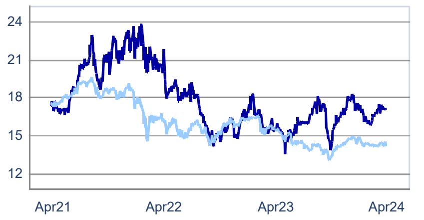
Fiskars

Consumer Goods
Finland

KEY DATA

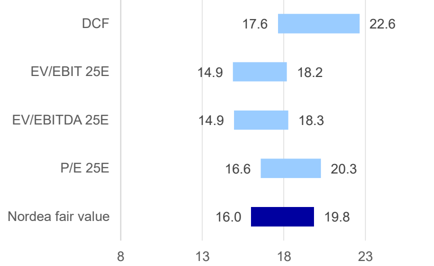
Stock country	Finland
Bloomberg	FIS1V FH
Reuters	FSKRS.HE
Share price (close)	EUR 17.20
Free float	58%
Market cap. (bn)	EUR 1.39/EUR 1.39
Website	fiskarsgroup.com
Next report date	18 Jul 2024

PERFORMANCE



Fiskars
Finland OMX Helsinki All-Share (Rebased)
Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-1%	-1%	-1%
EBIT (adj)	2%	1%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Svante Krokfors
Director

Solid Q1 with successful margin management

Fiskars' Q1 adjusted EBIT was 13% above LSEG Data & Analytics consensus despite a 5% miss on sales. BA Fiskars' gross margins were resilient while a higher share of own manufacturing was visible in BA Vita's margins in a low volume environment. Underlying gross margin continues to improve, while the company is performing well in its own sales channels. Fiskars reiterated its guidance and is progressing with its cost-saving programmes. New investments into glass production support the company's ambition to increase its premium and luxury exposure. Following structural changes and sustainably higher gross margins, Fiskars is well positioned once underlying demand recovers in our view. We derive a DCF- and multiples-based fair value range of EUR 16.0-19.8 (15.8-19.5).

Q1 adjusted EBIT above expectations despite soft market

Net sales declined 6% on a comparable basis and were up 3%, driven by the Georg Jensen acquisition at the beginning of Q4 2023. Q1 net sales were 5% below consensus, likely driven by BA Vita with sales 6% below our estimate. The comparable gross margin continued to improve, up 185bp y/y, slightly above our estimate. Given the high share of own production and low demand, BA Vita's adjusted EBIT fell short of our expectation. The company announced a EUR 15m investment plan for 2024-26 in Rogaska, where luxury brand Waterford crystal products are manufactured. Despite cautious retailers, BA Fiskars beat our adjusted EBIT estimate, supported by improved gross margins. Operating cash flow returned to normal seasonality and was EUR -6m despite improved inventories.

Minor estimate revisions – guidance intact

Fiskars reiterated its guidance for slightly improving adjusted EBIT in 2024 after EUR 110m in 2023. We trim our 2024E-26E top line by 1%, while we raise adjusted EBIT by 1-2%. We model EUR 120m in adjusted EBIT for 2024E, up 9%. We note uncertain market conditions, while profitability should be supported by cost savings despite wage inflation.

Fair value range of EUR 16.0-19.8

On our estimates, Fiskars is trading at a 2025E EV/EBIT of ~11x, in line with its Nordic peers. We model continued robust cash flows in 2024 and expect the company to keep increasing its dividends. We derive a DCF- and multiples-based fair value range of EUR 16.0-19.8 (15.8-19.5).

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	1,116	1,254	1,248	1,130	1,229	1,304	1,361
EBITDA (adj)	185	216	210	176	201	241	259
EBIT (adj)	109	154	151	110	120	159	175
EBIT (adj) margin	9.8%	12.3%	12.1%	9.8%	9.8%	12.2%	12.9%
EPS (adj, EUR)	0.96	1.20	1.40	1.01	1.09	1.44	1.65
EPS (adj) growth	13.9%	24.6%	16.8%	-28.2%	8.0%	32.1%	15.0%
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	15.1	11.0	9.7
P/E (adj)	15.6	19.2	11.0	17.7	15.8	12.0	10.4
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	13.8%	4.7%	-10.8%	7.5%	7.1%	9.3%	8.1%
Net debt	144	145	324	447	410	347	304
Net debt/EBITDA	0.8	0.7	1.7	2.7	2.7	1.5	1.2
ROIC after tax	8.6%	12.8%	11.0%	7.0%	7.5%	10.2%	11.3%

Source: Company data and Nordea estimates

Result takeaways

Fiskars' Q1 adjusted EBIT of EUR 25.1m came in 13% above LSEG Data & Analytics consensus expectations. Net sales were up 3% y/y, to EUR 283m, driven by the Georg Jensen acquisition, and fell 5% below consensus. On a comparable basis, sales were down 6% y/y (we had modelled -5%, no consensus available). Direct-to-consumer sales were stable y/y, driven by a 12% increase in e-commerce and a 6% decline in the company's own retail network. The comparable gross margin was 48.3%, up 190bp y/y. At the divisional level, Vita missed our estimates, while Terra beat our estimates. Q1 operating cash flow returned to its normal seasonal pattern and was EUR -5.5m (EUR 22m a year ago). Net debt/LTM EBITDA was 2.9x, up from 2.5x in Q4 2023. Fiskars maintained its guidance for 2024 and expects adjusted EBIT to improve slightly from EUR 110m in 2023.

DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	**Q1 2024**	**Q1 2024E**	**vs. actual**		**Q1 2024E**	**vs. actual**		**Q4 2023**	**q/q**	**Q1 2023**	**y/y**
Sales	**283**	**293**	**-10**	**-3%**	**298**	**-15**	**-5%**	**346**	**-18%**	**275**	**3%**
Gross profit	123	126	-2.9	-2%	133	-10.1	-8%	145	-15%	128	-4%
Gross margin	**43.4%**	**43.0%**		**0.4pp**	**44.7%**		**-1.2pp**	**41.9%**	**1.6pp**	**46.4%**	**-3.0pp**
Adj. EBIT	**25.1**	**23.6**	**1.5**	**6%**	**22.2**	**2.9**	**13%**	**37.7**	**-33%**	**31**	**-20%**
Adj. EBIT margin	8.9%	8.1%		0.8pp	7.5%		1.4pp	10.9%	-2.0pp	11.4%	-2.5pp
EBIT	6.4	7.9	-1.5	-19%	22.2	-15.8	-71%	34.0	-81%	29	-78%
EBIT margin	2.3%	2.7%			7.5%		-5.2pp	9.8%	-7.6pp	10.6%	-8.3pp
PTP	3.6	2.1	1.5	71%	5.7	-2.1	-36%	25.0	-86%	27	-86%
EPS, EUR	0.03	0.02	0.01	44%	0.20	-0.17	-85%	0.35	-91%	0.26	-88%

Business areas	**Actual**	**NDA est.**			**Q4 2023**	**q/q**	**Q1 2023**	**y/y**
Sales								
Vita	125.9	134.2	-8.3	-6%	214.5	-41%	108	17%
Fiskars	156.0	157.4	-1.4	-1%	130	20%	167	-6%
Other	1.0	1.0	0.0	0%	1.2	-17%	1	100%
TOTAL	282.9	292.6	-9.7	-3%	345.7	-18%	275	3%
Adj. EBIT								
Vita	-0.1	3.9	-4.0	-103%	34.7	-100%	7.8	-101%
Fiskars	29.5	25.2	4.3	17%	7.4	299%	30.6	-4%
Other	-4.3	-5.5	1.2	-22%	-4.4	-2%	-7.2	-40%
TOTAL	25.1	23.6	1.5	6%	37.7	-33%	31.2	-20%
Adj. EBIT margin								
Vita	-0.1%	2.9%		-3.0pp	16%	-16.3pp	7%	-7.3pp
Fiskars	18.9%	16.0%		2.9pp	6%	13.2pp	18%	0.6pp
TOTAL	8.9%	8.1%		0.8pp	11%	-2.0pp	11%	-2.5pp

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

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

BA Vita's top line and adjusted EBIT were below our estimates in the seasonally small Q1...

BA Vita's net sales were EUR 126m, 6% below our expectations. Comparable sales declined 5.7% y/y (we had anticipated -4.5%) due to the retail customer segment. Direct-to-consumer sales accounted for 51% of sales (47% a year ago), supported by the Georg Jensen acquisition. Adjusted EBIT was -0.1m, below our EUR 3.9m estimate.

...while BA Fiskars beat our EBIT estimate with an improved gross margin

BA Fiskars' net sales were EUR 156m, 1% below our expectation. On a comparable basis, sales declined 6.2% y/y (we had anticipated -5%), due to a slow sell-out and cautious retail customers. Adjusted EBIT of EUR 29.5m came in 17% above our expectation of EUR 25.2m. The decline in volumes was offset by a higher gross margin and prudent cost management. The Other segment came in above our expectations.

Guidance intact

Fiskars reiterated its guidance and expects adjusted EBIT to improve slightly in 2024 (EUR 110.3m in 2023). Prior to the Q1 report, low-quality LSEG Data & Analytics consensus was expecting EUR 98m in adjusted EBIT in 2024. 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. Initially, we expect consensus to make minor revisions to its underlying estimates. The underlying gross margin continues to improve, which bodes well once volumes start to recover.

Estimate revisions

After the Q1 report, we trim the top line for 2024E-26E by 1% and raise adjusted EBIT by 1-2%.

ESTIMATE REVISIONS

	New estimates				Old estimates				Difference %			
EURm	**Q2 2024E**	**2024E**	**2025E**	**2026E**	**Q2 2024E**	**2024E**	**2025E**	**2026E**	**Q2 2024E**	**2024E**	**2025E**	**2026E**
Sales	**300**	**1,229**	**1,304**	**1,361**	**304**	**1,245**	**1,314**	**1,372**	**-1%**	**-1%**	**-1%**	**-1%**
Gross profit	130	557	639	668	132	564	644	674	-1%	-1%	-1%	-1%
Gross margin	43.5%	45.3%	49.0%	49.1%	43.5%	45.4%	49.0%	49.1%	-0.1pp	0.0pp	0.0pp	0.0pp
Adj. EBIT	**22.8**	**120**	**159**	**175**	**22.3**	**118**	**157**	**174**	**2%**	**2%**	**1%**	**1%**
Adj. EBIT margin	7.6%	9.8%	12.2%	12.9%	7.3%	9.5%	12.0%	12.7%	0.3pp	0.3pp	0.2pp	0.2pp
EBIT	6.6	70	156	173	6.6	72	154	172	0%	-2%	1%	1%
EBIT margin	2.2%	5.7%	12.0%	12.7%	2.2%	5.8%	11.7%	12.6%	0.0pp	-0.1pp	0.2pp	0.2pp
PTP	1.6	52	142	165	0.8	49	138	162	99%	8%	3%	2%
Adj. EPS, EUR	0.21	1.09	1.44	1.65	0.20	1.04	1.39	1.61	6%	4%	3%	2%
EPS, EUR	**0.01**	**0.47**	**1.40**	**1.63**	**0.01**	**0.47**	**1.35**	**1.59**	**86%**	**1%**	**4%**	**2%**
DPS, EUR		0.84	0.88	0.92		0.84	0.88	0.92		0%	0%	0%

Business areas	**Q2 2024E**	**2024E**	**2025E**	**2026E**	**Q2 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**
Sales												
Vita	140.1	650.7	702.0	744.1	142.4	662.5	708.9	751.4	-2%	-2%	-1%	-1%
Fiskars	159.0	574.6	597.6	612.5	160.3	578.2	601.3	616.3	-1%	-1%	-1%	-1%
Other	1.0	4.0	4.0	4.0	1.0	4.0	4.0	4.0	0%	0%	0%	0%
TOTAL	300	1,229	1,304	1,361	303.7	1,245	1,314	1,371.7	-1%	-1%	-1%	-1%
Adj. EBIT												
Vita	1.2	62.0	93.0	106.4	1.2	66.7	95.1	108.5	-5%	-7%	-2%	-2%
Fiskars	26.2	76.2	84.6	87.5	26.6	72.3	83.0	86.8	-1%	5%	2%	1%
Other	-4.6	-18.2	-18.4	-18.6	-5.5	-21.0	-20.9	-21.1	-16%	-13%	-12%	-12%
TOTAL	22.8	119.9	159.1	175.2	22.3	118.1	157.2	174.2	2%	2%	1%	1%
Adj. EBIT margin												
Vita	0.8%	9.5%	13.2%	14.3%	0.9%	10.1%	13.4%	14.4%	0.0pp	-0.5pp	-0.2pp	-0.1pp
Fiskars	16.5%	13.3%	14.2%	14.3%	16.6%	12.5%	13.8%	14.1%	-0.1pp	0.7pp	0.4pp	0.2pp
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	7.6%	9.8%	12.2%	12.9%	7.3%	9.5%	12.0%	12.7%	0.3pp	0.3pp	0.2pp	0.2pp

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 24	Q2 24E	Q3 24E	Q4 24E
Net sales	332.6	319.1	292.6	304.1	275.0	267.8	241.2	345.7	282.9	300.1	286.9	359.4
growth y/y	10%	4%	0%	-14%	-17%	-16%	-18%	14%	3%	12%	19%	4%
LFL	14%	8%	0%	-12%	-13%	-13%	-13%	-4%	-6%	0%	4%	4%
Gross profit	147.9	140.2	133.3	134.6	127.7	125.3	113.6	144.7	122.8	130.5	127.6	176.5
Gross margin	44.5%	43.9%	45.6%	44.3%	46.4%	46.8%	47.1%	41.9%	43.4%	43.5%	44.5%	49.1%
Other operating income	5.2	7	-6.6	0.0	0.5	0.7	0.8	26.9	1.7	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	-76.9	-82.2	-74.5	-96.1
Administration	-32.3	-29.2	-28.2	-31.2	-30.9	-28.4	-29.7	-35.5	-33.6	-31.4	-31.7	-35.0
R&D	-5.0	-5.2	-4.8	-5.8	-5.6	-4.8	-4.3	-5.1	-4.8	-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	-2.9	-5.0	-0.6	-0.5
EBIT	41.4	39.5	29.5	24.4	29.1	22.1	13.7	34.0	6.4	6.6	17.1	40.3
EBIT margin	12.4%	12.4%	10.1%	8.0%	10.6%	8.3%	5.7%	9.8%	2.3%	2.2%	5.9%	11.2%
NRI	-10.3	3.2	-3.8	-5.3	-2.3	-1.2	-4.3	-3.7	-18.7	-16.2	-14.7	0
Adj. EBIT	51.7	36.3	33.3	29.7	31.4	23.3	18.0	37.7	25.1	22.8	31.8	40.3
Adj. EBIT margin	15.5%	11.4%	11.4%	9.8%	11.4%	8.7%	7.5%	10.9%	8.9%	7.6%	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	1	1	1	1
Financial income and expenses	0.7	-0.7	-2.6	-9.0	-3.6	-7.1	-3.2	-10.0	-3.8	-6.0	-6.0	-6.0
PTP	42.6	39.4	27.8	14.5	26.6	16.5	11.7	25.0	3.6	1.6	12.1	35.3
Taxes	-11.2	-5.8	-4.9	-3.1	-5.8	-4.0	-2.8	3.0	-1.2	-0.4	-3.0	-8.8
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	2.4	1.2	9.1	26.5
Minority	0.2	0.1	0.4	0.1	0.3	0	0	-0.1	0	0.2	0.2	0.2
EPS	0.38	0.41	0.27	0.14	0.25	0.15	0.11	0.35	0.03	0.01	0.11	0.32
Adj. EPS	0.51	0.37	0.33	0.20	0.29	0.17	0.16	0.39	0.26	0.21	0.29	0.33

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 24	Q2 24E	Q3 24E	Q4 24E
Net sales												
Vita	120.8	126.8	140.3	175.9	107.7	113.7	119.4	214.5	125.9	140.1	160.0	224.8
Fiskars	211.2	191.3	151.2	127.0	166.8	153.0	120.6	130.0	156.0	159.0	125.9	133.7
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	282.9	300.1	286.9	359.4
Adj. EBIT												
Vita	10.7	14.4	24.6	35.9	7.8	3.0	16.9	34.7	-0.1	1.2	24.1	36.8
Fiskars	43.6	26.7	15.2	-2.8	30.6	24.6	11.0	7.4	29.5	26.2	12.1	8.3
Other	-2.4	-4.8	-6.6	-3.5	-7.2	-4.2	-10.0	-4.4	-4.3	-4.6	-4.5	-4.8
GROUP	51.9	36.3	33.2	29.6	31.2	23.4	17.9	37.7	25.1	22.8	31.8	40.3
Adj. EBIT margin												
Vita	8.9%	11.4%	17.5%	20.4%	7.2%	2.6%	14.2%	16.2%	-0.1%	0.8%	15.1%	16.4%
Fiskars	20.6%	14.0%	10.1%	-2.2%	18.3%	16.1%	9.1%	5.7%	18.9%	16.5%	9.6%	6.2%
GROUP	15.6%	11.4%	11.3%	9.7%	11.3%	8.7%	7.4%	10.9%	8.9%	7.6%	11.1%	11.2%
Sales growth, %												
Vita	12%	10%	5%	-6%	-11%	-10%	-15%	22%	17%	23%	34%	5%
Fiskars	9%	0%	-4%	-23%	-21%	-20%	-20%	2%	-6%	4%	4%	3%
GROUP	10%	4%	0%	-14%	-17%	-16%	-18%	14%	3%	12%	19%	4%
Sales split, %												
Vita	36%	40%	48%	58%	39%	42%	50%	62%	45%	47%	56%	63%
Fiskars	63%	60%	52%	42%	61%	57%	50%	38%	55%	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	1229.4	1303.6	1360.6	6%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-10%	9%	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	557.3	638.7	668.1	9%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	45.3%	45.3%	49.0%	49.1%	
Other operating income	18.5	7.1	5.2	1.9	6.4	4.1	5.6	28.9	4.1	4.2	4.3	
Sales and marketing	-298.3	-300.2	-281.4	-284.4	-241.4	-267.5	-276.2	-292.7	-329.7	-349.6	-364.9	8%
Administration	-115.0	-99.9	-90.1	-86.1	-90.4	-116.9	-120.9	-124.5	-131.7	-124.3	-122.6	-1%
R&D	-18.0	-18.8	-18.4	-18.5	-16.5	-15.5	-20.8	-19.8	-20.8	-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	-9.0	13.1	14.3	-249%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	98.9	70.3	156.1	173.2	21%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	5.7%	12.0%	12.7%	
NRI	-11.1	-5.8	-9.2	-17.7	-10.9	-11.5	-16.2	-11.5	-49.6	-3.0	-2.0	
Adj. EBIT	93.7	103.7	100.7	77.6	108.9	154.3	151.0	110.4	119.9	159.1	175.2	17%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.8%	12.2%	12.9%	
Change in fair value of biological assets	-0.5	0.7	2	-0.3	0.8	1.3	1.1	4.8	4	1	1	
Financial income and expenses	10.5	119.3	9.4	3.4	-8.8	0	-11.6	-23.9	-21.8	-14.8	-8.8	
PTP	92.6	217.9	102.9	63.0	90.0	144.1	124.3	79.8	52.5	142.3	165.4	27%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-9.6	-13.4	-28.5	-33.1	
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	39.0	113.9	132.3	24%
Minority	1.3	0.7	0.2	0.7	0.7	0.9	0.8	0.2	0.6	0.6	0.6	
EPS	0.78	2.03	1.00	0.63	0.83	1.06	1.20	0.86	0.47	1.40	1.63	23%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.09	1.44	1.65	
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
Net sales												
Vita				501	457	545	564	555	651	702	744	10%
Fiskars				586	656	706	681	570	575	598	613	2%
Other				4	4	4	4	4	4	4	4	0%
GROUP				1090	1116	1254	1248	1130	1229	1304	1361	6%
Adj. EBIT												
Vita				38.9	41.0	79.2	85.6	62.4	62.0	93.0	106.4	19%
Fiskars				59.1	108.5	88.1	82.7	73.6	76.2	84.6	87.5	6%
Other				-12.4	-12.9	-13.1	-17.3	-25.8	-18.2	-18.4	-18.6	-10%
GROUP				77.6	108.9	154.3	151.0	110.4	119.9	159.1	175.2	17%
Adj. EBIT margin												
Vita				7.8%	9.0%	14.5%	15.2%	11.2%	9.5%	13.2%	14.3%	
Fiskars				10.1%	16.5%	12.5%	12.1%	12.9%	13.3%	14.2%	14.3%	
GROUP				7.1%	9.8%	12.3%	12.1%	9.8%	9.8%	12.2%	12.9%	
Sales growth, %												
Vita					-9%	19%	4%	-2%	17%	8%	6%	
Fiskars					12%	8%	-4%	-16%	1%	4%	2%	
GROUP					2%	12%	0%	-10%	9%	6%	4%	
Sales split, %												
Vita				46%	41%	43%	45%	49%	53%	54%	55%	
Fiskars				54%	59%	56%	55%	50%	47%	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 16.0-19.8 (15.8-19.5) per share for Fiskars Group. Our peer group consists of 13 listed peers, six of which are Nordic consumer goods peers and seven 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

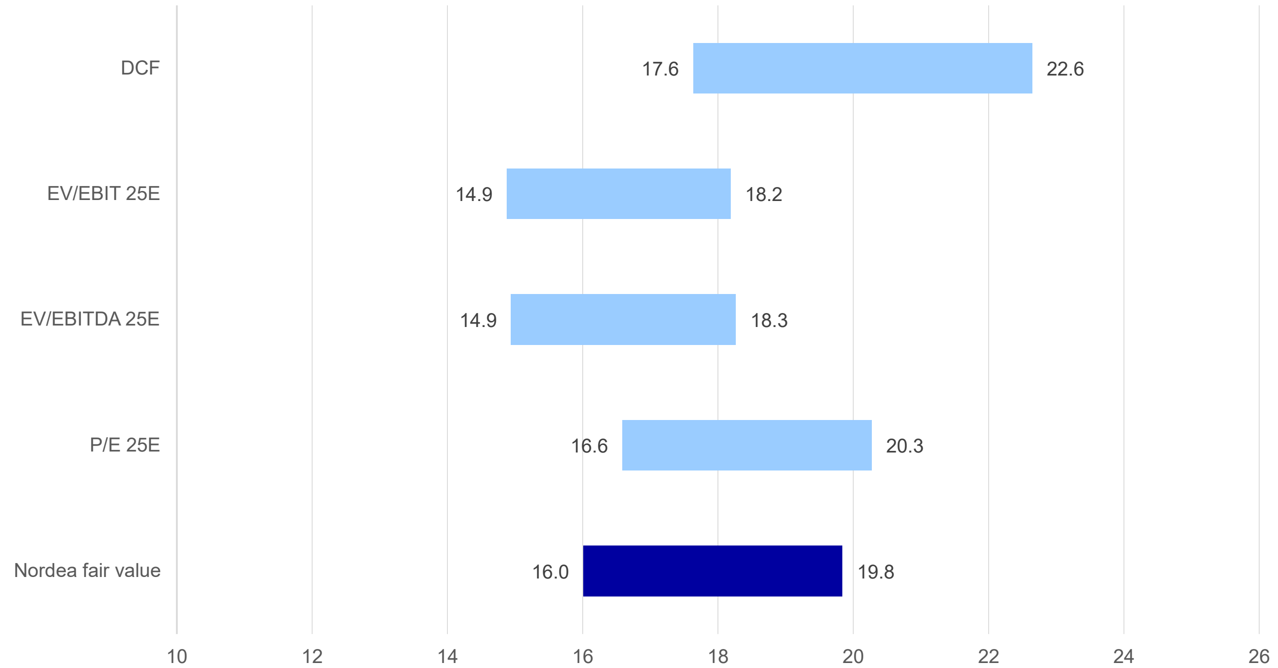
We derive a fair value range of EUR 16.0-19.8 for Fiskars

Using a combination of valuation multiples and a DCF model, we derive a fair value range of EUR 16.0-19.8 (15.8-19.5) 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 seven peers with exposure to at least one of Fiskars' three business areas. The Nordic group includes six 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 14.9-20.3

Looking at peers' 2025E EV/EBITDA, EV/EBIT and P/E multiples, the valuation range is EUR 14.9-20.3 (14.7-19.8) 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 25 April 2024) and our fair value range (EUR 16.0-19.8). We believe investors will focus mainly on EV/EBIT multiples.

FISKARS: DERIVED VALUATION MULTIPLES USING OUR FAIR VALUE RANGE AND THE CURRENT SHARE PRICE

	Share price EUR 16			Share price EUR 19.8			Current share price EUR 17.2		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/sales	1.4x	1.3x	1.2x	1.6x	1.5x	1.4x	1.6x	1.5x	1.3x
EV/EBITDA	8.5x	6.8x	6.2x	10.0x	8.1x	7.4x	10.4x	9.0x	7.2x
EV/EBIT	14.2x	10.3x	9.1x	16.8x	12.3x	10.9x	16.7x	15.0x	10.9x
P/E	14.7x	11.1x	9.7x	18.2x	13.8x	12.0x	17.1x	15.8x	12.0x
FCF yield	7.7%	10.0%	8.7%	6.2%	8.1%	7.0%	7.8%	7.1%	9.3%
Dividend yield	5.3%	5.5%	5.8%	4.2%	4.4%	4.6%	4.8%	4.9%	5.1%

*Share price as of 25 April 2024

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 Fiskars 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		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Global Peers												
Hermes International Sca	15.3x	13.7x	12.4x	32.8x	28.9x	25.6x	36.7x	32.1x	28.4x	51.2x	45.5x	40.8x
Lifetime Brands Inc	0.6x	0.6x	0.6x	6.2x	4.4x		7.5x	5.2x		15.1x	10.9x	11.8x
Newell Brands Inc	1.0x	1.0x	1.0x	7.7x	7.5x	6.7x	11.2x	10.6x	9.1x	12.3x	9.3x	7.6x
Seb Sa	0.9x	0.9x	0.9x	7.1x	6.3x	5.6x	9.9x	8.7x	7.6x	12.8x	11.3x	9.9x
Societe Bic Sa	1.0x	1.0x	0.9x	5.0x	4.7x	4.6x	6.7x	6.1x	6.0x	11.0x	10.1x	9.3x
Stanley Black & Decker Inc	1.3x	1.3x	1.2x	11.0x	9.3x	8.2x	14.4x	11.6x	10.0x	21.7x	15.6x	12.6x
Villeroy & Boch Ag	0.4x	0.4x	0.3x	2.3x	2.0x	1.4x	3.4x	2.8x	2.0x	7.9x	7.4x	6.8x
Global Average	**2.9x**	**2.7x**	**2.5x**	**10.3x**	**9.0x**	**8.7x**	**12.8x**	**11.0x**	**10.5x**	**18.8x**	**15.7x**	**14.1x**
Global Median	**1.0x**	**1.0x**	**0.9x**	**7.1x**	**6.3x**	**6.1x**	**9.9x**	**8.7x**	**8.3x**	**12.8x**	**10.9x**	**9.9x**
Nordic Peers												
Amer Sports Inc	2.6x	2.3x	2.1x	12.7x	10.5x	8.9x	17.7x	14.1x	11.5x	34.6x	21.2x	16.1x
Husqvarna Ab	1.2x	1.2x	1.1x	7.9x	6.9x	6.4x	12.7x	10.6x	9.7x	15.8x	12.8x	11.7x
Marimekko Oyj	2.7x	2.5x	2.3x	10.8x	9.7x	9.0x	13.9x	12.2x	11.2x	18.6x	16.9x	15.6x
Orthex Oyj	1.4x	1.4x	1.3x	8.0x	7.0x	6.4x	10.9x	9.0x	8.2x	13.5x	11.9x	10.4x
Rapala Vmc Oyj	0.8x	0.7x	0.7x	7.4x	6.0x	5.7x	13.3x	10.1x	9.0x	43.8x	16.8x	13.9x
Thule Group Ab	3.4x	3.2x	3.0x	16.7x	14.6x	13.3x	19.3x	16.6x	14.9x	24.5x	20.9x	18.7x
Nordic Average	**2.0x**	**1.9x**	**1.8x**	**10.6x**	**9.1x**	**8.3x**	**14.6x**	**12.1x**	**10.7x**	**25.2x**	**16.7x**	**14.4x**
Nordic Median	**2.0x**	**1.8x**	**1.7x**	**9.4x**	**8.4x**	**7.6x**	**13.6x**	**11.4x**	**10.4x**	**21.6x**	**16.8x**	**14.7x**
Total Average	**2.5x**	**2.3x**	**2.1x**	**10.4x**	**9.1x**	**8.5x**	**13.7x**	**11.5x**	**10.6x**	**21.8x**	**16.2x**	**14.2x**
Total Median	**1.2x**	**1.2x**	**1.1x**	**7.9x**	**7.0x**	**6.5x**	**12.7x**	**10.6x**	**9.4x**	**15.8x**	**12.8x**	**11.8x**
Fiskars (NDA)	**1.5x**	**1.3x**	**1.2x**	**8.9x**	**7.2x**	**6.5x**	**15.0x**	**10.9x**	**9.6x**	**15.7x**	**11.9x**	**10.4x**
difference (median)	18%	13%	9%	13%	2%	0%	18%	3%	2%	-1%	-7%	-12%
Fiskars (cons.)	**1.5x**	**1.4x**	**1.4x**	**11.4x**	**8.6x**	**7.3x**	**19.0x**	**12.3x**	**10.7x**	**16.4x**	**13.6x**	**11.9x**
difference (median)	21%	21%	21%	44%	23%	12%	50%	16%	14%	4%	6%	1%

Note: Data as of 25 April 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 13.7x for 2024E and a median of 12.7x. The salient multiples for 2025E are 11.5x and 10.6x, respectively.

DCF valuation

Our DCF model suggests a fair equity value range of EUR 1.4-1.8bn, or EUR 17.6-22.7 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 17.6-22.7 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	4.4%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT margin, excl associates	12.1%	13.0%	13.0%	13.0%	13.0%	5.6%	
Capex/depreciation, x	1.1	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	17.6%	15.0%	15.0%	15.0%	15.0%	15.0%	
FCFF, CAGR	5.3%	-3.0%	2.5%	2.5%	2.5%	-16.0%	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	1826 - 2232	22.5 - 27.6
(Net debt)	-447	-5.5
Market value of associates	0	0.0
(Market value of minorities)	-4	0.0
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	53	0.7
DCF Value	**1429 - 1835**	**17.6 - 22.7**

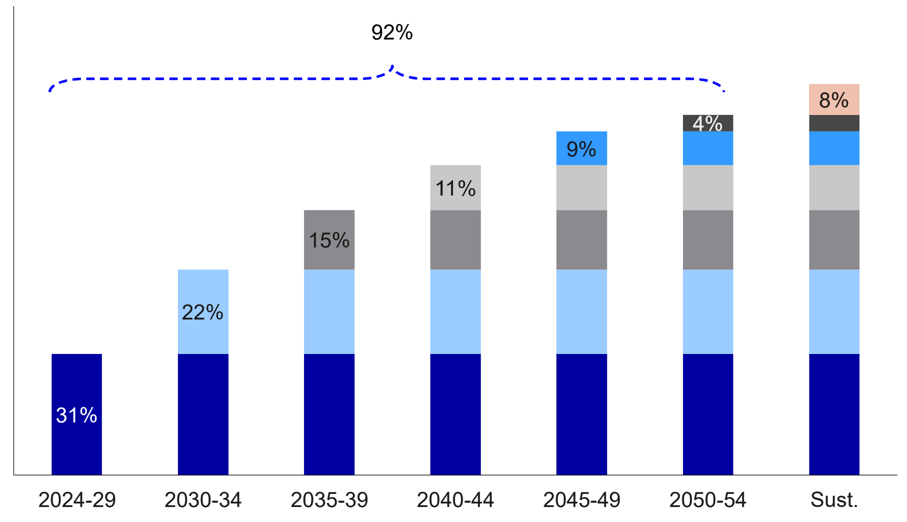
Source: Nordea estimates

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, 2024E-54E



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 17.9-22.8 per share, as shown in the table below.

- 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

DCF SENSITIVITY (EUR PER SHARE)

		WACC				
		7.5%	**8.0%**	**8.5%**	**9.0%**	**9.5%**
	+1.0pp	25.9	23.7	21.7	20.0	18.5
EBIT marg. change	**+0.5pp**	24.9	22.8	20.9	19.3	17.8
		24.0	21.9	**20.1**	18.6	17.2
	-0.5pp	23.0	21.0	19.4	17.9	16.6
	-1.0pp	22.0	20.2	18.6	17.2	16.0

		WACC				
		7.5%	**8.0%**	**8.5%**	**9.0%**	**9.5%**
	+1.0pp	26.0	23.7	21.7	19.9	18.4
Sales gr. change	**+0.5pp**	24.9	22.8	20.9	19.2	17.8
		24.0	21.9	**20.1**	18.6	17.2
	-0.5pp	23.0	21.1	19.5	18.0	16.7
	-1.0pp	22.2	20.4	18.8	17.4	16.2

		Sales growth change				
		-1.0pp	**-0.5pp**		**+0.5pp**	**+1.0pp**
	+1.0pp	20.2	20.9	21.7	22.5	23.4
EBIT margin change	**+0.5pp**	19.5	20.2	20.9	21.7	22.6
		18.8	19.5	**20.1**	20.9	21.7
	-0.5pp	18.1	18.7	19.4	20.1	20.8
	-1.0pp	17.4	18.0	18.6	19.2	19.9

Source: Nordea estimates

Risk factors

Below, we introduce the key risk factors that we believe could affect Fiskars' operations and financial performance.

Macroeconomic environment

Macroeconomic uncertainties relate mainly to consumer behaviour and consumer confidence

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.

Political environment

Political risks, e.g. related to China

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.

Supply chain and suppliers

Functioning supply chains are important for Fiskars Group

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.

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.

Interruptions to its own manufacturing

Fiskars has its own manufacturing facilities in Europe, Asia and the US, in addition to its suppliers

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.

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.

Consumer behaviour

Changes in consumer behaviour patterns, e.g. accelerating growth in the share of online sales, could affect Fiskars Group's net sales and profitability

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.

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.

Customers

Consolidation among wholesale and retail customers could result in lower pricing power

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.

Fiskars enjoys a diverse customer base – no single customer accounts for more than 5% of overall revenue.

IT systems and cybersecurity

Fiskars Group depends on centralised IT systems that could be affected, e.g. by cyberattacks

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.

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.

Seasonality

Some product categories are affected by outside forces, such as weather

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.

Fiskars addresses this seasonality by maintaining a broad and diversified product portfolio and a wide geographical footprint.

Acquisitions

Acquisitions, although not high on Fiskars Group's agenda, could pose a risk

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.

Financial investments

Fiskars Group's financial investments could cause fluctuations in group earnings

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.

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	**1,205**	**1,186**	**1,119**	**1,090**	**1,116**	**1,254**	**1,248**	**1,130**	**1,229**	**1,304**	**1,361**
Revenue growth	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-9.5%	8.8%	6.0%	4.4%
of which organic	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-10.7%	0.8%	6.1%	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	151	238	257
Depreciation and impairments PPE	-37	-39	-44	-60	-76	-62	-59	-66	-81	-82	-83
of which leased assets	0	0	0	-24	-24	-24	-24	-26	-32	-33	-33
EBITA	83	98	92	60	98	143	135	99	70	156	173
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	83	98	92	60	98	143	135	99	70	156	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	-22	-15	-9
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	4	1	1
Pre-tax profit	**93**	**218**	**103**	**63**	**90**	**144**	**124**	**80**	**52**	**142**	**165**
Reported taxes	-27	-51	-21	-11	-21	-57	-25	-10	-13	-28	-33
Net profit from continued operations	65	167	82	52	69	88	99	70	39	114	132
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	38	113	132
EPS, EUR	**0.78**	**2.03**	**1.00**	**0.63**	**0.83**	**1.06**	**1.20**	**0.86**	**0.47**	**1.40**	**1.63**
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%	18.2%	18.9%
EBITA	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	5.7%	12.0%	12.7%
EBIT	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	5.7%	12.0%	12.7%
Adjusted earnings											
EBITDA (adj)	131	143	145	137	185	216	210	176	201	241	259
EBITA (adj)	94	104	101	78	109	154	151	110	120	159	175
EBIT (adj)	94	104	101	78	109	154	151	110	120	159	175
EPS (adj, EUR)	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.09	1.44	1.65
Adjusted profit margins in percent											
EBITDA (adj)	10.9%	12.0%	12.9%	12.6%	16.6%	17.2%	16.9%	15.6%	16.3%	18.5%	19.0%
EBITA (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.8%	12.2%	12.9%
EBIT (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.8%	12.2%	12.9%
Performance metrics											
CAGR last 5 years											
Net revenue	10.2%	9.7%	7.0%	7.3%	0.2%	0.8%	1.0%	0.2%	2.4%	3.2%	1.6%
EBITDA	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	4.0%	4.8%	6.4%	4.7%
EBIT	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	1.6%	3.2%	9.8%	3.9%
EPS	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	-2.8%	-5.5%	11.0%	9.0%
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%	9.1%	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%	16.0%

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	15.8	12.0	10.4
EV/EBITDA (adj)	6.0	7.4	4.2	8.7	7.4	9.4	7.5	10.7	9.0	7.3	6.6
EV/EBITA (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.1	11.0	9.7
EV/EBIT (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.1	11.0	9.7

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	36.2	12.3	10.6
EV/Sales	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.68	1.47	1.34	1.25
EV/EBITDA	6.5	7.7	4.4	9.9	7.9	9.9	8.2	11.5	12.0	7.3	6.6
EV/EBITA	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	25.7	11.2	9.8
EV/EBIT	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	25.7	11.2	9.8
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%	9.5%	11.7%	10.5%
FCF Yield bef A&D, lease adj	4.3%	4.9%	6.5%	3.5%	13.8%	4.7%	-10.8%	7.5%	7.1%	9.3%	8.1%
Payout ratio	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	81.5%	77.3%	61.3%	55.7%

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	335	342	351
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	990	997	1,005
Inventory	225	205	220	232	207	273	365	364	338	326	340
Accounts receivable	204	214	220	203	214	206	171	177	209	222	231
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	66	69
Cash and bank	482	604	478	9	63	32	118	127	115	128	172
Total current assets	968	1,076	950	496	536	560	731	759	757	775	846
Assets held for sale	0	0	0	0	0	38	0	0	n.a.	n.a.	n.a.
Total assets	**1,760**	**1,838**	**1,719**	**1,364**	**1,342**	**1,435**	**1,585**	**1,755**	**1,747**	**1,772**	**1,851**
Shareholders equity	1,218	1,269	1,207	761	758	812	832	820	792	837	898
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	4	5	6
Total Equity	1,220	1,272	1,210	765	762	816	836	824	796	842	903
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	154	169	177
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	208	221	230
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	493	523	541
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**1,760**	**1,838**	**1,719**	**1,364**	**1,342**	**1,436**	**1,585**	**1,755**	**1,747**	**1,772**	**1,851**
Balance sheet and debt metrics											
Net debt	-289	-404	-317	262	144	145	324	447	410	347	304
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	248	224	234
Invested capital	1,032	978	966	1,062	942	969	1,193	1,301	1,238	1,221	1,239
Capital employed	1,413	1,472	1,371	1,036	969	993	1,277	1,398	1,321	1,317	1,379
ROE	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	8.5%	4.8%	13.9%	15.2%
ROIC	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	7.0%	7.5%	10.2%	11.3%
ROCE	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	8.3%	8.8%	12.1%	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	1.2
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%	47.2%	48.5%
Net gearing	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	54.2%	51.4%	41.2%	33.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
EBITDA (adj) for associates	**120**	**137**	**135**	**119**	**174**	**204**	**194**	**165**	**151**	**238**	**257**
Paid taxes	-60	-26	-26	-18	-20	-36	-29	-12	-13	-28	-33
Net financials	23	-1	-5	-3	-4	-5	-7	-15	-22	-15	-9
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
Funds from operations (FFO)	**55**	**97**	**93**	**93**	**153**	**180**	**148**	**110**	**127**	**195**	**215**
Change in NWC	29	7	13	4	46	-57	-209	111	57	24	-10
Cash flow from operations (CFO)	**84**	**104**	**106**	**97**	**199**	**123**	**-61**	**221**	**185**	**219**	**205**
Capital expenditure	-38	-33	-46	-40	-30	-34	-48	-51	-53	-56	-58
Free cash flow before A&D	**46**	**71**	**60**	**57**	**169**	**88**	**-110**	**170**	**132**	**163**	**147**
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	132	163	147
Free cash flow bef A&D, lease adj	46	71	60	33	169	88	-136	108	99	130	113
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	-28	-32	-32
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	-12	13	43
Cash flow metrics											
Capex/D&A	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	77.0%	65.4%	68.6%	70.0%
Capex/Sales	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.5%	4.3%	4.3%	4.3%
Key information											
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	1,807	1,745	1,703
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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