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## Commissioned research: Fiskars – Husqvarna profit warning underpins uncertainty ahead of the 2025 gardening season

Marketing material commissioned by Fiskars

After market close on 9 December, Husqvarna issued a profit warning due to challenging market conditions with intensified promotional activities, particularly in North America. Husqvarna expects 5% y/y organic sales decline with adjusted EBIT loss of SEK 700-800m in Q4. Husqvarna notes unfavorable product mix while we note Fiskars BA was able to record all-time high Q3 gross margin which combined with lower SG&A costs was able to mitigate the impact of lower volumes. In addition, Husqvarna notes retail partners and servicing dealers focus on reducing inventories which is in line with Fiskars communication during Q3. Americas accounted 52% of Fiskars BA sales in 2023, while gardening sales were 55% of Fiskars BA sales. In Q3, Fiskars BA comparable sales were down 5% y/y while we have modelled -4% y/y comparable sales growth in Q4. For 2024E, we and LSEG Data & Analytics consensus have anticipated a profit warning with 1-2% lower adjusted EBIT compared to 2023 while Fiskars guides for slightly improving adjusted EBIT after EUR 110m in 2023. For Fiskars, Q4 is clearly driven by Vita BA, where the company was expecting flattish volumes y/y in Q4 (we model -1% comparable sales growth in Vita BA) while profit improvement programmes should continue to benefit the company. As a conclusion, we view Husqvarna profit warning as slightly negative for Fiskars as it increases risks ahead of the important 2025 gardening season although we do not expect any material changes on Q4 consensus expectations.

### FISKARS: OUR ESTIMATES VS. CONSENSUS

EURm	Actual		Nordea estimates				Consensus estimates				Difference %			
	2023	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E	Q4 2024E	2024E	2025E	2026E	
<b>Sales</b>	<b>1,130</b>	<b>336</b>	<b>1,156</b>	<b>1,206</b>	<b>1,265</b>	<b>338</b>	<b>1,158</b>	<b>1,200</b>	<b>1,247</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	
Gross profit	511	166	520	598	628	163	536	589	619	2%	-3%	2%	2%	
<b>Gross margin</b>	<b>45.3%</b>	<b>49.5%</b>	<b>45.0%</b>	<b>49.6%</b>	<b>49.7%</b>	<b>48.0%</b>	<b>46.2%</b>	<b>49.1%</b>	<b>49.6%</b>	<b>1.5pp</b>	<b>-1.2pp</b>	<b>0.5pp</b>	<b>0.1pp</b>	
EBITDA	165	59	127	218	250	56	140	208	230	5%	-9%	5%	9%	
EBITDA margin	14.6%	17.5%	11.0%	18.1%	19.8%	16.6%	12.1%	17.3%	18.4%	1.0pp	-1.1pp	0.7pp	1.3pp	
<b>Adj. EBIT</b>	<b>110</b>	<b>41</b>	<b>109</b>	<b>144</b>	<b>167</b>	<b>35</b>	<b>108</b>	<b>128</b>	<b>152</b>	<b>17%</b>	<b>1%</b>	<b>13%</b>	<b>10%</b>	
Adj. EBIT margin	9.8%	12.1%	9.4%	11.9%	13.2%	10.2%	9.3%	10.7%	12.2%	1.8pp	0.1pp	1.3pp	1.0pp	
EBIT	99	39	45	135	165	35	108	128	152	11%	-59%	6%	9%	
EBIT margin	8.8%	11.5%	3.9%	11.2%	13.1%	10.2%	9.3%	10.7%	12.2%	1.2pp	-5.5pp	0.5pp	0.9pp	
PTP	80	34	26	121	157	35	47	107	136	-3%	-46%	13%	16%	
EPS	0.86	0.33	0.20	1.14	1.49	0.33	0.15	0.98	1.28	-1%	35%	17%	16%	
<b>Adj. EPS</b>	<b>1.01</b>	<b>0.35</b>	<b>1.00</b>	<b>1.25</b>	<b>1.51</b>	<b>0.33</b>	<b>0.96</b>	<b>1.13</b>	<b>1.32</b>	<b>7%</b>	<b>4%</b>	<b>11%</b>	<b>15%</b>	
<b>DPS</b>	<b>0.82</b>		<b>0.84</b>	<b>0.88</b>	<b>0.92</b>		<b>0.83</b>	<b>0.87</b>	<b>0.92</b>	<b>2%</b>	<b>1%</b>	<b>0%</b>		

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

## SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	1,254	1,248	1,130	1,156	1,206	1,265
EBITDA (adj)	216	210	176	191	227	252
EBIT (adj)	154	151	110	109	144	167
EBIT (adj) margin	12.3%	12.1%	9.8%	9.4%	11.9%	13.2%
EPS (adj, EUR)	1.20	1.40	1.01	1.00	1.25	1.51
EPS (adj) growth	24.6%	16.8%	-28.2%	-0.8%	25.7%	20.6%
DPS (ord, EUR)	0.76	0.80	0.82	0.84	0.88	0.92
EV/Sales	1.6	1.3	1.7	1.4	1.3	1.2
EV/EBIT (adj)	13.2	10.5	17.2	14.8	10.9	9.1
P/E (adj)	19.2	11.0	17.7	14.7	11.7	9.7
P/BV	2.3	1.5	1.8	1.5	1.5	1.4
Dividend yield (ord)	3.3%	5.2%	4.6%	5.7%	6.0%	6.3%
FCF Yield bef A&D, lease adj	4.7%	-10.8%	7.5%	8.0%	9.7%	8.9%
Net debt	145	324	447	413	365	329
Net debt/EBITDA	0.7	1.7	2.7	3.3	1.7	1.3
ROIC after tax	12.8%	11.0%	7.0%	6.8%	9.4%	11.0%

Source: Company data and Nordea estimates

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