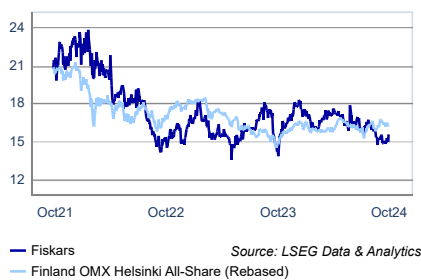


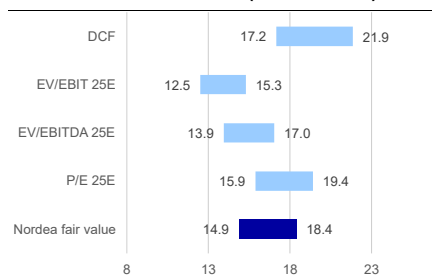
**KEY DATA**

Stock country	Finland
Bloomberg	FIS1V.FH
Reuters	FSKRS.HE
Share price (close)	EUR 15.64
Free float	58%
Market cap. (bn)	EUR 1.27/EUR 1.27
Website	fiskarsgroup.com
Next report date	06 Feb 2025

**PERFORMANCE**



**VALUATION APPROACH (EUR/SHARE)**



**ESTIMATE CHANGES**

Year	2024E	2025E	2026E
Sales	-1%	-1%	-1%
EBIT (adj)	0%	0%	3%

Source: Nordea estimates

**Nordea IB & Equity - Analysts**

Joni Sandvall  
Analyst

Svante Krokfors  
Director

**Continuing with self-help measures**

Fiskars' Q3 adjusted EBIT was in line with LSEG Data & Analytics consensus. Comparable sales declined by 7% y/y, while the comparable gross margin continued to improve y/y. Key US and China sales declined y/y in Q3, while guidance was kept intact, supported by cost savings and profit-improvement measures. Fiskars is also planning to separate its two business areas into independent entities, aiming for a EUR 12m run-rate of cost savings starting in 2025. We still believe there is an elevated guidance risk towards the end of this year, as we estimate essentially flat y/y adjusted EBIT for 2024. We derive a DCF- and multiples-based fair value range of EUR 14.9-18.4 (14.4-17.9) per share.

**Q3 adjusted EBIT in line with expectations**

Fiskars' Q3 adjusted EBIT of EUR 24.3m was up 36% y/y, in line with LSEG Data & Analytics consensus. Sales were up 6% on a reported basis and down 7% on a comparable basis, missing consensus by 5%. Fiskars BA beat our EBIT estimate, while the Vita business area missed. Seasonality has increased for Fiskars since the acquisition of Georg Jensen, which continued to improve its profitability in Q3. Ahead of the important Black Friday, key US retailers have remained cautious, causing some additional uncertainty over holiday order patterns. We also note a sales slowdown in China (down 13% y/y in Q3), which could have a negative effect on Vita.

**Limited estimate revisions**

Although the company expects the market challenges to persist in Q4, it reiterated its guidance for slightly improving adjusted EBIT, implying a continued uplift in Q4 profitability. We believe this would require a clearly improving comparable sales growth trajectory, which appears somewhat demanding in the current market environment. As we model essentially flat adjusted EBIT for 2024, we believe there is an elevated guidance risk. We make only minor estimate revisions and, despite short-term uncertainties, view a clearly improved gross margin as a key enabler for higher profits when market demand eventually returns.

**Fair value range of EUR 14.9-18.4**

Based on our estimates, Fiskars is trading at 2025E EV/EBIT of ~11x, i.e. a ~15% discount to its Nordic peers. We model continued robust cash flows for 2024 and expect the company to keep increasing its dividends, with dividend yields around 6%. Our DCF- and multiples-based fair value range increases to EUR 14.9-18.4 (14.4-17.9), mainly due to 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	1,156	1,206	1,265
EBITDA (adj)	185	216	210	176	191	227	252
EBIT (adj)	109	154	151	110	109	144	167
EBIT (adj) margin	9.8%	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%
EPS (adj, EUR)	0.96	1.20	1.40	1.01	1.00	1.25	1.51
EPS (adj) growth	13.9%	24.6%	16.8%	-28.2%	-0.8%	25.7%	20.6%
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	1.4	1.3
EV/EBIT (adj)	12.6	13.2	10.5	17.2	15.5	11.4	9.6
P/E (adj)	15.6	19.2	11.0	17.7	15.7	12.5	10.3
P/BV	1.6	2.3	1.5	1.8	1.6	1.6	1.5
Dividend yield (ord)	4.0%	3.3%	5.2%	4.6%	5.4%	5.6%	5.9%
FCF Yield bef A&D, lease	13.8%	4.7%	-10.8%	7.5%	7.5%	9.1%	8.4%
Net debt	144	145	324	447	413	365	329
Net debt/EBITDA	0.8	0.7	1.7	2.7	3.3	1.7	1.3
ROIC after tax	8.6%	12.8%	11.0%	7.0%	6.8%	9.4%	11.0%

Source: Company data and Nordea estimates

# Result takeaways

Fiskars' Q3 adjusted EBIT of EUR 24.3m came in 1% above LSEG Data & Analytics consensus expectations. Net sales were up 6% y/y to EUR 256m, driven by the Georg Jensen acquisition, but 4% below consensus. On a comparable basis, sales were down 7% y/y (we had modelled -4%; no consensus available). Comparable direct-to-consumer sales were down 3% y/y, driven by a 9% decrease in own e-commerce. The comparable gross margin was 48.1%, up 90bp y/y. Q3 operating cash flow was soft at EUR -3m (EUR 68m a year ago), driven by a EUR 30m negative working capital change. Net debt/LTM EBITDA was 2.8x, up from 2.7x in Q2 2024. Fiskars maintained its guidance for 2024 and expects adjusted EBIT to improve slightly from EUR 110m in 2023. LSEG consensus has been expecting EUR 110m adjusted EBIT for 2024.

## DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q3 2024	Q3 2024E	vs. actual		Q3 2024E	vs. actual		Q2 2024	q/q	Q3 2023	y/y
<b>Sales</b>	<b>256</b>	<b>266</b>	<b>-10</b>	<b>-4%</b>	<b>268</b>	<b>-12</b>	<b>-5%</b>	<b>281</b>	<b>-9%</b>	<b>241</b>	<b>6%</b>
Gross profit	108	119	-11.3	-9%	123	-15.0	-12%	124	-13%	114	-5%
<b>Gross margin</b>	<b>42.2%</b>	<b>44.9%</b>		<b>-2.7pp</b>	<b>45.9%</b>		<b>-3.6pp</b>	<b>44.0%</b>	<b>-1.7pp</b>	<b>47.1%</b>	<b>-4.9pp</b>
<b>Adj. EBIT</b>	<b>24.3</b>	<b>24.8</b>	<b>-0.5</b>	<b>-2%</b>	<b>24.1</b>	<b>0.3</b>	<b>1%</b>	<b>19.3</b>	<b>26%</b>	<b>18</b>	<b>35%</b>
Adj. EBIT margin	9.5%	9.3%		0.2pp	9.0%		0.5pp	6.9%	2.6pp	7.5%	2.0pp
EBIT	(0.5)	10.1	-10.6	-105%	24.1	-24.6	-102%	0.3	-267%	14	-104%
EBIT margin	-0.2%	3.8%			9.0%		-9.2pp	0.1%	-0.3pp	5.7%	-5.9pp
PTP	(4.3)	5.1	-9.4	-185%	5.7	-10.0	-176%	(7.6)	-43%	12	-137%
EPS, EUR	(0.07)	0.05	-0.12	-243%	0.05	-0.12	-240%	(0.07)	-4%	0.11	-164%

Business areas	Actual	NDA est.			Q2 2024	q/q	Q3 2023	y/y
<b>Sales</b>								
Vita	139.2	146.7	-7.5	-5%	129.9	7%	119	17%
Fiskars	115.2	117.9	-2.7	-2%	150.1	-23%	121	-4%
Other	1.5	1.0	0.5	50%	1	50%	1	25%
<b>TOTAL</b>	<b>255.9</b>	<b>265.6</b>	<b>-9.7</b>	<b>-4%</b>	<b>281</b>	<b>-9%</b>	<b>241</b>	<b>6%</b>
<b>Adj. EBIT</b>								
Vita	12.7	18.6	-5.9	-32%	1.6	694%	16.9	-25%
Fiskars	13.6	10.6	3.0	28%	22.3	-39%	11	24%
Other	-2.0	-4.5	2.5	-56%	-4.7	-57%	-10	-80%
<b>TOTAL</b>	<b>24.3</b>	<b>24.8</b>	<b>-0.5</b>	<b>-2%</b>	<b>19.2</b>	<b>27%</b>	<b>17.9</b>	<b>36%</b>
<b>Adj. EBIT margin</b>								
Vita	9.1%	12.7%		-3.6pp	1%	7.9pp	14%	-5.0pp
Fiskars	11.8%	9.0%		2.8pp	15%	-3.1pp	9%	2.7pp
<b>TOTAL</b>	<b>9.5%</b>	<b>9.3%</b>		<b>0.2pp</b>	<b>7%</b>	<b>2.7pp</b>	<b>7%</b>	<b>2.1pp</b>

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

Adjusted EBIT for the Vita business area came in below our estimates...

### Fiskars business area above our estimate, while Vita missed

Net sales for the Vita business area were EUR 139m in Q3, 5% below our expectation. Comparable sales declined 10.1% y/y (we had anticipated -5%), due to the retail customer segment. Direct-to-consumer sales accounted for 50% of sales (45% a year ago), supported by the Georg Jensen acquisition. Adjusted EBIT was EUR 12.7m, below our forecast of EUR 18.6m.

...while the Fiskars business area beat our EBIT estimates owing to an improved gross margin and lower SG&A costs

Net sales for the Fiskars business area in Q3 were EUR 115m, 2% below our expectation. On a comparable basis, sales declined 4.9% y/y (we had anticipated -2%), due to some softness and cautious retail customers. Adjusted EBIT of EUR 13.6m came in 28% above our expectation of EUR 10.6m. The decline in volumes was offset by an all-time-high Q3 gross margin and lower SG&A costs.

### Guidance intact

Fiskars reiterated its guidance and expects adjusted EBIT to improve slightly in 2024 (EUR 110.3m in 2023). Ahead of the Q3 report, LSEG consensus was expecting EUR 110m in adjusted EBIT for 2024. We note that profitability programmes should support 2024 earnings, although these are partially offset by wage inflation. Guidance is based on the assumption of a challenging operating environment also in Q4. Hence, we continue to believe that guidance remains at risk towards the end of Q4.

# Estimate revisions

## ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>336</b>	<b>1,156</b>	<b>1,206</b>	<b>1,265</b>	<b>336</b>	<b>1,165</b>	<b>1,216</b>	<b>1,275</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>
Gross profit	166	520	598	628	166	532	603	634	0%	-2%	-1%	-1%
Gross margin	49.5%	45.0%	49.6%	49.7%	49.5%	45.6%	49.6%	49.7%	0.0pp	-0.6pp	0.0pp	0.0pp
<b>Adj. EBIT</b>	<b>40.5</b>	<b>109</b>	<b>144</b>	<b>167</b>	<b>39.4</b>	<b>109</b>	<b>143</b>	<b>163</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>
Adj. EBIT margin	12.1%	9.4%	11.9%	13.2%	11.7%	9.3%	11.8%	12.8%	0.3pp	0.1pp	0.1pp	0.5pp
EBIT	38.5	45	135	165	39.4	56	140	161	-2%	-21%	-4%	3%
EBIT margin	11.5%	3.9%	11.2%	13.1%	11.7%	4.8%	11.5%	12.6%	-0.3pp	-1.0pp	-0.4pp	0.5pp
PTP	34.0	26	121	157	34.9	36	126	152	-3%	-29%	-4%	3%
Adj. EPS, EUR	0.35	1.00	1.25	1.51	0.34	0.98	1.23	1.46	5%	2%	2%	3%
<b>EPS, EUR</b>	<b>0.33</b>	<b>0.20</b>	<b>1.14</b>	<b>1.49</b>	<b>0.34</b>	<b>0.33</b>	<b>1.19</b>	<b>1.44</b>	<b>-3%</b>	<b>-39%</b>	<b>-4%</b>	<b>3%</b>
DPS, EUR		0.84	0.88	0.92		0.84	0.88	0.92	0%	0%	0%	0%

Business areas	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
<b>Sales</b>												
Vita	211.2	606.2	639.9	684.7	211.2	613.7	647.8	693.1	0%	-1%	-1%	-1%
Fiskars	123.6	544.9	561.3	575.3	123.6	547.7	564.1	578.2	0%	0%	0%	0%
Other	1.0	4.5	4.5	4.5	1.0	4.0	4.0	4.0	0%	13%	13%	13%
<b>TOTAL</b>	<b>336</b>	<b>1,156</b>	<b>1,206</b>	<b>1,265</b>	<b>335.8</b>	<b>1,165</b>	<b>1,216</b>	<b>1,275.3</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>
<b>Adj. EBIT</b>												
Vita	38.1	52.3	78.6	97.4	37.7	57.8	84.5	101.0	1%	-10%	-7%	-4%
Fiskars	7.2	72.6	81.1	85.9	6.6	69.0	77.2	80.4	9%	5%	5%	7%
Other	-4.8	-15.8	-16.0	-16.2	-4.8	-18.3	-18.5	-18.7	0%	-14%	-14%	-14%
<b>TOTAL</b>	<b>40.5</b>	<b>109.0</b>	<b>143.8</b>	<b>167.1</b>	<b>39.4</b>	<b>108.5</b>	<b>143.2</b>	<b>162.7</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>
<b>Adj. EBIT margin</b>												
Vita	18.1%	8.6%	12.3%	14.2%	17.8%	9.4%	13.1%	14.6%	0.2pp	-0.8pp	-0.8pp	-0.3pp
Fiskars	5.8%	13.3%	14.5%	14.9%	5.3%	12.6%	13.7%	13.9%	0.5pp	0.7pp	0.8pp	1.0pp
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.
<b>TOTAL</b>	<b>12.1%</b>	<b>9.4%</b>	<b>11.9%</b>	<b>13.2%</b>	<b>11.7%</b>	<b>9.3%</b>	<b>11.8%</b>	<b>12.8%</b>	<b>0.3pp</b>	<b>0.1pp</b>	<b>0.1pp</b>	<b>0.5pp</b>

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 24	Q3 24	Q4 24E
Net sales	332.6	319.1	292.6	304.1	275.0	267.8	241.2	345.7	282.9	281.0	255.9	335.8
growth y/y	10%	4%	0%	-14%	-17%	-16%	-18%	14%	3%	5%	6%	-3%
LFL	14%	8%	0%	-12%	-13%	-13%	-13%	-4%	-6%	-5%	-7%	-2%
Gross profit	147.9	140.2	133.3	134.6	127.7	125.3	113.6	144.7	122.8	123.5	107.9	166.3
Gross margin	44.5%	43.9%	45.6%	44.3%	46.4%	46.8%	47.1%	41.9%	43.4%	44.0%	42.2%	49.5%
Other operating income	5.2	7	-6.6	0.0	0.5	0.7	0.8	26.9	1.7	1.7	-3.0	1.5
Sales and marketing	-67.9	-71.2	-63.7	-73.4	-62.6	-70.3	-66.5	-93.3	-76.9	-82.4	-70.9	-89.6
Administration	-32.3	-29.2	-28.2	-31.2	-30.9	-28.4	-29.7	-35.5	-33.6	-33.2	-28.8	-34.5
R&D	-5.0	-5.2	-4.8	-5.8	-5.6	-4.8	-4.3	-5.1	-4.8	-4.9	-4.7	-5.0
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	-4.4	-1.0	-0.2
EBIT	41.4	39.5	29.5	24.4	29.1	22.1	13.7	34.0	6.4	0.3	-0.5	38.5
EBIT margin	12.4%	12.4%	10.1%	8.0%	10.6%	8.3%	5.7%	9.8%	2.3%	0.1%	-0.2%	11.5%
NRI	-10.3	3.2	-3.8	-5.3	-2.3	-1.2	-4.3	-3.7	-18.7	-19	-24.7	-2
Adj. EBIT	51.7	36.3	33.3	29.7	31.4	23.3	18.0	37.7	25.1	19.2	24.3	40.5
Adj. EBIT margin	15.5%	11.4%	11.4%	9.8%	11.4%	8.7%	7.5%	10.9%	8.9%	6.8%	9.5%	12.1%
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	1.7	1
Financial income and expenses	0.7	-0.7	-2.6	-9.0	-3.6	-7.1	-3.2	-10.0	-3.8	-9.0	-5.6	-5.5
PTP	42.6	39.4	27.8	14.5	26.6	16.5	11.7	25.0	3.6	-7.6	-4.4	34.0
Taxes	-11.2	-5.8	-4.9	-3.1	-5.8	-4.0	-2.8	3.0	-1.2	1.7	-1.6	-7.5
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	-5.9	-6.0	26.5
Minority	0.2	0.1	0.4	0.1	0.3	0	0	-0.1	0	0.3	0	0.2
EPS	0.38	0.41	0.27	0.14	0.25	0.15	0.11	0.35	0.03	-0.08	-0.07	0.32
Adj. EPS	0.51	0.37	0.33	0.20	0.29	0.17	0.16	0.39	0.26	0.16	0.23	0.35

Source: Company data and Nordea estimates

**QUARTERLY ESTIMATES BY BUSINESS AREA**

Business areas, EURm	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E
<b>Net sales</b>												
Vita	120.8	126.8	140.3	175.9	107.7	113.7	119.4	214.5	125.9	129.9	139.2	211.2
Fiskars	211.2	191.3	151.2	127.0	166.8	153.0	120.6	130.0	156.0	150.1	115.2	123.6
Other	0.7	0.9	1.1	1.2	0.5	1.1	1.2	1.2	1.0	1.0	1.5	1.0
GROUP	332.7	319.0	292.6	304.1	275.0	267.8	241.2	345.7	282.9	281.0	255.9	335.8
<b>Adj. EBIT</b>												
Vita	10.7	14.4	24.6	35.9	7.8	3.0	16.9	34.7	-0.1	1.6	12.7	38.1
Fiskars	43.6	26.7	15.2	-2.8	30.6	24.6	11.0	7.4	29.5	22.3	13.6	7.2
Other	-2.4	-4.8	-6.6	-3.5	-7.2	-4.2	-10.0	-4.4	-4.3	-4.7	-2.0	-4.8
GROUP	51.9	36.3	33.2	29.6	31.2	23.4	17.9	37.7	25.1	19.2	24.3	40.5
<b>Adj. EBIT margin</b>												
Vita	8.9%	11.4%	17.5%	20.4%	7.2%	2.6%	14.2%	16.2%	-0.1%	1.2%	9.1%	18.1%
Fiskars	20.6%	14.0%	10.1%	-2.2%	18.3%	16.1%	9.1%	5.7%	18.9%	14.9%	11.8%	5.8%
GROUP	15.6%	11.4%	11.3%	9.7%	11.3%	8.7%	7.4%	10.9%	8.9%	6.8%	9.5%	12.1%
<b>Sales growth, %</b>												
Vita	12%	10%	5%	-6%	-11%	-10%	-15%	22%	17%	14%	17%	-2%
Fiskars	9%	0%	-4%	-23%	-21%	-20%	-20%	2%	-6%	-2%	-4%	-5%
GROUP	10%	4%	0%	-14%	-17%	-16%	-18%	14%	3%	5%	6%	-3%
<b>Sales split, %</b>												
Vita	36%	40%	48%	58%	39%	42%	50%	62%	45%	46%	54%	63%
Fiskars	63%	60%	52%	42%	61%	57%	50%	38%	55%	53%	45%	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	1155.6	1205.7	1264.5	4%
growth y/y	9%	-2%	-6%	-3%	2%	12%	0%	-10%	2%	4%	5%	
LFL	2%	2%	-2%	-4%	4%	14%	2%	-11%	-5%	5%	5%	
Gross profit	502.8	512.2	485.0	447.3	452.0	539.7	556.0	511.3	520.5	598.0	628.5	7%
Gross margin	41.7%	43.2%	43.4%	41.0%	40.5%	43.0%	44.5%	45.3%	45.0%	49.6%	49.7%	
Other operating income	18.5	7.1	5.2	1.9	6.4	4.1	5.6	28.9	1.9	1.9	2.0	
Sales and marketing	-298.3	-300.2	-281.4	-284.4	-241.4	-267.5	-276.2	-292.7	-319.8	-320.8	-326.9	4%
Administration	-115.0	-99.9	-90.1	-86.1	-90.4	-116.9	-120.9	-124.5	-130.1	-120.7	-115.9	-2%
R&D	-18.0	-18.8	-18.4	-18.5	-16.5	-15.5	-20.8	-19.8	-19.4	-21.0	-21.0	2%
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	-8.5	-2.7	-1.6	-28%
EBIT	82.6	97.9	91.5	59.9	98.0	142.8	134.8	98.9	44.6	134.8	165.1	19%
EBIT margin	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	3.9%	11.2%	13.1%	
NRI	-11.1	-5.8	-9.2	-17.7	-10.9	-11.5	-16.2	-11.5	-64.4	-9.0	-2.0	
Adj. EBIT	93.7	103.7	100.7	77.6	108.9	154.3	151.0	110.4	109.0	143.8	167.1	15%
Adj. EBIT margin	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%	
Change in fair value of biological assets	-0.5	0.7	2	-0.3	0.8	1.3	1.1	4.8	4.8	1	1	
Financial income and expenses	10.5	119.3	9.4	3.4	-8.8	0	-11.6	-23.9	-23.9	-14.9	-8.9	
PTP	92.6	217.9	102.9	63.0	90.0	144.1	124.3	79.8	25.5	120.9	157.2	25%
Taxes	-27.4	-50.8	-21.1	-10.8	-21.4	-56.5	-25.0	-9.6	-8.6	-27.8	-36.2	
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	16.9	93.1	121.0	20%
Minority	1.3	0.7	0.2	0.7	0.7	0.9	0.8	0.2	0.5	0.5	0.5	
EPS	0.78	2.03	1.00	0.63	0.83	1.06	1.20	0.86	0.20	1.14	1.49	20%
Adj. EPS	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.00	1.25	1.51	
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 ESTIMATES BY BUSINESS AREA**

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	606	640	685	7%
Fiskars				586	656	706	681	570	545	561	575	0%
Other				4	4	4	4	4	5	5	5	4%
GROUP				1090	1116	1254	1248	1130	1156	1206	1265	4%
<b>Adj. EBIT</b>												
Vita				38.9	41.0	79.2	85.6	62.4	52.3	78.6	97.4	16%
Fiskars				59.1	108.5	88.1	82.7	73.6	72.6	81.1	85.9	5%
Other				-12.4	-12.9	-13.1	-17.3	-25.8	-15.8	-16.0	-16.2	-14%
GROUP				77.6	108.9	154.3	151.0	110.4	109.0	143.8	167.1	15%
<b>Adj. EBIT margin</b>												
Vita				7.8%	9.0%	14.5%	15.2%	11.2%	8.6%	12.3%	14.2%	
Fiskars				10.1%	16.5%	12.5%	12.1%	12.9%	13.3%	14.5%	14.9%	
GROUP				7.1%	9.8%	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%	
<b>Sales growth, %</b>												
Vita					-9%	19%	4%	-2%	9%	6%	7%	
Fiskars					12%	8%	-4%	-16%	-4%	3%	2%	
GROUP					2%	12%	0%	-10%	2%	4%	5%	
<b>Sales split, %</b>												
Vita				46%	41%	43%	45%	49%	52%	53%	54%	
Fiskars				54%	59%	56%	55%	50%	47%	47%	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 14.9-18.4 (14.4-17.9) 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

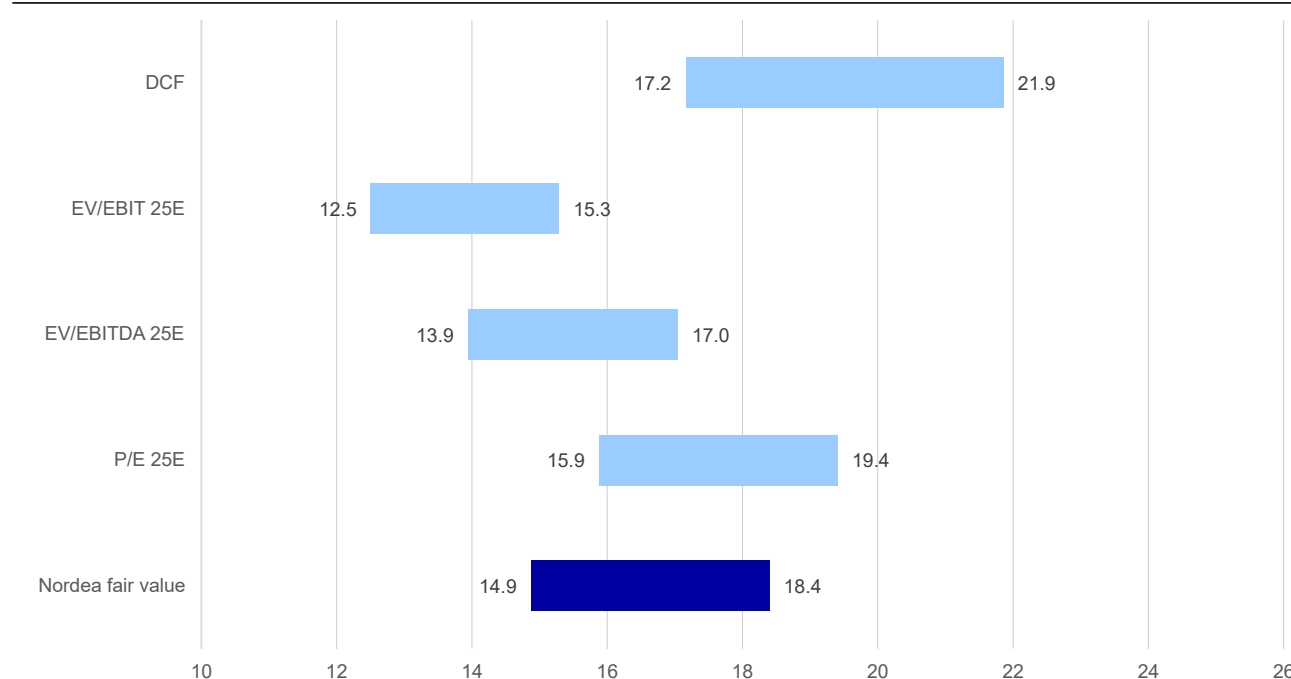
We derive a fair value range of EUR 14.9-18.4 for Fiskars

Using a combination of valuation multiples and a DCF model, we derive a fair value range of EUR 14.9-18.4 (14.4-17.9) 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

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

	Share price EUR 14.9			Share price EUR 18.4			Current share price EUR 15.6		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/sales	1.4x	1.3x	1.2x	1.6x	1.5x	1.4x	1.5x	1.4x	1.3x
EV/EBITDA	8.5x	6.9x	6.1x	10.0x	8.2x	7.2x	8.8x	7.2x	6.3x
EV/EBIT	14.9x	10.9x	9.2x	17.5x	12.9x	10.9x	15.4x	11.3x	9.5x
P/E	14.9x	11.9x	9.9x	18.4x	14.7x	12.2x	15.7x	12.5x	10.3x
FCF yield	7.9%	9.6%	8.8%	6.4%	7.8%	7.1%	7.5%	9.1%	8.4%
Dividend yield	5.6%	5.9%	6.2%	4.6%	4.8%	5.0%	5.4%	5.6%	5.9%

\*Share price as of 24 October 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
<b>Global Peers</b>												
Hermes International Sca	14.0x	12.7x	11.4x	31.0x	27.6x	24.3x	34.7x	30.8x	27.2x	48.1x	43.4x	38.5x
Lifetime Brands Inc	0.5x	0.5x	0.5x	4.6x	4.0x	4.7x	5.6x	4.8x		8.3x	6.6x	8.3x
Newell Brands Inc	1.0x	1.0x	1.0x	8.2x	7.4x	6.6x	12.0x	10.4x	9.1x	11.4x	9.8x	7.8x
Seb Sa	0.9x	0.8x	0.8x	6.7x	6.0x	5.3x	9.3x	8.3x	7.3x	11.8x	10.5x	9.5x
Societe Bic Sa	1.1x	1.1x	1.0x	5.6x	5.3x	4.9x	7.5x	6.9x	6.4x	11.9x	11.1x	10.4x
Stanley Black & Decker Inc	1.5x	1.5x	1.4x	13.4x	10.4x	9.3x	16.0x	12.8x	11.1x	24.7x	18.0x	15.0x
Villeroy & Boch Ag	0.1x	0.1x	0.1x	4.1x	3.1x	2.6x	5.4x	4.2x	3.5x	8.4x	6.2x	5.5x
<b>Global Average</b>	<b>2.7x</b>	<b>2.5x</b>	<b>2.3x</b>	<b>10.5x</b>	<b>9.1x</b>	<b>8.3x</b>	<b>12.9x</b>	<b>11.2x</b>	<b>10.8x</b>	<b>17.8x</b>	<b>15.1x</b>	<b>13.6x</b>
<b>Global Median</b>	<b>1.0x</b>	<b>1.0x</b>	<b>1.0x</b>	<b>6.7x</b>	<b>6.0x</b>	<b>5.3x</b>	<b>9.3x</b>	<b>8.3x</b>	<b>8.2x</b>	<b>11.8x</b>	<b>10.5x</b>	<b>9.5x</b>
<b>Nordic Peers</b>												
Amer Sports Inc	2.9x	2.6x	2.3x	14.4x	11.8x	10.1x	20.0x	16.0x	13.1x	40.4x	25.5x	19.4x
Husqvarna Ab	1.2x	1.1x	1.1x	8.2x	7.1x	6.2x	14.9x	11.6x	9.7x	19.8x	14.1x	11.4x
Marimekko Oyj	2.9x	2.7x	2.5x	12.4x	10.9x	9.8x	15.9x	13.7x	12.3x	21.2x	18.5x	16.7x
Orthex Oyj	1.4x	1.3x	1.2x	8.0x	6.9x	6.3x	11.1x	9.2x	8.0x	14.0x	11.3x	10.3x
Rapala Vmc Oyj	0.7x	0.6x	0.6x	6.0x	4.9x	4.6x	11.6x	8.6x	7.6x	464.0x	16.0x	11.6x
Thule Group Ab	4.0x	3.7x	3.5x	20.0x	17.1x	15.6x	23.4x	19.7x	17.7x	31.0x	25.8x	23.1x
<b>Nordic Average</b>	<b>2.2x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>11.5x</b>	<b>9.8x</b>	<b>8.8x</b>	<b>16.2x</b>	<b>13.1x</b>	<b>11.4x</b>	<b>98.4x</b>	<b>18.5x</b>	<b>15.4x</b>
<b>Nordic Median</b>	<b>2.1x</b>	<b>1.9x</b>	<b>1.7x</b>	<b>10.3x</b>	<b>9.0x</b>	<b>8.1x</b>	<b>15.4x</b>	<b>12.7x</b>	<b>11.0x</b>	<b>26.1x</b>	<b>17.3x</b>	<b>14.2x</b>
<b>Total Average</b>	<b>2.5x</b>	<b>2.3x</b>	<b>2.1x</b>	<b>11.0x</b>	<b>9.4x</b>	<b>8.5x</b>	<b>14.4x</b>	<b>12.1x</b>	<b>11.1x</b>	<b>55.0x</b>	<b>16.7x</b>	<b>14.4x</b>
<b>Total Median</b>	<b>1.2x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>8.2x</b>	<b>7.1x</b>	<b>6.3x</b>	<b>12.0x</b>	<b>10.4x</b>	<b>9.4x</b>	<b>19.8x</b>	<b>14.1x</b>	<b>11.4x</b>
<b>Fiskars (NDA)</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>8.5x</b>	<b>7.0x</b>	<b>6.1x</b>	<b>15.0x</b>	<b>11.0x</b>	<b>9.3x</b>	<b>15.1x</b>	<b>12.0x</b>	<b>9.9x</b>
<i>difference (median)</i>	22%	19%	16%	4%	-2%	-3%	24%	6%	-1%	-24%	-15%	-13%
<b>Fiskars (cons.)</b>	<b>1.5x</b>	<b>1.4x</b>	<b>1.4x</b>	<b>11.0x</b>	<b>7.8x</b>	<b>6.9x</b>	<b>14.9x</b>	<b>12.1x</b>	<b>10.4x</b>	<b>15.3x</b>	<b>14.3x</b>	<b>11.4x</b>
<i>difference (median)</i>	31%	31%	32%	33%	9%	10%	24%	17%	11%	-23%	2%	0%

Note: Data as of 24 October 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 14.4x for 2024E and a median of 12.0x. The salient multiples for 2025E are 12.1x and 10.4x, respectively.

#### DCF valuation

Our DCF model suggests a fair equity value range of EUR 1.4-1.8bn, or EUR 17.2-21.9 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 17.2-21.9 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	4.2%	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	1.0	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	5.1%	-3.7%	2.5%	2.5%	2.5%	-16.0%	2.5%

Source: Nordea estimates

An estimated 53% 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)**

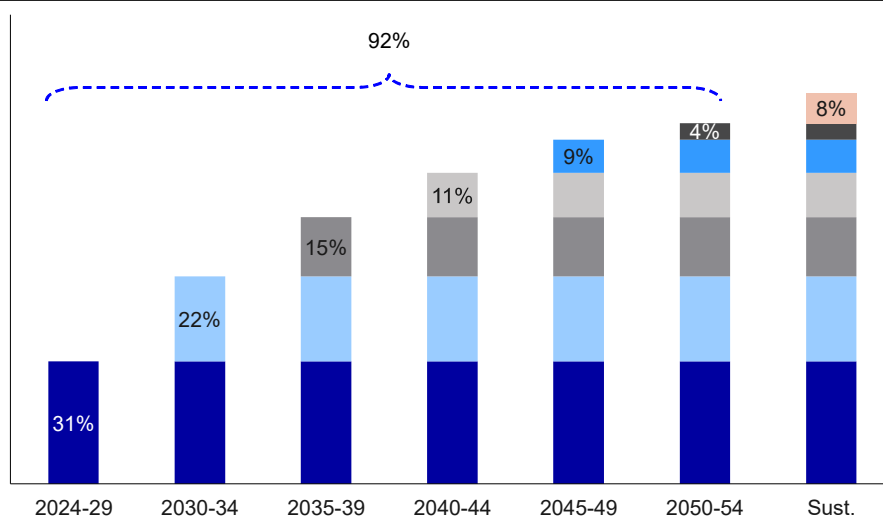
DCF value	Value	Per share
NPV FCFF	1713 - 2094	21.1 - 25.8
(Net debt)	-447	-5.5
Market value of associates	0	0.0
(Market value of minorities)	-4	0.0
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	127	1.6
<b>DCF Value</b>	<b>1390 - 1770</b>	<b>17.2 - 21.9</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, 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  $\pm 0.5$ 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 17.3-22.1 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	25.2	22.9	21.0	19.3	17.8
	+0.5pp	24.2	22.1	20.3	18.7	17.2
		23.2	21.2	<b>19.5</b>	18.0	16.6
	-0.5pp	22.3	20.4	18.8	17.3	16.0
	-1.0pp	21.3	19.5	18.0	16.6	15.4
		WACC				
		7.5%	8.0%	8.5%	9.0%	9.5%
Sales gr. change	+1.0pp	25.2	23.0	21.0	19.3	17.8
	+0.5pp	24.2	22.1	20.2	18.6	17.2
		23.2	21.2	<b>19.5</b>	18.0	16.6
	-0.5pp	22.3	20.5	18.8	17.4	16.1
	-1.0pp	21.5	19.7	18.2	16.8	15.6
		Sales growth change				
		-1.0pp	-0.5pp		+0.5pp	+1.0pp
EBIT margin change	+1.0pp	19.5	20.2	21.0	21.8	22.7
	+0.5pp	18.9	19.5	20.3	21.0	21.9
		18.2	18.8	<b>19.5</b>	20.2	21.0
	-0.5pp	17.5	18.1	18.8	19.4	20.1
	-1.0pp	16.9	17.4	18.0	18.6	19.3

Source: Nordea estimates

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

- A +/-1pp 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>1,156</b>	<b>1,206</b>	<b>1,265</b>
Revenue growth	9.0%	-1.6%	-5.7%	-2.5%	2.4%	12.4%	-0.5%	-9.5%	2.3%	4.3%	4.9%
of which organic	1.6%	1.5%	-2.4%	-3.9%	3.8%	14.2%	1.7%	-10.7%	-4.9%	4.6%	4.9%
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	127	218	250
Depreciation and impairments PPE	-37	-39	-44	-60	-76	-62	-59	-66	-82	-83	-85
of which leased assets	0	0	0	-24	-24	-24	-24	-26	-32	-33	-33
EBITA	83	98	92	60	98	143	135	99	45	135	165
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	83	98	92	60	98	143	135	99	45	135	165
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	-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	5	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>26</b>	<b>121</b>	<b>157</b>
Reported taxes	-27	-51	-21	-11	-21	-57	-25	-10	-9	-28	-36
Net profit from continued operations	65	167	82	52	69	88	99	70	17	93	121
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	16	93	121
<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>0.20</b>	<b>1.14</b>	<b>1.49</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%	11.0%	18.1%	19.8%
EBITA	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	3.9%	11.2%	13.1%
EBIT	6.9%	8.3%	8.2%	5.5%	8.8%	11.4%	10.8%	8.8%	3.9%	11.2%	13.1%

## Adjusted earnings

EBITDA (adj)	131	143	145	137	185	216	210	176	191	227	252
EBITA (adj)	94	104	101	78	109	154	151	110	109	144	167
EBIT (adj)	94	104	101	78	109	154	151	110	109	144	167
EPS (adj, EUR)	0.92	2.10	1.11	0.84	0.96	1.20	1.40	1.01	1.00	1.25	1.51

## Adjusted profit margins in percent

EBITDA (adj)	10.9%	12.0%	12.9%	12.6%	16.6%	17.2%	16.9%	15.6%	16.5%	18.8%	19.9%
EBITA (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%
EBIT (adj)	7.8%	8.7%	9.0%	7.1%	9.8%	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%

## Performance metrics

CAGR last 5 years											
Net revenue	10.2%	9.7%	7.0%	7.3%	0.2%	0.8%	1.0%	0.2%	1.2%	1.6%	0.2%
EBITDA	10.1%	9.8%	8.4%	10.9%	14.3%	11.2%	7.3%	4.0%	1.2%	4.6%	4.1%
EBIT	9.4%	8.9%	8.4%	7.0%	16.1%	11.6%	6.6%	1.6%	-5.7%	6.6%	2.9%
EPS	-16.4%	-1.4%	-2.8%	-41.8%	-4.7%	6.3%	-10.0%	-2.8%	-20.3%	6.6%	7.0%
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%	8.8%	9.3%	9.6%
Average EBITDA margin	9.9%	10.0%	10.3%	10.5%	12.0%	13.4%	14.2%	14.7%	14.6%	15.2%	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	15.7	12.5	10.3
EV/EBITDA (adj)	6.0	7.4	4.2	8.7	7.4	9.4	7.5	10.7	8.8	7.2	6.4
EV/EBITA (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.5	11.4	9.6
EV/EBIT (adj)	8.4	10.2	6.0	15.3	12.6	13.2	10.5	17.2	15.5	11.4	9.6

## 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	77.1	13.7	10.5
EV/Sales	0.65	0.89	0.54	1.09	1.23	1.62	1.27	1.68	1.46	1.36	1.27
EV/EBITDA	6.5	7.7	4.4	9.9	7.9	9.9	8.2	11.5	13.3	7.5	6.4
EV/EBITA	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	37.8	12.1	9.7
EV/EBIT	9.5	10.8	6.6	19.8	14.0	14.2	11.8	19.2	37.8	12.1	9.7
Dividend yield (ord.)	8.1%	4.0%	52.4%	5.0%	4.0%	3.3%	5.2%	4.6%	5.4%	5.6%	5.9%
FCF yield	8.2%	5.3%	6.7%	5.4%	13.7%	4.6%	-5.9%	3.4%	10.1%	11.8%	11.1%
FCF Yield bef A&D, lease adj	4.3%	4.9%	6.5%	3.5%	13.8%	4.7%	-10.8%	7.5%	7.5%	9.1%	8.4%
Payout ratio	115.8%	34.2%	527.7%	66.3%	62.4%	63.4%	57.1%	81.5%	84.2%	70.2%	60.8%

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	331	333	337
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	986	988	991
Inventory	225	205	220	232	207	273	365	364	318	301	316
Accounts receivable	204	214	220	203	214	206	171	177	196	205	215
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	59	61	64
Cash and bank	482	604	478	9	63	32	118	127	111	111	147
Total current assets	968	1,076	950	496	536	560	731	759	717	712	777
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>1,703</b>	<b>1,700</b>	<b>1,768</b>
Shareholders equity	1,218	1,269	1,207	761	758	812	832	820	770	794	844
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	5
Total Equity	1,220	1,272	1,210	765	762	816	836	824	774	799	849
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	6	6
Accounts payable	238	247	268	268	310	139	69	102	144	157	164
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	196	204	214
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	471	493	511
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>1,703</b>	<b>1,700</b>	<b>1,768</b>
<b>Balance sheet and debt metrics</b>											
Net debt	-289	-404	-317	262	144	145	324	447	413	365	329
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	233	207	217
Invested capital	1,032	978	966	1,062	942	969	1,193	1,301	1,219	1,195	1,209
Capital employed	1,413	1,472	1,371	1,036	969	993	1,277	1,398	1,299	1,274	1,325
ROE	5.3%	13.4%	6.6%	5.2%	8.9%	11.0%	12.0%	8.5%	2.1%	11.8%	14.7%
ROIC	7.3%	8.2%	8.2%	6.0%	8.6%	12.8%	11.0%	7.0%	6.8%	9.4%	11.0%
ROCE	6.5%	7.2%	7.1%	6.4%	10.9%	15.7%	13.3%	8.3%	8.1%	11.2%	12.9%
Net debt/EBITDA	-2.4	-3.0	-2.3	2.2	0.8	0.7	1.7	2.7	3.3	1.7	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%	45.2%	46.7%	47.7%
Net gearing	-23.7%	-31.7%	-26.2%	34.3%	19.0%	17.8%	38.7%	54.2%	53.4%	45.6%	38.7%

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>127</b>	<b>218</b>	<b>250</b>
Paid taxes	-60	-26	-26	-18	-20	-36	-29	-12	-9	-28	-36
Net financials	23	-1	-5	-3	-4	-5	-7	-15	-24	-15	-9
Change in provisions	9	-9	-5	-2	1	9	-13	3	0	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>105</b>	<b>175</b>	<b>205</b>
Change in NWC	29	7	13	4	46	-57	-209	111	72	26	-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>178</b>	<b>201</b>	<b>195</b>
Capital expenditure	-38	-33	-46	-40	-30	-34	-48	-51	-50	-53	-55
<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>128</b>	<b>149</b>	<b>140</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	128	149	140
Free cash flow bef A&D, lease adj	46	71	60	33	169	88	-136	108	95	116	106
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	-27	-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	-16	-1	37
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	84.5%	n.m.	67.2%	39.4%	55.8%	81.0%	77.0%	61.2%	63.3%	64.8%
Capex/Sales	3.1%	2.8%	4.1%	3.7%	2.7%	2.7%	3.9%	4.5%	4.4%	4.4%	4.4%
<b>Key information</b>											
Share price year end (/current)	13	18	11	11	15	23	15	18	16	16	16
Market cap.	1,071	1,458	915	922	1,227	1,884	1,260	1,445	1,267	1,267	1,267
Enterprise value	784	1,057	601	1,188	1,375	2,033	1,587	1,895	1,684	1,636	1,601
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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**Completion Date**

24 Oct 2024, 23:11 CET

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