

Fiskars

Company report

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Rauli Juva
+358 50 588 0092
rauli.juva@inderes.fi



Thomas Westerholm
+358 50 541 2211
thomas.westerholm@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Ohjeistus vuodelle 2023 kohtuullisen hyvä" published on 02/08/2023 at 8:53 am

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Guidance for 2023 relatively good

Fiskars Q4 figures had been published in advance, so the guidance played the main role in the report. Fiskars' 2023 guidance is that comparable EBIT will be slightly below the 2022 level (2022: 151.0 MEUR). We raised our estimate slightly and expect EBIT to be EUR 135 million this year. We still see a positive change in Fiskars and a reasonable expected return. We reiterate our Accumulate recommendation and raise our target price to EUR 18 (previous EUR 17.50).

Key figures for Q4 had been published earlier, Vita segment improved its result

Fiskars reported already a couple of weeks ago that its Q4 net sales were EUR 304 million and decreased by 12% y-o-y. The drop in Q4 net sales was mainly due to inventory management by US retailers. In Q4, comparable EBIT was EUR 30 million, which was only slightly below the EUR 32 million of the comparison period and the margin improved from 9.1% to 9.8%. This was due to the improved gross margin (operational improvement 0.9 percentage points) and adjustment of fixed costs to correspond with the drop in net sales. We believe this is an indication of Fiskars' excellent cost management and quick reaction. All segments' net sales decreased, but the Vita segment improved its performance despite this, which we believe indicates a structural improvement in profitability.

Fiskars' guidance is that comparable EBIT will decline slightly from 2022

Fiskars' 2023 guidance is that comparable EBIT will be slightly below the 2022 level (2022: 151.0 MEUR). If this is taken to mean, e.g., a 0-10% decrease, it would mean a profit of some EUR 135-150 million. Our estimate before the result was EUR 130 million, which we have increased to EUR 135 million. In January, Fiskars announced an efficiency program of EUR 30 million, the effects of which will start to be visible in H2'23 and thus support the 2023 earnings outlook somewhat and especially the 2024 outlook. Fiskars' guidance does not include net sales but the company said it assumes it will decrease in 2023 as customers continue destocking, consumer demand is weaker and the weaker USD hits reported figures. We expect a 5% drop in net sales.

2023 estimate up slightly, no other substantial changes

The weakened USD depressed our net sales estimates a bit. We did, however, raise the 2023 margin estimate, especially due to Vita segments' good Q4 performance. Vita seems to continue its structural growth and performance improvement, which we believe will support Fiskars in the coming years. The company's guidance was also encouraging and supports our view that Fiskars has substantially improved its performance from the pre-COVID era (EBIT around 100 MEUR on average). We made no significant estimate changes for 2024-25 and expect a good 10% annual growth in earnings in these years.

We still see a positive change story in Fiskars, which offers a reasonable expected return

We believe that Fiskars' profitability has already structurally improved from the pre-COVID era, although during the COVID era the company was also supported by exceptionally good demand. We also believe that the strategy launched by the company's current management in 2021 will support 2024-25 net sales growth and profitability improving to record levels. We feel earnings-based valuation (EV/EBIT: 12x and adjusted P/E: 15x) for 2023 is highish, but earnings growth starting from 2024 and the dividend yield of about 5% will raise the share's expected return to an adequate level.

Recommendation

Accumulate

(previous Accumulate)

EUR 18.00

(previous EUR 17.50)

Share price:

17.12



Key figures

	2022	2023e	2024e	2025e
Revenue	1248	1187	1260	1300
growth-%	0%	-5%	6%	3%
EBIT adj.	151.0	135.4	157.3	169.5
EBIT-% adj.	12.1 %	11.4 %	12.5 %	13.0 %
Net Income	98.2	91.0	114.1	121.0
EPS (adj.)	1.42	1.19	1.41	1.50

P/E (adj.)	10.8	14.4	12.1	11.4
P/B	1.5	1.6	1.5	1.4
Dividend yield-%	5.2 %	4.7 %	4.8 %	5.3 %
EV/EBIT (adj.)	10.4	11.7	9.6	8.6
EV/EBITDA	8.1	8.3	6.9	6.3
EV/S	1.3	1.3	1.2	1.1

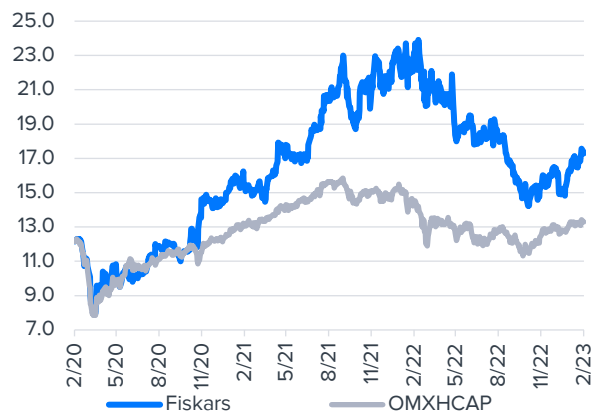
Source: Inderes

Guidance

(New guidance)

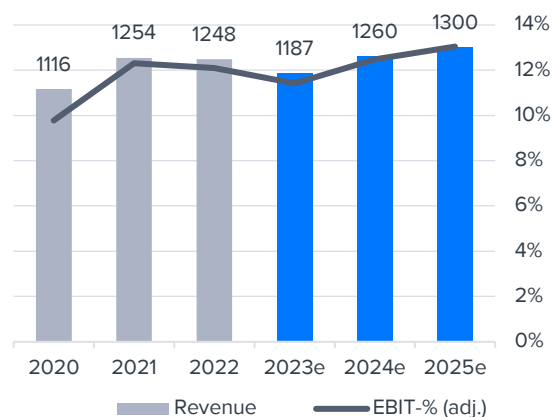
Fiskars expects comparable EBIT to be slightly below the 2022 level (2022: 151 MEUR).

Share price



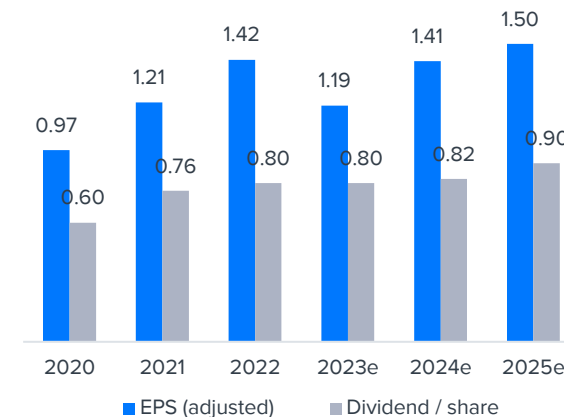
Source: Millistream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Portfolio's focus on big and most profitable brands
- Organic growth from new markets and/or product categories
- Profitability improvement through sales and channel mix as well as growth and scale



Risk factors

- Weakening of the global economy and consumer confidence
- Rapid transition in the retail sector to digital channels and increasing price competition
- Complexity of the brand portfolio

Valuation	2023e	2024e	2025e
Share price	17.1	17.1	17.1
Number of shares, millions	80.7	80.7	80.7
Market cap	1382	1382	1382
EV	1578	1514	1462
P/E (adj.)	14.4	12.1	11.4
P/E	15.2	12.1	11.4
P/FCF	6.6	10.2	11.2
P/B	1.6	1.5	1.4
P/S	1.2	1.1	1.1
EV/Sales	1.3	1.2	1.1
EV/EBITDA	8.3	6.9	6.3
EV/EBIT (adj.)	11.7	9.6	8.6
Payout ratio (%)	71.0 %	58.0 %	60.0 %
Dividend yield-%	4.7 %	4.8 %	5.3 %

Source: Inderes

Main Q4 figures had already been published

Q4 net sales fell clearly as the company reported already in January

Fiskars reported already a couple of weeks ago that its Q4 net sales were EUR 304 million and decreased by 12% y-o-y. The fall in net sales was mainly due to inventory management by US retailers, with comparable sales in the US down 26%. The US accounted for approximately 35% of Fiskars' net sales in Q4'21. The US drove the drop in net sales, but net sales also decreased in Europe by 4% and in Asia-Pacific it was close to the level of the comparison period. At division level, Vita performed better than we expected, but Terra and Crea were less successful. However, in all divisions, net sales decreased from the comparison period.

Margin was strong despite a clear decrease in net sales

The company's EBIT was known due to provided preliminary data. In Q4, comparable EBIT was EUR

30 million. Despite the major drop in net sales, this was only slightly below the EUR 32 million in the comparison period and the margin improved from 9.1% to 9.8%. This was due to the improved gross margin (operational improvement 0.9 percentage points) and the adjustment of fixed costs to correspond with the drop in net sales. Especially as the drop in volumes/net sales was big and unexpected, we believe this shows excellent cost management and quick reaction from Fiskars.

At division level, Vita was able to improve its result from the comparison period against our expectations, while Terra and Crea were below the level of the comparison period. Fiskars reported that the net sales and earnings of the Wedgwood brand (part of Vita) had developed well and reached the "winning brands" category of the company. This means brands with good profitability that seek growth.

Inventories remain high, which increased indebtedness

Fiskars has been battling increasing working capital throughout 2022, but during Q4 it succeeded in turning the development of free cash flow positive relative to the comparison period (EUR 36 million vs. 24 MEUR). The company said, however, that working capital was still some EUR 100 million higher than normal. We believe this will decline mainly in 2023, but will still continue in 2024. Net debt/EBITDA at the end of the year was 1.7x, which was well above the 0.7x of 2021, but still at a good level and in line with the company's targets (under 2.5x). The company raised its dividend to EUR 0.80, when we expected EUR 0.76 in line with last year.

Estimates MEUR / EUR	Q4'21	Q4'22	Q4'22e	Q4'22e	Consensus		Difference (%)	2022
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	353	304	304				0%	1248
EBIT (adj.)	32.3	29.7	29.9				-1%	151
EBIT	23.8	24.4	29.9				-18%	135
EPS (reported)	0.22	0.14	0.26				-47%	1.21
DPS	0.76	0.80	0.76				5%	0.80
Revenue growth-%	12.7 %	-13.9 %	-14.0 %				0.1 pp	-0.5 %
EBIT-% (adj.)	9.1%	9.8 %	9.9 %				-0.1 pp	12.1 %

Source: Inderes

Guidance for 2023 better than we expected

Fiskars' guidance is that comparable EBIT will decline slightly from 2022

Fiskars' 2023 guidance is that comparable EBIT will be slightly below the 2022 level (151.0 MEUR). If this is taken to mean, e.g., a 0-10% decrease, it would mean a profit of some EUR 135-150 million. This is in line with the consensus estimate prior to the result (about 140 MEUR). Our estimate before the result was EUR 130 million, which we have increased to EUR 135 million. In January, Fiskars announced an efficiency program of EUR 30 million, the effects of which will start to be visible in H2'23 and thus support the 2023 earnings outlook somewhat and especially the 2024 outlook.

Fiskars' guidance does not include net sales but the company said it assumes it will decrease in 2023 as customers continue destocking, consumer demand is weaker and the weaker USD hits reported figures.

2023 estimate up slightly, no other substantial changes

The weakened USD depressed our net sales estimates a bit. We did, however, raise the 2023 margin estimate, especially due to Vita segments' good Q4 performance. Vita seems to continue its structural growth and performance improvement, which we believe will support Fiskars in the coming years. The company's guidance was also encouraging and supports our view that Fiskars has substantially improved its performance from the pre-COVID era, when its EBIT was around 100 MEUR on average. We made no significant estimate changes for 2024-25.

Normalization of Terra's result main driver for 2023 earnings drop

Fiskars faces the last good comparison period in Q1'23. We believe that Fiskars' net sales will fall

clearly (13%) in Q1 and that comparable EBIT will also drop significantly (31 MEUR vs. 52 MEUR). This is mainly driven by the drop in Terra's earnings from the exceptionally high level during the COVID era closer to the 2019 level. In 2019, Terra's comparable EBIT was EUR 32 million, compared to EUR 37 million estimate for 2023. In 2021 it was over EUR 50 million. In our estimates, Terra's Q1 earnings drop is responsible for most of the Group's earnings drop year-on-year. We expect Vita and Crea will be close to last year's performance.

Estimate revisions	2022	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	1248	1248	0%	1204	1187	-1%	1278	1260	-1%
EBIT (exc. NRIs)	151	151	0%	130	135	4%	156	157	1%
EBIT	144	135	-6%	130	130	0%	156	157	1%
EPS (excl. NRIs)	1.48	1.42	-4%	1.13	1.19	5%	1.41	1.41	0%
DPS	0.76	0.80	5%	0.76	0.80	5%	0.82	0.82	0%

Source: Inderes

Earnings growth and dividend support the expected return

Valuation highish for 2023

We consider Fiskars' 2023 earnings-based valuation (EV/EBIT: 12x and adjusted P/E: 15x) slightly high in the current market environment. We believe that continued earnings growth from 2024 onwards together with dividend yield will be the main drivers of the share's return and will keep the expected return above 10% for the next few years.

Fiskars' valuation is close to the peers

Fiskars' earnings-based valuation with 2023-24 estimates is close to the peer group level (0-10% lower valuation with P/E and EV/EBIT ratios). Fiskars' peer group limits the upside to some extent, as we believe that premium pricing would require more evidence of sustainable net sales and earnings growth.

Share price is attractive if the company meets its 2025 targets

We currently consider Fiskars' neutral valuation multiples to be 11-13x for the P/E ratio and 10-12x for the EV/EBIT ratio. We believe there is upside in the valuation multiples if Fiskars can achieve higher growth than in previous (pre-COVID) years. Increasing net sales has historically been challenging, which is why particularly high valuation multiples have not been accepted for the company. We believe the company has been able to generate structural growth on top of the exceptional demand generated by the COVID era. We expect sustainable growth to resume again in 2024.

The company has challenging financial targets, which aim at 2025. If we assume that Fiskars would meet its

financial targets of growing net sales by around 5% per year in 2022-25 and raise its EBIT margin to the targeted 15%, it will mean net sales of EUR ~1.5 billion, an EBIT of EUR ~225 million and EPS of EUR ~2.2. If the company would then be priced at 12x P/E, the calculated value of the share would be EUR 26 in 2025. If Fiskars can meet its own financial targets, we believe that the share price is currently cheap since if the targets are met, the expected return considering the dividend would be good 20% p.a. As the company's guidance indicates and earnings drop for 2023, we believe that 2025 can come too quickly for the company to reach the targets. However, we feel that these are good target levels and believe that the company will move toward its targets after a weaker 2023.

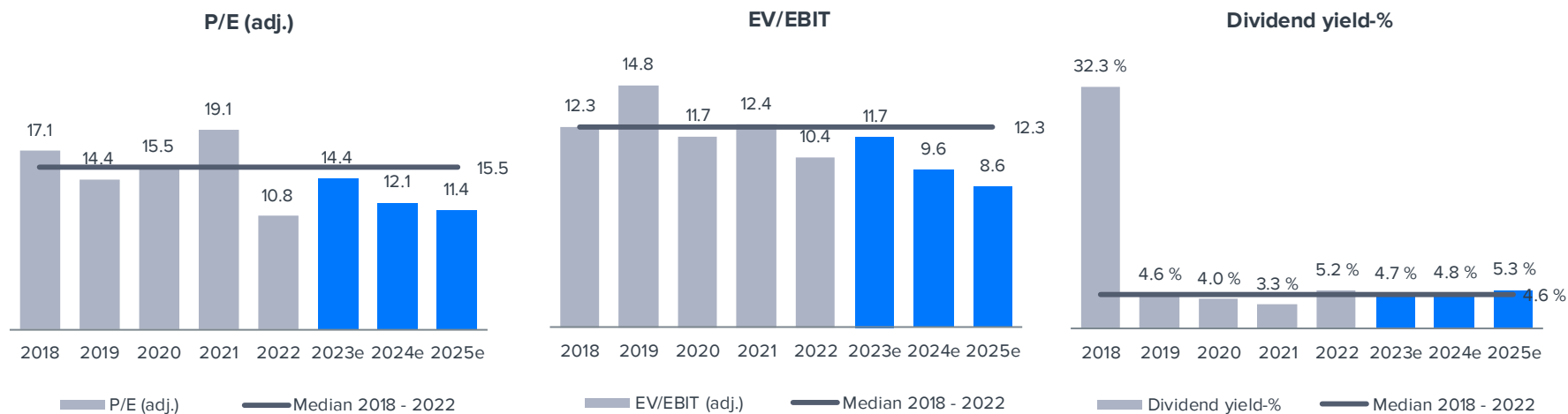
Valuation	2023e	2024e	2025e
Share price	17.1	17.1	17.1
Number of shares, millions	80.7	80.7	80.7
Market cap	1382	1382	1382
EV	1578	1514	1462
P/E (adj.)	14.4	12.1	11.4
P/E	15.2	12.1	11.4
P/FCF	6.6	10.2	11.2
P/B	1.6	1.5	1.4
P/S	1.2	1.1	1.1
EV/Sales	1.3	1.2	1.1
EV/EBITDA	8.3	6.9	6.3
EV/EBIT (adj.)	11.7	9.6	8.6
Payout ratio (%)	71.0 %	58.0 %	60.0 %
Dividend yield-%	4.7 %	4.8 %	5.3 %

Source: Inderes

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	19.0	12.2	15.0	23.0	15.4	17.1	17.1	17.1	17.1
Number of shares, millions	81.6	81.5	81.5	81.5	80.6	80.7	80.7	80.7	80.7
Market cap	1550	996	1220	1874	1239	1382	1382	1382	1382
EV	1236	1152	1276	1916	1570	1578	1514	1462	1418
P/E (adj.)	17.1	14.4	15.5	19.1	10.8	14.4	12.1	11.4	11.0
P/E	19.0	19.3	18.0	21.6	12.6	15.2	12.1	11.4	11.0
P/FCF	24.4	28.5	6.9	24.5	neg.	6.6	10.2	11.2	11.3
P/B	1.3	1.3	1.6	2.3	1.5	1.6	1.5	1.4	1.4
P/S	1.4	0.9	1.1	1.5	1.0	1.2	1.1	1.1	1.0
EV/Sales	1.1	1.1	1.1	1.5	1.3	1.3	1.2	1.1	1.1
EV/EBITDA	9.1	9.6	7.4	9.4	8.1	8.3	6.9	6.3	6.0
EV/EBIT (adj.)	12.3	14.8	11.7	12.4	10.4	11.7	9.6	8.6	8.1
Payout ratio (%)	613.3 %	88.4 %	72.2 %	71.4 %	65.7 %	71.0 %	58.0 %	60.0 %	70.0 %
Dividend yield-%	32.3 %	4.6 %	4.0 %	3.3 %	5.2 %	4.7 %	4.8 %	5.3 %	6.3 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Duni AB	370	519	11.8	10.2	7.6	6.9	0.8	0.8	10.1	8.8	5.9	6.1	1.5
Harvia Oyj	385	407	13.0	11.0	10.8	9.3	2.6	2.3	16.5	14.5	3.0	3.2	3.1
Leifheit AG	190	161	11.9	5.9	7.9	4.5	0.6	0.6	19.1	8.9	3.4	7.5	1.7
Marimekko Oyj	392	372	11.8	10.0	8.9	7.8	2.1	1.9	16.1	13.9	5.0	5.7	4.9
Nokian Tyres plc	1558	1594	11.8	11.5	6.1	6.5	1.2	1.2	16.0	13.7			1.0
Orthex Oyj	94	115	11.4	10.1	8.0	7.2	1.3	1.2	14.0	12.2	3.4	3.8	2.3
Rapala VMC Oyj	187	257	12.5	8.5	8.0	6.1	0.9	0.8	14.7	9.8	4.1	6.2	1.2
Stanley Black & Decker Inc	12706	19288	24.9	13.6	17.0	10.7	1.3	1.2	56.2	17.0	3.5	3.6	1.5
Villeroy & Boch AG	548	431	4.7	4.3	3.3	3.1	0.4	0.4	8.4	7.8	5.5	6.0	1.4
Fiskars (Inderes)	1382	1578	11.7	9.6	8.3	6.9	1.3	1.2	14.4	12.1	4.7	4.8	1.6
Average			12.6	9.5	8.6	6.9	1.2	1.1	19.0	11.9	4.2	5.3	2.1
Median			11.8	10.1	8.0	6.9	1.2	1.2	16.0	12.2	3.8	5.9	1.5
Diff-% to median			-1%	-4%	4%	0%	15%	4%	-10%	-1%	22%	-18%	5%

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	1254	333	319	293	304	1248	291	302	282	312	1187.1	1260	1300	1340
Vita	545	121	127	140	176	564	110	123	132	183	547.7	594	618	642
Terra	535	173	139	108	86.8	507	144	131	106	88.4	469.1	488	500	513
Crea	171	38.1	52.0	43.1	40.3	173	36.9	46.7	42.7	39.9	166.2	174	178	182
Others	3.8	0.9	0.9	1.1	1.0	3.9	0.9	0.9	1.1	1.2	4.1	4.1	4.1	4.1
EBITDA	204	56.5	54.4	44.2	38.4	194	40.5	47.1	49.2	53.7	190.4	218	231	238
Depreciation	-61.3	-15.1	-14.9	-14.8	-14.0	-58.8	-15.0	-15.0	-15.0	-15.0	-60.0	-60.9	-61.5	-63.2
EBIT (excl. NRI)	154	51.8	36.3	33.7	29.2	151	30.5	32.1	34.2	38.7	135	157	169	175
EBIT	143	41.4	39.5	29.4	24.4	135	25.5	32.1	34.2	38.7	130	157	169	175
Vita	69.4	10.7	14.1	24.6	36.1	85.5	7.7	14.8	23.7	38.4	84.6	95.0	98.8	103
Terra	50.9	35.5	9.9	1.4	-12.7	34.1	21.6	11.1	6.2	-1.8	37.1	46.3	55.0	56.4
Crea	36.3	8.1	11.6	10.0	4.5	34.2	5.5	10.5	8.5	7.2	31.8	34.9	35.6	36.3
Others	-13.8	-2.4	-6.6	-6.6	-3.5	-19.1	-4.3	-4.3	-4.3	-5.2	-18.1	-19.0	-19.9	-20.9
Net financial items	0.0	0.7	-0.8	-2.6	-9.0	-11.7	-3.0	-3.0	-2.5	-2.5	-11.0	-7.9	-6.9	-6.4
PTP	144	42.6	39.3	27.6	14.6	124	22.5	29.1	31.7	36.2	119.4	149	163	168
Taxes	-56.5	-11.2	-5.8	-4.9	-3.1	-25.0	-5.2	-6.7	-7.3	-8.3	-27.5	-34.4	-40.6	-42.0
Minority interest	-1.0	-0.2	-0.1	-0.4	-0.2	-0.9	-0.2	-0.2	-0.3	-0.3	-1.0	-0.9	-0.9	-0.9
Net earnings	86.7	31.2	33.4	22.3	11.3	98.2	17.1	22.2	24.1	27.6	91.0	114	121	125
EPS (adj.)	1.21	0.52	0.38	0.33	0.20	1.42	0.27	0.28	0.30	0.34	1.19	1.41	1.50	1.55
EPS (rep.)	1.06	0.39	0.41	0.28	0.14	1.22	0.21	0.28	0.30	0.34	1.13	1.41	1.50	1.55

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	12.4 %	10.2 %	3.9 %	0.3 %	-14.0 %	-0.5 %	-12.5 %	-5.5 %	-3.8 %	2.8 %	-4.9 %	6.2 %	3.1 %	3.1 %
Adjusted EBIT growth-%	41.5 %	11.1 %	-12.3 %	-1.2 %	-9.5 %	-2.2 %	-41.1 %	-11.6 %	1.4 %	32.4 %	-10.3 %	16.1 %	7.8 %	3.0 %
EBITDA-%	16.3 %	17.0 %	17.0 %	15.1 %	12.6 %	15.5 %	13.9 %	15.6 %	17.5 %	17.2 %	16.0 %	17.3 %	17.8 %	17.7 %
Adjusted EBIT-%	12.3 %	15.6 %	11.4 %	11.5 %	9.6 %	12.1 %	10.5 %	10.6 %	12.1 %	12.4 %	11.4 %	12.5 %	13.0 %	13.0 %
Net earnings-%	6.9 %	9.4 %	10.5 %	7.6 %	3.7 %	7.9 %	5.9 %	7.4 %	8.6 %	8.8 %	7.7 %	9.1 %	9.3 %	9.3 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	898	877	882	886	896
Goodwill	219	221	221	221	221
Intangible assets	270	279	280	281	282
Tangible assets	145	257	261	264	273
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	91.6	84.8	84.8	84.8	84.8
Other non-current assets	145	6.4	6.4	6.4	6.4
Deferred tax assets	27.5	29.0	29.0	29.0	29.0
Current assets	537	709	585	601	667
Inventories	273	365	285	277	286
Other current assets	2.6	8.9	8.9	8.9	8.9
Receivables	230	219	220	239	247
Cash and equivalents	31.5	116	71.2	75.6	125
Balance sheet total	1435	1586	1467	1487	1563

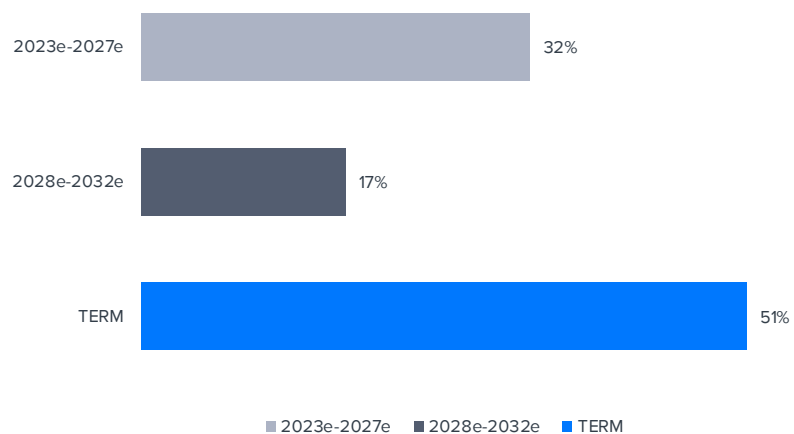
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	816	836	862	912	967
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	735	754	781	830	885
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	4.2	4.1	4.1	4.1	4.1
Non-current liabilities	144	275	233	203	202
Deferred tax liabilities	32.1	34.5	34.5	34.5	34.5
Provisions	3.4	13.2	13.2	13.2	13.2
Long term debt	0.7	223	181	151	150
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	108	4.0	4.0	4.0	4.0
Current liabilities	475	475	372	373	395
Short term debt	64.4	218	80.0	50.9	50.0
Payables	370	250	285	315	338
Other current liabilities	40.5	6.9	6.9	6.9	6.9
Balance sheet total	1435	1585	1467	1487	1563

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	-0.5 %	-4.9 %	6.2 %	3.1 %	3.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	10.8 %	11.0 %	12.5 %	13.0 %	13.0 %	12.5 %	12.0 %	11.5 %	11.0 %	11.0 %	11.0 %	11.0 %
EBIT (operating profit)	135	130	157	169	175	171	167	164	160	163	166	
+ Depreciation	58.8	60.0	60.9	61.5	63.2	63.6	63.4	64.4	65.5	66.5	67.6	
- Paid taxes	-24.1	-27.5	-34.4	-40.6	-42.0	-41.5	-40.6	-39.7	-38.7	-39.5	-40.3	
- Tax, financial expenses	-2.4	-2.6	-1.8	-1.8	-1.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
- Change in working capital	-241.3	114	18.0	6.7	-6.1	-4.0	-4.1	-4.2	-4.3	-4.4	-4.4	
Operating cash flow	-74.3	275	200	195	188	188	185	183	181	184	188	
+ Change in other long-term liabilities	-93.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-35.8	-65.0	-65.0	-71.5	-66.0	-63.1	-69.7	-70.8	-71.9	-73.0	-73.9	
Free operating cash flow	-203.9	210	135	124	122	125	115	112	109	111	114	
+/- Other	43.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-160.0	210	135	124	122	125	115	112	109	111	114	1953
Discounted FCFF		196	117	99.3	90.6	85.7	73.3	66.2	59.6	56.3	53.4	916
Sum of FCFF present value		1813	1617	1501	1401	1311	1225	1152	1086	1026	970	916
Enterprise value DCF		1813										
- Interesting bearing debt		-441										
+ Cash and cash equivalents		116										
-Minorities		-7										
-Dividend/capital return		0.0										
Equity value DCF		1481										
Equity value DCF per share		18.4										

Cash flow distribution



Wacc

Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.05
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	8.5 %
Weighted average cost of capital (WACC)	7.9 %

Source: Inderes

Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	1116.2	1254.3	1248.4	1187.1	1260.2	EPS (reported)	0.83	1.06	1.22	1.13	1.41
EBITDA	173.4	204.2	193.5	190.4	218.2	EPS (adj.)	0.97	1.21	1.42	1.19	1.41
EBIT	98.1	142.9	134.7	130.4	157.3	OCF / share	2.57	1.97	-0.92	3.40	2.48
PTP	89.9	144.2	124.1	119.4	149.4	FCF / share	2.19	0.94	-1.99	2.60	1.67
Net Income	67.7	86.7	98.2	91.0	114.1	Book value / share	9.30	9.97	10.32	10.63	11.25
Extraordinary items	-11.0	-11.5	-16.3	-5.0	0.0	Dividend / share	0.60	0.76	0.80	0.80	0.82
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	1342.0	1435.4	1585.6	1466.5	1487.1	Revenue growth-%	2%	12%	0%	-5%	6%
Equity capital	761.7	816.3	835.7	862.2	911.7	EBITDA growth-%	45%	18%	-5%	-2%	15%
Goodwill	213.7	219.1	221.2	221.2	221.2	EBIT (adj.) growth-%	40%	41%	-2%	-10%	16%
Net debt	49.9	33.6	325.2	189.6	126.1	EPS (adj.) growth-%	14%	25%	18%	-16%	19%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	15.5 %	16.3 %	15.5 %	16.0 %	17.3 %
EBITDA	173.4	204.2	193.5	190.4	218.2	EBIT (adj.)-%	9.8 %	12.3 %	12.1 %	11.4 %	12.5 %
Change in working capital	60.7	12.0	-241.3	114.3	18.0	EBIT-%	8.8 %	11.4 %	10.8 %	11.0 %	12.5 %
Operating cash flow	209.6	160.5	-74.3	274.7	200.0	ROE-%	8.9 %	11.0 %	11.9 %	10.8 %	12.9 %
CAPEX	-14.3	-130.4	-35.8	-65.0	-65.0	ROI-%	11.0 %	16.4 %	12.6 %	10.9 %	14.1 %
Free cash flow	178.2	76.5	-160.0	209.7	135.0	Equity ratio	56.8 %	56.9 %	52.7 %	58.8 %	61.3 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	6.6 %	4.1 %	38.9 %	22.0 %	13.8 %
EV/S	1.1	1.5	1.3	1.3	1.2						
EV/EBITDA (adj.)	7.4	9.4	8.1	8.3	6.9						
EV/EBIT (adj.)	11.7	12.4	10.4	11.7	9.6						
P/E (adj.)	15.5	19.1	10.8	14.4	12.1						
P/E	1.6	2.3	1.5	1.6	1.5						
Dividend-%	4.0 %	3.3 %	5.2 %	4.7 %	4.8 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
19-03-20	Accumulate	9.00 €	7.91 €
07-05-20	Reduce	10.00 €	10.38 €
31-07-20	Reduce	11.50 €	12.00 €
14-10-20	Accumulate	13.00 €	12.14 €
02-11-20	Accumulate	14.00 €	12.88 €
07-01-21	Accumulate	16.00 €	15.26 €
08-02-21	Reduce	15.00 €	15.60 €
20-04-21	Accumulate	18.00 €	16.80 €
29-04-21	Accumulate	19.00 €	17.58 €
29-07-21	Accumulate	22.00 €	20.20 €
01-11-21	Accumulate	23.00 €	21.25 €
10-11-21	Accumulate	24.00 €	21.10 €
28-12-21	Accumulate	24.00 €	22.75 €
<i>Change of analyst</i>			
05-02-22	Accumulate	24.00 €	22.05 €
02-05-22	Accumulate	24.00 €	21.90 €
19-07-22	Accumulate	20.00 €	18.40 €
<i>Change of analyst</i>			
29-07-22	Accumulate	20.00 €	18.60 €
26-09-22	Accumulate	18.00 €	15.20 €
31-10-22	Accumulate	18.00 €	15.22 €
23-12-22	Accumulate	17.00 €	15.22 €
16-01-23	Accumulate	17.50 €	16.80 €
08-02-23	Accumulate	18.00 €	17.12 €



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Itämerentori 2

FI-00180 Helsinki, Finland

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