

FISKARS

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



2025 outlook as expected, share correctly priced

Fiskars' Q4 result and guidance were broadly in line with expectations, have not made any significant changes to our forecasts. In our view, the stock is correctly priced, and the expected return is mainly based on the dividend. We reiterate our EUR 15 target price and Reduce recommendation.

Q4 roughly in line with expectations

In Q4, both comparable and reported revenues declined by around 2.5%, which was below our expectations. For the first time, Georg Jensen was also included in the comparison figures. With declines in both segments and in all geographic regions, Fiskars continues to be weighed down by sluggish demand across the board. Q4 adj. EBIT was 43 MEUR, a clear improvement from 38 MEUR in Q4'23 and slightly above forecasts. For the full year, Fiskars posted an adj. EBIT of 111.4 MEUR vs. 110.3 MEUR in 2023. The company thus achieved its guidance given throughout the year of a slightly better result, but by a very small margin. As volumes declined, the result was supported by an improvement in gross margin and cost savings, similar to previous years. In fact, the adj. gross margin for the quarter already exceeded the company's target of 49% and was 49.4%.

Positive guidance for this year as expected

For this year, Fiskars' guidance is for the adj. EBIT to improve (from 111.4 MEUR). According to Fiskars, the operating environment is expected to remain challenging, and the company did not seem to expect significant support from revenue growth this year either. The result is supported by the expected gross margin improvement and savings from organizational changes and other efficiency measures. On the other hand, the company said it will invest significantly in "demand creation" this year, such as increased marketing. This naturally limits the earnings improvement, as the effects of the investment will partly only come in the longer term, if they are to come at all.

We would like to point out that the US tariff policy may have both direct and indirect effects on Fiskars through a potential loss of purchasing power. About 30% of Fiskars' revenue comes from the US and about 25% of its purchases come from China. We believe that the US tariffs on China (10%) will put cost and margin pressure on Fiskars this year. However, the company itself said that it expects only a small negative impact from the imposed tariffs. This year, we expect the adj. EBIT to be 122 MEUR, supported by a slight increase in revenue and a higher gross margin. We made no significant changes to our estimates for the next few years.

Improved performance in coming years largely dependent on Vita

Based on our forecasts for this year, Fiskars' adj. EBIT margin will hover around 10% for the third year in a row. The company's target is around 15%, which currently seems a long way off. We expect the margin to improve to around 12% in 2026-28 as demand picks up. The improvement in earnings and especially margins relies heavily on the Vita segment. The Fiskars segment already has a relatively good level of profitability (2024: 14%) and its growth potential is limited due to the mature nature of the market and Fiskars' good market shares. Thus, in our view, Fiskars' earnings growth potential in the coming years will culminate in Vita's volume growth, as efficiency gains alone will not lead to significant/sustainable earnings growth.

Correctly priced share, expected return comes from dividend

Fiskars' 2025 valuation multiples (e.g. P/E 15x) are above our acceptable multiples and only within them for 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 Reduce)

Target price:

EUR 15.00

(was EUR 15.00)

Share price:

15.18

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	1157	1190	1244	1294
growth-%	2%	3%	5%	4%
EBIT adj.	111.5	122.5	142.8	152.7
EBIT-% adj.	9.6 %	10.3 %	11.5 %	11.8 %
Net Income	27.1	74.0	95.8	105.0
EPS (adj.)	1.07	0.99	1.19	1.30
P/E (adj.)	13.6	15.3	12.8	11.7
P/B	1.5	1.5	1.5	1.4
Dividend yield-%	5.8 %	5.7 %	5.8 %	6.0 %
EV/EBIT (adj.)	15.0	13.5	11.3	10.5
EV/EBITDA	13.9	8.4	7.2	6.8
EV/S	1.4	1.4	1.3	1.2

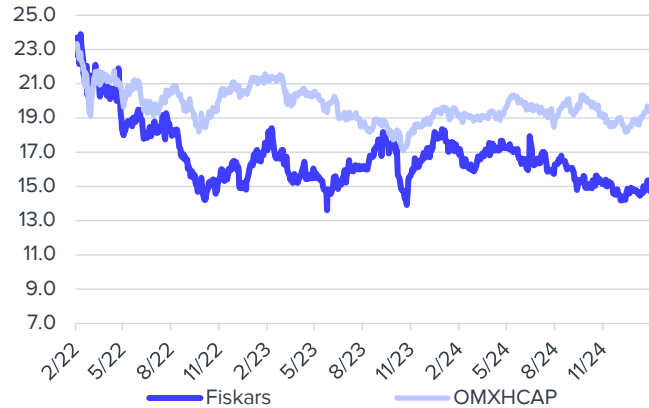
Source: Inderes

Guidance

(New guidance)

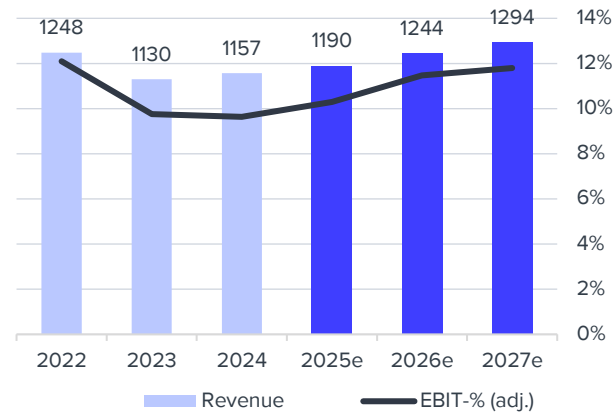
Fiskars expects comparable EBIT to improve from the 2024 level (2024: 111.4 MEUR).

Share price



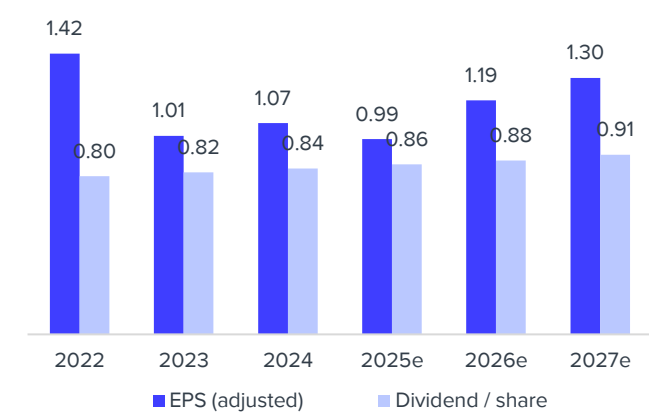
Source: Millstream Market Data AB

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	2025e	2026e	2027e
Share price	15.2	15.2	15.2
Number of shares, millions	80.9	80.9	80.9
Market cap	1227	1227	1227
EV	1650	1615	1597
P/E (adj.)	15.3	12.8	11.7
P/E	16.6	12.8	11.7
P/B	1.5	1.5	1.4
P/S	1.0	1.0	0.9
EV/Sales	1.4	1.3	1.2
EV/EBITDA	8.4	7.2	6.8
EV/EBIT (adj.)	13.5	11.3	10.5
Payout ratio (%)	94%	74%	70%
Dividend yield-%	5.7 %	5.8 %	6.0 %

Source: Inderes

Q4 roughly in line with expectations

Revenue fell from the comparison period

Georg Jensen was included in the comparison figures, so the acquisition no longer supported Fiskars' growth. In Q4, both comparable and reported revenues declined by around 2.5%, which was below our expectations. With declines in both segments and in all geographic regions, Fiskars continues to be weighed down by sluggish demand across the board.

Result improved as expected, but on the Fiskars segment side

Fiskars' Q4 adj. EBIT was 43 MEUR, a clear improvement from 38 MEUR in Q4'23 and slightly above forecasts. For the full year, Fiskars posted an adj. EBIT of 111.4 MEUR vs. 110.3 MEUR in 2023. The company thus achieved its guidance given throughout the year of a slightly better result, but by a very small margin. Contrary to our expectations, however, the improvement in Q4 came from

the Fiskars and Other segments, with Vita slightly below the comparison period. We had expected Vita in particular to improve its performance. As volumes declined, the result was supported by an improvement in gross margin and cost savings, similar to previous years. In fact, the adj. gross margin for the quarter already exceeded the company's target of 49% and was 49.4%. However, the strong weight of the Vita segment in Q4 supports the gross margin. The company recorded 12 MEUR of one-time expenses in Q4, mainly related to organizational changes. Taxes were surprisingly a clearly positive item in Q4, due to the capitalization of tax assets in the balance sheet. This is therefore a temporary item by nature, although it can be used to reduce payable taxes in the future. With the one-off tax item, earnings per share for both Q4 and the full year were well above our expectations.

Small increase in dividend, balance sheet close to target

Fiskars proposes to increase the dividend from EUR 0.82 to EUR 0.84, while we expected the dividend to remain unchanged. With the tax write-off mentioned above, adj. earnings per share improved in 2024 vs. 2023, which together with the reasonable cash flow supports the dividend increase. Fiskars also has a dividend policy of increasing dividends over time, and the company has traditionally profiled itself as a fairly generous dividend payer.

Fiskars' net debt/adj. EBITDA at the end of the year was around 2.5x, the same level as in the comparison period and just within the company's target (below 2.5x). Nevertheless, the early part of the year is generally weaker for the company in terms of cash flow, so we do not think it is sustainably below the target level yet. However, we expect the debt to be well under control and the ratio to improve with increasing result and good cash flow.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	346	337	344	338			-2%	1157
EBIT (adj.)	37.7	42.9	42.1	42.3			2%	111
EBIT	34.0	30.9	37.1	39.2			-17%	37.1
EPS (reported)	0.35	0.45	0.29	0.30			56%	0.33
DPS	0.82	0.84	0.82	0.82			2%	0.84
Revenue growth-%	13.8 %	-2.5 %	-0.4 %	-2.4 %			-2.1 pp	2.4 %
EBIT-% (adj.)	10.9 %	12.7 %	12.2 %	12.5 %		-	0.5 pp	9.6 %

Source: Inderes & Bloomberg, 4 analysts (consensus)

No major changes in estimates

Guidance for the year was positive as expected

For this year, Fiskars' guidance is for the adj. EBIT to improve (from 111.4 MEUR). Our 2025 adj. EBIT estimate is 122 MEUR. According to Fiskars, the operating environment is expected to remain challenging, and the company did not seem to expect significant support from revenue growth this year either.

The result is supported by the expected gross margin improvement and savings from organizational changes and other efficiency measures. On the other hand, the company said it will invest significantly in "demand creation" this year, such as increased marketing. This naturally limits the earnings improvement, as the effects of the investment will partly only come in the longer term, if they are to come at all.

We would like to point out that the US tariff policy may have both direct and indirect effects on Fiskars through a

potential loss of purchasing power. About 30% of Fiskars' revenue comes from the US and about 25% of its purchases come from China. We believe that the US tariffs on China (10%) will put cost and margin pressure on Fiskars this year. However, the company itself said that it expects only a small negative impact from the tariffs that have now been imposed and that it will compensate for them, e.g. through price increases. In our view, the 10% tariff is of such a magnitude that compensation through price increases is possible even in the relatively short term.

No major forecast changes

On the whole, we did not make any substantial changes to our projections for the coming years. We expect revenue growth of 3% this year, supported by the strengthening of the USD against the euro. In organic terms, we also expect a small increase in revenue. We also expect the company to further improve its gross margin this year and to reach its target level above 49%. In terms of fixed costs, the

company is continuing its savings efforts and announced another new 10 MEUR efficiency program in the Vita segment in connection with the results. However, given the investment in demand creation and normal inflation, we do not expect the fixed cost to revenue ratio to change significantly this year.

The lower lines of our forecasts changed slightly due to higher financial costs, but also due to lower taxes in 2025.

Estimate revisions MEUR / EUR	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	1164	1157	-1%	1200	1190	-1%	1255	1244	-1%
EBIT (exc. NRIs)	111	112	1%	123	122	0%	145	143	-2%
EBIT	43	37	-14%	113	114	1%	145	143	-2%
EPS (excl. NRIs)	0.82	1.07	31%	0.97	0.99	2%	1.23	1.19	-4%
DPS	0.82	0.84	2%	0.85	0.86	1%	0.88	0.88	0%

Source: Inderes

Fiskars, Q4'24



Valuation is spot on, given earnings growth

Share correctly valued, return relies on dividend

We feel the expected return on the share in 2024-25 remains modest due to the high multiples and moderate earnings growth. It is mainly driven by a dividend yield of 5-6%.

Earnings-based valuation still relatively 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 has potential for stable, albeit quite small growth, and better relative profitability than in the past (adj. EBIT 5-10 %). 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. We have not identified a clear peer group for Fiskars, but the company is also currently valued at a premium to our selected peers.

The DCF model shows that the stock is correctly priced

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 2029, but to fall to 11% in the terminal period, which is nevertheless better than the company's historical level, excluding the COVID years 2020-21. The weight of the terminal period is around 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 elevated

Fiskars' P/B ratio is about 1.5x in the coming years. In 2025, return on equity will be around the level of our required return, 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.

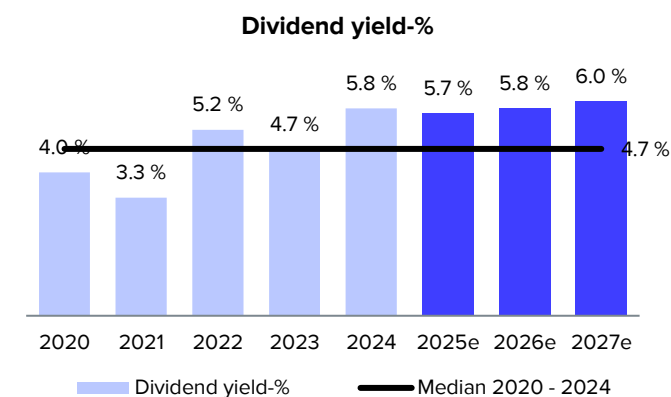
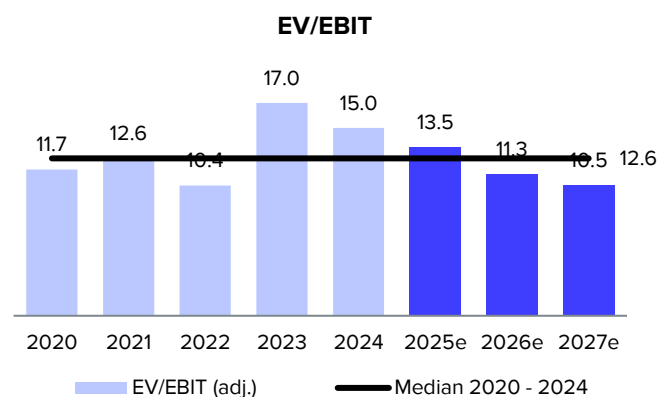
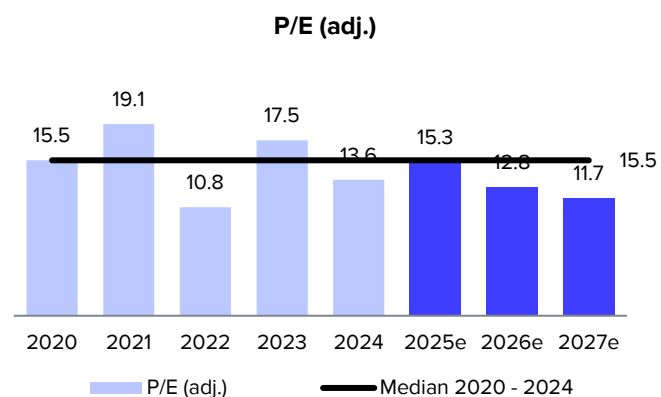
Valuation	2025e	2026e	2027e
Share price	15.2	15.2	15.2
Number of shares, millions	80.9	80.9	80.9
Market cap	1227	1227	1227
EV	1650	1615	1597
P/E (adj.)	15.3	12.8	11.7
P/E	16.6	12.8	11.7
P/B	1.5	1.5	1.4
P/S	1.0	1.0	0.9
EV/Sales	1.4	1.3	1.2
EV/EBITDA	8.4	7.2	6.8
EV/EBIT (adj.)	13.5	11.3	10.5
Payout ratio (%)	94%	74%	70%
Dividend yield-%	5.7 %	5.8 %	6.0 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	15.0	23.0	15.4	17.6	14.5	15.2	15.2	15.2	15.2
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	1172	1227	1227	1227	1227
EV	1276	1938	1570	1872	1671	1650	1615	1597	1579
P/E (adj.)	15.5	19.1	10.8	17.5	13.6	15.3	12.8	11.7	11.2
P/E	18.0	21.7	12.6	20.3	43.3	16.6	12.8	11.7	11.2
P/B	1.6	2.3	1.5	1.7	1.5	1.5	1.5	1.4	1.4
P/S	1.1	1.5	1.0	1.3	1.0	1.0	1.0	0.9	0.9
EV/Sales	1.1	1.5	1.3	1.7	1.4	1.4	1.3	1.2	1.2
EV/EBITDA	7.4	9.5	8.1	11.4	13.9	8.4	7.2	6.8	6.6
EV/EBIT (adj.)	11.7	12.6	10.4	17.0	15.0	13.5	11.3	10.5	10.0
Payout ratio (%)	72.2 %	71.6 %	65.6 %	94.8 %	250.9 %	94.0 %	74.2 %	70.0 %	70.0 %
Dividend yield-%	4.0 %	3.3 %	5.2 %	4.7 %	5.8 %	5.7 %	5.8 %	6.0 %	6.2 %

Source: Inderes



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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Duni AB	416	488	7.0	7.3	5.2	5.3	0.7	0.7	8.6	9.8	5.0	6.0	1.2
Harvia Oyj	868	907	19.9	17.0	17.5	15.0	4.5	4.1	26.4	22.6	1.7	2.2	5.3
Leifheit AG	161	120	8.3	7.1	5.1	4.6	0.4	0.4	16.2	13.8	6.4	6.7	1.6
Marimekko Oyj	491	477	13.7	12.0	10.8	9.7	2.5	2.3	18.3	16.1	5.0	5.5	5.9
Nokian Tyres plc	876	1514	16.3	11.6	7.1	5.4	1.1	0.9	19.2	11.4	4.7	5.5	0.7
Orthex Oyj	92	107	8.8	7.9	6.5	5.9	1.1	1.0	10.8	9.6	5.6	6.8	2.0
Rapala VMC Oyj	73	194	11.9	9.0	6.9	5.4	0.8	0.7	14.3	11.5		2.1	0.5
Stanley Black & Decker Inc	12666	18597	12.1	10.7	10.2	9.1	1.3	1.2	15.9	12.9	3.8	3.9	1.4
Villeroy & Boch AG	419	901	8.4	7.5	5.6	5.2	0.6	0.6	5.8	5.1	8.1	8.7	0.9
Husqvarna	2764	3634	10.2	8.6	5.8	5.2	0.8	0.8	11.7	9.6	5.2	5.7	1.2
Fiskars (Inderes)	1227	1650	13.5	11.3	8.4	7.2	1.4	1.3	15.3	12.8	5.7	5.8	1.5
Average			11.7	9.9	8.1	7.1	1.4	1.3	14.7	12.2	5.0	5.3	2.1
Median			11.1	8.8	6.7	5.4	0.9	0.9	15.1	11.5	5.0	5.6	1.3
Diff-% to median			22%	29%	25%	33%	47%	51%	2%	12%	14%	3%	16%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	1130	283	281	256	337	1157	289	288	264	349	1189.8	1244	1294	1347
Vita	555	126	130	139	210	605	127	131	142	216	617	654	686	721
Fiskars	571	156	150	115	126	547	161	156	120	131	568	585	603	621
Muut	4.0	1.0	1.0	1.5	1.3	4.8	1.0	1.0	1.5	1.3	4.8	4.8	4.8	4.8
EBITDA	165	26.5	22.4	20.0	51.6	121	45.5	35.8	47.8	68.2	197.3	225	235	240
Depreciation	-66.0	-20.1	-22.1	-20.5	-20.7	-83.4	-20.7	-20.7	-20.7	-20.7	-82.8	-82.2	-82.7	-81.5
EBIT (excl. NRI)	110	25.1	19.2	24.3	42.9	112	28.8	19.1	27.1	47.5	122	143	153	158
EBIT	98.9	6.4	0.3	-0.5	30.9	37.1	24.8	15.1	27.1	47.5	114	143	153	158
Vita	62.3	-0.1	1.7	12.7	33.3	47.6	1.3	2.6	15.6	39.0	58.5	75.2	82.4	86.5
Fiskars	73.8	29.5	22.2	13.7	11.9	77.3	31.0	20.0	15.0	12.0	78.0	82.0	85.0	87.0
Muut	-25.8	-4.3	-4.8	-2.0	-2.3	-13.4	-3.5	-3.5	-3.5	-3.5	-14.0	-14.4	-14.7	-15.0
Net financial items	-24.0	-3.8	-9.0	-5.6	-6.8	-25.2	-6.0	-6.0	-5.0	-5.0	-22.0	-17.0	-15.0	-15.0
PTP	79.7	3.6	-7.7	-4.2	26.8	18.5	18.8	9.1	22.1	42.5	92.5	126	138	143
Taxes	-9.7	-1.2	1.8	-1.6	9.9	8.9	-3.8	-1.8	-4.4	-8.5	-18.5	-28.9	-31.7	-33.0
Minority interest	-0.2	0.0	-0.3	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	-1.0	-1.0	-1.0
Net earnings	69.9	2.4	-6.3	-5.8	36.7	27.1	15.0	7.3	17.7	34.0	74.0	95.8	105	109
EPS (adj.)	1.01	0.21	0.11	0.19	0.57	1.07	0.22	0.13	0.22	0.42	0.99	1.19	1.30	1.35
EPS (rep.)	0.87	0.03	-0.08	-0.07	0.45	0.33	0.19	0.09	0.22	0.42	0.91	1.19	1.30	1.35

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-9.5 %	2.9 %	5.0 %	6.1 %	-2.5 %	2.4 %	2.1 %	2.5 %	3.1 %	3.5 %	2.8 %	4.5 %	4.0 %	4.0 %
Adjusted EBIT growth-%	-27.0 %	-19.3 %	-19.0 %	37.3 %	13.8 %	1.2 %	14.6 %	-0.4 %	11.6 %	10.6 %	9.8 %	16.6 %	6.9 %	3.8 %
EBITDA-%	14.6 %	9.4 %	8.0 %	7.8 %	15.3 %	10.4 %	15.8 %	12.4 %	18.1 %	19.5 %	16.6 %	18.1 %	18.2 %	17.8 %
Adjusted EBIT-%	9.8 %	8.9 %	6.8 %	9.5 %	12.7 %	9.6 %	10.0 %	6.6 %	10.3 %	13.6 %	10.3 %	11.5 %	11.8 %	11.8 %
Net earnings-%	6.2 %	0.8 %	-2.2 %	-2.3 %	10.9 %	2.3 %	5.2 %	2.5 %	6.7 %	9.7 %	6.2 %	7.7 %	8.1 %	8.1 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	1029	1070	1073	1080	1088
Goodwill	220	226	226	226	226
Intangible assets	372	378	371	364	359
Tangible assets	307	306	315	330	343
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	603	605	629
Inventories	364	331	286	286	298
Other current assets	5.6	7.6	7.6	7.6	7.6
Receivables	229	242	238	236	246
Cash and equivalents	127	60.8	71.4	74.6	77.6
Balance sheet total	1755	1711	1675	1684	1717

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	824	797	803	829	863
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	742	715	721	747	781
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	438	423	412
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	381	366	355
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	434	432	442
Interest bearing debt	126	110	107	90.7	87.8
Payables	287	285	309	323	336
Other current liabilities	12.5	17.9	17.9	17.9	17.9
Balance sheet total	1755	1711	1675	1684	1717

DCF-calculation

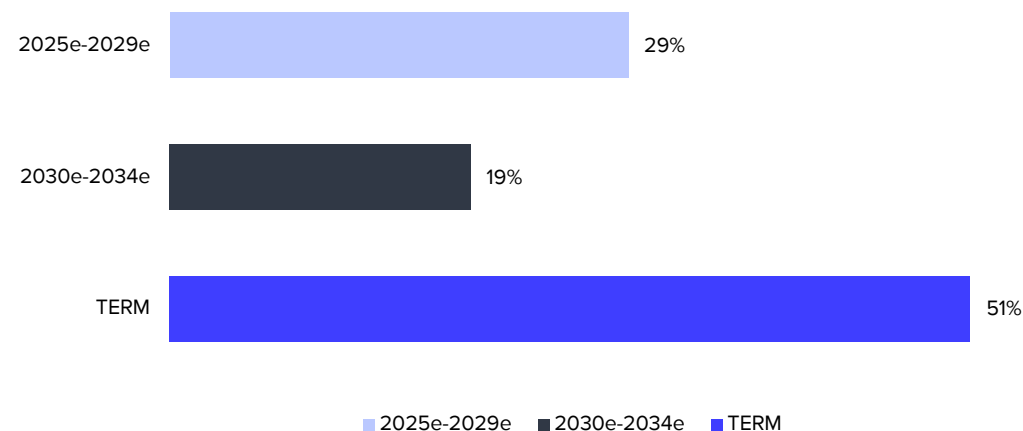
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	2.4 %	2.8 %	4.5 %	4.0 %	4.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.2 %	9.6 %	11.5 %	11.8 %	11.8 %	12.5 %	12.0 %	12.0 %	12.0 %	11.0 %	11.0 %	11.0 %
EBIT (operating profit)	37.1	114	143	153	158	172	168	171	175	164	167	
+ Depreciation	83	83	82	83	81	82	84	84	83	84	86	
- Paid taxes	-13	-18	-29	-32	-33	-36	-35	-36	-37	-34	-35	
- Tax, financial expenses	-6.0	-4.4	-3.9	-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	22	73.8	15.1	-8.0	-8.4	-4.3	-4.4	-4.5	-4.6	-4.7	-4.8	
Operating cash flow	123	248	207	192	195	210	209	211	213	206	210	
+ 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	-86	-89	-91	-91	-93	-89	-85	-88	-99	-101	
Free operating cash flow	20	163	118	101	105	117	120	126	126	107	109	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	20	163	118	101	105	117	120	126	126	107	109	1843
Discounted FCFF		152	102	80.9	77	80	76	74	68	54	51	859
Sum of FCFF present value		1674	1522	1420	1339	1262	1182	1105	1031	963	909	859
Enterprise value DCF		1674										
- Interest bearing debt		-555										
+ Cash and cash equivalents		60.8										
-Minorities		-7										
-Dividend/capital return		0										
Equity value DCF		1173										
Equity value DCF per share		14.5										

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 %
Cost of equity	8.5 %
Weighted average cost of capital (WACC)	8.0 %

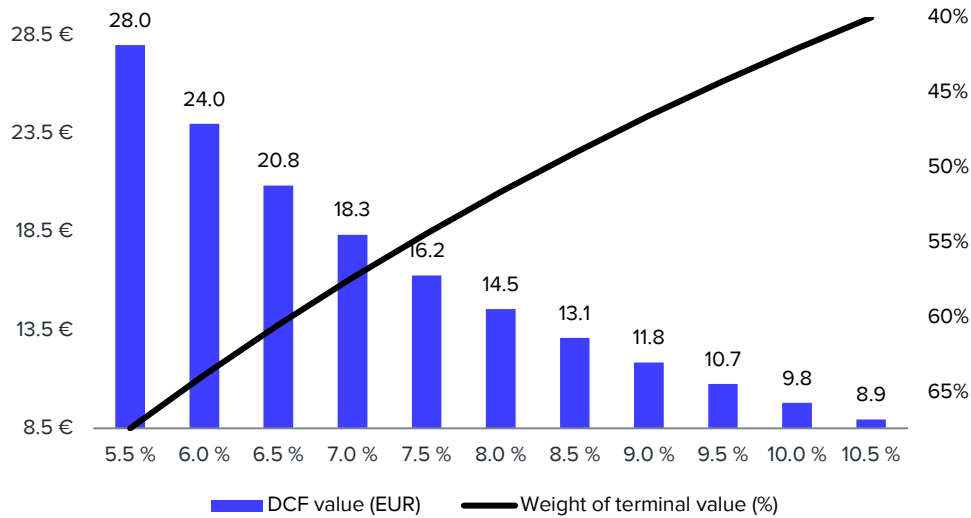
Source: Inderes

Cash flow distribution

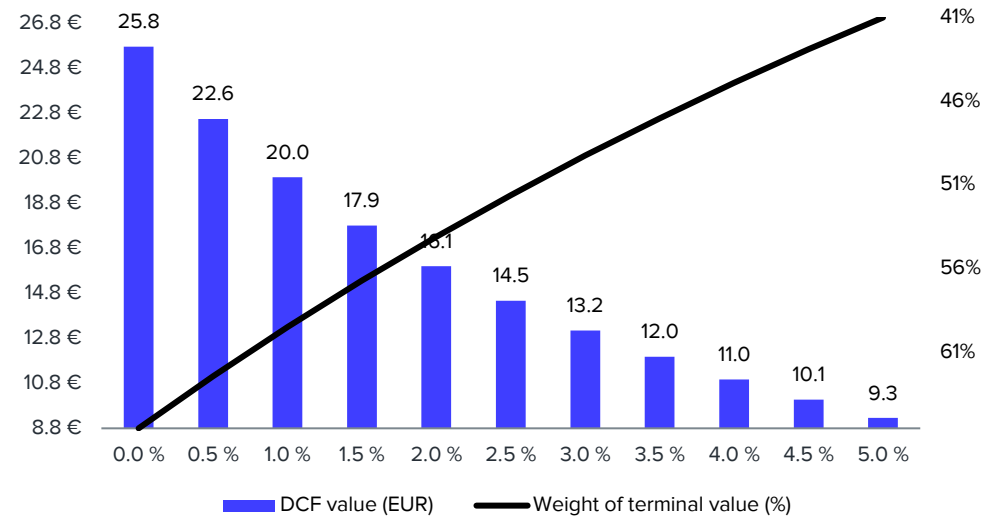


DCF sensitivity calculations and key assumptions in graphs

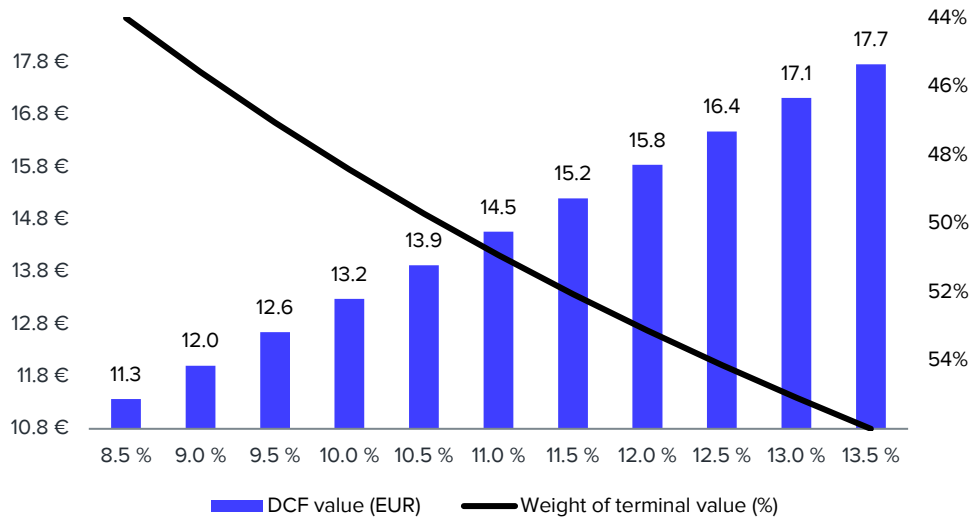
Sensitivity of DCF to changes in the WACC-%



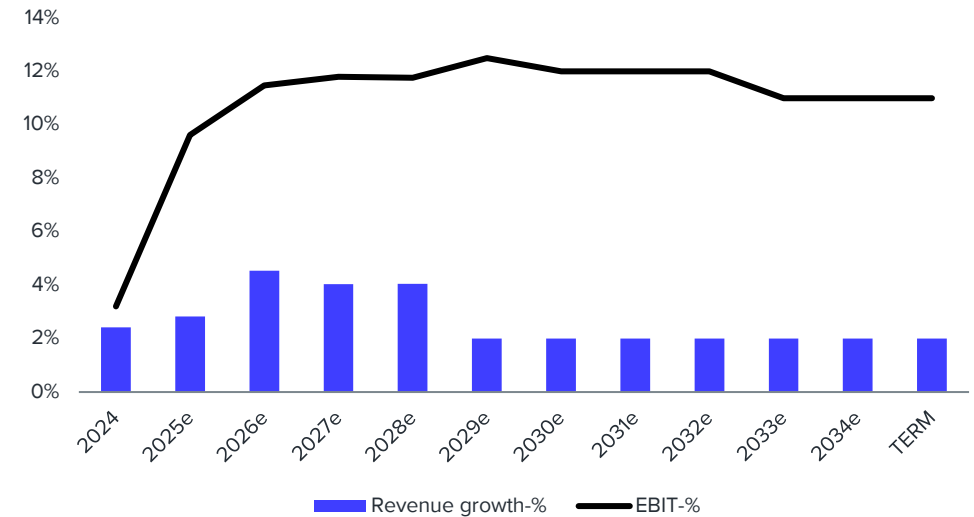
Sensitivity of DCF to changes in the risk-free rate



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	1189.8	1243.9	EPS (reported)	1.22	0.87	0.33	0.91	1.19
EBITDA	193.5	164.9	120.5	197.3	224.9	EPS (adj.)	1.42	1.01	1.07	0.99	1.19
EBIT	134.7	98.9	37.1	114.5	142.8	OCF / share	-0.64	2.39	1.52	3.07	2.56
PTP	124.1	79.7	18.5	92.5	125.8	FCF / share	-1.71	-0.28	0.24	2.01	1.46
Net Income	98.2	69.9	27.1	74.0	95.8	Book value / share	10.32	10.15	9.80	9.87	10.20
Extraordinary items	-16.3	-11.3	-74.4	-8.0	0.0	Dividend / share	0.80	0.82	0.84	0.86	0.88
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1585.6	1754.9	1711.2	1675.1	1684.3	Revenue growth-%	0%	-10%	2%	3%	5%
Equity capital	835.7	823.7	796.5	802.6	828.9	EBITDA growth-%	-5%	-15%	-27%	64%	14%
Goodwill	221.2	220.1	225.9	225.9	225.9	EBIT (adj.) growth-%	-2%	-27%	1%	10%	17%
Net debt	325.2	446.6	493.8	416.8	382.4	EPS (adj.) growth-%	18%	-29%	6%	-8%	20%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	15.5 %	14.6 %	10.4 %	16.6 %	18.1 %
EBITDA	193.5	164.9	120.5	197.3	224.9	EBIT (adj.)-%	12.1 %	9.8 %	9.6 %	10.3 %	11.5 %
Change in working capital	-218.7	36.2	22.0	73.8	15.1	EBIT-%	10.8 %	8.8 %	3.2 %	9.6 %	11.5 %
Operating cash flow	-51.7	193.3	123.1	248.2	207.3	ROE-%	11.9 %	8.5 %	3.4 %	9.3 %	11.8 %
CAPEX	-35.8	-218.5	-104.1	-85.5	-89.2	ROI-%	12.5 %	7.8 %	3.2 %	8.7 %	11.1 %
Free cash flow	-137.4	-22.9	19.7	162.7	118.0	Equity ratio	52.7 %	46.9 %	46.5 %	47.9 %	49.2 %
						Gearing	38.9 %	54.2 %	62.0 %	51.9 %	46.1 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.3	1.7	1.4	1.4	1.3						
EV/EBITDA	8.1	11.4	13.9	8.4	7.2						
EV/EBIT (adj.)	10.4	17.0	15.0	13.5	11.3						
P/E (adj.)	10.8	17.5	13.6	15.3	12.8						
P/B	1.5	1.7	1.5	1.5	1.5						
Dividend-%	5.2 %	4.7 %	5.8 %	5.7 %	5.8 %						

Source: Inderes

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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

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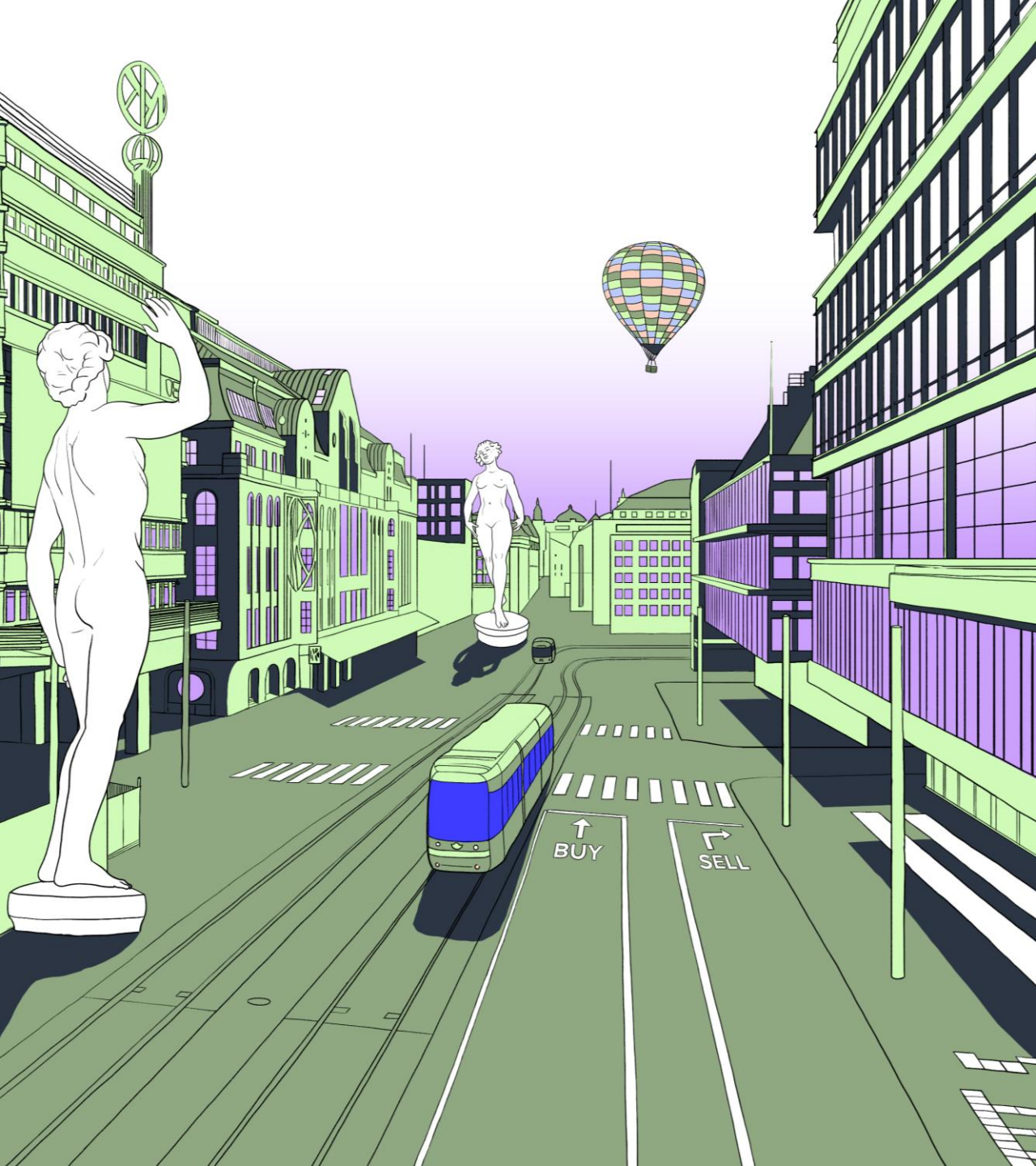
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Recommendation history (>12 mo)

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 €
2/7/2025	Reduce	15.00 €	15.18 €



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