FISKARS GROUP

Fiskars Group

Financial Statement Release

January–December 2019

FINANCIAL STATEMENT REPORT JANUARY–DECEMBER 2019:

Decrease in comparable net sales, comparable EBITA and cash flow

Fourth quarter 2019 in brief:

- Net sales decreased by 5.0% to EUR 308.0 million (Q4 2018: 324.1)
- Comparable net sales[1] decreased by 5.6% to EUR 308.0 million (326.3)
- EBITA decreased by 26.5% to EUR 32.0 million (43.5)
- Comparable[2] EBITA decreased by 28.1% to EUR 35.1 million (48.8)
- Cash flow from operating activities before financial items and taxes decreased to EUR 84.7 million (92.2)
- Earnings per share (EPS) were EUR 0.26 (0.33)

January-December 2019 in brief:

- Net sales decreased by 2.5% to EUR 1,090.4 million (Q1-Q4 2018: 1,118.5)
- Comparable net sales[1] decreased by 3.9% to EUR 1,086.6 million (1,130.1)
- EBITA decreased by 35.2% to EUR 72.9 million (112.5)
- Comparable[2] EBITA decreased by 25.5% to EUR 90.6 million (121.7)
- Cash flow from operating activities before financial items and taxes decreased to EUR 117.5 million (136.8)
- Earnings per share (EPS) were EUR 0.63 (1.00)

PROPOSAL FOR DISTRIBUTION OF DIVIDEND

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.56 per share shall be paid for the financial period that ended on December 31, 2019. The dividend shall be paid in two instalments of EUR 0.28 per share each.

OUTLOOK FOR 2020

In 2020, Fiskars expects the comparable[2] EBITA to increase from 2019. Fluctuations in currency rates might have a considerable impact on comparable EBITA.

Fiskars continues to invest in future growth and is focused on improving profitability through the ongoing transformation programs, which are expected to be completed by the end of 2021. Therefore, the company is not providing an outlook for comparable net sales for 2020.

Furthermore, there are uncertainties in several key markets, such as potential changes in tariffs or repercussions from the novel corona virus outbreak that could have an impact on the full year development.

1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments
2) Items affecting comparability in EBITA includes items such as restructuring costs, impairment or provisions charges and releases, integration-related costs, and gain and loss from the sale of businesses

CEO'S REVIEW

2019 was a challenging year for us. While several elements of our portfolio developed positively during the important fourth quarter, the progress we are making on our strategic priorities to achieve our long-term ambitions will require some more time to make full impact. Consequently, comparable net sales and comparable EBITA decreased during the quarter. While the comparison period figures from Q4 2018 were high, we are not content with the development. At the beginning of the quarter we experienced IT issues relating to an external service provider, which disrupted our deliveries and adversely impacted our financial performance during the quarter. On a positive note, in the fourth quarter we delivered increased sales in the direct channel, particularly in e-commerce, and improved our efficiencies.

I was pleased to see that net sales in gardening, which is the largest category in Functional, increased across the markets in 2019, demonstrating the strength of our global brand positioning. The fourth quarter was no exception to this. While the net sales in Functional decreased due to challenges in the Outdoor category, the profitability increased during the quarter. During the year, the positive development was overshadowed by external factors impacting our business. The tariffs on imports from China to the U.S. continued to have a negative impact on profitability in the fourth quarter as well. However, going forward the cost impact of the current tariffs is mitigated. Additionally, the unusually rainy weather conditions in the U.S. impacted the watering category during the year. As a result, the comparable net sales and comparable EBITA in Functional decreased in 2019.

In the Living segment the fourth quarter was challenging. Comparable net sales decreased as a result of difficulties in several markets. Comparable EBITA also decreased, weighed by lower volumes and a weakened product mix. As a whole, the year 2019 was intense for the Living business. We have continued with our strategic channel transformation and I am delighted that in the fourth quarter net sales in the direct channel increased, particularly in e-commerce. As the retail environment continues to change, we have taken action to reduce the number of outlet stores and move away from less profitable channels. We have also continued to increase efficiencies and are seeing good progress in our focus areas. As we progress with our transformation, I believe the actions we are taking will improve our performance.

In December, we announced the plan to renew our organizational structure and simplify the organization, creating one Fiskars Group. We are strengthening our competitiveness and focusing on the consumer by planning to remove overlaps and simplify the organization. We see potential to improve our performance, especially by working more closely together in the planned global sales function and strengthening our commercial capabilities. The planning is proceeding, and we intend to implement the new structure by the end of the first quarter of 2020.

I am confident in our ability to improve performance and create value for our shareholders. The planned new structure will help us leverage the full potential of our strong brands, further develop common ways of working and serve our customers better. We will continue our investments in areas that we believe will bring us sustainable value in the long-term as we drive further cost reductions through the on-going programs.

In 2020, we expect the comparable EBITA to increase from 2019. Fluctuations in currency rates might have a considerable impact on comparable EBITA. We continue to invest in future growth and are focused on improving profitability through the ongoing transformation programs, which are expected to be completed by the end of 2021. Therefore, the company is not providing an outlook for comparable net sales for 2020. Furthermore, there are uncertainties in several key markets, such as potential changes in tariffs or repercussions from the novel corona virus outbreak that could have an impact on our full year development. While we do not give an outlook for comparable net sales in 2020, our long-term financial targets remain unchanged.

Jaana Tuominen
President and CEO

FISKARS GROUP

FISKARS

GERBER

iittala

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

WATERFORD

WEDGWOOD
ENGLAND 1759

GROUP KEY FIGURES

EUR million	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	308.0	324.1	-5.0%	1,090.4	1,118.5	-2.5%
Comparable net sales[1)]	308.0	326.3	-5.6%	1,086.6	1,130.1	-3.9%
EBITA	32.0	43.5	-26.0%	72.9	112.5	-35.2%
Items affecting comparability in EBITA[2)]	-3.1	-5.2	-41.3%	-17.7	-9.2	92.0%
Comparable EBITA	35.1	48.8	-28.1%	90.6	121.7	-25.5%
Operating profit (EBIT)	28.5	32.5	-12.2%	60.1	91.6	-34.4%
Profit before taxes	26.5	29.9		63.2	103.0	
Profit for the period	21.3	26.7		52.4	81.7	
Net change in the fair value of investment portfolio	0.0	-94.5		-20.4	-118.8	
Earnings/share, EUR	0.26	0.33		0.63	1.00	
Equity per share, EUR				9.34	14.80	-36.9%
Cash flow from operating activities before financial items and taxes[3)]	84.7	92.2	-8.1%	117.5	136.8	-14.1%
Equity ratio, %[4)]				56%	70%	
Net gearing, %[4)]				34%	11%	
Capital expenditure	12.6	14.2	-11.4%	40.0	46.2	-13.5%
Personnel (FTE), average	6,592	7,094	-7.1%	6,840	7,219	-5.3%

1) Using comparable exchange rates and excluding Leborgne divestment.
2) In Q4 2019, items affecting comparability consisted mainly of items related to the Living transformation program.
3) The IFRS 16 accounting change had a positive impact on the cash flow from operating activities before financial items and taxes of EUR 6.4 million in Q4 2019 and of EUR 24.4 million in 2019.
4) Figures impacted by the application of the IFRS 16 accounting standard and the distribution of the Wärtsilä share dividend. Excluding these, the equity ratio in Q4 2019 would have been 71% and the net gearing 12%.

CHANGES IN FISKARS GROUP REPORTING IN 2019

On January 1, 2019, the Group adopted IFRS 16 Leases. All the lessees' lease agreements are booked as right-of-use assets and liabilities in the balance sheet. Exceptions are short-term contracts with a duration of less than 12 months and lease contracts for which the underlying asset has low value. The Group adopted the standard with a cumulative catch-up transition method, without restating prior periods.

For the full year 2019, the positive impact to EBIT/EBITA amounted to EUR 1.4 million, resulting from the decrease of lease expenses and increase of depreciation from the right-of-use assets. In addition, EBITDA was impacted by the amount of depreciation, increasing by EUR 23.0 million.

Interest expenses increased by EUR 2.8 million. Total estimated impact to the profit for the period amounted to EUR -1.4 million.

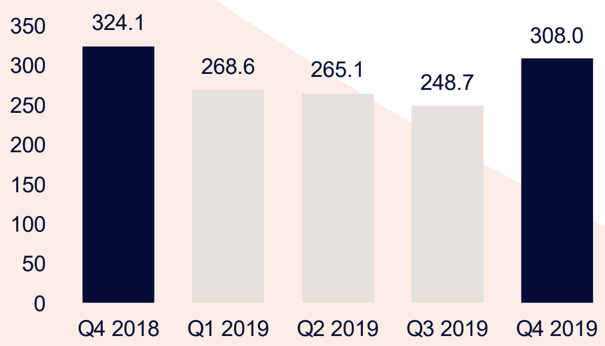
More information on reporting changes is provided in the accounting principles section of this financial statement release.

GROUP PERFORMANCE

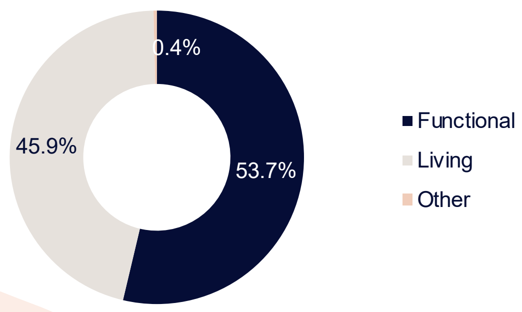
EUR million	Q4 2019	Q4 2018	Change	Comparable change*	2019	2018	Change	Comparable change*
Net sales								
Group	308.0	324.1	-5.0%	-5.6%	1,090.4	1,118.5	-2.5%	-3.9%
Functional	135.6	138.4	-2.0%	-1.8%	585.5	585.2	0.1%	-1.3%
Living	171.3	184.7	-7.3%	-8.6%	501.0	529.6	-5.4%	-6.7%
Other	1.2	0.9	25.5%	25.5%	3.9	3.8	4.5%	4.5%
Comparable EBITA								
Group	35.1	48.8	-28.1%		90.6	121.7	-25.5%	
Functional	11.2	9.2	22.2%		64.2	75.5	-15.0%	
Living	26.7	42.5	-37.2%		38.9	57.0	-31.8%	
Other	-2.8	-2.9	1.0%		-12.5	-10.8	-15.0%	

*Using comparable exchange rates and excluding the Leborgne divestment

NET SALES, EUR MILLION



NET SALES SPLIT BY SEGMENT, JANUARY-DECEMBER 2019



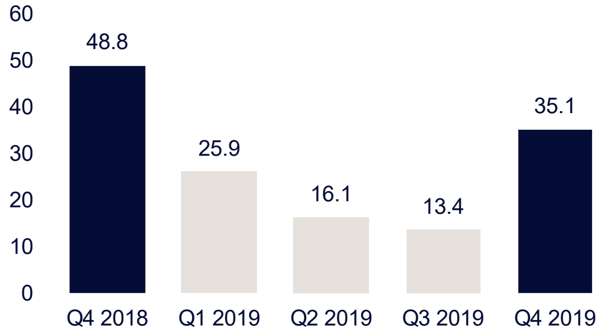
FISKARS GROUP NET SALES IN Q4 2019

Fiskars Group’s consolidated net sales decreased by 5.0% to EUR 308.0 million (Q4 2018: 324.1). Comparable net sales decreased by 5.6%, impacted by both the Functional segment and to a larger extent the Living segment.

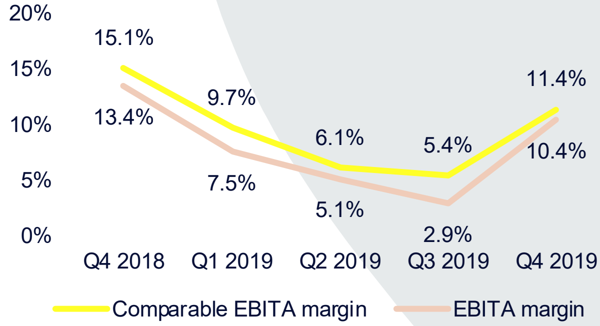
FISKARS GROUP NET SALES IN JANUARY-DECEMBER 2019

Fiskars Group’s consolidated net sales decreased by 2.5% to EUR 1,090.4 million (2018: 1,118.5). Comparable net sales decreased by 3.9%, impacted by both the Functional segment and to a larger extent the Living segment.

FISKARS GROUP COMPARABLE EBITA, EUR MILLION



FISKARS GROUP COMPARABLE EBITA MARGIN AND EBITA MARGIN



FISKARS GROUP COMPARABLE EBITA IN Q4 2019

Fiskars Group's comparable EBITA decreased by 28.1% to EUR 35.1 million (48.8). The comparable EBITA increased in the Functional segment and decreased in the Living segment.

Comparable EBITA in the Functional segment increased, driven mainly by improved efficiencies and product mix.

In the Living segment, the decrease was a result of decreased volumes in both the Scandinavian Living and English & Crystal Living businesses.

FISKARS GROUP COMPARABLE EBITA IN JANUARY-DECEMBER 2019

Fiskars Group's comparable EBITA decreased by 25.5% to EUR 90.6 million (121.7). The comparable EBITA decreased in both the Functional and Living segments.

Comparable EBITA decreased in the Functional segment. The business faced challenges in the Americas, as unfavorable weather conditions, lower volumes in the watering and crafting categories as well as the increased tariffs impacted profitability.

Comparable EBITA in the Living segment decreased from the previous year's level. Increased operational efficiencies were offset by decreased volumes.

REPORTING SEGMENTS

This financial statement release reflects Fiskars Group's organizational structure, which features two Strategic Business Units (SBU): Functional and Living. Fiskars Group's three primary reporting segments are Functional, Living and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

SBU Functional provides tools for use in and around the house as well as outdoors. SBU Functional consists of the Fiskars, Gilmour and other brands in the Americas and Europe, as well as the Outdoor business consisting of the Gerber brand.

SBU Living offers premium and luxury products for tabletop, giftware and interior décor. It consists of the English & Crystal Living and the Scandinavian Living businesses. The English & Crystal Living business includes brands such as Waterford, Wedgwood, Royal Albert and Royal Doulton. The Scandinavian Living business includes brands such as Iittala, Royal Copenhagen, Rörstrand and Arabia.

The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

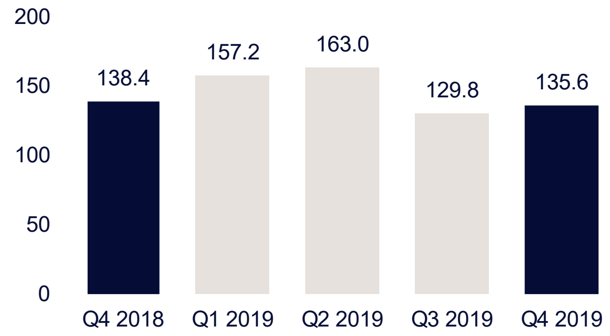
Fiskars Group plans to renew the reporting structure as of Q1 2020.

FUNCTIONAL SEGMENT

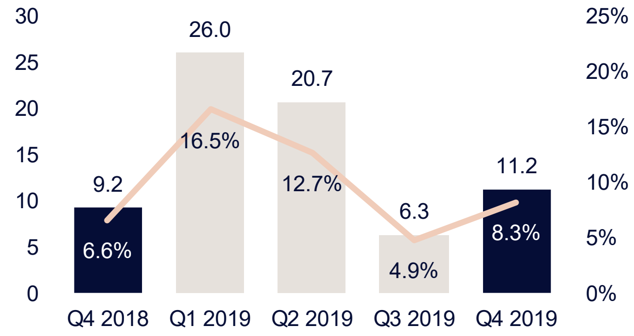
EUR million	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales*	135.6	138.4	-2.0%	585.5	585.2	0.1%
Comparable EBITA	11.2	9.2	22.2%	64.2	75.5	-15.0%
Capital expenditure	5.7	5.7	1.0%	17.5	18.9	-7.4%

*Using comparable exchange rates and excluding the Leborgne divestment, net sales decreased by 1.8% in Q4 2019 and by 1.3% in 2019

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



OPERATING ENVIRONMENT IN Q4 2019

In the Functional segment, the changes in the operating environment were mixed.

In the U.S., consumer confidence improved from the third quarter. The U.S. and China made progress on the trade deal negotiations. Furthermore, the U.S. economy remained strong and unemployment low.

In Europe, consumer confidence decreased during the quarter, weighted by continued economic uncertainty. Despite the decrease, the confidence remained above the long-term average. In Finland consumer confidence declined during the quarter.

OPERATING ENVIRONMENT IN 2019

The operating environment for the Functional segment in North America improved towards the end of the year. The economy remained strong and unemployment low. On the other hand, there were persisting uncertainties regarding trade issues, particularly between the U.S. and China.

The weather conditions in North America were challenging for the gardening and watering categories, particularly during the first half of the year, with abnormally wet and cold weather conditions across the continent.

In Europe, there were uncertainties regarding the economic outlook, including Brexit, which was delayed. The sentiment in the retail trade continued fairly unchanged. In the Nordics, consumer confidence declined.

FUNCTIONAL SEGMENT IN Q4 2019

Net sales in the Functional segment decreased year-on-year by 2.0% to EUR 135.6 million (Q4 2018: 138.4). Comparable net sales decreased by 1.8%. During the quarter, the challenges in the Outdoor business outweighed the positive development in the other businesses.

In Europe, comparable net sales increased supported by the gardening category and sales of snowtools. Excluding Outdoor, comparable net sales in the Americas increased. This was driven by new distribution as well as through tariffs being implemented.

Comparable net sales in the Outdoor business decreased, due to a continued decrease in government orders and unrepeated promotional campaigns.

Comparable EBITA in the Functional segment increased during the quarter, and amounted to EUR 11.2 million (9.2). The comparable EBITA was mainly supported by increased efficiency and product mix. The positive development was partly offset by the decreased volumes in the Outdoor business. The impact from tariffs started to decrease, in line with expectations.

FUNCTIONAL SEGMENT IN JANUARY-DECEMBER 2019

Net sales in the Functional segment was flat year-on-year and amounted to EUR 585.5 million (2018: 585.2). Comparable net sales decreased by 1.3%.

Comparable net sales increased in Europe. The key driver of growth was the gardening category. Net sales were also supported by the cooking category as well as snowtool sales during the first and fourth quarters. Additionally, watering products were launched in France and Spain during the first half of 2019.

Comparable net sales decreased in the Americas, with adverse weather conditions impacting the watering category in particular. The weak performance during the back-to-school –season and an overall decrease in the school, office and craft category weighed on net sales during the third quarter.

Comparable net sales in the Outdoor business decreased, mainly as result of the decrease in the government channel.

Comparable EBITA in the Functional segment decreased during 2019 and amounted to EUR 64.2 million (75.5). Comparable EBITA decreased due to U.S. tariff costs, costs related to increased inventories and increased logistics costs as well as the impact of decreased volumes in the watering and crafting categories and the Outdoor business.

MARKETING HIGHLIGHTS IN Q4 2019

The Functional business reached some important milestones in the development of its direct channel during the quarter. The Fiskars brand launched its renewed e-commerce site in the U.S. and opened one in Finland. Additionally, Gerber's renewed e-commerce site was launched.

Fiskars continued its 100% Happiness –campaign in Europe. The campaign was implemented in 4,000 stores across Southern Europe, to promote the fall gardening season.

In December, Fiskars and Gilmour won a total of six GOOD DESIGN awards. The award-winning products consisted of e.g. scissors and watering equipment.

Gerber launched its new marketing concept 'Easy Doesn't'. Based on a global consumer segmentation study, the new focus and brand identity are directed towards active consumers who have an interest in the outdoors.

MARKETING HIGHLIGHTS IN JANUARY-DECEMBER 2019

The Fiskars brand took steps towards growing the direct retail channel, in line with the Group's strategic priorities. In the cooking category, Fiskars opened its first cooking shop-in-shop in Oslo.

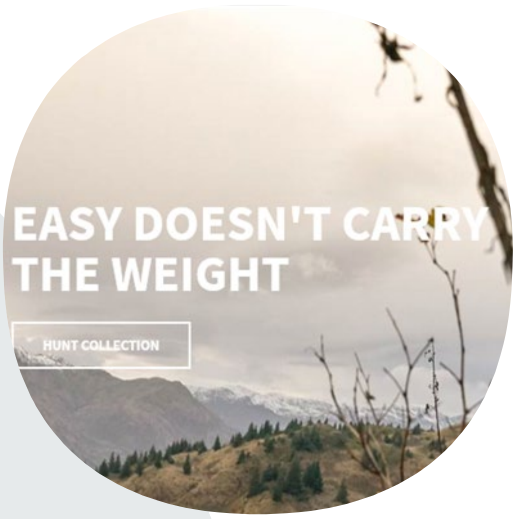
The Fiskars brand received seven Red Dot Design Awards for design excellence for its 2019 gardening and yard-care tools. Two of the seven were "Best of the Best" awards for ground-breaking design, including the new Norden axes. Fiskars also started a collaboration with the Finnish fashion and textile designer Maria Korkeila, to launch a limited-edition one-off capsule collection of modern gardening workwear. The series will be launched online during 2020.

In Germany, Fiskars launched the watering concept at a trade show in Cologne. The watering products will be available on the German market from the spring of 2020. In Australia, Fiskars cookware was launched online, and the offering will be expanded.

In January, Gerber's fishing category offering was extended with tools for saltwater fishing. The products, with improved corrosion resistance, complement the previous offering in the fishing category, where the first products started shipping in early 2018. In addition to the fishing products, Gerber launched a new Fastball finger flipper knife and a new Jukebox clip folding knife, which extend the brand's everyday carry product range.

Fiskars "100% Happiness"

Gerber "Easy Doesn't"

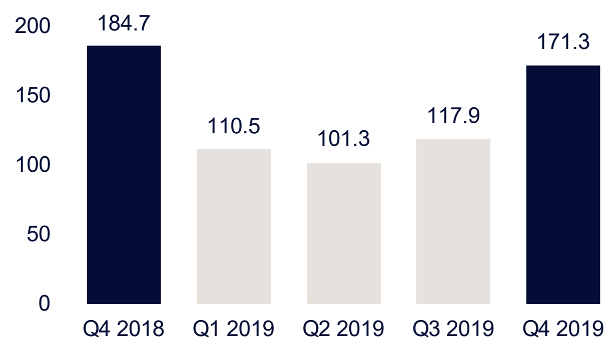


LIVING SEGMENT

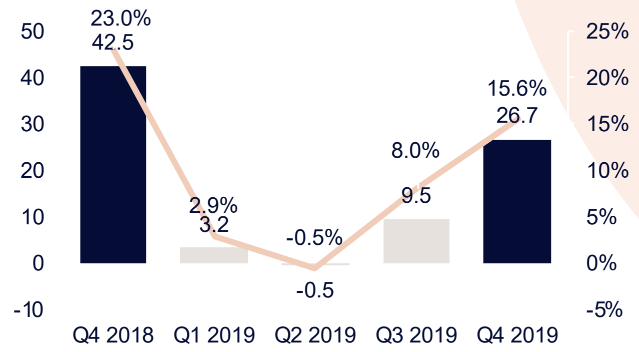
EUR million	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales*	171.3	184.7	-7.3%	501.0	529.6	-5.4%
Comparable EBITA	26.7	42.5	-37.2%	38.9	57.0	-31.8%
Capital expenditure	5.8	7.4	-21.6%	18.3	23.8	-23.0%

*Using comparable exchange rates, net sales decreased by 8.6% in Q4 2019 and by 6.7% in 2019

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



OPERATING ENVIRONMENT IN Q4 2019

In the Living segment, the changes in the operating environment were mixed.

In the U.S., consumer confidence improved from the third quarter. The U.S. and China made progress on their trade deal negotiations. Furthermore, the U.S. economy remained strong and unemployment low.

In Europe, consumer confidence decreased during the quarter. Continued economic uncertainty weighted on consumer confidence, for example in the UK. Despite the decrease, confidence remained above the long-term average. In Finland consumer confidence declined during the quarter.

In Asia-Pacific, the development was mixed. In Japan consumer confidence showed some improvement during the quarter but experienced the biggest drop in the holiday season sales since 2008. This was partly a result of an increase in sales taxes, which took place during the quarter. At the same time consumer confidence decreased in Australia.

OPERATING ENVIRONMENT IN 2019

The operating environment for the Living segment in the Americas was mixed. The economy remained strong and unemployment low. On the other hand, uncertainties regarding trade issues persisted, particularly between the U.S. and China. The department store channel continued to face challenges, and trade players were searching for new store concepts and adapting to the increasing market share of e-commerce.

In Europe, the UK market continued to struggle and the uncertainties regarding the economic outlook continued, including Brexit, which was delayed. The UK retail and consumer spending remained weak. The Nordic markets also faced headwinds, as consumer confidence declined.

In the key Asian markets, the operating environment remained fairly stable.

LIVING SEGMENT IN Q4 2019

Net sales in the Living segment decreased year-on-year by 7.3% to EUR 171.3 million (Q4 2018: 184.7). Comparable net sales decreased by 8.6%. Overall, the Christmas sales showed positive developments in many markets. In October, the business experienced IT issues relating to an external service provider, which impacted deliveries and consequently had a negative impact on net sales during the quarter.

Net sales in the direct channel increased, driven by double-digit growth in e-commerce. Likewise, net sales in own stores and concessions increased. Net sales in own outlets decreased, as the number of outlets decreased. In the wholesale and hospitality channels net sales decreased.

Comparable net sales in the Scandinavian Living business decreased, mainly as a result of the challenges in Denmark. This overshadowed the positive development in Asia-Pacific.

In the English & Crystal Living business, comparable net sales decreased, mainly weighed by the Americas and Europe. In particular, the challenges relate to the U.S., where the good Christmas sales figures did not make up for the difficult start to the quarter. Net sales decreased in the UK and in the hospitality channel. In Asia-Pacific, net sales decreased in Australia and Japan, whereas the growth in China continued in line with our strategic priorities.

Comparable EBITA in the Living segment decreased during the fourth quarter, amounting to EUR 26.7 million (42.5). Comparable EBITA decreased as a result of a weakened product mix in Scandinavian Living and decreased volumes in the English & Crystal Living business. At the same time, efficiency measures supported the comparable EBITA.

LIVING SEGMENT IN JANUARY-DECEMBER 2019

Net sales in the Living segment decreased year-on-year by 5.4% to EUR 501.0 million (2018: 529.6). Comparable net sales decreased by 6.7%. The direct channel showed increased comparable net sales, despite the decrease in the number of outlets.

Comparable net sales in the Scandinavian Living business decreased from the previous year’s level. The increase in Asia-Pacific did not quite match the decrease in comparable net sales in Europe.

In the English & Crystal Living business, comparable net sales decreased in the Americas and Europe. This reflects both challenging market conditions as well as the actions taken in the Transformation program, where the retail network is being optimized. In the UK, market conditions were difficult throughout the year. Additionally, the UK figures include the hospitality channel, which decreased. In the Asia-Pacific region comparable net sales remained close to the previous year’s level, as the positive development in China and Japan were offset by the challenges faced in Australia.

Comparable EBITA for the Living segment decreased from the previous year’s level and amounted to EUR 38.9 million (57.0). The main reason for the decrease in comparable EBITA was the English & Crystal Living business, as lower volumes impacted profitability. The impact from decreased net sales was partly mitigated by efficiency measures. The comparable EBITA decreased also in the Scandinavian Living business, due to a weakened product mix.

MARKETING HIGHLIGHTS IN Q4 2019

Arabia launched a new subscription-based tableware service that allows customers to enjoy their favorite tableware for an flat monthly fee. The service pilot includes Arabia's most popular tableware series, and the size of the tableware set can be customized. At the end of the subscription period, the tableware can be returned, purchased, or exchanged for another series. With people increasingly interested in borrowing, sharing and renting instead of owning, the circular economy is giving rise to new business opportunities.

The Vintage service continued to expand during the quarter. The service was made available in all Iittala stores in Finland. Additionally, the service is now available in e-commerce in Finland as a pilot.

Wedgwood had a successful Singles' Day in China. The brand is spearheading Fiskars Group's growth plan in China, and these events are an integral part of this expansion.

Waterford continued the partnership by celebrating New Year's Eve in Times Square in New York, where it provided the crystal glass ball. The event spurred several days of media coverage with over 2 billion impressions, driving a significant increase in traffic to the direct e-commerce store.

Rörstrand in Sweden and Arabia and Fiskars brands in Finland participated again in the annual Pink Ribbon campaign. The goal of the campaign was to gather funds for cancer research via product sales from partnering brands.

MARKETING HIGHLIGHTS IN JANUARY-DECEMBER 2019

Iittala and Arabia launched the new Vintage concept during the year. Vintage service buys used Iittala and Arabia-branded tableware, and sells them after a quality inspection. The concept was piloted in 2018 with good results and feedback. The circular economy is part of Fiskars Group's sustainability focus areas, and the aim is to find new business opportunities based on it, such as Vintage.

The sustainability efforts also continued with the launch of Iittala's recycled glass products. The new Raami tableware series was extended with a limited-edition recycled glass tumbler made entirely of waste glass from our own production at the Iittala factory. The aim is to utilize a majority of the waste glass in the production of new glassware in the future.

Royal Copenhagen launched a new tableware collection called HAV. The series contains nine pieces and was made available exclusively in Royal Copenhagen stores and online. The collection was also named "Design of the Year" at the Design Awards 2019 in Denmark.

Wedgwood celebrated its 260-year anniversary in 2019. The brand is renowned for its quality and innovative British design, bringing a timeless elegance to today's modern home. To celebrate this landmark year, Wedgwood launched a re-design of one of its most loved items, the Wild Strawberry.

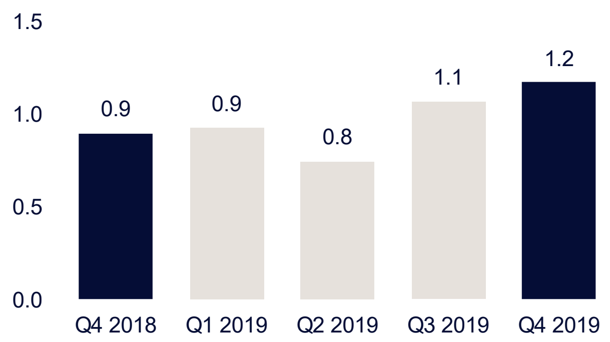
Arabia's new tableware service

Waterford at the New Year's Eve celebration

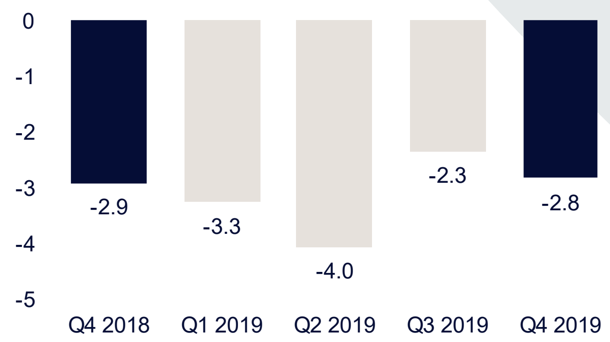
OTHER SEGMENT

EUR million	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	1.2	0.9	25.5%	3.9	3.8	4.5%
Comparable EBITA	-2.8	-2.9	1.0%	-12.5	-10.8	-15.0%
Capital expenditure	1.1	1.2	-11.7%	4.2	3.5	18.7%

NET SALES, EUR MILLION



COMPARABLE EBITA, EUR MILLION



OTHER SEGMENT IN Q4 2019

Net sales in the Other segment amounted to EUR 1.2 million (Q4 2018: 0.9), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -2.8 million (-2.9).

OTHER SEGMENT IN JANUARY-DECEMBER 2019

Net sales in the Other segment amounted to EUR 3.9 million (2018: 3.8), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -12.5 million (-10.8).

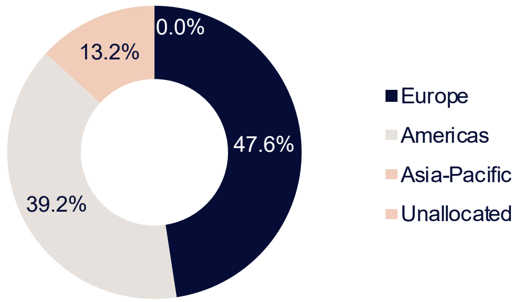
NET SALES BY GEOGRAPHY

EUR million	Q4 2019	Q4 2018	Change	Comparable change*	2019	2018	Change	Comparable change*
Europe	153.7	162.1	-5.2%	-3.1%	518.9	531.2	-2.3%	-0.4%
Americas	106.6	112.0	-4.9%	-8.4%	427.5	444.4	-3.8%	-8.4%
Asia-Pacific	47.7	48.7	-2.0%	-4.8%	143.6	141.7	1.4%	-0.9%
Unallocated**	0.0	1.2			0.3	1.3		

*Using comparable exchange rates and excluding the Leborgne divestment

**Geographically unallocated exchange rate differences

FISKARS GROUP NET SALES SPLIT BY GEOGRAPHY, JANUARY-DECEMBER 2019



NET SALES IN Q4 2019

Net sales in Europe decreased by 5.2% and amounted to EUR 153.7 million (Q4 2018: 162.1). Comparable net sales decreased by 3.1%, weighted by the Living business.

Net sales in the Americas decreased by 4.9% to EUR 106.6 million (112.0). Comparable net sales decreased by 8.4%, as the Outdoor and English & Crystal Living businesses faced challenges.

Net sales in Asia-Pacific decreased by 2.0% and amounted to EUR 47.7 million (48.7). Comparable net sales decreased by 4.8%, weighted by the Living segment.

NET SALES IN JANUARY-DECEMBER 2019

Net sales in Europe decreased by 2.3% and amounted to EUR 518.9 million (2018: 531.2). Comparable net sales remained flat. Throughout the year, Group net sales increased in Germany, while it decreased in the UK.

Net sales in the Americas decreased by 3.8% to EUR 427.5 million (444.4), as a result of the challenges in the U.S. Comparable net sales decreased by 8.4%, as both the Functional segment and the English & Crystal Living business faced challenges.

Net sales in Asia-Pacific increased by 1.4% and amounted to EUR 143.6 million (141.7). Comparable net sales decreased by 0.9%. Net sales increased in Japan and China, whereas it decreased in Australia.

RESEARCH AND DEVELOPMENT

The Group's research and development expenditure totaled EUR 5.2 million (Q4 2018: 5.2) in the fourth quarter of 2019, equivalent to 1.7% (1.6%) of net sales. During 2019, research and development expenses totaled EUR 18.4 million (2018: 18.4), equivalent to 1.7% (1.6%) of net sales.

PERSONNEL

The average number of full-time equivalent employees (FTE) was 6,592 (Q4 2018: 7,094) in the fourth quarter. At the end of the quarter, the Group employed 6,984 (7,615) employees, of whom 1,132 (1,125) were in Finland. The year-on-year change was mainly related to the Living transformation program and the divestment of the Leborgne business.

PLANNED ORGANIZATIONAL STRUCTURE CHANGE AND RESTRUCTURING PROGRAM

In December 2019, Fiskars Group published its plans to change its organizational structure and simplify the organization to continue to build one company with a common purpose, strategy and values.

By the end of Q1 2020, the company plans to complete the integration into one company that would be organized around three Business Areas, global Sales and Consumer Experience & Growth functions, as well as Supply Chain and other Global Functions.

Fiskars Group also launched a company-wide Restructuring Program, aimed at reducing costs. The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization, simplified processes and ways of working, and reduction of workforce. As part of the program, the company will look for synergies and efficiencies in the selling and administrative spending. In addition, the company will evaluate the entire supply and distribution network for efficiency improvements.

The program will target annual net cost savings of approximately EUR 20 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results during the program, which is estimated to be completed by the end of 2021. The total costs of the program are expected to be approximately EUR 30 million by the end of 2021, of which EUR 0.4 million had been recorded by the end of 2019. They will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues the investments in growth initiatives that are expected to add sustainable value in the long-term, e.g. in e-commerce and new business opportunities.

These planned changes are expected to result in a net reduction of employees globally. As the planning progresses, the company will engage and work closely with the employees and employee representatives to ensure that people are fully informed and consulted about the proposals. Processes and timelines will vary from one country to another.

Following the planned changes in the organizational structure, Fiskars Group plans to revise its financial reporting structure. As of Q1 2020, Fiskars Group's four primary reporting segments would be: Vita, Terra, Crea and Other. In addition, Fiskars Group would report group-level net sales for three secondary reporting segments: Americas, Europe and Asia-Pacific.

Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services. To provide a basis for comparison, Fiskars Group will present restated, unaudited financial figures before the Q1 2020 interim report is published.

TRANSFORMATION PROGRAM

In October 2018, Fiskars Group launched a Transformation program in its Living segment aimed at increasing efficiency, reducing complexity and accelerating long-term strategic development.

The program will target annual cost savings of approximately EUR 17 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program is completed, which is estimated to be by the end of 2021. The total costs of the program are approximately EUR 40 million in 2018–2021, of which EUR 19.5 million had been recorded by the end of 2019. The costs are recorded as items affecting comparability (IAC).

The proposed changes will involve optimization of global retail, distribution and supply networks as well as organizational structure, and will focus primarily on the English & Crystal Living business, to improve its profitability.

In March, the company announced plans to reduce complexity across its operations in Barlaston, UK. Manufacturing operations in Barlaston will focus on hand crafted, high-end products that are core to the brand and production of some tableware products will be consolidated to other existing manufacturing sites. The changes aim to protect and support the core of the Wedgwood business.

FINANCIAL ITEMS AND NET RESULT IN Q4 2019 AND JANUARY-DECEMBER 2019

During the second quarter of 2019, Fiskars Group distributed an extra share dividend in the form of Wärtsilä shares held by the company. Following the distribution Fiskars Group no longer holds shares in Wärtsilä (Q4 2018: 32,645,343 shares).

The net change in the fair value of investments through other comprehensive income amounted to EUR 0.0 million (-95.4) during the fourth quarter of 2019.

Other financial income and expenses amounted to EUR -1.7 million (-3.3) in the fourth quarter of 2019, and EUR 3.4 million (9.4) for the full year 2019 including EUR 7.8 million (15.0) in dividends received on Wärtsilä shares and EUR -2.1 million (-0.7) of foreign exchange differences.

Profit before taxes was EUR 26.5 million (29.9) in the fourth quarter of 2019 and EUR 63.2 million (103.0) for the full year 2019. Income taxes for the fourth quarter were EUR -5.2 million (-3.1) and EUR -10.8 million (-21.1) for the full year 2019. Earnings per share were EUR 0.26 (0.33) and EUR 0.63 (1.00) for Q1-Q4 2019.

CASH FLOW, BALANCE SHEET AND FINANCING IN Q4 2019 AND JANUARY-DECEMBER 2019

The fourth quarter cash flow from operating activities before financial items and taxes amounted to EUR 84.7 million (Q4 2018: 92.2). The change was due to the change in current assets and current liabilities and the application of the IFRS 16 standard. Cash flow from financial items and taxes amounted to EUR -4.5 million (-10.4). Applying IFRS 16 repayments of lease liabilities of EUR 5.8 million are reported in cash flow from financing activities. Previously these used to be reported under cash flow from operating activities.

Cash flow from investing activities was EUR -10.8 million (-13.6), including EUR -12.6 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -69.1 million (-59.3), including EUR -62.3 million change in current debt. The comparison figure from Q4 2018 included EUR -58.2 million of change in current debt.

Capital expenditure for the fourth quarter totaled EUR 12.6 million (14.2), mainly relating to facility expansions and maintenance as well as IT solutions. Depreciation, amortization and impairment were EUR 15.5 million (16.8) in the fourth quarter.

Fiskars Group's working capital totaled EUR 194.4 million (197.1) at the end of December. The equity ratio was 56% (70%) and net gearing was 34% (11%). The increase in net gearing is a result of the application of the IFRS 16 accounting standard and the distribution of the Wärtsilä share dividend. Excluding these, the equity ratio in Q4 2019 would have been 71% and the net gearing 12%.

Cash and cash equivalents at the end of the period totaled EUR 9.4 million (24.4). Net interest-bearing debt amounted to EUR 261.1 million (135.4). The increase in interest-bearing debt is a result of the application of the IFRS 16 accounting standard. As a result of the IFRS 16 application, the net debt increased by EUR 111.3 million in Q4 2019 compared to Q4 2018.

Excluding leasing debt, short-term borrowing totaled EUR 108.7 million (9.6) and long-term borrowing totaled EUR 51.4 million (151.3). Short-term borrowing consisted mainly of long-term loans from credit institutions maturing within 12 months. In addition to outstanding loans, Fiskars Group had EUR 300 million of unused long-term committed credit facilities and a commercial paper program of EUR 400 million with Nordic banks.

CHANGES IN ORGANIZATION AND MANAGEMENT

On December 4, 2019, Fiskars Group announced the plan to renew the organizational structure and increase efficiencies. In conjunction with this, a new Group Leadership Team was announced.

On August 6, 2019, Fiskars Group announced that Ulla Lettijeff, President of SBU Living, has resigned. Jaana Tuominen, President and CEO, Fiskars Group assumed an interim position to lead the Living business in addition to her duties as the CEO. On February 19, 2019, Fiskars Group announced the appointment of Michael Halak (MBA) as President, SBU Functional and member of the FGLT from March 1, 2019. He reported to the Group's President and CEO Jaana Tuominen, until he left Fiskars Group in December 2019 due to personal reasons. Sari Pohjonen assumed an interim position to lead the Functional business in addition to her duties as the CFO.

The FGLT now consists of:

- Jaana Tuominen, President and CEO
- Sari Pohjonen, Chief Financial Officer and Deputy to the President & CEO
- Tina Andersson, Chief Consumer Officer (starting in May 2020, at the latest)
- Christian Bachler, Executive Vice President
- Risto Gaggl, Chief Supply Chain Officer
- Johan Hedberg, Chief Sales Officer
- Tuomas Hyyryläinen, Executive Vice President
- Niklas Lindholm, Chief People Officer
- Maija Taimi, Chief Communications Officer
- Päivi Timonen, Chief Legal Officer

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

New performance period to start within the share-based long-term incentive plan – adjustments to on-going share-based plans

New performance period:
The Board of Directors of Fiskars Corporation has approved the launch of the third performance period 2020–2022 and its performance criteria to the share-based long-term incentive plan. The share-based long-term incentive plan 2018–2022 for the Fiskars Group Leadership Team and other key employees was decided by the Board in February 2018.

The long-term incentive plan has three performance periods of three calendar years each, 2018–2020, 2019–2021 and 2020–2022. The plan forms a part of Fiskars remuneration program for its key employees, and the aim of the plan is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company.

The amount of the reward paid to a key person depends on achieving the pre-established targets. No reward will be paid if targets are not met or if the participant's employment or service ends before reward payment. For the 2020–2022 performance period, the plan can have fifty participants at most and the targets relate to the company's total shareholder return, group net working capital and net sales.

If the targets of the plan are reached, rewards will be paid to participants in spring of 2023. The reward will be paid in the company's shares, after the deduction of the relevant cash proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company has the right to pay the reward fully in cash under certain circumstances. If all maximum targets are reached, the maximum reward payable in shares on the basis of the 2020-2022 performance period would amount to a total gross maximum of 600,000 shares in the company. As a starting point, shares to be awarded to key employees will be paid as existing shares of the company and thus the long-term incentive plan is not expected to have a diluting effect on the ownership of the company's shareholders.

Members of the Fiskars Group Leadership Team participating in the long-term incentive plan are subject to a shareholding requirement and must retain at least 50% of the net shares received based on plan until their share ownership in Fiskars corresponds to at least 50% (and for the President and CEO at least 100%) of their annual gross base salary.

Adjustments to the on-going share-based plans:
In June 2019, practically all shares in Wärtsilä held by Fiskars were distributed as an extra dividend to shareholders and thereafter Fiskars' market cap has been based on value of its operations only. As a result, the initial allocation of shares from the on-going share-based long-term incentive plans does not correspond to the target value of the reward.

The Board of Directors of Fiskars Corporation has approved an adjustment of the initial allocation of shares from the plans for years 2017-2019, 2018-2020 and 2019-2021 by allocating additional shares to the participants. The allocation was completed in January 2020. After the adjustments, the total maximum reward payable in shares amounts to gross maximum of 43,440 on the basis of the 2017-2019 performance period, 284,564 on the basis of performance period 2018-2020 and 540,780 on the basis of 2019-2021 performance period.

The Board of Directors has also approved an adjustment to the calculation method of total shareholder return earning criteria applied to performance periods 2017-2019, 2018-2020 and 2019-2021 to neutralize the divestment of Wärtsilä shares.

Outlook for 2019 was updated on May 17, 2019 and on October 16, 2019
On May 17, 2019 Fiskars Group lowered its comparable EBITA guidance for the full year 2019 and stated:

“In 2019, Fiskars expects the Group's comparable net sales to be at the same level as in 2018 and comparable EBITA to be below the previous year’s level. The comparable EBITA will be negatively impacted as the U.S. decided to increase tariffs on imports from China.”

On October 16, 2019 Fiskars Group lowered its comparable net sales guidance for the full year 2019 and stated:

“In 2019, Fiskars expects the comparable net sales and comparable EBITA to be below the previous year’s level.

The sales performance of the Functional segment in the US has been weaker than expected during the third quarter. Net sales in the watering category did not recover from the soft first half of the year. In the Outdoor business, comparable net sales remained below the previous year’s level, primarily in the government channel. Additionally, net sales in the important back-to-school season did not meet expectations. The lower than expected sales in the Functional segment during the third quarter will have a negative impact on the outlook for the full year comparable net sales.”

Extra share dividend
The Annual General Meeting of Fiskars Corporation held on March 13, 2019 resolved to authorize the Company’s Board of Directors to resolve, in its discretion, on the distribution of up to 32,645,343 shares in Wärtsilä Corporation (“Wärtsilä”) held by the Company as an extra dividend to shareholders (the “Authorization”). The full Authorization can be found in the stock exchange release published by the Company on March 13, 2019.

On June 6, 2019, based on the Authorization, the Board of Directors of the Company resolved to distribute up to 32,616,653 Wärtsilä shares held by the Company as an extra dividend to shareholders using the ratio 5:2 whereby each shareholder received two (2) Wärtsilä shares for each five (5) shares held in the Company. Due to rounding differences, the final amount of whole Wärtsilä shares that were distributed to shareholders was determined on the share dividend payment date and was slightly less than the maximum amount that the Board of Directors had resolved to distribute. Fractional entitlements to Wärtsilä shares resulting from the distribution ratio were compensated to shareholders in cash from the Company’s funds.

The final amount of Wärtsilä shares distributed was 32,614,026 and thereby a minor amount of Wärtsilä shares remained in the Company’s ownership following the distribution. The final value of the share dividend and fractional entitlements paid in cash was EUR 433.0 million (calculated based on the volume weighted average price of Wärtsilä’s share on June 11, 2019 on the Nasdaq Helsinki Ltd).

According to the Board of Directors’ resolution, the record date for the share dividend was June 10, 2019, the share dividend payment date was June 11, 2019 and the payment date for the fractional entitle June 17, 2019. The ex-dividend date for the share dividend was June 7, 2019.

In accordance with the Authorization, the Board of Directors also resolved to pay the transfer tax resulting from the distribution of the share dividend on behalf of shareholders following the payment of the share dividend. The transfer tax amounts to 1.6% of the value of the share dividend.

Record date and payment date of the additional cash dividend instalment
The Board of Directors of Fiskars Corporation resolved on September 5, 2019 based on the Authorization by the Annual General Meeting, that the additional cash dividend instalment of EUR 0.27 per share was to be paid on September 16, 2019. The ex-dividend date for the dividend instalment was September 6, 2019 and the record date September 9, 2019.

CORPORATE GOVERNANCE
Fiskars Corporation is a Finnish public limited company in which duties and responsibilities are defined according to the Finnish law. Fiskars Group comprises the parent company Fiskars Corporation, and its subsidiaries. The statutory governing bodies of Fiskars Corporation are the General Meeting of Shareholders, the Board of Directors, the Managing Director (President and CEO), and the Auditor. Other Group management supports the statutory governing bodies of Fiskars Corporation. The Company’s domicile is Raseborg, Finland.

Corporate governance at Fiskars Corporation is based on the Finnish Limited Liability Companies Act, the rules and regulations concerning publicly listed companies, the Company’s Articles of Association, the charters of the Company’s Board of Directors and its Committees, and the rules and guidelines of Nasdaq Helsinki Ltd. Fiskars Corporation is a member of the Finnish Securities Market Association and complies, with an exception concerning the

Nomination Committee, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on January 1, 2020 and can be reviewed at www.cgfinland.fi. In terms of the composition of the Nomination Committee, the Company has departed from the Recommendation 15 of Finnish Corporate Governance Code as explained in more detail in the Corporate Governance Statement 2019.

SHARES AND SHAREHOLDERS

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 408,677 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume weighted average share price during the fourth quarter was EUR 11.42 (Q4 2018: 15.99) and EUR 14.75 (2018: 18.73) in 2019. At the end of December, the closing price was EUR 11.26 (EUR 15.04) per share and Fiskars had a market capitalization of EUR 917.7 million (1,226.9). The number of shares traded on Nasdaq Helsinki and in alternative market places from October to December was 2.0 million (1.0), which represents 2.5% (1.3%) of the total number of shares. In 2019, the number of shares traded was 9.1 million (3.1), which represents 11.2% (3.9%) of the total number of shares. The total number of shareholders was 23,495 (20,013) at the end of 2019.

Flagging notifications

Fiskars was not informed of any significant changes among its shareholders during the year.

Purchase of own shares

On August 26, 2019, the Board of Directors of Fiskars Corporation decided to commence acquiring the company's own shares on the basis of the authorization given by the Annual General Meeting held on March 13, 2019.

The maximum number of shares to be acquired is 200,000, corresponding to approximately 0.2% of the total number of shares. The shares will be acquired through public trading on the Nasdaq Helsinki exchange at the market price prevailing at the time of purchase. The share buyback started on August 28, 2019, and will end by the end of the next Annual General Meeting in 2020, at the latest.

BOARD AUTHORIZATIONS

Authorizing the Board of Directors to decide on the acquisition of the company's own shares

The Annual General Meeting decided to authorize the Board of Directors to decide on the acquisition in total of a maximum of 4,000,000 own shares, in one or several installments, using the unrestricted shareholders' equity of the company.

The company's own shares may be acquired in public trading on Nasdaq Helsinki Ltd at a price formed in public trading on the date of the acquisition. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of the company's own shares. Based on the authorization, the acquisition of company's own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition).

The authorization is effective until June 30, 2020 and cancelled the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 14, 2018.

Authorizing the Board of Directors to decide on the transfer of the company's own shares

The Annual General Meeting decided to authorize the Board of Directors to decide on the transfer of own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares, in one or several installments, either against or without consideration.

The company's own shares held as treasury shares may be transferred for example as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system.

The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of own shares held as treasury shares. The transfer of own shares may also be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue).

The authorization is effective until June 30, 2020 and cancelled the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 14, 2018.

BOARD AND BOARD COMMITTEES

The Annual General Meeting decided that the number of members of the Board of Directors shall be eight (8). Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. The term of the Board members will expire at the end of the Annual General Meeting in 2020.

Convening after the Annual General Meeting held on March 13, 2019 the Board of Directors elected Paul Ehrnrooth as its Chairman and Jyri Luomakoski as Vice Chairman. The Board decided to establish an Audit Committee, a Human Resources and Compensation Committee as well as a Nomination Committee.

The Board appointed Jyri Luomakoski (Chairman), Albert Ehrnrooth, Louise Fromond and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (Chairman), Inka Mero and Peter Sjölander were appointed as members of the Human Resources and Compensation Committee. The Board appointed Paul Ehrnrooth (Chairman), and Fabian Månsson as members of the Nomination Committee and Alexander Ehrnrooth as an external member of the Nomination Committee.

RISKS AND BUSINESS UNCERTAINTIES

Fiskars Group's business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report and on the company's website www.fiskarsgroup.com/investors.

Fiskars Group imports and exports products from/to the UK. The UK's expected withdrawal from the EU, may have an adverse impact on Fiskars Group's comparable net sales and comparable EBITA in 2020. It can be assumed that failure to reach a second deal by the end of 2020 would lead to increased costs, additional workload on both sides, and trade disruptions by tariffs and regulatory barriers. The long-term effect of changes in laws, regulations, taxes and other implications following the withdrawal and results of the upcoming deal negotiations as well as any possible impact on consumer confidence are difficult to estimate.

A considerable part of Fiskars Group's business is in the U.S. The increasing uncertainty regarding trade in the form of e.g. tariffs might have an impact on the company's business, as part of the product portfolio sold in the country is imported. Based on the information available at the moment, a further increase in tariffs might have a significant impact on the comparable EBITA in 2020.

Demand for some of the Group's products is dependent on the weather, particularly garden tools and watering products during the spring and snow tools during the winter. Unfavorable weather conditions such as cold and rainy weather during the spring or no snow in the winter can have a negative impact on the sale of these products. The sale of homeware products is heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to a reassessment of taxes. The tax reassessment claim raised by the Finnish Large Taxpayers' Office in 2016, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases, has been appealed against by the company to the Administrative Court, and the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

Fiskars Group operates globally, with a considerable part of its business in the U.S. and in other countries outside of the euro zone. Weakening of the U.S. dollar or other currencies relative to the euro may have a material impact on the reported financial figures due to the translation exposure. Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates.

The corona virus is causing global concerns and uncertainty. If the virus continues to spread rapidly and globally over a long-period of time it can be assumed that Fiskars Group's operations and financial performance will be impacted. It is difficult to estimate the future implications for the company at this point. As a top priority, Fiskars Group continues to ensure health and wellbeing of its people.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

OUTLOOK FOR 2020

In 2020, Fiskars expects the comparable EBITA to increase from 2019. Fluctuations in currency rates might have a considerable impact on comparable EBITA.

Fiskars continues to invest in future growth and is focused on improving profitability through the ongoing transformation programs, which are expected to be completed by the end of 2021.Therefore, the company is not providing an outlook for comparable net sales for 2020.

Furthermore, there are uncertainties in several key markets, such as potential changes in tariffs or repercussions from the novel corona virus outbreak that could have an impact on the full year development.

Items affecting comparability in EBITA includes restructuring costs, impairment charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses.

PROPOSAL FOR DISTRIBUTION OF DIVIDEND

Fiskars Group's aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2019, the distributable equity of the parent company was EUR 428.6 million (2018: EUR 894.7 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.56 per share shall be paid for the financial period that ended on December 31, 2019. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.28 per share shall be on March 12, 2020. The first instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date March 13, 2020. The payment date proposed by the Board for this instalment is March 20, 2020.

The second instalment of EUR 0.28 per share shall be paid in September 2020. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 8, 2020. The ex-dividend date for the second instalment would be September 9, 2020, the dividend record date for the second instalment would be September 10, 2020 and the dividend payment date September 17, 2020, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,494,565. The proposed distribution of dividends would thus be EUR 45.6 million (EUR 483.9 million including total amount of 32,614,026 Wärtsilä shares were distributed as extra dividend). This would leave EUR 383.0 million (410.8) of distributable earnings in the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

Helsinki, Finland, February 4, 2020

FISKARS CORPORATION
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Net sales	308.0	324.1	-5	1,090.4	1,118.5	-3
Cost of goods sold	-174.9	-181.7	4	-643.1	-633.5	-2
Gross profit	133.1	142.4	-6	447.3	485.1	-8
Other operating income	1.1	1.7	-34	2.0	5.2	-61
Sales and marketing expenses	-77.8	-80.1	3	-284.3	-281.4	-1
Administration expenses	-22.3	-17.1	-31	-86.2	-90.1	4
Research and development costs	-5.2	-5.2	1	-18.4	-18.4	0
Goodwill and trademark amortization and impairment	-0.0	-8.6		-0.0	-8.6	
Other operating expenses	-0.4	-0.4	-9	-0.3	-0.2	-47
Operating profit (EBIT)*	28.5	32.5	-12	60.1	91.6	-34
Change in fair value of biological assets	-0.4	0.7		-0.2	2.0	
Other financial income and expenses	-1.7	-3.3		3.4	9.4	
Profit before taxes	26.5	29.9		63.2	103.0	
Income taxes	-5.2	-3.1		-10.8	-21.1	
Profit for the period	**21.3**	**26.7**		**52.4**	**81.7**	
Attributable to:						
Equity holders of the parent company	21.1	26.6		51.7	81.6	
Non-controlling interest	0.1	0.1		0.7	0.2	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.26	0.33		0.63	1.00	
*Comparable EBITA (detailed in notes)	35.1	48.8	-28	90.6	121.7	-26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q4 2019	Q4 2018	2019	2018
Profit for the period	**21.3**	**26.7**	**52.4**	**81.7**
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss				
Translation differences	-10.3	-5.5	9.3	8.3
Cash flow hedges	0.1	-0.1	0.2	0.2
Items that will not be reclassified to profit or loss				
Net change of investments at fair value through comprehensive income, net of tax	0.0	-75.8	-24.3	-95.0
Defined benefit plan, actuarial gains (losses) net of tax	2.0	0.9	2.0	0.5
Other comprehensive income for the period net of tax total	-8.1	-80.5	-12.9	-86.0
Total comprehensive income for the period	**13.1**	**-53.7**	**39.5**	**-4.2**
Attributable to:				
Equity holders of the parent company	13.1	-53.9	38.5	-4.6
Non-controlling interest	0.1	0.2	1.0	0.4

CONSOLIDATED BALANCE SHEET

EUR million	Dec 31 2019	Dec 31 2018	Change %
ASSETS			
Non-current assets			
Goodwill	219.6	217.4	1
Other intangible assets	288.7	280.5	3
Property, plant & equipment	162.2	159.8	2
Right-of-use assets	108.6		
Biological assets	43.4	43.6	0
Investment property	3.6	3.9	-6
Financial assets			
Financial assets at fair value through profit or loss	28.9	25.3	14
Other investments	7.9	8.8	-11
Deferred tax assets	27.9	30.2	-8
Non-current assets total	890.7	769.4	16
Current assets			
Inventories	232.1	219.9	6
Trade and other receivables	203.2	220.4	-8
Income tax receivables	28.8	31.3	-8
Interest-bearing receivables	0.0	0.0	-48
Investments at fair value through other comprehensive income	0.0	453.6	-100
Cash and cash equivalents	9.4	24.4	-62
Current assets total	473.5	949.8	-50
Assets total	**1,364.3**	**1,719.2**	**-21**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	760.9	1,207.0	-37
Non-controlling interest	3.6	2.7	35
Equity total	764.5	1,209.7	-37
Non-current liabilities			
Interest-bearing liabilities	51.4	151.3	-66
Lease liabilities	88.4		
Other liabilities	4.4	6.8	-35
Deferred tax liabilities	32.8	43.9	-25
Pension liability	13.2	12.7	4
Provisions	4.1	5.1	-19
Non-current liabilities total	194.3	219.9	-12
Current liabilities			
Interest-bearing liabilities	108.7	9.6	
Lease liabilities	22.9		
Trade and other payables	267.7	268.2	0
Income tax liabilities	2.1	6.5	-68
Provisions	4.1	5.4	-23
Current liabilities total	405.5	289.7	40
Equity and liabilities total	**1,364.3**	**1,719.2**	**-21**

Note: After the publication of this report, the figures for the current liabilities in the comparison period 2018 have been corrected.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q4 2019	Q4 2018	2019	2018
Cash flow from operating activities				
Profit before taxes	26.5	29.9	63.2	103.0
Adjustments for				
Depreciation, amortization and impairment	15.5	16.8	59.6	43.8
Gain/loss on sale and loss on scrap of non-current assets	0.1	0.1	-0.2	-1.9
Other financial items	0.9	3.3	-4.0	-9.4
Change in fair value of biological assets	0.4	-0.7	0.2	-2.0
Change in provisions and other non-cash items	-3.4	-3.5	-4.7	-9.4
Cash flow before changes in working capital	**39.9**	**45.9**	**114.1**	**124.1**
Changes in working capital				
Change in current assets, non-interest-bearing	-11.3	-20.2	23.0	-2.6
Change in inventories	16.7	18.7	-6.6	-8.5
Change in current liabilities, non-interest-bearing	39.5	47.8	-12.9	23.8
Cash flow from operating activities before financial items and taxes	**84.7**	**92.2**	**117.5**	**136.8**
Financial income received and costs paid	0.0	-1.0	-2.5	-4.7
Taxes paid	-4.4	-9.4	-18.4	-26.2
Cash flow from operating activities (A)	**80.3**	**81.8**	**96.5**	**105.9**
Cash flow from investing activities				
Investments in financial assets	-0.2	-0.8	-8.2	-0.9
Capital expenditure on fixed assets	-12.6	-14.2	-40.0	-46.2
Proceeds from sale of fixed assets	0.2	-0.1	0.9	2.7
Proceeds from sale of investments at fair value through other comprehensive income	0.1	0.0	0.5	-0.0
Other dividends received	0.0	0.0	7.8	15.0
Cash flow from other investments	1.7	1.5	1.9	1.5
Cash flow from investing activities (B)	**-10.8**	**-13.6**	**-37.0**	**-28.0**
Cash flow from financing activities				
Purchase of treasury shares	-0.4	-0.9	-1.1	-2.8
Change in current receivables	0.0	0.0	0.0	20.0
Change in non-current debt	0.2	0.0	0.8	0.6
Change in current debt	-62.3	-58.2	-2.2	-43.1
Payment of lease liabilities	-5.8	-0.1	-21.6	-0.3
Cash flow from other financing items	-0.7	0.2	0.7	0.5
Dividends paid	0.0	-0.2	-51.0	-59.5
Cash flow from financing activities (C)	**-69.1**	**-59.3**	**-74.5**	**-84.6**
Change in cash and cash equivalent (A+B+C)	**0.4**	**8.9**	**-15.1**	**-6.6**
Cash and cash equivalent at beginning of period	9.1	10.5	24.4	31.1
Translation difference	-0.1	5.0	0.0	0.0
Cash and cash equivalent at end of period	9.4	24.4	9.4	24.4

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to the equity holders of the parent company								
EUR million	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Financial assets at FVTOCI	Retained earnings	Non-controlling interest	Total
Opening Balance Jan 1, 2018	**77.5**	**-3.2**	**3.0**	**-0.6**	**-4.4**		**1,196.5**	**2.8**	**1,271.6**
Total comprehensive income for the period			8.1	0.2	0.5	-95.0	81.6	0.4	-4.2
Purchase of treasury shares		-2.8					0.3		-2.5
Dividend distribution							-58.8	-0.5	-59.3
Other changes							4.4		4.4
Dec 31, 2018	**77.5**	**-6.0**	**11.1**	**-0.4**	**-3.9**	**-95.0**	**1,223.6**	**2.7**	**1,209.7**

Opening Balance Jan 1, 2019	**77.5**	**-6.0**	**11.1**	**-0.4**	**-3.9**	**-95.0**	**1,223.6**	**2.7**	**1,209.7**
Total comprehensive income for the period			8.9	0.2	2.0	-24.3	51.7	1.0	39.5
Purchase and issue of treasury shares		-1.1					0.5		-0.6
Dividend distribution						119.3	-603.3	-0.1	-484.1
Dec 31, 2019	**77.5**	**-7.1**	**20.1**	**-0.2**	**-1.9**	**0.0**	**672.5**	**3.6**	**764.5**

NOTES TO THE FINANCIAL STATEMENT RELEASE

ACCOUNTING PRINCIPLES

This financial statement release is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements apart from the changes in accounting principles stated below.

Figures presented have been rounded and therefore the sum of individual figures might differ from the presented total figure.

APPLICATION OF NEW AND REVISED ACCOUNTING PRONOUNCEMENTS UNDER IFRS

IFRS 16 Leases

In the current year, the Group, for the first time, has applied IFRS 16 Leases. Majority of the lease agreements reported as operating leases in 2018 were converted to lease agreements recognized on balance sheet on the adoption of IFRS 16. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The Group transitioned to IFRS 16 in accordance with the modified retrospective approach, and comparatives for the 2018 financial year have not been restated. In applying the modified retrospective approach, The Group has taken advantage of the following practical expedients: leases with a remaining term of twelve months or less from the date of application have been accounted for as short-term leases and lease payments are recognized as an expense, initial direct costs have not been included in the measurement of the right-of-use assets at the date of initial application, lease component and associated non-lease component is accounted as a single lease component, and a single discount rate has been applied to portfolios of leases with reasonably similar characteristics.

Majority of the contracts that are booked on the balance sheet are consisting of the lease contracts of stores, offices and warehouses as well as some machinery and equipment and company cars. The lease term corresponds to the non-terminable period completed, if necessary, by renewal options whose exercise by the Group are reasonably certain. The discount rate used to calculate the lease debt is determined, for each asset, according to the incremental borrowing rate on commencement of the contract. The rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment.

The preparation of the financial statements in accordance with IFRS 16 requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

REPORTING SEGMENTS

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Net sales						
Functional	135.6	138.4	-2	585.5	585.2	0
Living	171.3	184.7	-7	501.0	529.6	-5
Other	1.2	0.9	25	3.9	3.8	4
Group total	**308.0**	**324.1**	**-5**	**1,090.4**	**1,118.5**	**-3**

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Operating profit (EBIT)						
Functional	10.0	-3.0	437	58.6	58.8	0
Living	21.7	38.7	-44	14.6	46.8	-69
Other	-3.2	-3.2	1	-13.2	-14.1	6
Group total	**28.5**	**32.5**	**-12**	**60.1**	**91.6**	**-34**

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Depreciation, amortization and impairment						
Functional	5.3	12.6	-58	21.7	23.8	-9
Living	10.1	3.9	160	33.7	19.0	77
Other	0.1	0.3	-66	4.1	1.0	307
Group total	**15.5**	**16.8**	**-8**	**59.6**	**43.8**	**36**

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Capital expenditure						
Functional	5.7	5.7	1	17.5	18.9	-7
Living	5.8	7.4	-22	18.3	23.8	-23
Other	1.1	1.2	-12	4.2	3.5	19
Group total	**12.6**	**14.2**	**-11**	**40.0**	**46.2**	**-14**

NET SALES BY GEOGRAPHY

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Net sales						
Europe	153.7	162.1	-5	518.9	531.2	-2
Americas	106.6	112.0	-5	427.5	444.4	-4
Asia-Pacific	47.7	48.7	-2	143.6	141.7	5
Unallocated	-0.0	1.2		0.3	1.3	
Group total	**308.0**	**324.1**	**-5**	**1,090.4**	**1,118.5**	**-3**

OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Operating profit (EBIT)	**28.5**	**32.5**	**-12**	**60.1**	**91.6**	**-34**
Amortization	-3.5	-11.0		-12.9	-20.9	
EBITA	**32.0**	**43.5**	**-26**	**72.9**	**112.5**	**-35**
Items affecting comparability in EBITA						
Restructuring Program	0.4			0.4		
Personnel-related costs		0.0		0.0	1.8	
Ebertsankey related provisions and impairments		0.4			0.4	
Alignment program	-0.1	0.7		-0.2	2.9	
Transformation program	2.5	2.5		17.0	2.5	
Leborgne divestment	0.2	2.5		0.8	2.5	
Other adjustments to operating profit		-0.8		-0.3	-0.8	
Total items affecting comparability in EBITA	**3.1**	**5.2**	**-41**	**17.7**	**9.2**	**92**
Comparable EBITA	**35.1**	**48.8**	**-28**	**90.6**	**121.7**	**-26**

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Dec 31 2019	Dec 31 2018
Intangible assets and goodwill		
Book value, Jan 1	497.9	501.5
Currency translation adjustment	10.3	8.5
Additions	17.6	15.9
Amortization and impairment	-12.7	-21.4
Decreases and transfers	-4.9	-6.7
Book value at end of period	**508.2**	**497.9**
Investment commitments for intangible assets	0.0	0.0
Tangible assets and investment property		
Book value, Jan 1	163.4	159.0
Currency translation adjustment	4.1	1.1
Additions	23.0	28.8
Depreciation and impairment	-23.8	-22.8
Decreases and transfers	-0.7	-2.4
Book value at end of period	**165.9**	**163.6**
Investment commitments for property, plant and equipment	2.4	4.3

Right-of-use assets	Real estate	Other	Total
Book value, Jan 1	115.6	3.7	119.3
Currency translation adjustment	0.8	-0.1	0.7
Additions	22.8	2.4	25.2
Depreciation	-21.1	-1.8	-22.9
Decreases	-13.6	-0.2	-13.7
Book value at end of period	**104.7**	**4.0**	**108.6**

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Dec 31 2019	Dec 31 2018
As security for own commitments		
Lease commitments*		89.5
Guarantees	14.7	18.4
Other contingencies**	4.3	11.9
Contingencies and pledged assets total	**19.0**	**119.8**

*Operating lease obligations have been reported according to IFRS 16 since January 1, 2019

**Other contingencies include a commitment of USD 3 million to invest in private equity funds.

Tax risks

In March 2019, Fiskars Oyj Abp received a negative decision from the Board of Adjustment in the Finnish Large Taxpayers' Office to the company's adjustment claim regarding a tax reassessment resulting from a tax audit carried out in 2014. The reassessment concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years. Fiskars Oyj Abp was obliged to pay EUR 28.3 million in additional tax, interest and punitive increases during the third quarter of 2016.

Fiskars Group has disclosed the ongoing tax appeal in the earlier Annual Reports and Interim Reports. Fiskars Oyj Abp has appealed against the Adjustment Board's decision to the Administrative Court. The company and its external advisors continue to consider the decision unfounded and do not recognize the related taxes and other costs in the income statement.

DERIVATIVES

EUR million	Dec 31 2019	Dec 31 2018
Nominal amounts of derivatives		
Foreign exchange forwards and swaps	316.6	276.9
Interest rate swaps	50.0	50.0
Electricity forward agreements		0.5
Fair value of derivatives		
Foreign exchange forwards and swaps	-0.4	-0.4
Interest rate swaps	-0.3	-0.6
Electricity forward agreements		0.4

Derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant transaction risks relate to the appreciation of THB and IDR, and depreciation of SEK, AUD and JPY. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	SEK	USD	AUD	JPY	IDR	GBP	CAD
Operational currency position	-35.9	19.5	-11.5	15.0	16.7	-13.9	14.1	14.5
Exchange rate sensitivity of the operations*	3.6	-2.0	1.2	-1.5	-1.7	1.4	-1.4	-1.5

*Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange transaction risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars Group does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Dec 31, 2019

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			28.9	28.9
Investments at fair value through other comprehensive income	0.0			0.0
Other investments	0.3		7.6	7.9
Derivative assets				
Total assets	**0.3**	**0.0**	**36.4**	**36.7**
Derivative liabilities		0.7		0.7
Total liabilities		**0.7**		**0.7**

Dec 31, 2018

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			25.3	25.3
Investments at fair value through other comprehensive income	453.6			453.6
Other investments	0.4		8.4	8.8
Derivative assets		0.4		0.4
Total assets	**454.0**	**0.4**	**33.8**	**488.1**
Derivative liabilities		0.9		0.9
Total liabilities		**0.9**		**0.9**

Fair value categories

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. Level 2 includes financial assets and liabilities measured using directly observable market inputs. All interest-bearing debts and derivatives fall within this category. Level 3 includes financial assets and liabilities measured using non-market observable inputs. The asset classes in this category are unlisted equity investments and funds.

Investments	FVTOCI	FVTPL	Other		
EUR million	Level 1	Level 3	Level 1	Level 3	Total
Book value, Dec 31, 2017	**572.4**	**21.7**	**0.4**	**8.5**	**602.9**
Additions		0.0			0.0
Decreases				0.0	
Change in fair value	-118.8	3.6	-0.0	-0.1	-115.3
Book value, Dec 31, 2018	**453.6**	**25.3**	**0.4**	**8.4**	**487.7**
Additions		8.2			8.2
Decreases	-433.3	-1.7		-0.4	-435.4
Change in fair value	-20.3	-2.9	-0.1	-0.4	-23.7
Book value, Dec 31, 2019	**0.0**	**28.9**	**0.3**	**7.6**	**36.7**

Investments at fair value through other comprehensive income (FVTOCI) consist of holdings in Wärtsilä Corporation and investments at fair value through profit or loss (FVTPL) of unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). The fair value of unlisted funds is based on the market value reported by the fund (level 3) and changes are recognized in the income statement.
In June 2019 Fiskars distributed 32,614,026 of its Wärtsilä shares as an extra dividend to shareholders. Market value of the shares on the date of distribution was EUR 433.0 million and the change of the value has been reported in other comprehensive income. Fiskars Group no longer holds Wärtsilä shares.

Other financial assets comprise listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments in 2019
Fiskars Group sold Leborgne business to MOB MONDELIN on April 1, 2019, consisting of manufacturing and sale of hand tools to construction and gardening customers in France. The transaction was structured as an asset sale and included the Leborgne brand, inventory, fixed assets and personnel working for the business.

Acquisitions and divestments in 2018
There were no acquisitions or divestments during the year 2018.

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