

FISKARS

7/18/2025 2:25 pm EEST

This is a translated version of "Heikko kvartaali loi uuden tulosvaroituksen riskin" report, published on 7/17/2025



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

INDERES CORPORATE CUSTOMER COMPANY REPORT



Weak quarter created new profit warning risk

Fiskars' Q2 result was clearly weaker than expected even after the June profit warning. We lowered our 2025 adjusted EBIT estimate to 85 MEUR, meaning we expect the company to have to issue another profit warning. We also expect the company to have to cut its dividend. Following the downward revision of our estimates, our target price was lowered to EUR 12 (was EUR 13) and the recommendation to Sell (was Reduce).

Result was significantly below even the lowered expectations

Fiskars Group's Q2 revenue decreased by 8%, or by 7% in comparable currencies, when we had forecast a slightly milder decrease. The Vita segment's revenue decreased by 3%, being slightly weaker than expected. The Fiskars segment reflected the decreased demand in the USA, which was the reason for the June profit warning, and the segment's revenue decreased by 11% in comparable currencies, while our expectation was 5%.

The Group's Q2 adjusted EBIT fell to a very weak 3 MEUR, while our estimate even after the profit warning was 12 MEUR (Q2'24: 19.2 MEUR). Declines occurred in both segments, as the Fiskars segment's result decreased to 14 MEUR (Q2'24: 22 MEUR), largely in line with our forecast, and the Vita segment's result declined to -8 MEUR (Q2'24: 2 MEUR), while we expected a break-even level. As for the weakness of the Vita segment, the company primarily cited the poor performance of the Waterford brand and the negative earnings impact caused by its inflexible production. However, the impact in Q2 was quite significant relative to the fact that the annual sales of the Waterford brand are only about 6% of the entire Fiskars Group. Waterford's difficulties are also by no means a new issue, but they have been grappled with for years.

Meeting the guidance lowered in June will be a challenge

Fiskars lowered its guidance in connection with the June profit warning and expects full-year adjusted EBIT to be 90-110 MEUR, compared to 111 MEUR last year. This guidance was reiterated in

the Q2 report. The company's H1 result was 14 MEUR weaker than last year, so a performance at the level of the comparison period in H2 would take it slightly below the midpoint of the guidance.

The company stated that the decline in demand in the USA accelerated in May-June towards the end of Q2 but did not want to comment on Q3 development or outlook separately. Given the headwinds created by tariffs and weak demand, a H2 result on par with the comparison period would in our view be a strong performance. We have thus lowered our 2025 adjusted EBIT estimate to 85 MEUR and therefore expect the company to have to issue another profit warning. Our earnings per share estimates for 2025-27 decreased by 15-25%. We also lowered our dividend estimates and expect the company to cut its 2025 dividend compared to last year.

The marginal target was a distant dream

Based on our forecasts for this year, Fiskars' adjusted EBIT margin drops to 7.5%. The company finally admitted that it will not achieve the medium-term growth and profitability targets set in 2021 for this year. This has effectively been clear for a long time, and our forecast does not expect the company to get anywhere near the targeted 15% adjusted EBIT margin going forward. We expect the company to announce new financial targets separately for the Fiskars and Vita segments either at the end of this year or early next year.

Valuation is high

Fiskars' valuation multiples for 2025 (e.g. P/E above 25x) are above our acceptable multiples and only within them for the 2027 forecast. Therefore, we see the share's expected return remaining negative. Profit growth forecasts for the coming years require volume growth and a consequent improvement in profitability, which Fiskars has failed to deliver in recent years. Our DCF value is in line with the target price.

Recommendation

Sell

(was Reduce)

Target price:

EUR 12.00

(was EUR 13.00)

Share price:

EUR 14.54

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	1157	1126	1172	1219
growth-%	2%	-3%	4%	4%
EBIT adj.	111.5	85.0	105.0	125.5
EBIT-% adj.	9.6 %	7.5 %	9.0 %	10.3 %
Net Income	27.1	17.1	61.6	81.2
EPS (adj.)	1.07	0.52	0.76	1.00
P/E (adj.)	14.0	28.0	19.1	14.5
P/B	1.5	1.6	1.5	1.5
Dividend yield-%	5.6 %	3.4 %	3.8 %	4.1 %
EV/EBIT (adj.)	15.3	19.9	15.7	12.6
EV/EBITDA	14.2	13.1	9.0	7.7
EV/S	1.5	1.5	1.4	1.3

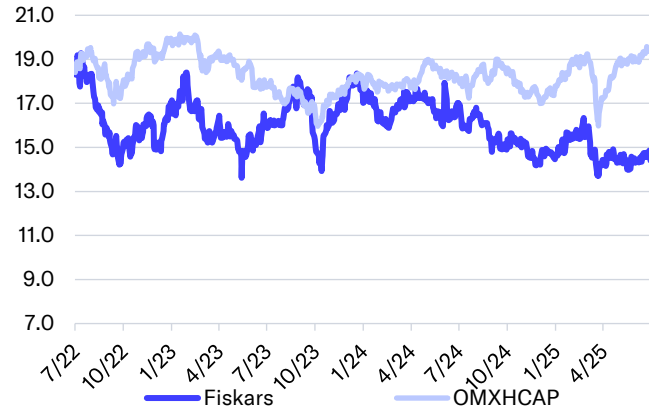
Source: Inderes

Guidance

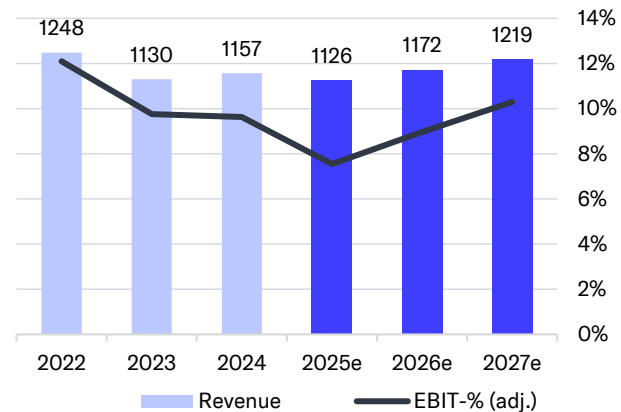
(Unchanged)

Fiskars expects comparable EBIT to be EUR 90-110 MEUR (2024: 111.4 MEUR).

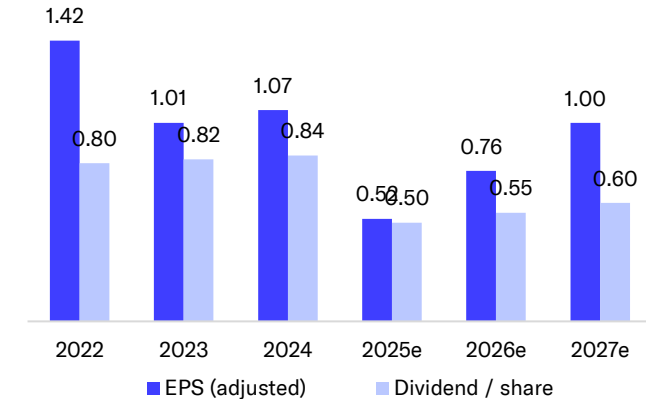
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



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

- Consumer confidence/demand remaining weak
- 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	2025e	2026e	2027e
Share price	14.5	14.5	14.5
Number of shares, millions	80.9	80.9	80.9
Market cap	1176	1176	1176
EV	1693	1647	1587
P/E (adj.)	28.0	19.1	14.5
P/E	69.0	19.1	14.5
P/B	1.6	1.5	1.5
P/S	1.0	1.0	1.0
EV/Sales	1.5	1.4	1.3
EV/EBITDA	13.1	9.0	7.7
EV/EBIT (adj.)	19.9	15.7	12.6
Payout ratio (%)	237%	72%	60%
Dividend yield-%	3.4 %	3.8 %	4.1 %

Source: Inderes

Figures were clearly below lowered expectations

Revenue decreased especially in the Fiskars segment

Fiskars Group's revenue decreased by 8%, or by 7% in comparable currencies, when we had forecast a slightly milder decrease. The reason for the profit warning issued in June was weakened US demand, and revenue decreased by 15% comparably in the Americas, by 2% in Europe, and grew by 3% in the Asia-Pacific region. The company lost its distribution reach in the USA, which was due to, among other things, department store bankruptcies and financial challenges. This has been a problem for the WWRD companies, acquired ten years ago, and this time it was particularly evident in the performance of the Waterford brand within the Vita segment (no figures are reported for this). Vita segment's revenue decreased by 3%, being slightly weaker than expected. The Fiskars segment's revenue decreased by 11% in comparable currencies due to the weakness in the USA, while our expectation was 5%. Fiskars' comparable revenue has

already been trending downwards since the end of 2022.

Q2 result was very weak

Fiskars' Q2 adjusted EBIT fell to a very weak 3 MEUR, while our estimate was 12 MEUR (Q2'24: 19.2 MEUR). Declines occurred in both segments, as the Fiskars segment's result decreased to 14 MEUR (Q2'24: 22 MEUR), largely in line with our forecast, and the Vita segment's result declined to -8 MEUR (Q2'24: 2 MEUR), while we expected a break-even level.

The Fiskars segment's result was pressured, as expected, by weakened US demand and the negative impact of tariffs on the gross margin. In Vita, however, the gross margin surprisingly dropped by over 4 percentage points, even though only a small portion of Vita's sales are in the USA, meaning tariffs do not explain this in Vita's case. The company primarily attributed this to the declining sales of the Waterford brand and, on the other hand, its process-

based manufacturing, which is difficult to scale down. However, the impact in Q2 was quite significant relative to the fact that the annual sales of the Waterford brand are only about 6% of the entire Fiskars Group. Waterford's difficulties are also by no means a new issue, but they have been grappled with for a long time.

Fiskars' free cash flow was slightly positive, but declined significantly from the comparable period due to weaker earnings and increased inventories. For the entire H1, free cash flow is still slightly negative. Due to the weakened result, Fiskars' net debt/adjusted EBITDA rose to 3.2x, while the company's target is to be below 2.5x.

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes
Revenue	281	258	270	263			-4%
EBIT (adj.)	19.2	3.0	12.0	10.5			-75%
EBIT	0.3	5.0	8.0	-			-38%
EPS (adj.)	0.11	-0.05	0.06	0.04			-181%
EPS (reported)	-0.08	-0.03	0.02	-			-221%
Revenue growth-%	5.0 %	-8.1 %	-3.8 %	-6.3 %			-4.3 pp
EBIT-% (adj.)	6.8 %	1.2 %	4.4 %	4.0 %	-		-3.3 pp

Source: Inderes & Modular Finance, 4-6 analysts (consensus)

Forecasts continue to slide

Meeting the guidance lowered in June will be a challenge

Fiskars lowered its guidance in connection with the June profit warning and expects full-year adjusted EBIT to be 90-110 MEUR, compared to 111 MEUR last year. This guidance was also reiterated in the Q2 report. The company's H1 result was 14 MEUR weaker than last year, so a performance at the level of the comparison period in H2 would take it slightly below the midpoint of the guidance.

The company stated that the decline in demand in the USA accelerated in May-June towards the end of Q2 but did not want to comment on Q3 development or outlook separately. Given the headwinds created by tariffs and weak demand, a H2 result on par with the comparison period would in our view be a strong performance. We have thus lowered our 2025 adjusted EBIT estimate to 85 MEUR and therefore expect the company to have to issue another profit warning.

Estimates down over the next few years

We made downward revisions of 10-15 MEUR to our adjusted EBIT estimates for 2025-26. The impact of US tariffs will only be fully reflected in 2026, although the company's guidance suggests that the impacts could be significantly offset already by the end of 2025. Fiskars has been battling weak demand for years by streamlining operations, and we do not believe it has the potential to improve its earnings any further through efficiency gains. Consequently, the continued declining demand now observed will pressure its earnings level.

In addition to lower EBIT forecasts, we raised our financial expense forecasts, as Fiskars' debt and financing expenses remain higher than our previous assumptions, and profitability and cash flow are weaker. This year, the company's finance costs are also increased by more

technical foreign exchange entries. All in all, this meant 15-25% cuts to earnings per share estimates.

The dividend likely needs a cut

With earnings per share more than halving from last year and the balance sheet being above the target level, we believe Fiskars will have to cut its dividend next spring. We significantly lowered our dividend estimates for the coming years.

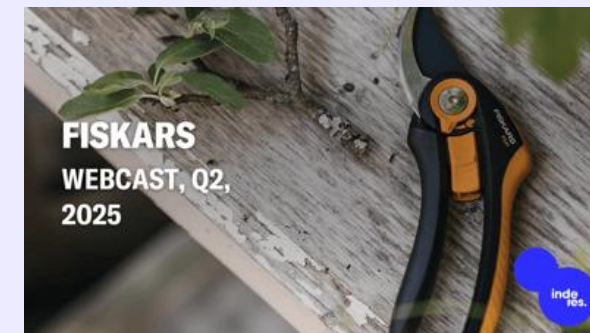
Financial targets were effectively abandoned

The company also finally stated directly that it will not achieve the mid-term targets for growth and profitability set in 2021 for this year. This has been evident for a long time, and our estimates do not expect the company to reach anywhere near the targeted 15% adjusted EBIT margin going forward. We expect the company to announce new financial targets separately for the Fiskars and Vita segments either at the end of this year or early next year.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1151	1126	-2%	1198	1172	-2%	1247	1219	-2%
EBIT (exc. NRIs)	98.4	85	-14%	119	105	-12%	139	125	-9%
EBIT	63	54	-15%	119	105	-12%	139	125	-9%
EPS (excl. NRIs)	0.70	0.52	-26%	0.96	0.76	-21%	1.17	1.00	-14%
DPS	0.84	0.50	-40%	0.85	0.55	-35%	0.88	0.60	-32%

Source: Inderes

Fiskars, Webcast, Q2'25



Valuation is high

The share prices in improved earnings

In our opinion, Fiskars' share price reflects profitability recovering clearly from this year's weak level. The earnings growth forecast for the coming years will thus be absorbed by multiple compression, nor does the dividend yield, which has decreased with the expected dividend cut, provide sufficient expected return.

Earnings-based valuation is high

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 significantly. 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 should have potential for stable, albeit quite small growth, and better relative profitability than in the past (adj. EBIT 5-10%). On the other hand, historically, the company has achieved little growth, and its markets are quite mature (and thus slow-growing), which limits accepted multiples.

We determined the acceptable valuation level for Fiskars' share to be P/E 12-14x and EV/EBIT 10-12x. The 2024-26 multiples are above our acceptable multiples, and only in 2027 are they approximately in line with them. Thus, in our view, the expected earnings growth in the coming years will largely be used to digest the multiples. In our opinion, Fiskars does not have a clear peer group, but even compared to the peers we have selected, the company is currently valued at a clear premium. In our view, this is not

justified given the company's at best mediocre growth profile and return on capital.

The DCF model shows that the stock is correctly priced

We estimate Fiskars' revenue to return to growth in 2026, but for growth to slow to 2% annually from 2029 onwards. We expect the EBIT margin to improve to about 11.5% by 2029 and then remain stable. Excluding the COVID years of 2020-21, this level is above any level achieved in the company's history. The company's gross margin has clearly increased over the past five years, which, as volumes recover, should also lead to a better operating profit margin than before. The weight of the terminal period is around 50% in our model.

Our required return (WACC) for Fiskars is 8.5% and the cost of equity is 9.0%. We believe that Fiskars' strong brands, diversified product portfolio, and relatively low risk profile support a relatively moderate required return.

Our DCF model indicates that Fiskars' debt-free value is about 1.5 BNEUR and the value of the share capital is about 1.0 BNEUR, or about EUR 12 per share. In light of this, the current share price offers a negative expected return. The DCF relies on a margin improvement in the coming years.

Balance sheet-based valuation slightly high

Fiskars' P/B ratio is about 1.5x in the coming years. The ROE for 2025 will remain very weak, and in 2026 it will still be below 10%. Relative to these figures, the valuation is high. Starting from 2028, we expect a 11-12% 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.

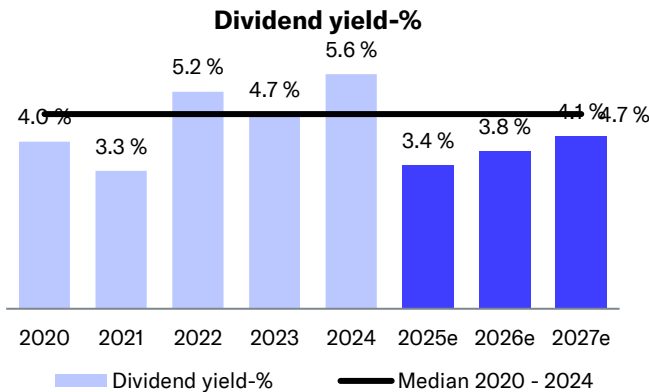
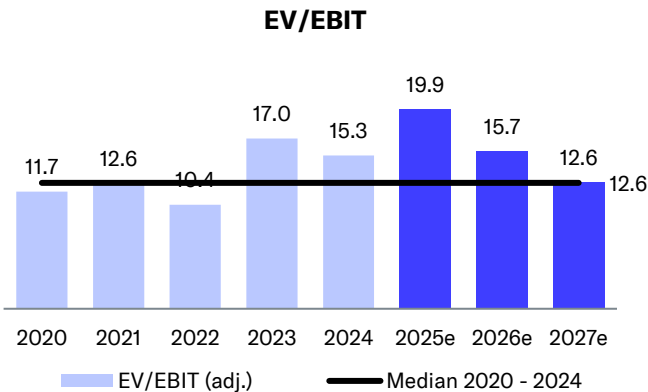
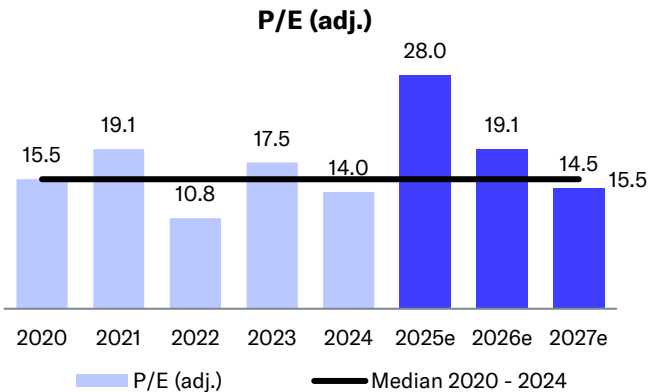
Valuation	2025e	2026e	2027e
Share price	14.5	14.5	14.5
Number of shares, millions	80.9	80.9	80.9
Market cap	1176	1176	1176
EV	1693	1647	1587
P/E (adj.)	28.0	19.1	14.5
P/E	69.0	19.1	14.5
P/B	1.6	1.5	1.5
P/S	1.0	1.0	1.0
EV/Sales	1.5	1.4	1.3
EV/EBITDA	13.1	9.0	7.7
EV/EBIT (adj.)	19.9	15.7	12.6
Payout ratio (%)	237%	72%	60%
Dividend yield-%	3.4 %	3.8 %	4.1 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	15.0	23.0	15.4	17.6	14.9	14.5	14.5	14.5	14.5
Number of shares, millions	81.5	81.5	80.6	80.8	80.9	80.9	80.9	80.9	80.9
Market cap	1220	1874	1239	1420	1208	1176	1176	1176	1176
EV	1276	1938	1570	1872	1707	1693	1647	1587	1546
P/E (adj.)	15.5	19.1	10.8	17.5	14.0	28.0	19.1	14.5	12.7
P/E	18.0	21.7	12.6	20.3	44.6	69.0	19.1	14.5	12.7
P/B	1.6	2.3	1.5	1.7	1.5	1.6	1.5	1.5	1.4
P/S	1.1	1.5	1.0	1.3	1.0	1.0	1.0	1.0	0.9
EV/Sales	1.1	1.5	1.3	1.7	1.5	1.5	1.4	1.3	1.2
EV/EBITDA	7.4	9.5	8.1	11.4	14.2	13.1	9.0	7.7	7.2
EV/EBIT (adj.)	11.7	12.6	10.4	17.0	15.3	19.9	15.7	12.6	11.4
Payout ratio (%)	72.2 %	71.6 %	65.6 %	94.8 %	250.9 %	237.1 %	72.2 %	59.7 %	70.0 %
Dividend yield-%	4.0 %	3.3 %	5.2 %	4.7 %	5.6 %	3.4 %	3.8 %	4.1 %	5.5 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Duni AB	387	588	13.7	10.4	8.5	7.0	0.8	0.8	14.7	11.6	5.6	6.0	1.3
Harvia Oyj	928	970	22.5	19.2	19.2	16.6	4.9	4.4	30.5	25.5	1.7	2.0	5.8
Leifheit AG	157	126	11.4	8.1	6.5	5.0	0.5	0.5	21.9	14.4	6.4	6.9	1.6
Marimekko Oyj	557	548	16.2	13.8	12.6	11.0	2.9	2.6	21.1	18.5	3.3	5.5	6.4
Nokian Tyres plc	896	1564	18.4	12.8	8.5	5.9	1.1	1.0	24.0	13.3	3.9	4.6	0.7
Orthex Oyj	82	99	11.6	8.5	7.7	6.1	1.1	1.0	14.2	10.5	5.2	6.1	2.0
Rapala VMC Oyj	46	170	28.5	13.3	9.6	7.1	0.8	0.6		317.7			0.4
Stanley Black & Decker Inc	9274	14785	12.5	10.4	10.3	8.8	1.1	1.1	15.7	12.0	4.7	4.8	1.2
Villeroy & Boch AG	501	964	12.6	9.5	6.3	5.4	0.6	0.6	13.5	9.0	5.4	6.1	1.3
Husqvarna	2702	3755	12.6	10.5	6.8	6.0	0.9	0.9	15.8	11.9	3.3	4.4	1.2
Fiskars (Inderes)	1176	1693	19.9	15.7	13.1	9.0	1.5	1.4	28.0	19.1	3.4	3.8	1.6
Average			16.0	11.6	9.6	7.9	1.5	1.3	19.1	44.4	4.4	5.2	2.2
Median			13.2	10.4	8.5	6.5	1.0	0.9	15.8	12.7	4.7	5.5	1.3
Diff-% to median			51%	50%	54%	39%	51%	55%	77%	51%	-26%	-31%	26%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	1130	283	281	256	337	1157	292	258	247	329	1126.2	1172	1219	1269
Vita	555	126	130	139	210	605	127	125	139	212	604	634	666	699
Fiskars	571	156	150	115	126	547	164	131	106	116	516	532	548	564
Other	4.0	1.0	1.0	1.5	1.3	4.8	1.2	1.9	1.5	1.3	5.9	5.9	5.9	5.9
EBITDA	165	26.5	22.4	20.0	51.6	121	14.2	24.5	33.5	57.4	129.6	182	206	215
Depreciation	-66.0	-20.1	-22.1	-20.5	-20.7	-83.4	-18.8	-19.2	-18.9	-18.9	-75.8	-77.4	-80.3	-79.1
EBIT (excl. NRI)	110	25.1	19.2	24.3	42.9	112	26.8	3.1	15.6	39.5	85	105	125	136
EBIT	98.9	6.4	0.3	-0.5	30.9	37.1	-4.6	5.3	14.6	38.5	54	105	125	136
Vita	62.3	-0.1	1.7	12.7	33.3	47.6	1.3	-7.8	11.1	34.0	38.6	50.7	66.6	69.9
Fiskars	73.8	29.5	22.2	13.7	11.9	77.3	30.6	13.9	8.0	9.0	61.5	70.0	75.0	82.0
Muut	-25.8	-4.3	-4.8	-2.0	-2.3	-13.4	-5.1	-3.2	-3.5	-3.5	-15.3	-15.8	-16.1	-16.4
Net financial items	-24.0	-3.8	-9.0	-5.6	-6.8	-25.2	-12.2	-9.2	-7.0	-6.5	-34.9	-25.0	-20.0	-15.0
PTP	79.7	3.6	-7.7	-4.2	26.8	18.5	-16.1	-3.0	8.1	32.5	21.5	81.0	106	122
Taxes	-9.7	-1.2	1.8	-1.6	9.9	8.9	3.0	0.9	-1.6	-6.5	-4.2	-18.4	-24.3	-27.7
Minority interest	-0.2	0.0	-0.3	0.0	0.0	-0.3	-0.1	0.0	0.0	0.0	-0.1	-1.0	-1.0	-1.0
Net earnings	69.9	2.4	-6.3	-5.8	36.7	27.1	-13.2	-2.1	6.5	26.0	17.2	61.6	81.2	92.8
EPS (adj.)	1.01	0.21	0.11	0.19	0.57	1.07	0.15	-0.05	0.09	0.33	0.52	0.76	1.00	1.15
EPS (rep.)	0.87	0.03	-0.08	-0.07	0.45	0.33	-0.16	-0.03	0.08	0.32	0.21	0.76	1.00	1.15

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-9.5 %	2.9 %	5.0 %	6.1 %	-2.5 %	2.4 %	3.2 %	-8.1 %	-3.6 %	-2.3 %	-2.7 %	4.1 %	4.1 %	4.1 %
Adjusted EBIT growth-%	-27.0 %	-19.3 %	-19.0 %	37.3 %	13.8 %	1.2 %	6.8 %	-84.0 %	-35.7 %	-8.0 %	-23.8 %	23.5 %	19.6 %	8.0 %
EBITDA-%	14.6 %	9.4 %	8.0 %	7.8 %	15.3 %	10.4 %	4.9 %	9.5 %	13.6 %	17.4 %	11.5 %	15.6 %	16.9 %	16.9 %
Adjusted EBIT-%	9.8 %	8.9 %	6.8 %	9.5 %	12.7 %	9.6 %	9.2 %	1.2 %	6.3 %	12.0 %	7.5 %	9.0 %	10.3 %	10.7 %
Net earnings-%	6.2 %	0.8 %	-2.2 %	-2.3 %	10.9 %	2.3 %	-4.5 %	-0.8 %	2.6 %	7.9 %	1.5 %	5.3 %	6.7 %	7.3 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	1029	1070	1066	1077	1082
Goodwill	220	226	226	226	226
Intangible assets	372	378	345	340	330
Tangible assets	307	306	335	351	366
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	91.0	97.4	97.4	97.4	97.4
Other non-current assets	11.0	13.9	13.9	13.9	13.9
Deferred tax assets	28.4	48.8	48.8	48.8	48.8
Current assets	726	641	604	593	593
Inventories	364	331	304	293	280
Other current assets	5.6	7.6	7.6	7.6	7.6
Receivables	229	242	225	223	232
Cash and equivalents	127	60.8	67.6	70.3	73.2
Balance sheet total	1755	1711	1670	1670	1675

Source: Inderes

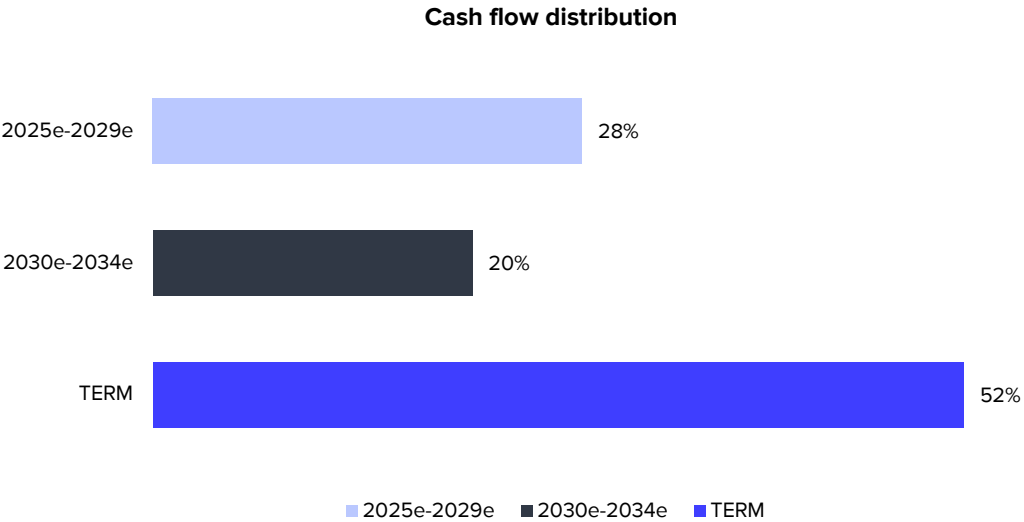
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	824	797	746	767	804
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	742	715	664	685	722
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	3.8	4.3	4.3	4.3	4.3
Non-current liabilities	506	502	511	487	441
Deferred tax liabilities	38.8	36.9	36.9	36.9	36.9
Provisions	15.4	15.8	15.8	15.8	15.8
Interest bearing debt	448	445	454	429	384
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	4.1	4.4	4.4	4.4	4.4
Current liabilities	425	413	413	417	430
Interest bearing debt	126	110	125	106	95.1
Payables	287	285	270	293	317
Other current liabilities	12.5	17.9	17.9	17.9	17.9
Balance sheet total	1755	1711	1670	1670	1675

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	2.4 %	-2.7 %	4.1 %	4.1 %	4.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.2 %	4.8 %	9.0 %	10.3 %	10.7 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	37.1	53.8	105	125	136	149	152	155	158	161	164	
+ Depreciation	83	76	77	80	79	78	78	79	79	77	76	
- Paid taxes	-13	-4	-18	-24	-28	-31	-31	-32	-33	-34	-34	
- Tax, financial expenses	-6.0	-7.8	-5.8	-4.6	-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	22	29.0	36.4	27.5	-8.0	-4.1	-4.1	-4.2	-4.3	-4.4	-4.5	
Operating cash flow	123	147	195	204	175	189	191	194	196	196	198	
+ Change in other long-term liabilities	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-104	-71	-89	-85	-75	-79	-79	-79	-86	-76	-90	
Free operating cash flow	20	75.1	106	119	101	110	112	115	110	120	108	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	20	75.1	106	119	101	110	112	115	110	120	108	1699
Discounted FCFF		72.4	93.9	97.7	76	76	72	68	60	60	50	786
Sum of FCFF present value		1512	1440	1346	1248	1172	1096	1024	957	897	836	786
Enterprise value DCF		1512										
- Interest bearing debt		-555										
+ Cash and cash equivalents		60.8										
-Minorities		-7										
-Dividend/capital return		-34										
Equity value DCF		978										
Equity value DCF per share		12.1										

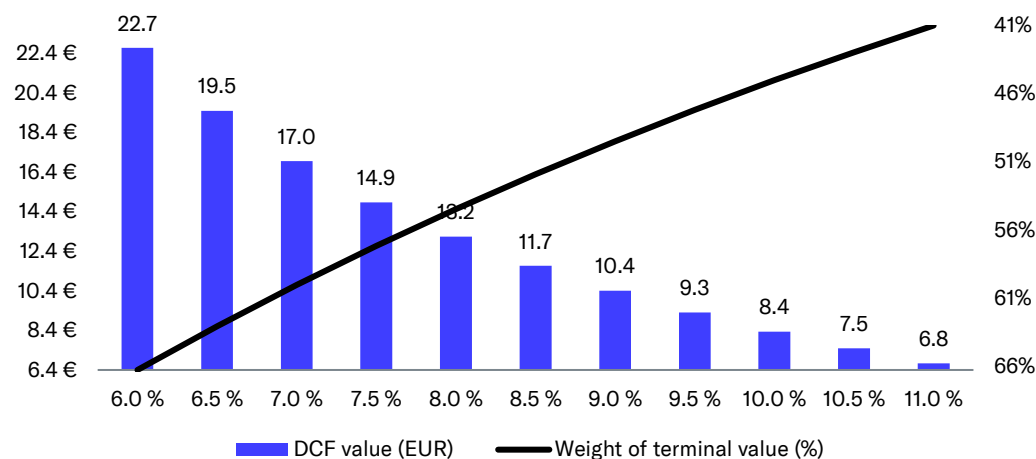
WACC	
Tax-% (WACC)	24.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.16
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.0 %
Weighted average cost of capital (WACC)	8.5 %

Source: Inderes

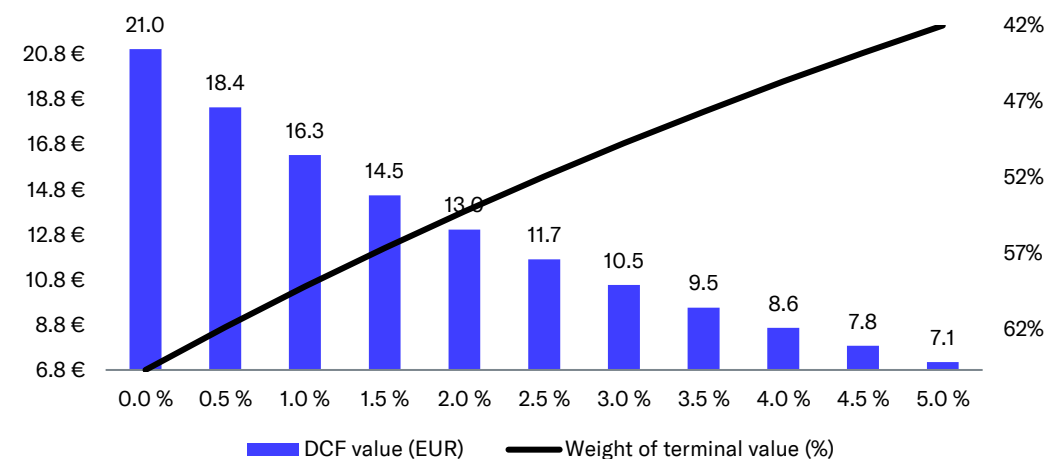


DCF sensitivity calculations and key assumptions in graphs

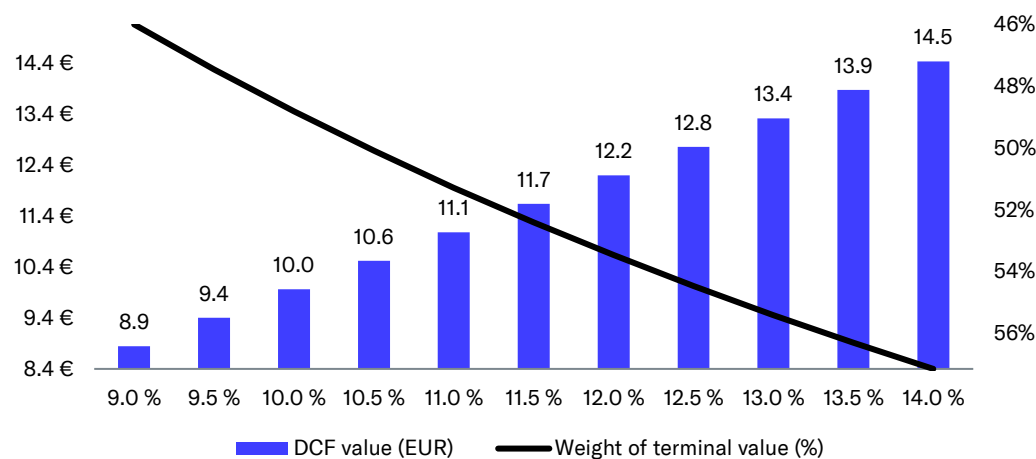
Sensitivity of DCF to changes in the WACC-%



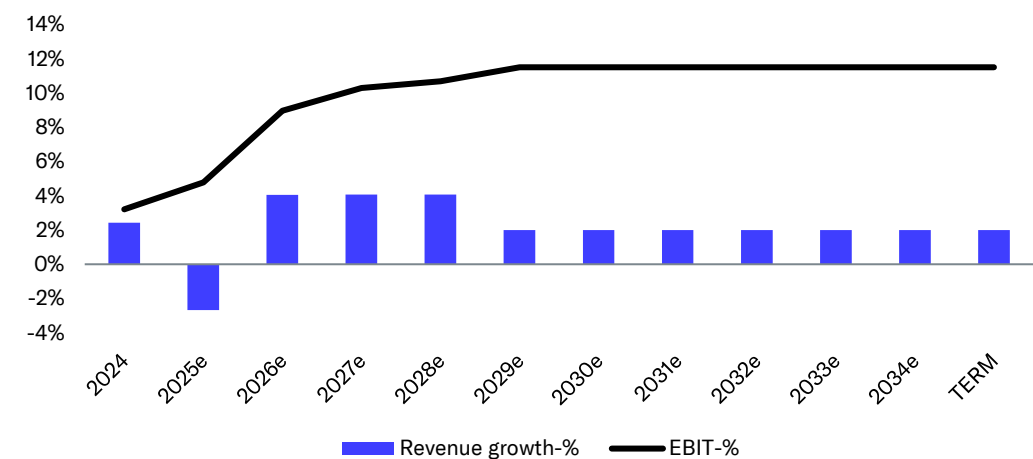
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	1248.4	1129.8	1157.1	1126.2	1171.8	EPS (reported)	1.22	0.87	0.33	0.21	0.76
EBITDA	193.5	164.9	120.5	129.7	182.3	EPS (adj.)	1.42	1.01	1.07	0.52	0.76
EBIT	134.7	98.9	37.1	53.8	105.0	OCF / share	-0.64	2.39	1.52	1.81	2.41
PTP	124.1	79.7	18.5	21.5	81.0	OFCF / share	-1.71	-0.28	0.24	0.93	1.31
Net Income	98.2	69.9	27.1	17.1	61.6	Book value / share	10.32	10.15	9.80	9.17	9.43
Extraordinary items	-16.3	-11.3	-74.4	-31.2	0.0	Dividend / share	0.80	0.82	0.84	0.50	0.55
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1585.6	1754.9	1711.2	1670.0	1670.4	Revenue growth-%	0%	-10%	2%	-3%	4%
Equity capital	835.7	823.7	796.5	745.6	766.8	EBITDA growth-%	-5%	-15%	-27%	8%	41%
Goodwill	221.2	220.1	225.9	225.9	225.9	EBIT (adj.) growth-%	-2%	-27%	1%	-24%	24%
Net debt	325.2	446.6	493.8	511.5	465.4	EPS (adj.) growth-%	18%	-29%	6%	-51%	47%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	15.5 %	14.6 %	10.4 %	11.5 %	15.6 %
EBITDA	193.5	164.9	120.5	129.7	182.3	EBIT (adj.)-%	12.1 %	9.8 %	9.6 %	7.5 %	9.0 %
Change in working capital	-218.7	36.2	22.0	29.0	36.4	EBIT-%	10.8 %	8.8 %	3.2 %	4.8 %	9.0 %
Operating cash flow	-51.7	193.3	123.1	146.6	194.6	ROE-%	11.9 %	8.5 %	3.4 %	2.2 %	8.2 %
CAPEX	-35.8	-218.5	-104.1	-71.5	-88.8	ROI-%	12.5 %	7.8 %	3.2 %	4.2 %	8.1 %
Free cash flow	-137.4	-22.9	19.7	75.1	105.8	Equity ratio	52.7 %	46.9 %	46.5 %	44.7 %	45.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	38.9 %	54.2 %	62.0 %	68.6 %	60.7 %
EV/S	1.3	1.7	1.5	1.5	1.4						
EV/EBITDA	8.1	11.4	14.2	13.1	9.0						
EV/EBIT (adj.)	10.4	17.0	15.3	19.9	15.7						
P/E (adj.)	10.8	17.5	14.0	28.0	19.1						
P/B	1.5	1.7	1.5	1.6	1.5						
Dividend-%	5.2 %	4.7 %	5.6 %	3.4 %	3.8 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

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 €
Analyst changed			
2/5/2022	Accumulate	24.00 €	22.05 €
5/2/2022	Accumulate	24.00 €	21.90 €
7/19/2022	Accumulate	20.00 €	18.40 €
Analyst changed			
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 €
2/7/2025	Reduce	15.00 €	15.18 €
3/20/2025	Reduce	15.00 €	15.72 €
4/9/2025	Reduce	13.50 €	14.24 €
4/25/2025	Reduce	13.50 €	14.26 €
6/16/2025	Reduce	13.00 €	14.38 €
7/18/2025	Sell	12.00 €	14.54 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab

Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

**inde
res.**