

# Fiskars

## Company report

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# Large earnings improvement unlikely next year

Fiskars improved its Q3 result organically despite a continued clear decline in revenue. Reaching this year's guidance indicating improved earnings is still on a razor's edge, and our forecast is at last year's level. With the continued sluggish consumption environment, we do not see any significant earnings improvement in 2025 either. Thus, we reiterate our EUR 15 target price and raise our recommendation to Reduce (was Sell).

## Earnings increased with efficiency measures, but the improvement and forecast overshoot came mainly from the 'Other' segment

The Group's Q3's comparable revenue decreased by 7%, while we expected a 2% decline, with both segments declining sharper than expected. The Georg Jensen deal pushed the growth in reported revenue to 5%. The Group's comparable EBIT rose to 24 MEUR (Q3'23: 18 MEUR), slightly above our expectation (23 MEUR). The earnings improvement and small overshoot compared to forecasts are mainly explained by fluctuation in the Other segment's result, which stabilizes over time.

## Still challenging to reach the guidance

Fiskars reiterated its guidance, so the company expects comparable EBIT to be slightly above the 2023 level (110 MEUR). After three quarters, the company is around 4 MEUR behind last year, so improvement is needed in Q4 to meet the guidance. We expect the downward trend in revenue to stabilize and efficiency gains to support Fiskars in Q4, which prompts us to forecast a small earnings improvement. Q4 is Fiskars' main quarter for earnings and as its own retail sales are a significant result driver we may have to wait until next year to know if the guidance materializes. With a slight overshoot in Q3, we raised this year's forecast a bit and our adjusted EBIT estimate is now 110 MEUR, so at last year's level. Currently, there are no signs of a strong turn in demand for next year. However, we expect organic growth to return in 2025, but a more pronounced earnings improvement to be visible only in 2026. We lowered 2025-26 estimates by 6-8%

## Fiskars separates its segments into individual companies, enabling additional savings and a future demerger

In connection with the Q3 result, Fiskars announced that it will separate the Fiskars and Vita segments into independent legal entities, the implementation of which will take until the beginning of 2026. The current organizational model was announced a good year ago, and already then, the segments and the brands within them gained more independence and Group activities were reduced. This announcement continues the development as the company further reduces its joint Group activities. The aim is to save 12 MEUR over the next year with the efficiency improvement. We believe this segment separation is also preparation for a potential full separation of the segments into independent companies in the future, e.g., through divesting or a separate listing of the Vita segment. In our view, the change will not bring significant operational changes to Fiskars' operations, and therefore it has no significant effect on the company's value at this stage.

## A neutral valuation requires strong earnings growth from current levels

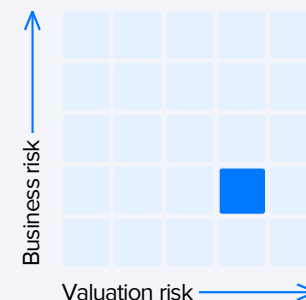
Fiskars' 2024-25 valuation multiples (e.g. P/E 20x, 16x) are above our acceptable multiples and only within them with the 2026 forecast. Thus, we believe the share's expected return consists mainly of dividend income and is subdued despite the earnings growth outlook for the next few years.

## Recommendation

**Reduce**  
(was Sell)

**EUR 15.00**  
(was EUR 15.00)

**Share price:**  
15.64



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	1130	1164	1193	1248
<b>growth-%</b>	-10%	3%	3%	5%
<b>EBIT adj.</b>	110.2	109.8	122.1	145.7
<b>EBIT-% adj.</b>	9.8 %	9.4 %	10.2 %	11.7 %
<b>Net Income</b>	69.9	12.9	70.0	99.6
<b>EPS (adj.)</b>	1.01	0.79	0.96	1.23

<b>P/E (adj.)</b>	17.5	19.7	16.3	12.7
<b>P/B</b>	1.7	1.6	1.6	1.6
<b>Dividend yield-%</b>	4.7 %	5.3 %	5.4 %	5.6 %
<b>EV/EBIT (adj.)</b>	17.0	15.6	13.7	11.3
<b>EV/EBITDA</b>	11.4	13.7	8.6	7.2
<b>EV/S</b>	1.7	1.5	1.4	1.3

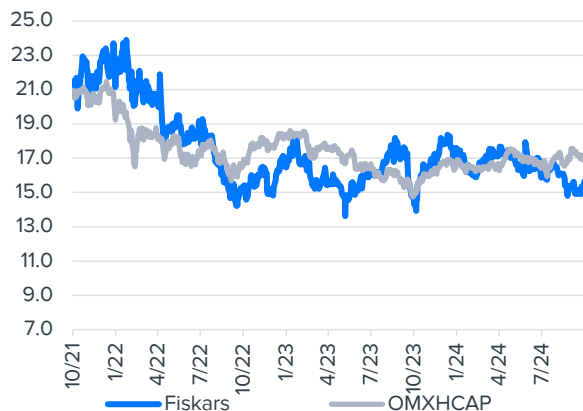
Source: Inderes

## Guidance

(Unchanged)

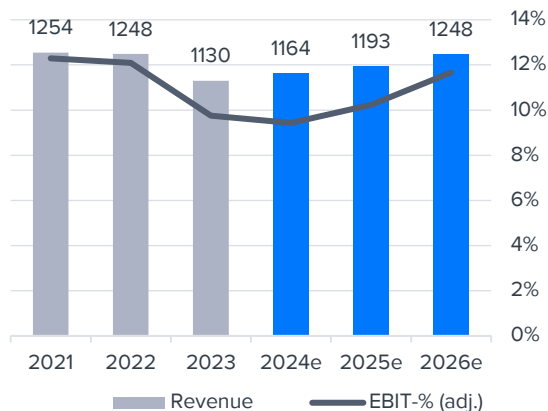
Fiskars expects comparable EBIT to be slightly above the 2023 level (110.3 MEUR)

## Share price



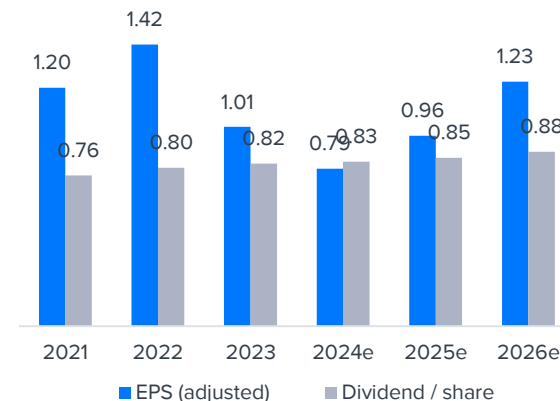
Source: Millstream Market Data AB

## 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
- Activating in acquisitions increases the risk, for example in terms of their valuation and integration

Valuation	2024e	2025e	2026e
Share price	15.6	15.6	15.6
Number of shares, millions	80.8	80.8	80.8
Market cap	1264	1264	1264
EV	1714	1677	1640
P/E (adj.)	19.7	16.3	12.7
P/E	97.9	18.1	12.7
P/B	1.6	1.6	1.6
P/S	1.1	1.1	1.0
EV/Sales	1.5	1.4	1.3
EV/EBITDA	13.7	8.6	7.2
EV/EBIT (adj.)	15.6	13.7	11.3
Payout ratio (%)	519%	98%	71%
Dividend yield-%	5.3 %	5.4 %	5.6 %

Source: Inderes

# Earnings reached expectations through efficiency measures

## Comparable revenue continued to decline more briskly than expected

Fiskars Group's comparable revenue decreased by 7%, while we expected a 2% decline. Vita segment's revenue decreased by 10% and Fiskars segment's by 5%, both were weaker than we expected. The Georg Jensen transaction supported the growth in reported revenue to 6%, but the revenue also fell 6% short of our estimate. Geographically, the drop mainly came from the Americas segment, where the comparable decline was as high as 17%. Consumer demand has continued as subdued in Fiskars' product groups, which we suspect is the main reason for the decline.

## Earnings growth achieved through efficiency measures, however mainly from the 'Other' segment

Fiskars Group's adjusted EBIT rose to 24 MEUR from 18 MEUR in the comparison period, slightly above our forecast (23 MEUR). However, the Vita segment's result decreased from the comparison period and

was weaker than we expected. Fiskars has been able to clearly increase the earnings level of Georg Jensen, acquired a year ago, but the earnings of the Vita segment's previous business have been on a clear decline in the past 12 months due to lower volumes. The Fiskars segment improved its earnings and they were better than expected. Earnings were also clearly supported by the 'Other' segment, whose loss in Q3 was only 2 MEUR, while it was exceptionally high in the comparison period (10 MEUR) and our forecast was 5 MEUR. We believe the normal level for the segment is a ~4 MEUR loss. Thus, the earnings improvement and the small overshoot compared to the forecasts are mainly explained by the fluctuation of the Other segment's earnings, which stabilizes over time.

Q3 was the last quarter when non-recurring items related to the Georg Jensen purchase muddled earnings more clearly. As a whole, the non-recurring items were clearly higher than we expected and pushed the reported net result into red. In operational

terms, the lines below EBIT were better than expected.

## Balance sheet indebtedness still slightly above the target level

The company's operating cash flow remained weak (zero) during the quarter due to a large increase in working capital, which, according to the company, was largely due to timing differences. With this and the subdued result, Fiskars' net debt/adj. EBITDA remained at 2.8x, which is slightly higher than the company's target of maximum 2.5x. However, we believe that indebtedness is well under control and the company should reach the target level quite quickly with positive cash flow. This is supported by a seasonally strong cash flow toward the end of the year. Naturally, the balance sheet situation does not enable possible new debt-driven acquisitions or other significant growth investments in the near future.

Estimates MEUR / EUR	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	241	256	273	271			-6%	1164
EBIT (adj.)	17.9	24.3	23.1	-			5%	110
EBIT	13.7	-0.5	8.1	19.6			-106%	42.4
EPS (reported)	0.11	-0.07	0.01	0.06			-578%	0.16
Revenue growth-%	-17.6 %	6.1 %	13.0 %	12.2 %			-6.9 pp	3.1 %
EBIT-% (adj.)	7.4 %	9.5 %	8.5 %				1 pp	9.4 %

Source: Inderes & Bloomberg, 4 analysts (consensus)

Fiskars Group, Q3'24



# Touch and go to reach guidance, 2025-26 forecasts cut

## Guidance reiterated but still touch and go to reach it

Fiskars reiterated its guidance, so the company expects comparable EBIT to be slightly above the 2023 level (110 MEUR). We believe that 'slightly' means 0-10%. Thus, the range is roughly 110-120 MEUR. After three quarters, the company is around 4 MEUR behind last year, so improvement is needed in Q4 to meet the guidance. We expect the downward trend in revenue to stabilize and efficiency gains to support Fiskars in Q4, so we forecast a small improvement. Q4 is Fiskars' main quarter for earnings and as its own retail sales are a significant result driver, so we may have to wait until next year to know if the materializes.

With a slight overshoot in Q3, we increased this year's forecast a bit and our adjusted EBIT estimate is now 110 MEUR, so at last year's level. Of course,

reaching the guidance is not essential as such, and we believe that the result will in any case be close to last year's level of 110 MEUR. This year's adjusted EPS estimate decreased when we added the previously missing tax adjustment for non-recurring items.

## Estimates for the coming years cut

Fiskars' revenue has decreased more than we expected in recent years. Simultaneously, no signs of a significant change in the demand environment can be seen going into next year. On the other hand, the profitability of the Vita segment, especially without Georg Jensen, is also worryingly low. The benefits of Fiskars' earlier efficiency measures are largely seen in this year's results, although they will also provide some support in 2025. On the other hand, we believe that, e.g., wage inflation and other normal

inflation trends will elevate costs also in 2025, which must be compensated for by savings.

Driven by these factors, we have lowered our revenue and earnings forecasts for the coming years. However, we still expect organic revenue to turn to growth next year and earnings to improve, supported by both growth and the new cost savings measures announced in connection with the Q3 result. We do not expect significant support from Georg Jensen synergies next year, as we believe they will mainly materialize already in 2024. Fiskars has announced that it expects a total of 18 MEUR in synergies, which should be realized by the end of 2025.

Estimate revisions MEUR / EUR	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	1181	1164	-1%	1229	1193	-3%	1285	1248	-3%
EBIT (exc. NRIs)	108	110	2%	131	122	-7%	155	146	-6%
EBIT	55	42	-24%	126	112	-11%	155	146	-6%
EPS (excl. NRIs)	0.96	0.81	-15%	1.04	0.96	-8%	1.32	1.23	-7%
DPS	0.85	0.83	-2%	0.90	0.85	-6%	0.93	0.88	-5%

Source: Inderes

## CEO interview (in Swedish)



# More autonomy for the segments

## The company reorganized into two segments at the end of 2023

Fiskars changed its organizational structure at the end of 2023 and now consists of two segments: Fiskars and Vita. Vita has the same composition as before and the Fiskars segment consists of the former Terra and Crea segments. At the same time, business responsibility shifted strongly from Group level to the segments and individual brands.

**Fiskars** (51% of revenue) provides tools for gardening, cooking, crafts (especially scissors) and outdoor activities. Fiskars is clearly the largest brand in the segment and it also includes the knife/outdoor brand Gerber. The Fiskars segment's sales are seasonally focused on the first half of the year. The segment's products are sold almost exclusively in third party stores. Geographically, the segment's sales are mainly divided into the US and Europe.

**Vita** (49% of revenue) consists of the Group's premium/luxury tableware, drinkware, interior, and jewelry categories. Iittala, Georg Jensen, Royal Copenhagen, Waterford, and Wedgwood brands are the biggest brands. The end-of-year festive season is very important for the segment's products, and therefore, its revenue and EBIT focus on the last quarter of the year. Geographically, Europe and Asia are important for Vita, and China in particular as a growth market.

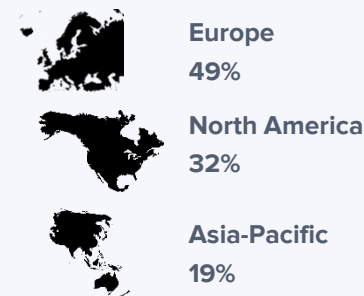
## Segments are now being further separated and also legally

In connection with the Q3 result, Fiskars announced that it plans to separate its Fiskars and Vita segments

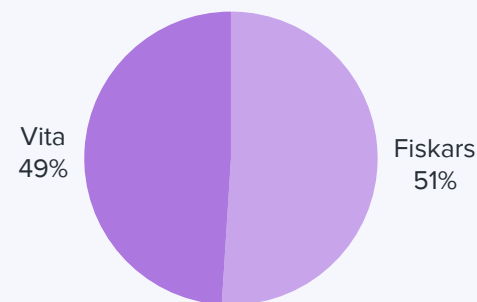
into independent companies with their own CEOs. Fiskars segment's current segment head Steffen Hahn will become the CEO of the segment, while the current Vita segment head Christian Bachler will leave the company and a new CEO is sought for Vita. The companies will continue as part of Fiskars Group, where Group Administration is responsible for the business portfolio. The reorganization aims for 12 MEUR in savings, which is expected to materialize mainly during 2025. This will be achieved, e.g., by further reducing Group activities. The change in the legal structure is expected to materialize by the end of Q1'26.

We believe this segment separation is also preparation for a potential full separation of the segments into independent companies in the future, and/or divesting of the Vita segment. The synergies between the segments are small, so we see no operational reason for keeping them in the same company. We feel the proposed change in the legal structure does not significantly differ from the current structure in operational terms. The Fiskars segment is a traditional Finnish brand company of the Ehrnrooth family and we believe that the family wants to keep it in their ownership. For the Vita segment, however, we believe that it is possible to, e.g., sell the company or list it as a separate company. This could also be achieved by acquiring the Fiskars segment fully into the Ehrnrooth family outside the stock exchange and leave the current Vita segment as the listed company. Naturally, the targeted savings are positive, but otherwise, we do not believe that legal separation will have a significant impact on the value of the Group.

## The Group's revenue distribution 2023



## Revenue by segment, 2023



# The stock already prices a better earnings level

## Reduce with EUR 15 target price

We feel the expected return on the share remains modest due to the high multiples and moderate earnings growth. It is mainly driven by a dividend yield of around 5%. We believe the outlook that remains subdued in the near term pushes organic growth further into the future. This is why we consider a cautious view justified at this stage, even though we still believe in positive development in the coming years.

## Earnings-based valuation high in 2024-25

Prior to the COVID pandemic, Fiskars' growth and profitability profile was modest. The company was underperforming compared to its potential, but the home nesting trend that COVID sparked supported Fiskars. At the same time, the company also improved its performance both in terms of growth drivers and profitability. This was particularly reflected as significant earnings growth in the Vita segment in 2020-22, which, however, weakened significantly in 2023-24 due to the slowdown in demand. We believe the company has potential for stable, albeit quite small growth, and better relative profitability than in the past. On the other hand, the company has not historically been able to achieve much growth and its markets are quite mature (and thus grow slowly), so we feel that pricing significant growth into the share price would be too optimistic.

We determined the acceptable valuation level for Fiskars' share to be P/E 12-14x and EV/EBIT 10-12x. The 2024-25 multiples are above acceptable, and only in 2026 are they within acceptable. Thus, in our view, the expected earnings growth in the coming years will mainly be used to digest the multiples.

## DCF valuation

We estimate that Fiskars' revenue growth will decline from 2029 onwards to 2% p.a. We expect the EBIT margin to improve to around 12.5% by 2027, but to fall to 11% in the terminal period, which is nevertheless higher than the level in 2023 and in the years before 2019. The weight of the terminal period is good 50% in our model.

Our required return (WACC) for Fiskars is 8% and the cost of equity is 8.5%. The level is low, but we believe it is justified given Fiskars' strong brands, diversified product portfolio and relatively low risk profile.

Our DCF model indicates that Fiskars' debt-free value is about 1.7 BNEUR and the value of the share capital is good 1.2 BNEUR, or about EUR 15 per share. The DCF relies on a margin improvement in the coming years.

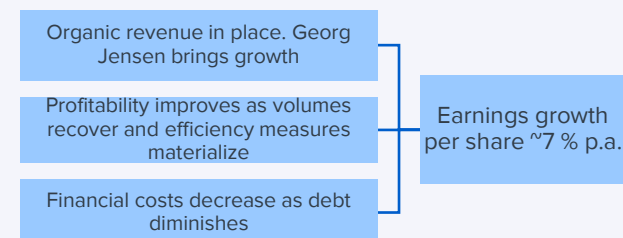
## Balance sheet-based valuation is also elevated

Fiskars' P/B ratio is about 1.6x for the coming years. 2024 return on equity is below 10% in our forecasts, compared to which the valuation is high. Starting from 2026, we expect a 12-13% ROE, compared to which the valuation is close to an acceptable level. Here, too, we see a need for earnings growth for the multiples to neutralize.

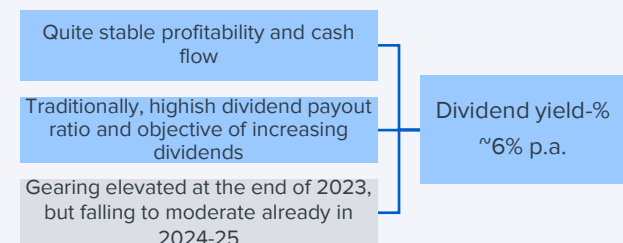
## TSR drivers 2023-2026

■ Positive ■ Neutral ■ Negative

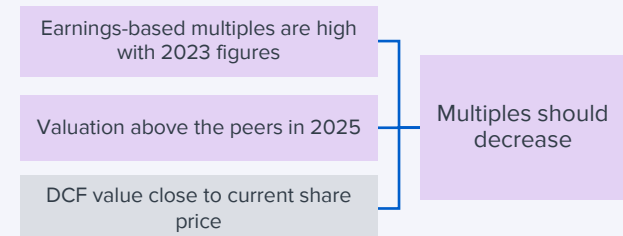
### Profit drivers



### Dividend yield drivers



### Valuation multiple drivers



Share's expected total return ~5%

# Investment profile 1/2

**1.** Wide and well-known brand portfolio

**2.** A promising growth strategy overshadowed by a weak market

**3.** Stable dividend company

**4.** Well-diversified business

**5.** Weak historical growth depresses the acceptable valuation

## Potential



- Geographical expansion
- Expanding to new product categories
- Growth in direct consumer sales
- Improved return on capital from growth and margin improvement

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## Risks



- Digitalization of the commerce sector and growing demands of consumers
- Consumer demand weakening and/or slower recovery
- Brand portfolio growing too large and complex
- Restructuring and efficiency programs continuing with non-recurring costs



# Investment profile 2/2

## **Broad and well-known brand portfolio decentralizes risk**

Fiskars is a family of strong iconic lifestyle brands. Through its wide international brand portfolio, the company has some degree of natural diversification into the success of several different brands. At the same time, this reduces the risk that the Group would be in a difficult position if one of the company's brands lost its competitiveness. Business diversification into a wide range of product categories, over 100 countries and distribution channels also brings stability to performance and lowers the risk profile of the stock. Of course, e.g., the Fiskars brand and the US market are large and therefore crucial for the company.

## **A stable dividend payer**

Despite the recent acquisition, Fiskars has a relatively strong balance sheet and a historically stable performance and cash flow. The business has been consistently profitable, although at a relatively modest level until 2019, and since then profitability has fluctuated with demand. We believe that the company will continue to profile itself as a stable dividend payer.

## **Modest historical growth and restructuring programs are a weakness**

Fiskars' revenue has been largely stagnant or even decreased when comparing our 2023 estimate to 2016, which was the first year with the current structure. Since then, the company has sold the watering business but acquired Georg Jensen, whose revenue was higher than that of the

watering business. So growth has been a major challenge for the company for a long time, and earnings growth has mainly come through efficiency measures. The company's investment profile has been marked by modest growth and restructuring programs with related non-recurring costs continuing year after year in the last decade and again last year.

## **Positive drivers/potential**

### **Geographical expansion**

Fiskars has many high-quality brands that are under-represented in certain geographical areas or not present at all. The company's strategy aims to utilize expansion of the brands into new markets, examples of which in recent years include the expansion of Wedgwood and Royal Copenhagen to the Chinese market. However, growth is only invested in with sufficiently good and profitable brands, and the strategy has partly shifted from growth countries to important cities.

### **Expanding to new product categories**

Fiskars can try to stretch its brands into new product categories. In many of its well-known brands, Fiskars has product categories where it has no products at all, but which the brands could quite naturally fit into. The company strives to take advantage of these, but completely new products take time to reach a significant size for the Group.

## **Negative drivers/risks**

### **Digitalization of the commerce sector and growing demands of consumers**

In recent years, many players in trade have been in serious difficulties in the face of the rapid transformation in the industry and fluctuating demand. Consumers have increasingly started to favor purchases via digital channels, which has put new type of pressure on storage capacity, supply chain management, development of own online shops and profitability of own stores. At the same time, the competitive landscape of companies has become more challenging and consumer options have expanded from local brick-and-mortar stores to completely global. Naturally, Fiskars is also trying to take advantage of this trend with its own consumer sales, so to an extent this also opens opportunities.

### **A complex portfolio is challenging to manage**

Fiskars has accumulated dozens of different brands through acquisitions made over the years. While large brands make up most of revenue, smaller local brands create complexity for production, marketing, warehousing, administration, etc. The company has stated that it will make the biggest investments in winning brands due to their stronger growth and profitability potential, but small brands also have strong regional positions and thus defend their position in the portfolio. On the other hand, the company also seeks new brands through acquisitions, which bring its own risks in terms of, e.g., price and the development of the acquired brand.

# Strategy and financial objectives (1/4)

## The strategy announced in 2021 was refined at the end of last year

In November 2021, Fiskars announced a new growth-oriented strategy and ambitious financial targets for 2022-25 in connection with its CMD. The company revised its strategy during the CMD held halfway through the period in November 2023. Fiskars originally talked about winning brands and countries, but in the 2023 CMD the approach was specified and the brands were given different roles. In addition, instead of winning countries, they now talked about important cities. So, the thinking has become more focused, which is of course good, but on the other hand, we feel the growth potential seems somewhat more limited than perhaps thought in 2021 or we understood from the strategy.

## Luxury brands now head the growth strategy

The goal of making big brands bigger is still at the core of the strategy. In Fiskars' revised classification, the spearhead of the growth strategy is the luxury brands Royal Copenhagen, Georg Jensen and Wedgwood, which belong to the 'accelerate' category. This means accelerating growth by investing more than the Group average in growing these brands and especially in growing own retail sales. This can also mean prioritizing growth partly at the expense of profitability. These brands should also have opportunities for new product categories. The 'accelerate' brands account for about 30% of revenue.

The Fiskars brand is in its own 'anchor' category, where the goal is to continue to grow, but at least

we do not see the same growth potential as in luxury brands and the distribution model will continue to be based on wholesale, as we explained earlier in the Fiskars segment description. Thus, we do not believe that significant monetary investments will be made in the growth of the Fiskars brand relative to the large size of the brand. All the brands in the accelerate and anchor classes used to be 'winning' brands, and thus we do not feel their status has changed much. The next two categories are interesting, however, where we see differences from the previous division.

## Gerber continues to be US-centered, Iittala's performance declined last year

In the new classification, Moomin products and Gerber are in the 'maximize potential' category, which are seen as strong growing brands, but which aim to grow at the current profitability level. This differs from their previous rating of 'winning' brands and the 'accelerate' category in that they do not currently hold such significant international expansion potential that it would be worthwhile to invest significantly in their growth. We believe that for these brands this means that the expansion of Gerber to Europe, which has been talked about for years, will not materialize on a significant scale in the next few years either. This is not a big change compared to our expectations, but it shows on the one hand the limited potential of the brands and on the other hand Fiskars' sensible prioritization between the brands.

The less successful brands are now referred to as 'optimize' (formerly turnaround), which still includes

Waterford and to which Iittala also fell last year. They are linked by glass products and glass production, which is difficult to adapt to lower volumes and whose profitability has thus suffered last year (although for Waterford it was already weak). The role of this category is the same as for the previous turnaround brands, i.e. profitability needs to be fixed before more significant growth investments can be allocated to them. However, this does not mean that growth would not be sought in these brands too. For example, Iittala has just launched new textile products that aim to expand the brand into a new category. Iittala and Waterford accounted for just under 15% of revenue in 2023.

In addition to the above, the company has numerous smaller, local brands that are tactically used, e.g., at lower price points. The smaller brands Royal Albert and Royal Doulton, previously included in the turnaround category that came from the WWRD transaction, are now included in this category of tactical brands, and the company no longer highlights them in its strategy.

## Winning in channels requires getting closer to the consumer

Direct consumer sales are at the heart of the new strategy period. At Group level, direct consumer sales account for some 25% of sales and the company seeks to increase it further, mainly in the Vita segment and, on the other hand, through the growth of the Vita segment also at Group level. In wholesale, that still generates most of revenue, the company tries to select growing and profitable distribution channels.

# Strategy and financial objectives (2/4)

Fiskars' strategy is to focus on winning brands, channels and countries with the help of the following growth factors:



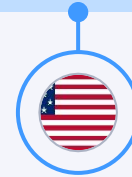
## Commercial excellence

- Commercial excellence is a very broad concept and covers, e.g., pricing, product portfolio, distribution network, focusing on the correct, i.e. growing distribution channels, cooperation with the retail sector and product displays.



## Direct consumer sales

- Creating brand experiences in own distribution channels including both physical stores and online stores.
- Increasing sales through own stores



## USA

- The US is clearly Fiskars' largest operating country (~30% of revenue) and the company still sees a lot of potential to grow there, e.g., by exploiting its entire product portfolio



## China

- China's revenue has grown rapidly, accounting for about 5% of Fiskars in 2023 (~55 MEUR), and we expect it to soon become the fourth largest, requiring a share of over 6%
- Direct consumer sales are important
- Wedgwood the leading brand

### Inderes' comments on Fiskars' growth factors

- Commercial excellence is in practice a normal part of any company's business
- However, in Fiskars' current strategy the aim is a clear improvement as the company moves from the old wholesale and demand-driven model to a more value-based model that emphasizes cooperation with distributors
- We believe Fiskars has good preconditions to support both sales and margin development in coming years. Over time, improvements in this area naturally become more difficult

- As e-commerce makes all competition global, companies must differentiate themselves with their brands
- Direct consumer sales are a growing trend and we find Fiskars' choice to focus on this as good. In Vita, the share is already close on 50% and significant increase in the share may be difficult
- Establishing own brand stores typically also supports distributors' sales
- Increasing consumer sales will require investments especially in IT and will also change its earnings structure

- As the company's largest country, focusing on the US is an obvious choice for Fiskars
- The company sees a strong market for brand products in the country and we agree, although consumer demand is under pressure in the near term
- Fiskars sees potential, e.g., for the Gerber brand and Vita segment. On the other hand, the market is very competitive, and we do not expect Fiskars to easily gain market shares from others. So, growth in the US requires successful products and choices, e.g., in terms of brands and distribution channels

- Fiskars' revenue in China were almost non-existent in 2017-18 (~5 MEUR) but has grown rapidly and it was already the 6th biggest country in 2024.
- Wedgwood has been a leading brand, but we believe that Fiskars' wide range of brands (mainly in the Vita segment) should also offer other relevant brands for the Chinese market that support growth.
- In China, growth mainly comes from own online stores and partly from own physical stores where the company can also gain expertise for other markets

# Strategy and financial objectives (3/4)

## Financial targets 2022-25 (published in November 2021, repeated in November 2023)

Annual organic revenue growth: around 5%	Comparable EBIT margin: around 15% by the end of 2025	Cash conversion (free cash flow/profit for the period): at least 80%	Net debt/ EBITDA: 2.5x or under
<ul style="list-style-type: none"> <li>Historically, Fiskars' growth has been modest and there has in practice been no organic growth for the current Fiskars that focuses on consumer products</li> <li>Fiskars aims for growth, especially through luxury brands and its own consumer sales</li> <li>Although 2023 was a weak, Fiskars does not expect organic growth in 2024, and we do not expect targeted growth to be reached in 2025 either</li> <li>We believe that the company's organic growth is on average close to the target in 2025-27 (4%).</li> <li>However, growth for the entire strategy period is clearly below the targets, partly due to the strong comparison year 2021 supported by COVID</li> </ul>	<ul style="list-style-type: none"> <li>Fiskars' margin has historically been below 10%, to which it also fell in 2023. In 2021, supported by COVID demand, the margin was over 12%</li> <li>The targeted improvement is based on both an improvement in the gross margin, partly supported by Georg Jensen's margin structure and partly by the growth in sales of products and channels with better margins (especially own consumer sales) and the reduction in fixed costs through efficiency programs, Georg Jensen synergies and volume growth (starting from 2025).</li> <li>We believe that the margin target relies largely on the growth target being successful</li> <li>We don't expect Fiskars to reach the target (2025 ~10%), but improve to about 12% in 2026</li> </ul>	<ul style="list-style-type: none"> <li>Cash conversion depends mainly on changes in working capital and the amount of investments</li> <li>Investments will be made to the tune of about 4% of sales, especially related to digitalization, which will depress cash conversion</li> <li>Changes in working capital pushed cash conversion negative in 2022 and over 200% in 2023</li> <li>We believe that the release of working capital will continue to support a level of over 100% in 2024 and then cash conversion will level to close to the target level of 80%.</li> </ul>	<ul style="list-style-type: none"> <li>Historically, Fiskars has had a relatively strong balance sheet that it has used for acquisitions</li> <li>The Georg Jensen acquisition at the end of 2023 raised gearing to the upper limit of the target</li> <li>We believe Fiskars will allocate its free cash flow mainly to dividends and debt repayment this year, but in a few years' time, it may also consider new acquisitions</li> <li>Without acquisitions, gearing will gradually decrease, supported by free cash flow and improved earnings</li> </ul>

### Dividend: The aim is to distribute a stable dividend that increases over time and is paid twice a year

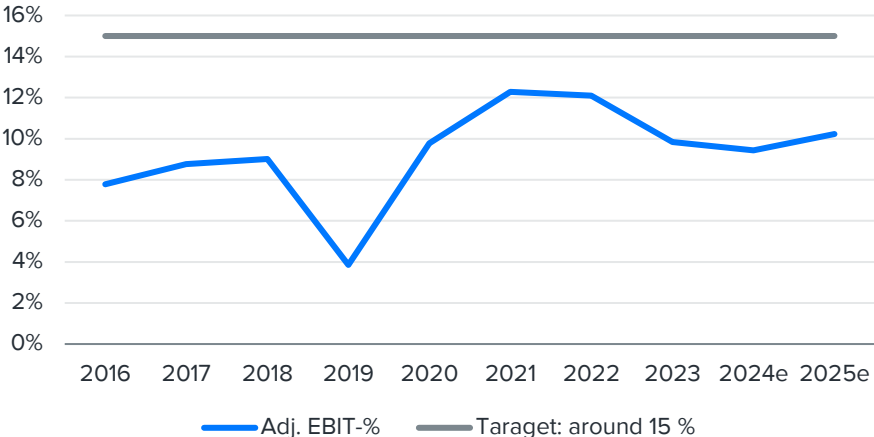
- Fiskars has traditionally paid a relatively high dividend. We believe that the company will continue to pay an increasing dividend in line with the policy.

# Strategy and financial objectives (4/4)

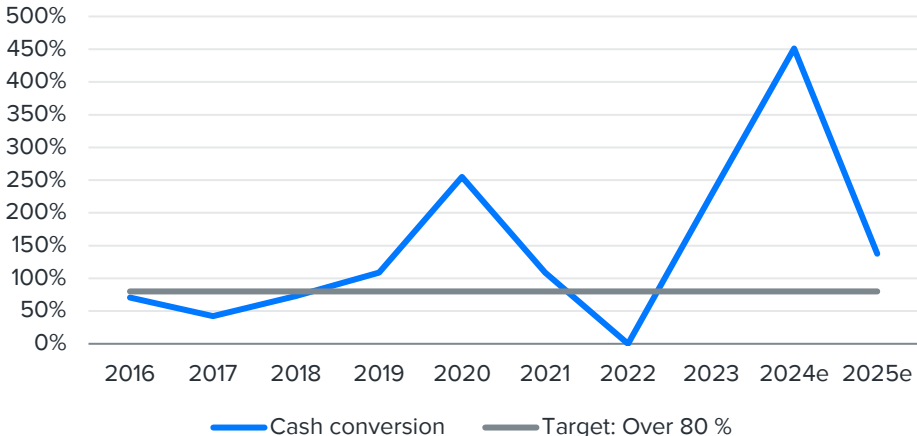
**Revenue growth**



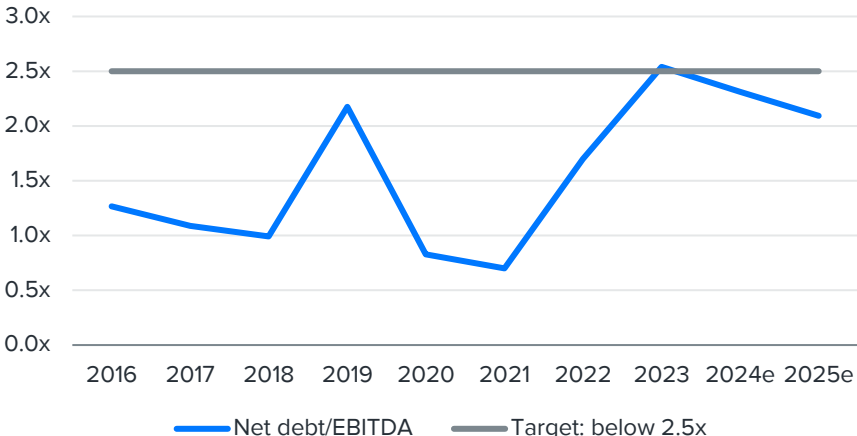
**Adjusted EBIT-%**



**Cash conversion\***



**Net debt/adj. EBITDA**



\*Partly Inderes' estimate, the company has not reported cash conversion for 2016-19

# Climate targets and taxonomy

## Fiskars' business is practically outside taxonomy

Fiskars' business is manufacturing and selling of consumer products, which at this stage is not covered by taxonomy. We believe that this is because taxonomy initially identified sectors that have the most significant impact on climate change, which does not include consumer products.

In addition to products and services intended for consumers, Fiskars Group's activities also include museums and cultural activities, real estate activities and forest management, which are defined in taxonomy. Their share of the business is marginal, under 1% of revenue. In terms of costs and investments, taxonomy eligibility is slightly higher, but still a small part. Fiskars only has marginal taxonomy activities in terms of revenue, costs and investments.

## We feel taxonomy has no impact on the business

As Fiskars' main business is currently not covered by taxonomy, we do not believe that current taxonomy will have any impact on Fiskars' business, and thus on e.g. the financial situation or financial costs.

On a side note, however, the company has a rather ambitious target of increasing the share of circular economy products and services in its revenue to 50% by 2030, compared to 14% last year (a clear increase from 5% in 2022). This is likely to mean products made from recyclable materials but may in principle also mean selling second-hand products or renting products.

## The climate goals have progressed well

Fiskars is committed to the Paris Agreement 1.5% scenario and the Science Based Targets project which aims at this. In this context, the company aims to reduce greenhouse gas emissions by 2030 from its

own activities (scope 1&2) by 60% compared to 2017 and scope 3 (logistics and distribution) emissions by 30% vs. 2018. The company also targets that 60% of its suppliers have targets that are in line with the Science-Based-Targets project by 2024.

In terms of emissions targets, the company is clearly ahead of its targets. Scope 1&2 emissions have already decreased by 56% by 2023 and scope 3 emissions by 46%. This means that the targets have in practice already been achieved, which has likely been supported by the drop in volumes last year. We believe that this was also fueled by the dramatic increase in the price of natural gas caused by the war started by Russia, which is why Fiskars is investing in converting the littala glass factory to a lower emission (by switching from natural gas to electricity). 45% of the suppliers were covered by SBT in 2022, so the target is achievable, although there is still plenty to do with this target as the target year is already this year.

Taxonomy eligibility	2022	2023
Revenue	0,4 %	0,5 %
OPEX	6 %	4 %
CAPEX	4 %	6 %

Taxonomy alignment	2022	2023
Revenue	0 %	0,2 %
OPEX	0 %	0,3 %
CAPEX	0 %	1,5 %

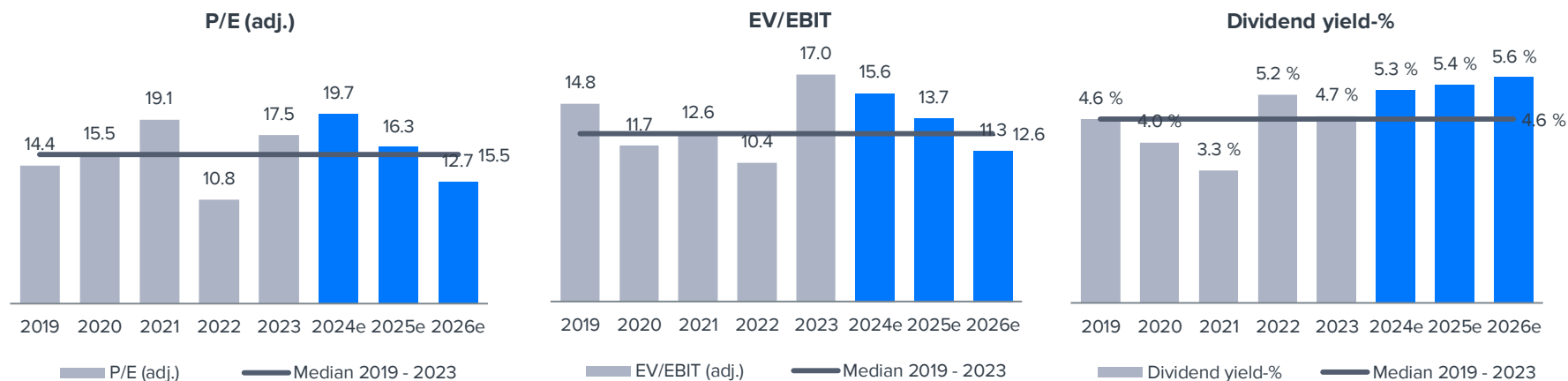
## Climate

Climate goal	Yes	Yes
Target according to Paris agreement (1.5 °C warming scenario)	Yes	Yes

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	12.2	15.0	23.0	15.4	17.6	15.6	15.6	15.6	15.6
Number of shares, millions	81.5	81.5	81.5	80.6	80.8	80.8	80.8	80.8	80.8
Market cap	996	1220	1874	1239	1420	1264	1264	1264	1264
EV	1152	1276	1938	1570	1872	1714	1677	1640	1614
P/E (adj.)	14.4	15.5	19.1	10.8	17.5	19.7	16.3	12.7	11.3
P/E	19.3	18.0	21.7	12.6	20.3	97.9	18.1	12.7	11.3
P/B	1.3	1.6	2.3	1.5	1.7	1.6	1.6	1.6	1.5
P/S	0.9	1.1	1.5	1.0	1.3	1.1	1.1	1.0	1.0
EV/Sales	1.1	1.1	1.5	1.3	1.7	1.5	1.4	1.3	1.2
EV/EBITDA	9.6	7.4	9.5	8.1	11.4	13.7	8.6	7.2	6.6
EV/EBIT (adj.)	14.8	11.7	12.6	10.4	17.0	15.6	13.7	11.3	10.0
Payout ratio (%)	88.4 %	72.2 %	71.6 %	65.6 %	94.8 %	519.5 %	98.1 %	71.4 %	70.0 %
Dividend yield-%	4.6 %	4.0 %	3.3 %	5.2 %	4.7 %	5.3 %	5.4 %	5.6 %	6.2 %

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	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Duni AB	414	546	12.3	7.9	7.9	5.9	0.8	0.8	13.9	8.7	3.5	5.0	1.3
Harvia Oyj	853	905	23.6	20.2	20.6	17.4	5.3	4.5	31.4	26.7	1.6	1.8	6.2
Leifheit AG	168	129	8.7	7.2	5.4	4.8	0.5	0.5	15.8	13.0	5.4	6.5	1.5
Marimekko Oyj	524	508	15.7	13.9	12.3	11.1	2.8	2.6	20.7	18.6	4.7	4.7	6.6
Nokian Tyres plc	1153	1688	16.3	12.1	9.4	6.6	1.2	1.2	16.1	11.3	6.6	6.6	0.9
Orthex Oyj	104	121	11.0	8.7	7.9	6.6	1.4	1.2	14.3	10.9	4.3	5.0	2.4
Rapala VMC Oyj	89	216	24.9	11.0	8.6	6.8	0.9	0.9		12.2			0.5
Stanley Black & Decker Inc	14759	20568	16.5	13.4	13.6	10.8	1.4	1.4	24.6	17.9	3.1	3.2	1.8
Villeroy & Boch AG	463	901	8.7	7.4	6.6	5.4	0.6	0.6	8.6	6.3	6.9	7.7	1.1
Husqvarna	3500	4363	13.6	10.9	7.6	6.7	1.0	1.0	19.1	13.4	4.4	4.7	1.6
<b>Fiskars (Inderes)</b>	<b>1264</b>	<b>1714</b>	<b>15.6</b>	<b>13.7</b>	<b>13.7</b>	<b>8.6</b>	<b>1.5</b>	<b>1.4</b>	<b>19.7</b>	<b>16.3</b>	<b>5.3</b>	<b>5.4</b>	<b>1.6</b>
<b>Average</b>			<b>15.1</b>	<b>11.3</b>	<b>10.0</b>	<b>8.2</b>	<b>1.6</b>	<b>1.5</b>	<b>18.3</b>	<b>13.9</b>	<b>4.5</b>	<b>5.0</b>	<b>2.4</b>
<b>Median</b>			<b>14.7</b>	<b>10.9</b>	<b>8.3</b>	<b>6.7</b>	<b>1.1</b>	<b>1.1</b>	<b>16.1</b>	<b>12.6</b>	<b>4.4</b>	<b>5.0</b>	<b>1.6</b>
<b>Diff-% to median</b>			<b>7%</b>	<b>26%</b>	<b>66%</b>	<b>29%</b>	<b>32%</b>	<b>31%</b>	<b>22%</b>	<b>29%</b>	<b>20%</b>	<b>10%</b>	<b>4%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>1248</b>	<b>275</b>	<b>268</b>	<b>241</b>	<b>346</b>	<b>1130</b>	<b>283</b>	<b>281</b>	<b>256</b>	<b>344</b>	<b>1164.3</b>	<b>1193</b>	<b>1248</b>	<b>1299</b>
Vita	564	108	114	119	215	555	126	130	139	215	610	628	665	699
Fiskars	681	167	153	121	130	571	156	150	115	129	550	561	578	595
Other	3.9	0.5	1.1	1.2	1.2	4.0	1.0	1.0	1.5	1.2	4.7	4.7	4.7	4.7
<b>EBITDA</b>	<b>194</b>	<b>44.0</b>	<b>37.1</b>	<b>29.7</b>	<b>54.1</b>	<b>165</b>	<b>26.5</b>	<b>20.5</b>	<b>20.0</b>	<b>56.2</b>	<b>123.2</b>	<b>195</b>	<b>228</b>	<b>245</b>
Depreciation	-58.8	-15.1	-14.7	-16.1	-20.1	-66.0	-20.1	-20.2	-20.5	-20.0	-80.8	-82.8	-82.7	-83.4
<b>EBIT (excl. NRI)</b>	<b>151</b>	<b>31.1</b>	<b>23.7</b>	<b>17.7</b>	<b>37.7</b>	<b>110</b>	<b>25.1</b>	<b>19.2</b>	<b>24.3</b>	<b>41.2</b>	<b>110</b>	<b>122</b>	<b>146</b>	<b>162</b>
<b>EBIT</b>	<b>135</b>	<b>28.9</b>	<b>22.4</b>	<b>13.6</b>	<b>34.0</b>	<b>98.9</b>	<b>6.4</b>	<b>0.3</b>	<b>-0.5</b>	<b>36.2</b>	<b>42</b>	<b>112</b>	<b>146</b>	<b>162</b>
Vita	85.6	7.8	3.0	16.8	34.7	62.3	-0.1	1.7	12.7	38.6	52.9	62.8	79.9	94.3
Fiskars	82.7	30.6	24.8	11.0	7.4	73.8	29.5	22.2	13.7	7.0	72.4	75.0	82.0	84.0
Other	-17.2	-7.2	-4.2	-10.0	-4.4	-25.8	-4.3	-4.8	-2.0	-4.4	-15.5	-15.7	-16.2	-16.5
Net financial items	-11.7	-3.6	-7.2	-3.1	-10.0	-24.0	-3.8	-7.0	-5.6	-6.5	-22.9	-20.0	-15.0	-15.0
<b>PTP</b>	<b>124</b>	<b>26.3</b>	<b>16.7</b>	<b>11.7</b>	<b>25.0</b>	<b>79.7</b>	<b>3.6</b>	<b>-6.7</b>	<b>-4.3</b>	<b>29.7</b>	<b>22.3</b>	<b>92.1</b>	<b>131</b>	<b>147</b>
Taxes	-25.0	-5.8	-4.0	-2.9	3.0	-9.7	-1.2	1.7	-1.6	-7.1	-8.2	-21.2	-30.1	-33.8
Minority interest	-0.9	-0.3	0.0	0.1	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0
<b>Net earnings</b>	<b>98.2</b>	<b>20.2</b>	<b>12.7</b>	<b>8.9</b>	<b>28.1</b>	<b>69.9</b>	<b>2.4</b>	<b>-5.0</b>	<b>-5.9</b>	<b>22.6</b>	<b>14.1</b>	<b>70.0</b>	<b>99.6</b>	<b>112</b>
<b>EPS (adj.)</b>	<b>1.42</b>	<b>0.28</b>	<b>0.17</b>	<b>0.16</b>	<b>0.39</b>	<b>1.01</b>	<b>0.21</b>	<b>0.12</b>	<b>0.16</b>	<b>0.33</b>	<b>0.81</b>	<b>0.96</b>	<b>1.23</b>	<b>1.39</b>
<b>EPS (rep.)</b>	<b>1.22</b>	<b>0.25</b>	<b>0.16</b>	<b>0.11</b>	<b>0.35</b>	<b>0.87</b>	<b>0.03</b>	<b>-0.06</b>	<b>-0.07</b>	<b>0.28</b>	<b>0.16</b>	<b>0.87</b>	<b>1.23</b>	<b>1.39</b>
<b>Key figures</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	-0.5 %	-17.4 %	-16.1 %	-17.6 %	13.8 %	-9.5 %	2.9 %	5.0 %	6.1 %	-0.4 %	3.1 %	2.5 %	4.6 %	4.1 %
<b>Adjusted EBIT growth-%</b>	-2.1 %	-39.9 %	-34.7 %	-46.8 %	27.3 %	-27.0 %	-19.3 %	-19.0 %	37.3 %	9.3 %	-0.4 %	11.2 %	19.3 %	11.1 %
<b>EBITDA-%</b>	15.5 %	16.0 %	13.9 %	12.3 %	15.6 %	14.6 %	9.4 %	7.3 %	7.8 %	16.3 %	10.6 %	16.3 %	18.3 %	18.9 %
<b>Adjusted EBIT-%</b>	12.1 %	11.3 %	8.8 %	7.3 %	10.9 %	9.8 %	8.9 %	6.8 %	9.5 %	12.0 %	9.4 %	10.2 %	11.7 %	12.5 %
<b>Net earnings-%</b>	7.9 %	7.4 %	4.8 %	3.7 %	8.1 %	6.2 %	0.8 %	-1.8 %	-2.3 %	6.6 %	1.2 %	5.9 %	8.0 %	8.6 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>877</b>	<b>1029</b>	<b>1036</b>	<b>1032</b>	<b>1041</b>
Goodwill	221	220	220	220	220
Intangible assets	279	372	365	358	352
Tangible assets	257	307	321	322	337
Associated companies	0.0	0.0	0.0	1.0	2.0
Other investments	84.8	91.0	91.0	91.0	91.0
Other non-current assets	6.4	11.0	11.0	11.0	11.0
Deferred tax assets	29.0	28.4	28.4	28.4	28.4
<b>Current assets</b>	<b>709</b>	<b>726</b>	<b>611</b>	<b>602</b>	<b>605</b>
Inventories	365	364	303	286	275
Other current assets	8.9	5.6	5.6	5.6	5.6
Receivables	219	229	233	239	250
Cash and equivalents	116	127	69.9	71.6	74.9
<b>Balance sheet total</b>	<b>1586</b>	<b>1755</b>	<b>1647</b>	<b>1634</b>	<b>1646</b>

Source: Inderes

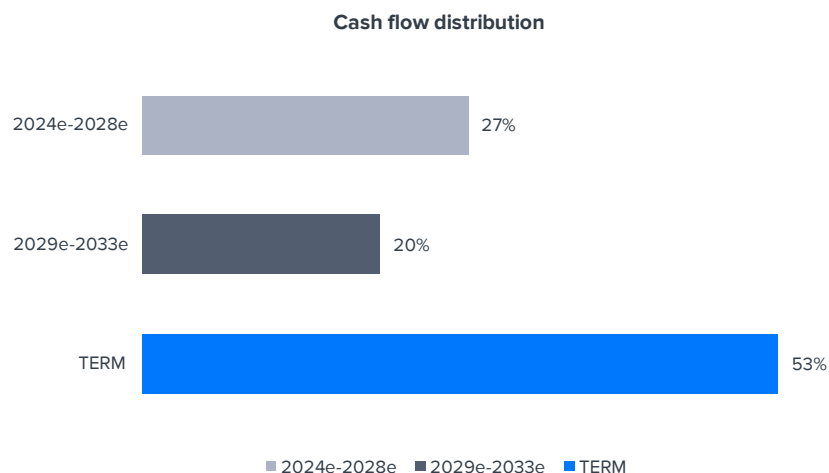
Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>836</b>	<b>824</b>	<b>770</b>	<b>773</b>	<b>804</b>
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	754	742	689	692	723
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	4.1	3.8	3.8	3.8	3.8
<b>Non-current liabilities</b>	<b>275</b>	<b>506</b>	<b>470</b>	<b>427</b>	<b>409</b>
Deferred tax liabilities	34.5	38.8	38.8	38.8	38.8
Provisions	13.2	15.4	15.4	15.4	15.4
Interest bearing debt	223	448	411	368	351
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	4.0	4.1	4.1	4.1	4.1
<b>Current liabilities</b>	<b>475</b>	<b>425</b>	<b>407</b>	<b>434</b>	<b>432</b>
Interest bearing debt	218	126	104	111	95.4
Payables	250	287	291	310	324
Other current liabilities	6.9	12.5	12.5	12.5	12.5
<b>Balance sheet total</b>	<b>1585</b>	<b>1755</b>	<b>1647</b>	<b>1634</b>	<b>1646</b>

# DCF calculation

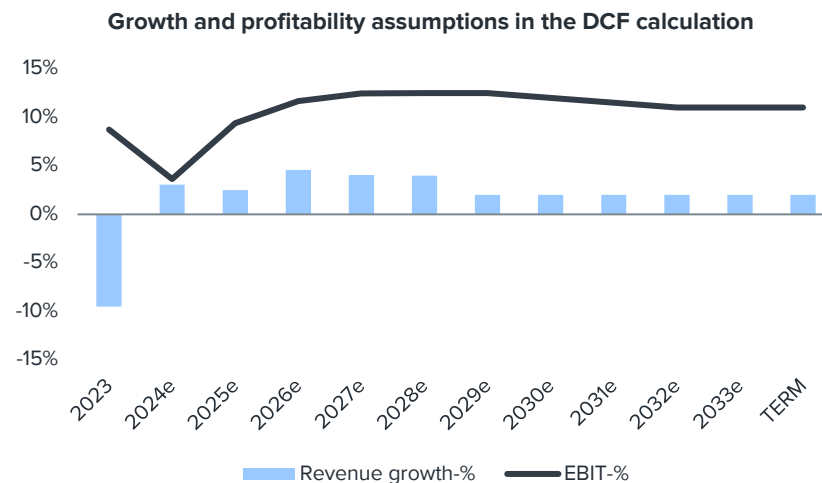
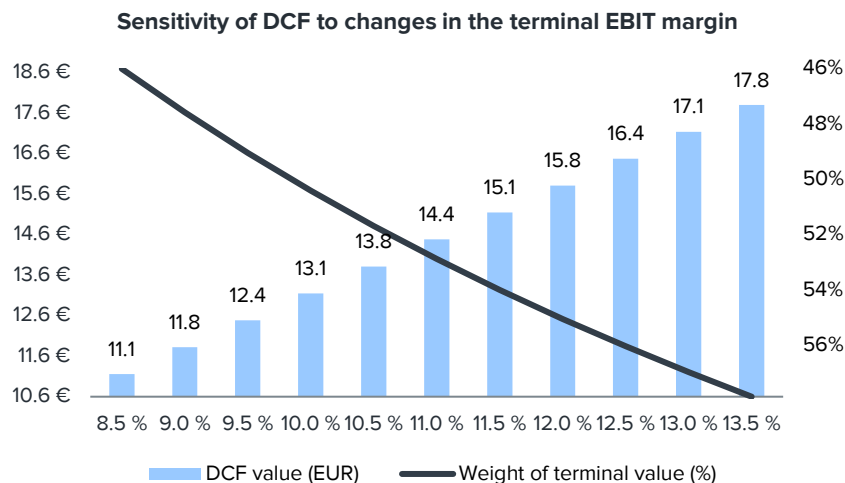
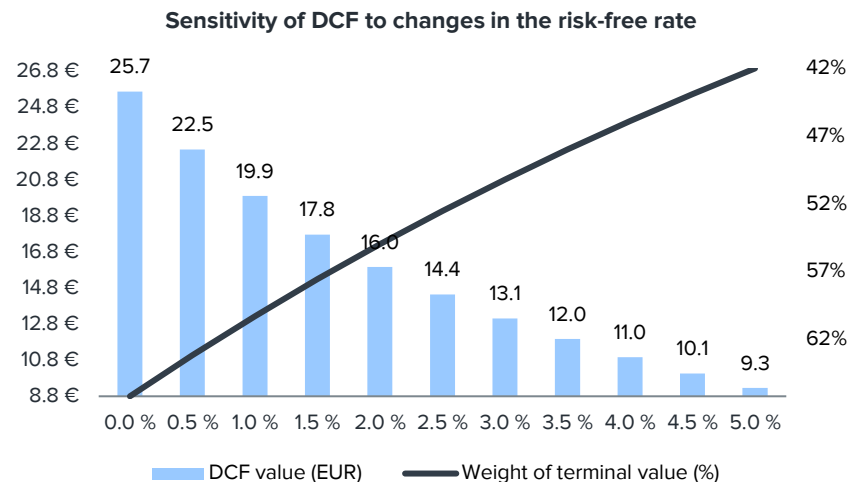
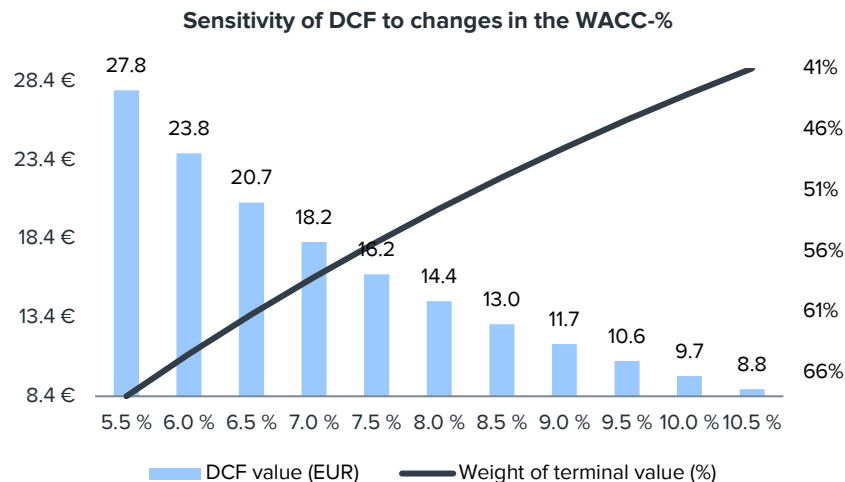
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-9.5 %	3.1 %	2.5 %	4.6 %	4.1 %	4.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	8.8 %	3.6 %	9.4 %	11.7 %	12.5 %	12.5 %	12.5 %	12.0 %	11.5 %	11.0 %	11.0 %	11.0 %
<b>EBIT (operating profit)</b>	<b>98.9</b>	<b>42.4</b>	<b>112</b>	<b>146</b>	<b>162</b>	<b>169</b>	<b>172</b>	<b>169</b>	<b>165</b>	<b>161</b>	<b>164</b>	
+ Depreciation	66	83	83	83	83	82	83	84	84	83	85	
- Paid taxes	-5	-8	-21	-30	-34	-35	-36	-35	-34	-34	-34	
- Tax, financial expenses	-3.1	-6.0	-4.6	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	36	62.1	29.7	15.2	-8.1	-8.3	-4.3	-4.4	-4.5	-4.6	-4.7	
<b>Operating cash flow</b>	<b>193</b>	<b>173</b>	<b>199</b>	<b>210</b>	<b>200</b>	<b>204</b>	<b>211</b>	<b>209</b>	<b>206</b>	<b>202</b>	<b>206</b>	
+ Change in other long-term liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-219	-90	-78	-91	-93	-92	-88	-89	-89	-95	-99	
<b>Free operating cash flow</b>	<b>-23</b>	<b>83.1</b>	<b>121</b>	<b>119</b>	<b>107</b>	<b>112</b>	<b>123</b>	<b>120</b>	<b>117</b>	<b>108</b>	<b>107</b>	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-23	83.1	121	119	107	112	123	120	117	108	107	1812
<b>Discounted FCFF</b>		<b>81.9</b>	<b>111</b>	<b>101</b>	<b>84</b>	<b>81</b>	<b>83</b>	<b>75</b>	<b>67</b>	<b>57</b>	<b>53</b>	<b>892</b>
Sum of FCFF present value		1684	1602	1492	1391	1307	1226	1144	1069	1002	945	892
<b>Enterprise value DCF</b>		<b>1684</b>										
- Interest bearing debt		-574										
+ Cash and cash equivalents		127										
-Minorities		-6										
-Dividend/capital return		-33										
<b>Equity value DCF</b>		<b>1199</b>										
<b>Equity value DCF per share</b>		<b>14.8</b>										

WACC	
Tax-% (WACC)	24.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.05
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.5 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.0 %</b>

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	1254.3	1248.4	1129.8	<b>1164.3</b>	<b>1193.5</b>	EPS (reported)	1.06	1.22	0.87	<b>0.16</b>	<b>0.87</b>
EBITDA	204.0	193.5	164.9	<b>125.1</b>	<b>194.9</b>	EPS (adj.)	1.20	1.42	1.01	<b>0.79</b>	<b>0.96</b>
EBIT	142.7	134.7	98.9	<b>42.4</b>	<b>112.1</b>	OCF / share	1.69	-0.64	2.39	<b>2.14</b>	<b>2.46</b>
PTP	144.0	124.1	79.7	<b>21.3</b>	<b>92.1</b>	FCF / share	0.66	-1.71	-0.28	<b>1.03</b>	<b>1.50</b>
Net Income	86.5	98.2	69.9	<b>12.9</b>	<b>70.0</b>	Book value / share	9.97	10.32	10.15	<b>9.49</b>	<b>9.52</b>
Extraordinary items	-11.5	-16.3	-11.3	<b>-67.4</b>	<b>-10.0</b>	Dividend / share	0.76	0.80	0.82	<b>0.83</b>	<b>0.85</b>
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	1435.4	1585.6	1754.9	<b>1647.1</b>	<b>1634.2</b>	Revenue growth-%	12%	0%	-10%	<b>3%</b>	<b>3%</b>
Equity capital	816.3	835.7	823.7	<b>770.4</b>	<b>773.3</b>	EBITDA growth-%	18%	-5%	-15%	<b>-24%</b>	<b>56%</b>
Goodwill	219.1	221.2	220.1	<b>220.1</b>	<b>220.1</b>	EBIT (adj.) growth-%	41%	-2%	-27%	<b>0%</b>	<b>11%</b>
Net debt	56.2	325.2	446.6	<b>445.0</b>	<b>408.2</b>	EPS (adj.) growth-%	25%	18%	-29%	<b>-21%</b>	<b>21%</b>
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	16.3 %	15.5 %	14.6 %	<b>10.7 %</b>	<b>16.3 %</b>
EBITDA	204.0	193.5	164.9	<b>125.1</b>	<b>194.9</b>	EBIT (adj.)-%	12.3 %	12.1 %	9.8 %	<b>9.4 %</b>	<b>10.2 %</b>
Change in working capital	-10.6	-218.7	36.2	<b>62.1</b>	<b>29.7</b>	EBIT-%	11.4 %	10.8 %	8.8 %	<b>3.6 %</b>	<b>9.4 %</b>
Operating cash flow	137.7	-51.7	193.3	<b>173.1</b>	<b>198.8</b>	ROE-%	11.0 %	11.9 %	8.5 %	<b>1.6 %</b>	<b>9.1 %</b>
CAPEX	-130.4	-35.8	-218.5	<b>-90.0</b>	<b>-77.6</b>	ROI-%	16.2 %	12.5 %	7.8 %	<b>3.4 %</b>	<b>8.8 %</b>
Free cash flow	53.7	-137.4	-22.9	<b>83.1</b>	<b>121.2</b>	Equity ratio	56.9 %	52.7 %	46.9 %	<b>46.8 %</b>	<b>47.3 %</b>
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	6.9 %	38.9 %	54.2 %	<b>57.8 %</b>	<b>52.8 %</b>
EV/S	1.5	1.3	1.7	<b>1.5</b>	<b>1.4</b>						
EV/EBITDA	9.5	8.1	11.4	<b>13.7</b>	<b>8.6</b>						
EV/EBIT (adj.)	12.6	10.4	17.0	<b>15.6</b>	<b>13.7</b>						
P/E (adj.)	19.1	10.8	17.5	<b>19.7</b>	<b>16.3</b>						
P/B	2.3	1.5	1.7	<b>1.6</b>	<b>1.6</b>						
Dividend-%	3.3 %	5.2 %	4.7 %	<b>5.3 %</b>	<b>5.4 %</b>						

Source: Inderes

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
1/7/2021	Accumulate	16.00 €	15.26 €
2/8/2021	Reduce	15.00 €	15.60 €
4/20/2021	Accumulate	18.00 €	16.80 €
4/29/2021	Accumulate	19.00 €	17.58 €
7/29/2021	Accumulate	22.00 €	20.20 €
11/1/2021	Accumulate	23.00 €	21.25 €
11/10/2021	Accumulate	24.00 €	21.10 €
12/28/2021	Accumulate	24.00 €	22.75 €
<i>Analyst changed</i>			
2/5/2022	Accumulate	24.00 €	22.05 €
5/2/2022	Accumulate	24.00 €	21.90 €
7/19/2022	Accumulate	20.00 €	18.40 €
<i>Analyst changed</i>			
7/29/2022	Accumulate	20.00 €	18.60 €
9/26/2022	Accumulate	18.00 €	15.20 €
10/31/2022	Accumulate	18.00 €	15.22 €
12/23/2022	Accumulate	17.00 €	15.22 €
1/16/2023	Accumulate	17.50 €	16.80 €
2/8/2023	Accumulate	18.00 €	17.10 €
3/15/2023	Accumulate	18.00 €	16.62 €
4/28/2023	Accumulate	17.50 €	15.70 €
7/18/2023	Accumulate	17.50 €	15.90 €
7/21/2023	Accumulate	17.50 €	15.88 €
10/9/2023	Reduce	17.50 €	17.56 €
10/13/2023	Reduce	16.00 €	16.20 €
10/27/2023	Reduce	15.00 €	14.28 €
1/17/2024	Sell	15.00 €	17.58 €
2/9/2024	Sell	15.00 €	17.20 €
3/20/2024	Sell	15.00 €	16.78 €
4/26/2024	Sell	15.00 €	17.20 €
7/19/2024	Sell	15.00 €	16.60 €
9/4/2024	Sell	15.00 €	16.00 €
10/25/2024	Reduce	15.00 €	15.64 €



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