A woman wearing a dark brown scarf and a grey sweater is holding a large stack of birch logs. The logs are stacked horizontally, showing their characteristic white bark and dark, charred ends. The woman's face is partially visible at the top, smiling. The background is a blurred, dark outdoor setting.

**Fiskars Group**

**April 28, 2017 Helsinki, Finland**

# **January–March 2017**

# Disclaimer

- This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Fiskars believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.
- Important factors that may cause such a difference for Fiskars include, but are not limited to: (i) the macroeconomic development and consumer confidence in the key markets, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions, (iv) change in interest rate and foreign exchange rate levels, and (v) internal operating factors.
- This presentation does not imply that Fiskars has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

# Key takeaways

1

Result driven by the Scandinavian Living and Functional businesses

2

Continued benefits of the transformation programs

3

Comparable EBITA nearly doubled in the Living segment and grew by 17% in the Functional segment

4

The Fiskars, Royal Copenhagen, Arabia, Gilmour and Royal Doulton brands demonstrated double-digit growth



# Strong quarter – net sales and comparable EBITA grew

Net sales  
EUR million

**306.2**

**+3.3%**

Comparable EBITA\*\*  
EUR million

**32.0**

**+28%**

Cash flow from operating  
activities\*\*\* EUR million

**-46.4**

**Q1 2016: -36.2**

Earnings per share  
EUR

**1.07**

**Q1 2016: 0.01**

Operative earnings  
per share EUR

**0.19**

**Q1 2016: 0.10**

Comparable  
net sales\* 4.8%

\* Using comparable exchange rates, excluding Spring USA (divested in September 2016) and the container gardening businesses in the U.S. (divested in January 2016) and Europe (divested in December 2016)

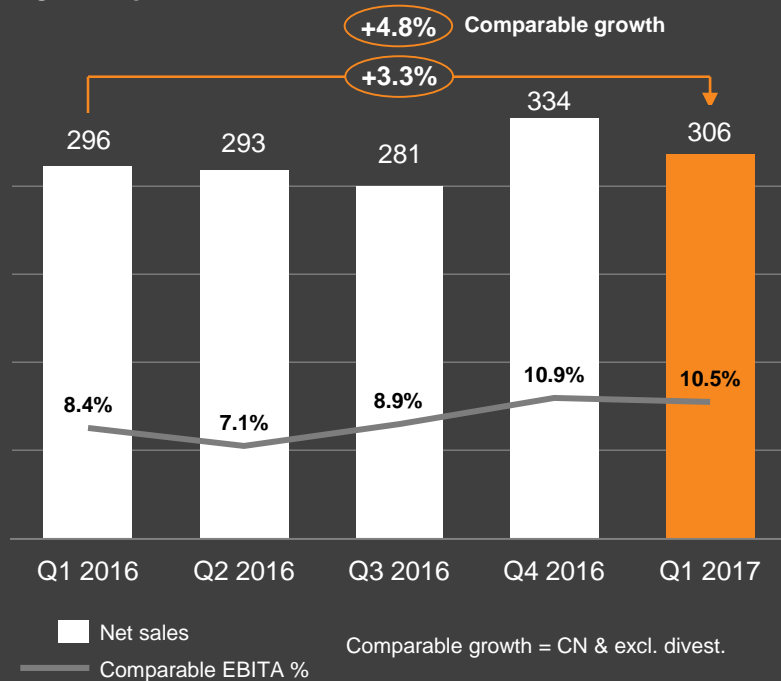
\*\* Items affecting comparability include items such as restructuring costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses

\*\*\* Before financial items and taxes

# Fiskars Group in Q1 2017

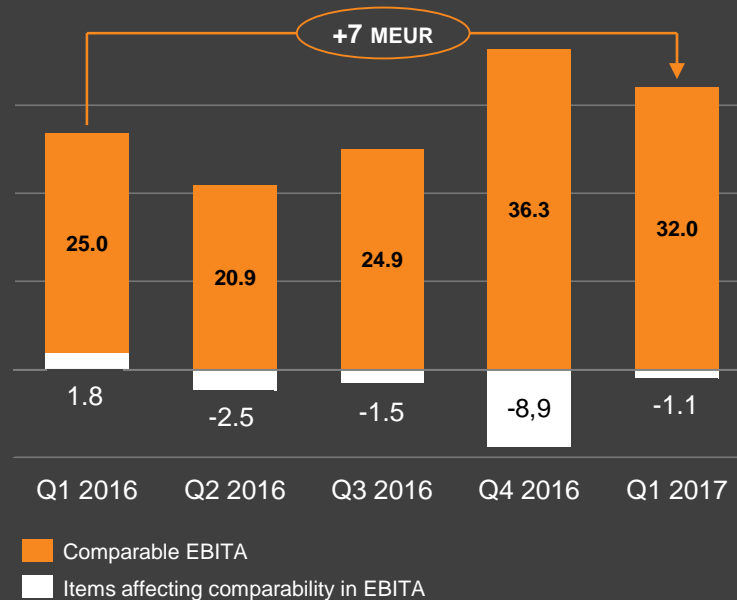
## Net sales and comparable EBITA %

EUR Million



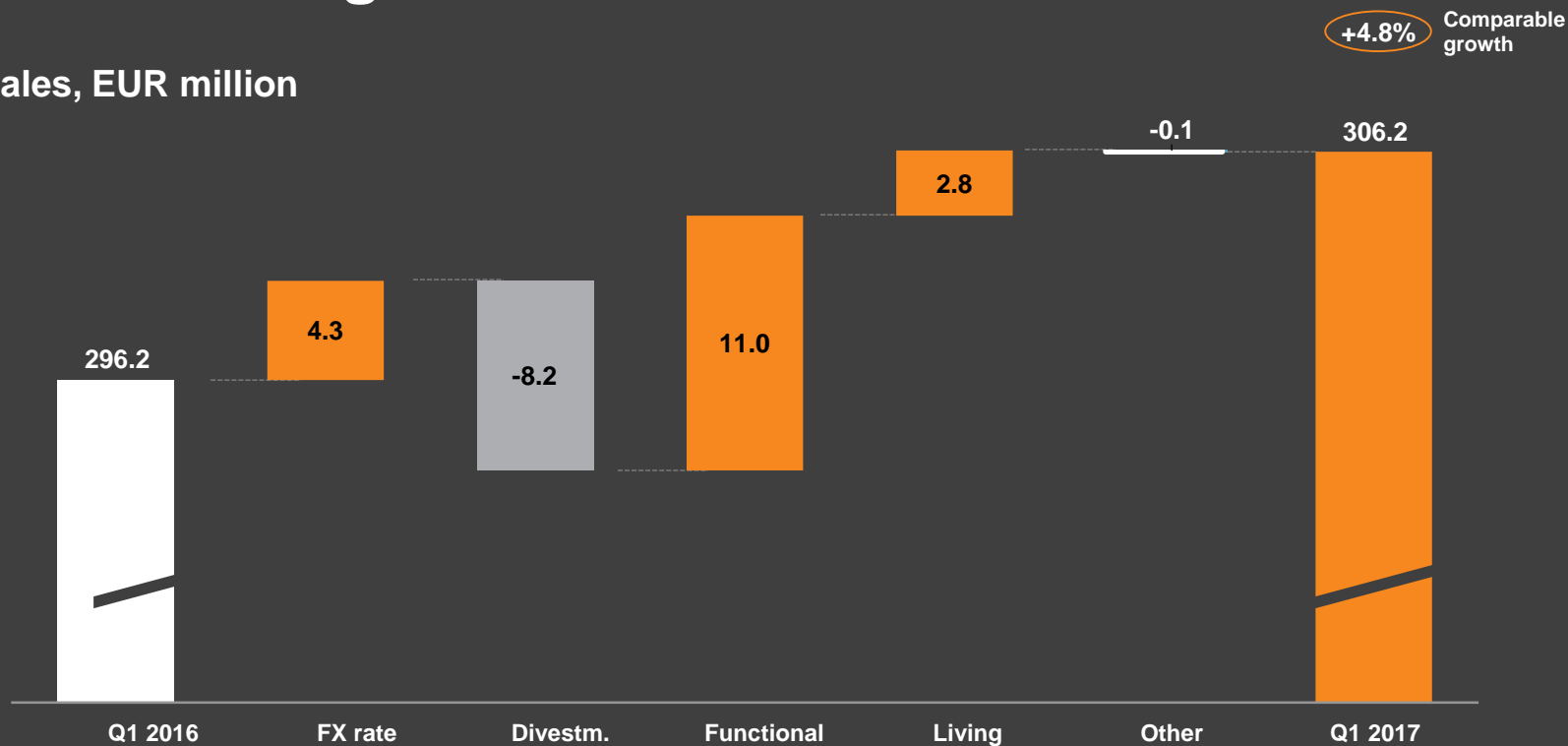
## EBITA

EUR Million



# Net sales bridge

Net sales, EUR million



# Delivering on our strategic priorities



# Ambiente 2017

- The Ambiente fair in Frankfurt, Germany in February marked an important milestone as the English & Crystal Living and Scandinavian Living brands joined forces and the entire Living portfolio was presented to customers for the first time
- At the same event, SBU Functional kicked off the 50th anniversary celebrations of Fiskars iconic orange handled scissors, driving growth in the scissors category in Europe



ambiente  
the show





# Living marketing highlights

- After the successful introduction of the partnership between Royal Doulton and the world renowned television host and entrepreneur Ellen DeGeneres, the tableware collection was launched globally during the first quarter of 2017
- littala launched a new global range “Teema Tiimi” to complement the classic “Teema” tableware. The range includes bowls and plates for Eastern and Western dishes. The full collection is available in the Asian market and on the littala webstore in the EU



# Functional marketing highlights

- Gerber participated in the 2017 Shot Show in January, the single largest sporting goods trade event in America. A renewed presence and number of PR events increased traffic at the show and helped reposition the brand around the expanded “Made In America” product offering.
- February marked the kick-off of the 50th anniversary celebrations of Fiskars iconic orange handled scissors
- In March, Fiskars joined with the National Collegiate Athletic Association (NCAA) in the U.S. for the ninth consecutive year as the official net-cutting scissors during the 2017 NCAA Men’s and Women’s Basketball Championships





# Fiskars Q1 2017

# SBU Living in Q1 2017

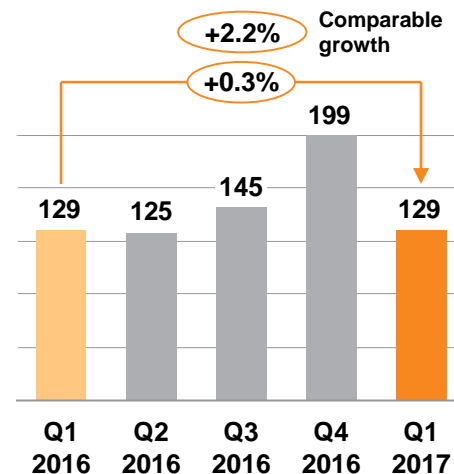
EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	129.2	128.9	0.3%*	598.1
Comparable EBITA	7.2	3.7	95%	59.4
Capital expenditure	2.0	3.0	-36%	14.9

\* Using comparable exchange rates and excluding the net sales of the divested Spring USA, net sales in the Living segment increased by 2.2% in Q1 2017

- Net sales in the Living segment remained at last year's level and amounted to EUR 129.2 million (128.9)
  - Comparable net sales increased by 2.2%
- Net sales in the Scandinavian Living business increased, supported by the performance of the Arabia, Royal Copenhagen and Iittala brands
  - The positive reception to the Finland 100 anniversary products supported net sales in Finland
- Net sales in the English & Crystal Living business remained at last year's level, excluding the divested Spring USA
  - Net sales in the direct e-commerce continued to grow. In addition, net sales to hospitality customers increased
- Comparable EBITA for the Living segment increased by 95% and totaled EUR 7.2 million (3.7), driven mainly by the operational performance of the Scandinavian Living business

## Net sales

EUR million





# SBU Functional in Q1 2017

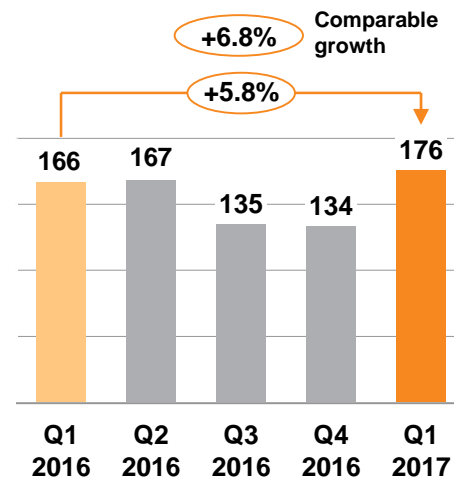
EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	176.0	166.4	5.8%*	602.7
Comparable EBITA	26.8	23.0	17%	57.1
Capital expenditure	4.3	4.6	-6%	21.8

\* Using comparable exchange rates and excluding the net sales of the divested container gardening businesses in the U.S and Europe, net sales in the Functional segment increased by 6.8% in Q1 2017

- Net sales in the Functional segment increased by 5.8% to EUR 176.0 million (166.4) in all geographies
  - Comparable net sales increased by 6.8%, supported by spring campaigns, new product launches in Europe, and the yardcare and hardware tool categories in Americas
  - In addition, big customer accounts generated increased sales
  - Net sales of all main brands, Fiskars, Gerber and Gilmour increased
- Comparable EBITA for the Functional segment increased by 17% and amounted to EUR 26.8 million (23.0), driven by the EMEA and Americas businesses
- The profitability of the watering category continued to increase in the U.S, reflecting the turnaround progressing faster than originally planned

## Net sales

EUR million



# Net sales by geography in Q1 2017

EUR million	Q1 2017	Q1 2016	Change	Comparable change*	2016
Europe	139.2	135.0	3.1%	6.9%	555.3
Americas	129.7	128.8	0.7%	0.6%	489.9
Asia-Pacific	35.8	33.0	8.5%	2.5%	153.3
Unallocated**	1.5	-0.6			6.2

\* Using comparable exchange rates, excluding the divested container gardening businesses in the U.S and Europe, and Spring USA.

\*\* Geographically unallocated exchange rate differences

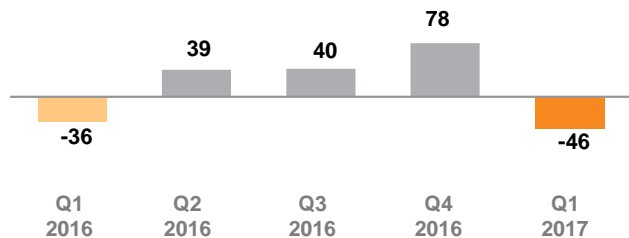


- Net sales in Europe increased by 3.1% and amounted to EUR 139.2 million (135.0). Comparable net sales increased by 6.9%, driven by the Functional business. Weather conditions were favorable in Central Europe, contributing to the sale of garden products
- Net sales in Americas increased by 0.7% to EUR 129.7 million (128.8). Comparable net sales increased by 0.6% driven by the Functional business, while the Living business faced challenges due to the distribution channels
- Net sales in Asia-Pacific increased by 8.5% and amounted to EUR 35.8 million (33.0). Comparable net sales increased by 2.5%, driven by the Scandinavian Living business

# Cash flow and debt Q1 2017

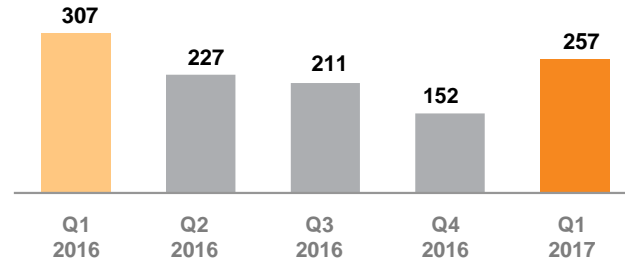
## Cash flow from operating activities\*

EUR million



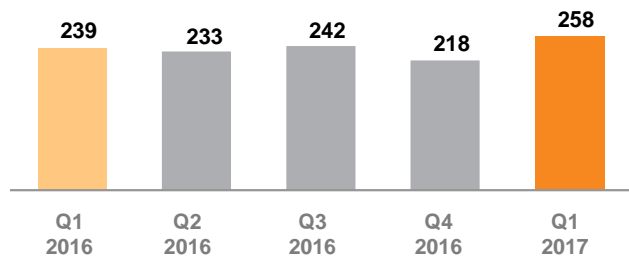
## Net debt

EUR million



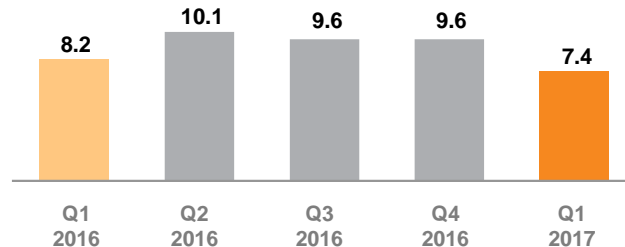
## Working capital

EUR million



## Capex

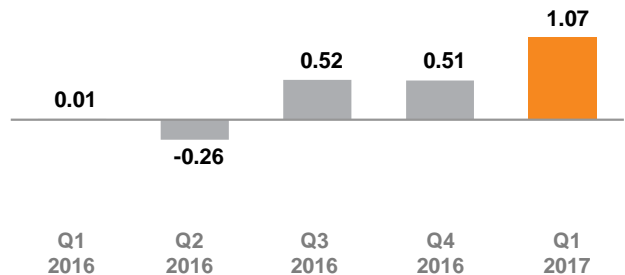
EUR million



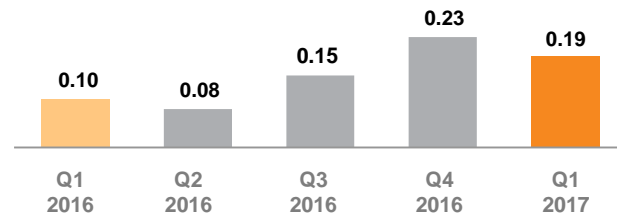
\* Before financial items and taxes

# Key ratios Q1 2017

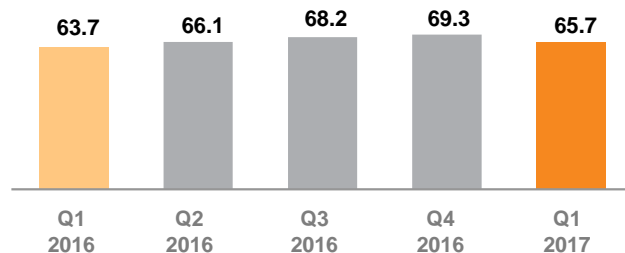
## EPS, euro



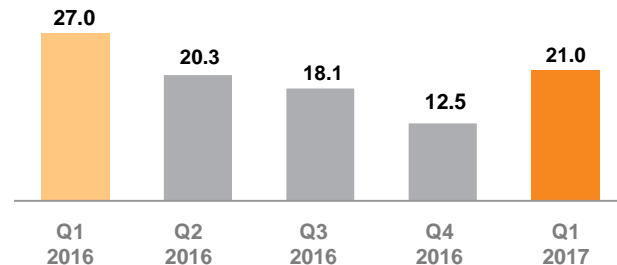
## Operative EPS, euro



## Equity ratio, %



## Net gearing, %





# Long-term financial targets



**Growth:** The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions



**Profitability:** EBITA margin to exceed 10%



**Capital structure:** Net gearing\* below 100%



**Dividend:** Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

\* Net gearing ratio is the ratio of interest-bearing debt, less interest-bearing receivables and cash and bank equivalents, divided by total equity.

Along with the rest of the Group's active investments, shares in Wärtsilä Corporation are treated as financial assets at fair value through profit or loss, which increases the volatility of Fiskars' net results

At the end of the period, the shares in Wärtsilä were valued at EUR 545.7 million (432.8). The net change in the fair value of investments through profit or loss amounted to EUR 81.3 million (Q1 2016: -25.7) during the first quarter of 2017

# Fiskars Outlook 2017

Fiskars expects the Group's net sales, excluding net sales of divested businesses in 2016, and comparable EBITA to increase from the previous year

- In 2016, the Group's net sales excluding the divested businesses amounted to EUR 1,180 million and comparable EBITA amounted to EUR 107 million
- Comparable EBITA excludes restructuring costs, impairment charges, integration related costs, and gain and loss from the sale of businesses
- Fiskars operates globally, with a considerable part of the business in the U.S. Translation exposure may have a material impact on reported financial figures. The fourth quarter is significant both in terms of net sales and profitability
- Fiskars' Other segment includes investments, which are treated as financial assets at fair value through profit or loss. This increases the volatility of Fiskars' financial items and taxes in the profit and loss statement and thus the volatility of Fiskars' net results and earnings per share.

A close-up photograph of a person's hand holding a black Fiskars multi-tool, using its side cutters to cut a black rope. The background shows an orange tent and a grassy field under a cloudy sky. The text "Making the everyday extraordinary" is overlaid in white.

# Making the everyday extraordinary