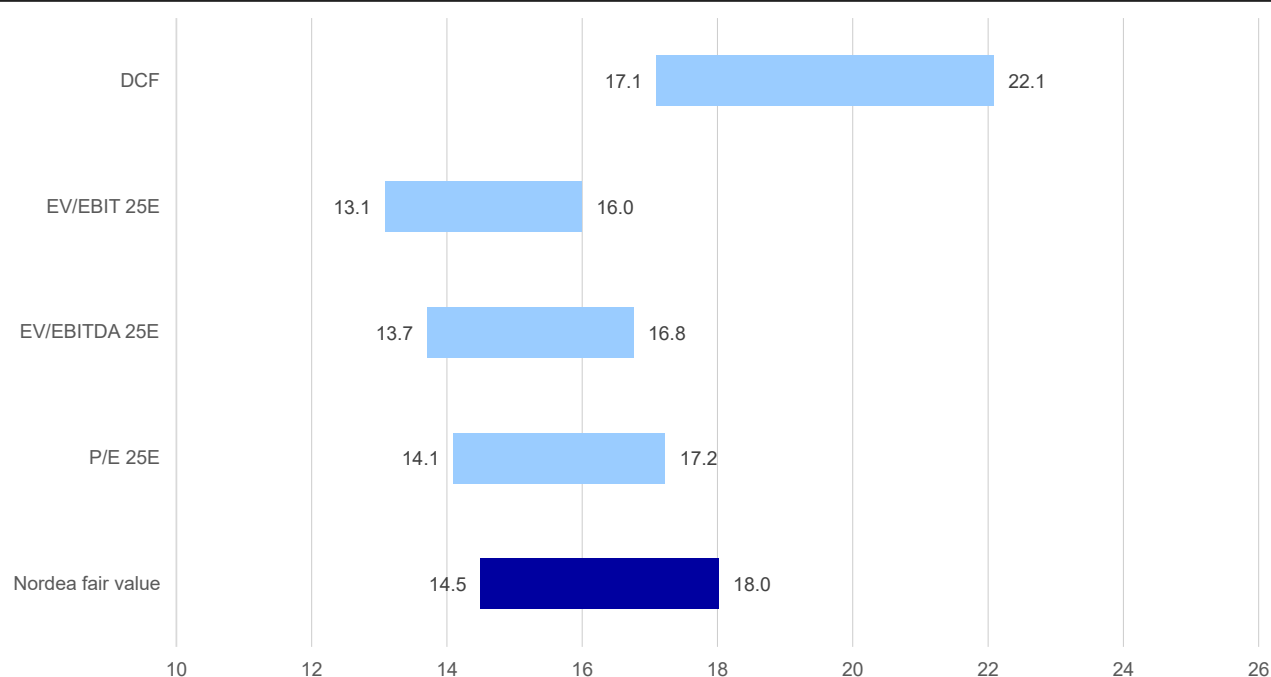
We derive a fair value range of EUR 14.5-18.0 for Fiskars

Using a combination of valuation multiples and a DCF model, we derive a fair value range of EUR 14.5-18.0 (14.0-17.2) 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 13.1-17.2

Looking at peers' 2025E EV/EBITDA, EV/EBIT and P/E multiples, the valuation range is EUR 13.1-17.2 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 17.2 as of 8 February 2024) and our fair value range (EUR 14.5-18.0). 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 8 FEB 2024)

	Share price EUR 14.5			Share price EUR 18			Current share price EUR 17.2		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
EV/sales	1.4x	1.3x	1.2x	1.7x	1.5x	1.4x	1.6x	1.5x	1.3x
EV/EBITDA	9.2x	8.0x	6.5x	10.8x	9.4x	7.7x	10.4x	9.1x	7.4x
EV/EBIT	14.7x	13.2x	9.7x	17.3x	15.5x	11.5x	16.7x	15.0x	11.1x
P/E	14.4x	13.6x	10.4x	17.9x	16.9x	12.9x	17.1x	16.1x	12.3x
FCF yield	12.3%	8.2%	10.5%	9.9%	6.6%	8.4%	10.3%	6.9%	8.8%
Dividend yield	5.7%	5.8%	6.1%	4.6%	4.7%	4.9%	4.8%	4.9%	5.1%

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
<b>Global Peers</b>												
Hermes International Sca	15.7x	14.2x	12.8x	33.6x	30.3x	26.8x	37.7x	34.1x	30.1x	53.8x	49.4x	44.4x
Leifheit Ag	0.7x	0.6x	0.6x	12.3x	5.4x	4.1x	26.8x	7.5x	5.5x	44.3x	9.9x	8.0x
Lifetime Brands Inc	0.6x	0.6x	0.6x	7.2x	6.1x	4.2x	8.8x	7.5x	5.1x	15.4x	12.2x	9.7x
Newell Brands Inc	1.1x	1.1x	1.1x	9.7x	7.4x	7.4x	14.2x	10.4x	10.2x	10.7x	10.3x	8.5x
Seb Sa	1.0x	1.0x	0.9x	8.3x	7.2x	6.5x	11.8x	10.0x	8.9x	15.3x	13.2x	11.2x
Societe Bic Sa	1.0x	1.0x	0.9x	5.2x	4.7x	4.3x	6.9x	6.2x	5.6x	11.5x	10.5x	9.6x
Stanley Black & Decker Inc	1.5x	1.5x	1.4x	14.7x	11.3x	9.6x	23.1x	14.0x	11.4x	60.9x	21.7x	15.5x
Villeroy & Boch Ag	0.4x	0.4x	0.4x	2.8x	2.6x	2.2x	4.3x	4.0x	3.3x	8.1x	8.4x	8.0x
<b>Global Average</b>	<b>2.7x</b>	<b>2.6x</b>	<b>2.3x</b>	<b>11.7x</b>	<b>9.4x</b>	<b>8.1x</b>	<b>16.7x</b>	<b>11.7x</b>	<b>10.0x</b>	<b>27.5x</b>	<b>17.0x</b>	<b>14.4x</b>
<b>Global Median</b>	<b>1.0x</b>	<b>1.0x</b>	<b>0.9x</b>	<b>9.0x</b>	<b>6.7x</b>	<b>5.4x</b>	<b>13.0x</b>	<b>8.7x</b>	<b>7.2x</b>	<b>15.3x</b>	<b>11.3x</b>	<b>9.7x</b>
<b>Nordic Peers</b>												
Husqvarna Ab	1.1x	1.2x	1.1x	8.8x	7.7x	6.5x	15.8x	12.1x	9.7x	21.3x	14.6x	11.9x
Marimekko Oyj	3.0x	2.8x	2.6x	12.9x	11.4x	10.3x	16.5x	14.7x	13.0x	22.1x	19.5x	17.7x
Orthex Oyj	1.6x	1.5x	1.4x	8.5x	7.9x	7.1x	11.6x	10.6x	9.6x	16.5x	13.5x	11.8x
Rapala Vmc Oyj	1.0x	0.9x	0.8x	14.3x	8.5x	6.7x	57.3x	14.3x	10.4x		16.7x	9.7x
Thule Group Ab	3.3x	3.1x	2.9x	17.6x	15.2x	13.3x	20.7x	17.4x	15.0x	26.7x	22.2x	18.9x
<b>Nordic Average</b>	<b>2.0x</b>	<b>1.9x</b>	<b>1.8x</b>	<b>12.4x</b>	<b>10.1x</b>	<b>8.8x</b>	<b>24.4x</b>	<b>13.8x</b>	<b>11.5x</b>	<b>21.6x</b>	<b>17.3x</b>	<b>14.0x</b>
<b>Nordic Median</b>	<b>1.6x</b>	<b>1.5x</b>	<b>1.4x</b>	<b>12.9x</b>	<b>8.5x</b>	<b>7.1x</b>	<b>16.5x</b>	<b>14.3x</b>	<b>10.4x</b>	<b>21.7x</b>	<b>16.7x</b>	<b>11.9x</b>
<b>Total Average</b>	<b>2.6x</b>	<b>2.5x</b>	<b>2.3x</b>	<b>12.8x</b>	<b>10.3x</b>	<b>8.9x</b>	<b>20.9x</b>	<b>13.2x</b>	<b>11.2x</b>	<b>27.1x</b>	<b>17.8x</b>	<b>14.7x</b>
<b>Total Median</b>	<b>1.1x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>9.7x</b>	<b>7.7x</b>	<b>6.7x</b>	<b>15.8x</b>	<b>10.6x</b>	<b>9.7x</b>	<b>18.9x</b>	<b>13.5x</b>	<b>11.2x</b>
<b>Fiskars (NDA)</b>	<b>1.7x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>10.7x</b>	<b>9.0x</b>	<b>7.3x</b>	<b>17.1x</b>	<b>14.8x</b>	<b>11.0x</b>	<b>17.8x</b>	<b>15.9x</b>	<b>12.2x</b>
<i>difference (median)</i>	59%	31%	22%	11%	18%	9%	8%	39%	13%	-6%	18%	9%
<b>Fiskars (cons.)</b>	<b>1.5x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>10.4x</b>	<b>10.3x</b>	<b>7.5x</b>	<b>16.7x</b>	<b>14.8x</b>	<b>11.1x</b>	<b>16.9x</b>	<b>15.1x</b>	<b>12.2x</b>
<i>difference (median)</i>	45%	26%	21%	8%	34%	12%	5%	39%	14%	-11%	12%	9%

Note: Data as of 8 February 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 13.2x for 2024E and a median of 10.6x. The salient multiples for 2025E are 11.2x and 9.7x, respectively.

## DCF valuation

Our DCF model suggests a fair equity value range of EUR 1.4-1.8bn, or EUR 17.1-22.1 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 1.4-1.8bn, i.e. EUR 17.1-22.1 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	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	4.3%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT margin, excl associates	12.0%	13.0%	13.0%	13.0%	13.0%	5.6%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
NWC/sales	17.6%	15.0%	15.0%	15.0%	15.0%	15.0%	
FCFF, CAGR	4.6%	-2.9%	2.5%	2.5%	2.5%	-15.8%	2.5%

Source: Nordea estimates

An estimated 52% of the DCF value is related to the first ten years, and 92% 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
<b>DCF Value</b>	<b>1462 - 1823</b>	<b>18.1 - 22.5</b>

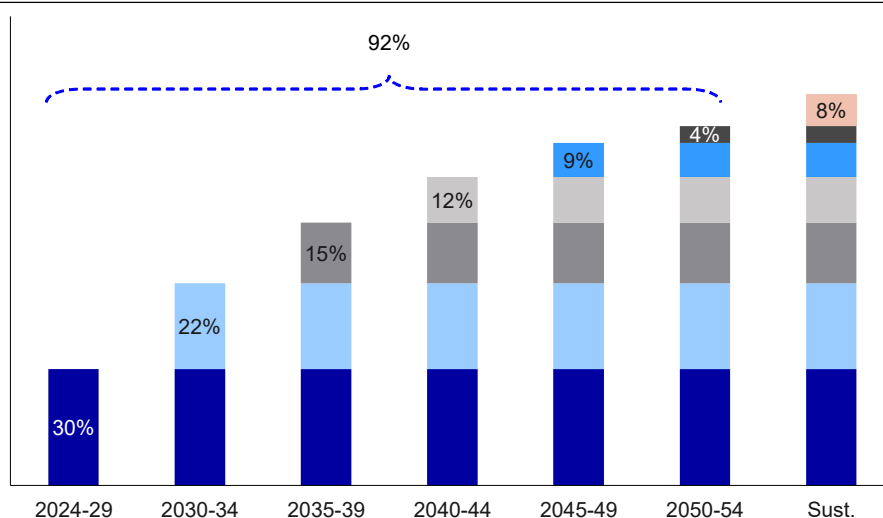
Source: Nordea estimates

#### 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%
<b>WACC</b>	<b>7.8-9.4%</b>

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  $\pm 0.5$  pp for WACC,  $\pm 0.5$  pp for sales growth and  $\pm 0.5$  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	25.3	23.1	21.1	19.4	17.9
	+0.5pp	24.3	22.2	20.4	18.7	17.3
		23.4	21.3	<b>19.6</b>	18.1	16.7
	-0.5pp	22.4	20.5	18.8	17.4	16.1
	-1.0pp	21.4	19.6	18.1	16.7	15.5
		WACC				
		7.5%	8.0%	8.5%	9.0%	9.5%
Sales gr. change	+1.0pp	25.4	23.1	21.1	19.4	17.9
	+0.5pp	24.3	22.2	20.3	18.7	17.3
		23.4	21.3	<b>19.6</b>	18.1	16.7
	-0.5pp	22.4	20.6	18.9	17.5	16.2
	-1.0pp	21.6	19.8	18.3	16.9	15.7
		Sales growth change				
		-1.0pp	-0.5pp		+0.5pp	+1.0pp
EBIT margin change	+1.0pp	19.6	20.3	21.1	21.9	22.9
	+0.5pp	18.9	19.6	20.4	21.1	22.0
		18.3	18.9	<b>19.6</b>	20.3	21.1
	-0.5pp	17.6	18.2	18.8	19.5	20.3
	-1.0pp	16.9	17.5	18.1	18.7	19.4

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><b>Macroeconomic environment</b></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 remain subdued. 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><b>Political environment</b></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><b>Supply chain and suppliers</b></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><b>Interruptions to its own manufacturing</b></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><b>Consumer behaviour</b></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><b>Customers</b></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	<b>IT systems and cybersecurity</b> <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	<b>Seasonality</b> <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	<b>Acquisitions</b> <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	<b>Financial investments</b> <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	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>1,205</b>	<b>1,186</b>	<b>1,119</b>	<b>1,090</b>	<b>1,116</b>	<b>1,254</b>	<b>1,248</b>	<b>1,130</b>	<b>1,241</b>	<b>1,311</b>	<b>1,368</b>
Revenue growth	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-9.5%	9.9%	5.6%	4.4%
of which organic	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-10.7%	1.4%	5.6%	4.4%
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	120	137	135	119	174	204	194	165	152	234	253
Depreciation and impairments PPE	-37	-39	-44	-60	-76	-62	-59	-66	-78	-79	-80
of which leased assets	0	0	0	-24	-24	-24	-24	-26	-32	-33	-33
EBITA	83	98	92	60	98	143	135	99	75	155	173
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	83	98	92	60	98	143	135	99	75	155	173
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	11	11	9	3	-9	0	-12	-24	-24	-17	-11
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	-1	109	2	0	1	1	1	5	1	1	1
<b>Pre-tax profit</b>	<b>93</b>	<b>218</b>	<b>103</b>	<b>63</b>	<b>90</b>	<b>144</b>	<b>124</b>	<b>80</b>	<b>51</b>	<b>138</b>	<b>162</b>
Reported taxes	-27	-51	-21	-11	-21	-57	-25	-10	-10	-28	-32
Net profit from continued operations	65	167	82	52	69	88	99	70	41	111	130
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	-1	0	-1	-1	-1	-1	0	-1	-1	-1
Net profit to equity	64	166	82	52	68	87	99	70	40	110	129
<b>EPS, EUR</b>	<b>0.78</b>	<b>2.03</b>	<b>1.00</b>	<b>0.63</b>	<b>0.83</b>	<b>1.06</b>	<b>1.20</b>	<b>0.86</b>	<b>0.50</b>	<b>1.36</b>	<b>1.59</b>
DPS, EUR	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.82	0.84	0.88	0.92
of which ordinary	1.06	0.72	5.85	0.56	0.60	0.76	0.80	0.82	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	10.0%	11.5%	12.1%	11.0%	15.6%	16.3%	15.6%	14.6%	12.3%	17.8%	18.5%
EBITA	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	6.0%	11.8%	12.6%
EBIT	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	6.0%	11.8%	12.6%

## Adjusted earnings

EBITDA (adj)	131	143	145	137	185	216	210	176	198	237	255
EBITA (adj)	94	104	101	78	109	154	151	110	121	158	175
EBIT (adj)	94	104	101	78	109	154	151	110	121	158	175
EPS (adj, EUR)	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.07	1.39	1.62

## Adjusted profit margins in percent

EBITDA (adj)	10.9%	12.0%	12.9%	12.6%	16.6%	17.2%	16.9%	15.6%	16.0%	18.1%	18.7%
EBITA (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.7%	12.1%	12.8%
EBIT (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.7%	12.1%	12.8%

## Performance metrics

CAGR last 5 years											
Net revenue	10.2%	9.7%	7.0%	7.3%	0.2%	0.8%	1.0%	0.2%	2.6%	3.3%	1.8%
EBITDA	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	4.0%	5.0%	6.1%	4.4%
EBIT	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	1.6%	4.5%	9.6%	3.9%
EPS	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	-2.8%	-4.5%	10.4%	8.5%
DPS	23.4%	2.1%	12.3%	n.m.	-3.0%	-6.4%	2.1%	-32.5%	8.4%	8.0%	3.9%
Average last 5 years											
Average EBIT margin	6.4%	6.5%	6.7%	6.6%	7.5%	8.5%	9.0%	9.2%	9.2%	9.8%	10.1%
Average EBITDA margin	9.9%	10.0%	10.3%	10.5%	12.0%	13.4%	14.2%	14.7%	14.9%	15.4%	15.9%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	14.3	8.5	10.1	13.3	15.6	19.2	11.0	17.7	16.1	12.3	10.6
EV/EBITDA (adj)	6.0	7.4	4.2	8.7	7.4	9.4	7.5	10.7	9.1	7.4	6.8
EV/EBITA (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.0	11.1	9.9
EV/EBIT (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.0	11.1	9.9

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	16.8	8.8	11.2	17.9	18.1	21.7	12.8	20.6	34.5	12.7	10.8
EV/Sales	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.68	1.46	1.34	1.26
EV/EBITDA	6.5	7.7	4.4	9.9	7.9	9.9	8.2	11.5	11.9	7.5	6.8
EV/EBITA	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	24.3	11.4	10.0
EV/EBIT	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	24.3	11.4	10.0
Dividend yield (ord.)	8.1%	4.0%	52.4%	5.0%	4.0%	3.3%	5.2%	4.6%	4.9%	5.1%	5.3%
FCF yield	8.2%	5.3%	6.7%	5.4%	13.7%	4.6%	-5.9%	3.4%	9.2%	11.2%	10.0%
FCF Yield bef A&D, lease adj	4.3%	4.9%	6.5%	3.5%	11.8%	3.4%	-10.6%	10.0%	6.9%	8.8%	7.6%
Payout ratio	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	81.5%	78.7%	63.1%	56.8%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	526	501	498	508	482	489	500	592	592	592	592
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	296	280	281	289	268	270	279	372	372	372	372
of which goodwill	230	222	217	220	214	219	221	220	220	220	220
Tangible assets	206	201	207	295	265	278	286	330	341	355	369
of which leased assets	0	0	0	86	68	84	88	110	111	111	111
Shares associates	30	30	34	29	24	32	29	31	31	31	31
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	30	29	30	28	27	28	29	28	28	28	28
Other non-IB non-current assets	0	0	0	8	8	4	4	4	4	4	4
Other non-current assets	0	0	0	0	0	7	6	11	0	0	0
Total non-current assets	792	762	770	868	807	838	854	996	996	1,009	1,024
Inventory	225	205	220	232	207	273	365	364	341	328	342
Accounts receivable	204	214	220	203	214	206	171	177	211	223	233
Short-term leased assets	0	0	0	23	23	23	23	33	33	33	34
Other current assets	58	53	31	29	29	26	56	58	63	67	70
Cash and bank	482	604	478	9	63	32	118	127	109	114	148
Total current assets	968	1,076	950	496	536	560	731	759	757	764	827
Assets held for sale	0	0	0	0	0	38	0	0	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>1,760</b>	<b>1,838</b>	<b>1,719</b>	<b>1,364</b>	<b>1,342</b>	<b>1,435</b>	<b>1,585</b>	<b>1,755</b>	<b>1,753</b>	<b>1,774</b>	<b>1,850</b>
Shareholders equity	1,218	1,269	1,207	761	758	812	832	820	794	836	894
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	2	3	3	4	4	4	4	4	5	5	6
Total Equity	1,220	1,272	1,210	765	762	816	836	824	798	841	900
Deferred tax	53	73	44	33	31	32	35	39	39	39	39
Long term interest bearing debt	182	151	151	51	51	1	130	331	281	231	231
Pension provisions	14	13	13	13	13	13	11	12	12	12	12
Other long-term provisions	7	7	5	4	4	3	2	3	3	3	3
Other long-term liabilities	10	7	7	4	5	6	4	4	4	4	4
Non-current lease debt	0	0	0	88	72	89	93	117	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	266	252	220	194	175	144	275	506	458	408	408
Short-term provisions	17	8	5	4	6	15	5	6	6	7	7
Accounts payable	238	247	268	268	310	139	69	102	155	170	178
Current lease debt	0	0	0	23	23	23	23	33	33	33	34
Other current liabilities	9	10	7	2	6	234	183	191	210	222	232
Short term interest bearing debt	11	49	10	109	61	64	195	93	93	93	93
Total current liabilities	274	314	290	406	405	475	475	425	497	525	543
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>1,760</b>	<b>1,838</b>	<b>1,719</b>	<b>1,364</b>	<b>1,342</b>	<b>1,436</b>	<b>1,585</b>	<b>1,755</b>	<b>1,753</b>	<b>1,774</b>	<b>1,850</b>
<b>Balance sheet and debt metrics</b>											
Net debt	-289	-404	-317	262	144	145	324	447	416	361	327
of which lease debt	0	0	0	111	95	112	115	151	151	152	153
Working capital	240	216	197	194	135	132	339	306	250	225	235
Invested capital	1,032	978	966	1,062	942	969	1,193	1,301	1,246	1,234	1,259
Capital employed	1,413	1,472	1,371	1,036	969	993	1,277	1,398	1,323	1,316	1,376
ROE	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	8.5%	5.0%	13.5%	14.9%
ROIC	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	7.0%	7.5%	10.1%	11.1%
ROCE	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	8.3%	8.9%	12.0%	13.0%
Net debt/EBITDA	-2.4	-3.0	-2.3	2.2	0.8	0.7	1.7	2.7	2.7	1.5	1.3
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	69.2%	69.1%	70.2%	55.8%	56.5%	56.6%	52.5%	46.7%	45.3%	47.1%	48.3%
Net gearing	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	54.2%	52.1%	43.0%	36.4%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>120</b>	<b>137</b>	<b>135</b>	<b>119</b>	<b>174</b>	<b>204</b>	<b>194</b>	<b>165</b>	<b>152</b>	<b>234</b>	<b>253</b>
Paid taxes	-60	-26	-26	-18	-20	-36	-29	-12	-10	-28	-32
Net financials	23	-1	-5	-3	-4	-5	-7	-15	-24	-17	-11
Change in provisions	9	-9	-5	-2	1	9	-13	3	1	0	0
Change in other LT non-IB	7	-2	-2	-8	0	-1	-3	-4	11	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	-44	-2	-4	5	2	9	6	-28	0	0	0
<b>Funds from operations (FFO)</b>	<b>55</b>	<b>97</b>	<b>93</b>	<b>93</b>	<b>153</b>	<b>180</b>	<b>148</b>	<b>110</b>	<b>130</b>	<b>189</b>	<b>210</b>
Change in NWC	29	7	13	4	46	-57	-209	111	55	25	-10
<b>Cash flow from operations (CFO)</b>	<b>84</b>	<b>104</b>	<b>106</b>	<b>97</b>	<b>199</b>	<b>123</b>	<b>-61</b>	<b>221</b>	<b>185</b>	<b>215</b>	<b>200</b>
Capital expenditure	-38	-33	-46	-40	-30	-34	-48	-51	-56	-59	-62
<b>Free cash flow before A&amp;D</b>	<b>46</b>	<b>71</b>	<b>60</b>	<b>57</b>	<b>169</b>	<b>88</b>	<b>-110</b>	<b>170</b>	<b>129</b>	<b>155</b>	<b>139</b>
Proceeds from sale of assets	48	8	3	1	1	3	36	1	0	0	0
Acquisitions	-7	-2	-1	-8	-2	-4	0	-122	0	0	0
Free cash flow	88	77	62	50	169	87	-74	49	129	155	139
Free cash flow bef A&D, lease adj	46	71	60	33	145	64	-134	144	97	123	105
Dividends paid	-59	-87	-60	-51	-46	-49	-63	-65	-66	-68	-71
Equity issues / buybacks	-3	0	-3	-1	0	0	-18	0	0	0	0
Net change in debt	-79	7	-43	-1	-45	-48	259	53	-50	-50	0
Other financing adjustments	75	14	17	10	1	2	5	2	-31	-32	-33
Other non-cash adjustments	-79	110	-99	-475	-26	-23	-23	-29	0	0	0
Change in cash	-58	121	-126	-469	53	-31	86	10	-19	5	35
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	77.0%	72.0%	75.2%	76.7%
Capex/Sales	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.5%	4.5%	4.5%	4.5%
<b>Key information</b>											
Share price year end (/current)	13	18	11	11	15	23	15	18	17	17	17
Market cap.	1,071	1,458	915	922	1,227	1,884	1,260	1,445	1,393	1,393	1,393
Enterprise value	784	1,057	601	1,188	1,375	2,033	1,587	1,895	1,814	1,760	1,727
Diluted no. of shares, year-end (m)	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.0	81.0	81.0	81.0

Source: Company data and Nordea estimates

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