

Fiskars Group

# Q3/2011

1.1.-30.9.2011

Helsinki, October 27, 2011



# FISKARS

# Agenda

- Highlights
- Business review
- Financial position
- Outlook for 2011
- Appendixes

# Q3

## Highlights



# Net sales and operating profit up

Comparable net sales  
+9 %\*

Fiskars business so far resilient to economic downturn thanks to strong brands and products

Sales growth in both segments, led by Garden in EMEA and Outdoor in Americas

Net sales  
165.3 MEUR  
EBIT w/o non-recurring  
13.1 MEUR

EBIT w/o non-recurring  
above 2010

Non-recurring losses due to sale of Silva and product recall

Outlook for full year 2011 unchanged:  
increase in sales and operating profit excl. non-recurring items

\*Excluding Silva, currency neutral

# Q3

## Business Review



# Operating environment in Q3

## Uncertainty increased

- Economic environment remained uncertain and predicting the business environment challenging
- In Europe, consumer confidence has declined steeply in Fiskars' main markets and consumer demand seemed to slow in the Nordic countries
  - The retail environment remained soft in most European markets
- In North America, consumer sentiment remained low and shoppers are making fewer trips to stores, hunting for bargains
  - Retailers are keeping stock levels tight and putting off additional buying decisions



# Flat performance in home products

Q3/2011

- Home product sales flat
  - Main markets at or below 2010 levels
- SOC sales in the Americas above 2010 levels
  - Good Back-to-School sales
  - Successful listings
- Iittala's store network continued to expand in Japan, 8<sup>th</sup> store opened in Sano to complement the 10 shop-in-shops



## HOME

Modern Scandinavian design products for the kitchen, table, living room and school, office and craft

**77.3** MEUR net sales -2%

**47 %** of total sales

**iittala FISKARS®**

**HACKMAN®**

**ARABIA  
FINLAND**

**HØYANG-POLARIS®**



**RAADVAD**

**gingher**  
*a tradition of quality*



**KAIMANG**

**Kitchen  
Devils**

**Rörstrand**

**FISKARS**

# Good quarter for the Garden business

Q3/2011

- Good performance in EMEA
  - Increased distribution and sales of snow tools strengthened Fiskars' position in several key markets
  - Also other categories performed well
- Sales growth in the Americas
  - Successful cutting tools campaigns
  - Continuously good lawn-mowers sales
- Marketing campaigns continued in selected European markets



## GARDEN

Ergonomically designed tools for gardening and construction

**58.4** MEUR net sales,  
+17 %

**35%** of total sales

**FISKARS®**

**leborgne**

**EBERT®**  
with your world's drive

**Zinck & Lyshro**  
Garden Tools

**SANKEY**  
HOME & GARDEN PRODUCTS

**FISKARS**



# Strong performance in Outdoor business

Q3/2011

- In EMEA, Silva business divested in July – focus now on increasing Gerber's international distribution
- Growth in boat business continued
  - Buster gained further market share
- Strong growth continued in the Americas
  - Driving gains across knife, multi-tool and equipment categories
  - Institutional sales above 2010
- Gerber's new brand identity and packaging well received by the trade



# OUTDOOR

Innovative, essential products for an active lifestyle and durable leisure boats

**28.6** MEUR net sales,  
-3%

**17%** of total sales



**Buster DRIVE**

# FISKARS

# Q3

## Spotlight: Brand building results

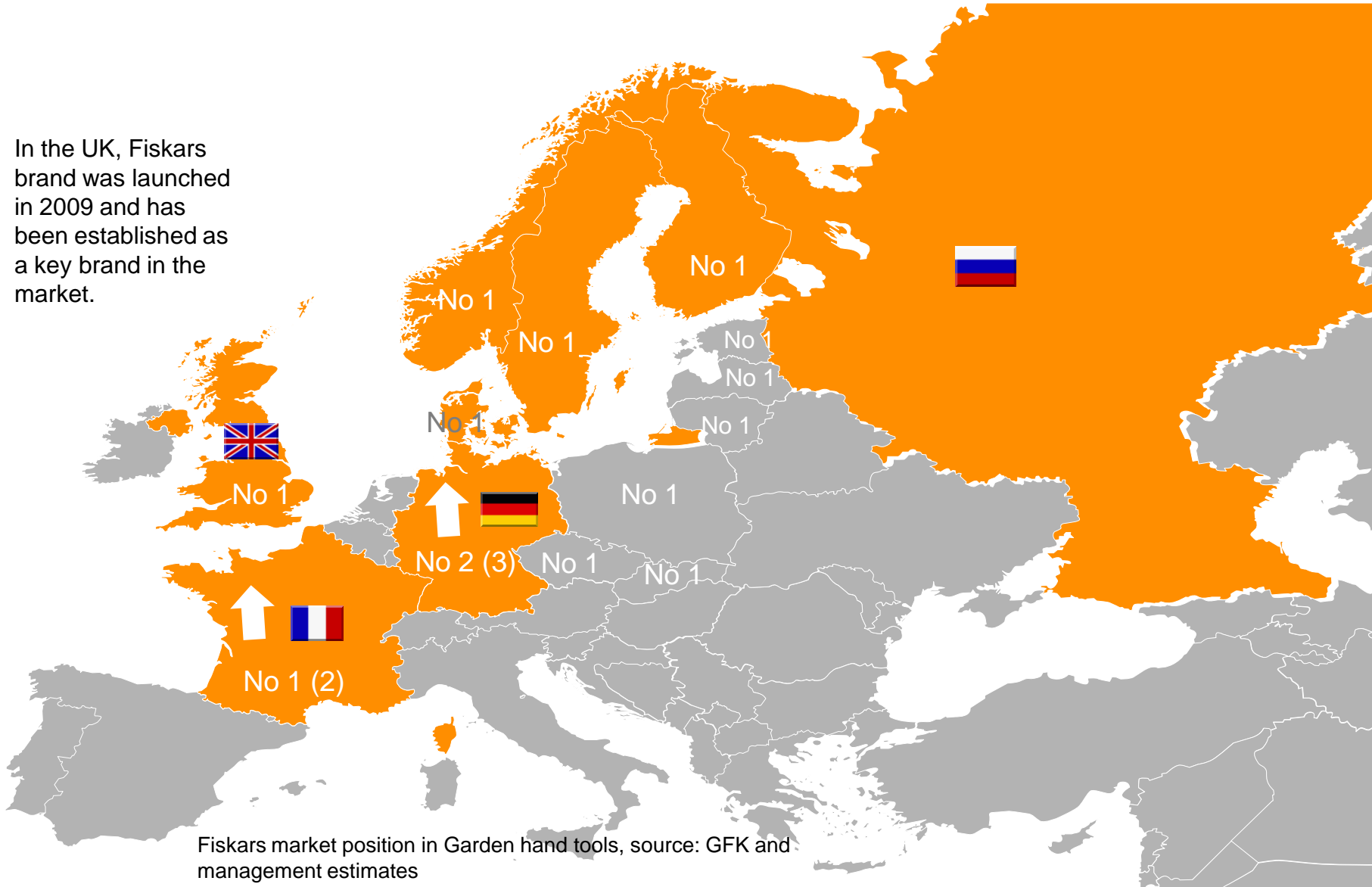


# Fiskars on TV, 2011 season



# Strengthened position in Garden hand tools

In the UK, Fiskars brand was launched in 2009 and has been established as a key brand in the market.



Fiskars market position in Garden hand tools, source: GfK and management estimates



# Q3

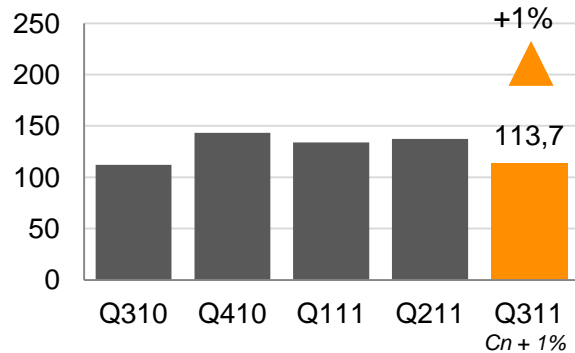
## Financials



# Net Sales Q3 2011

## by Segment

Net sales, MEUR

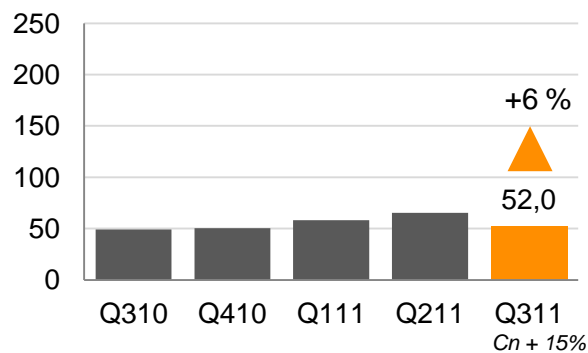


EMEA



69% of total sales

Net sales, MEUR

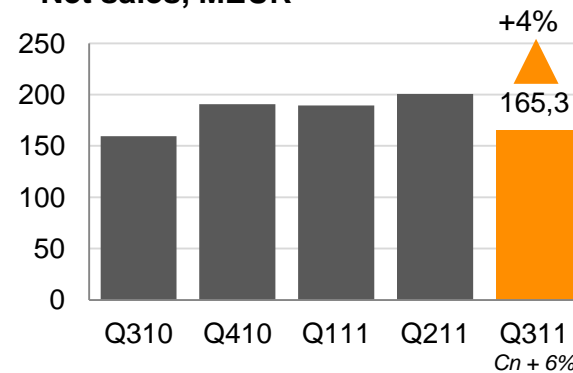


Americas



31% of total sales

Net sales, MEUR



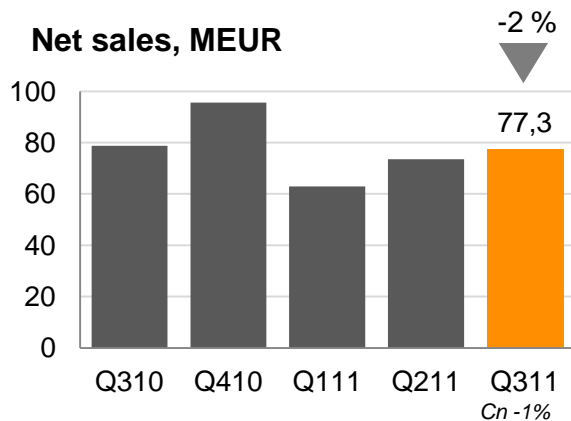
Fiskars Total



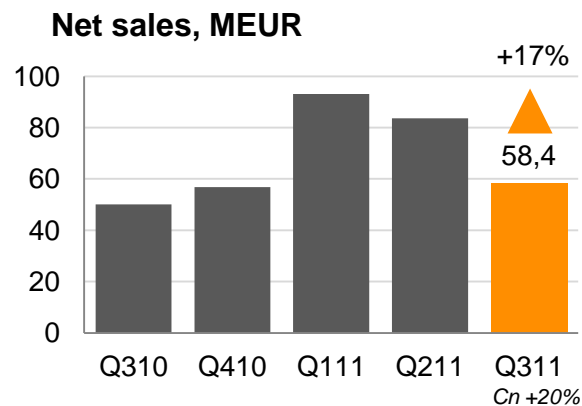
100% of total sales

# Net Sales Q3 2011

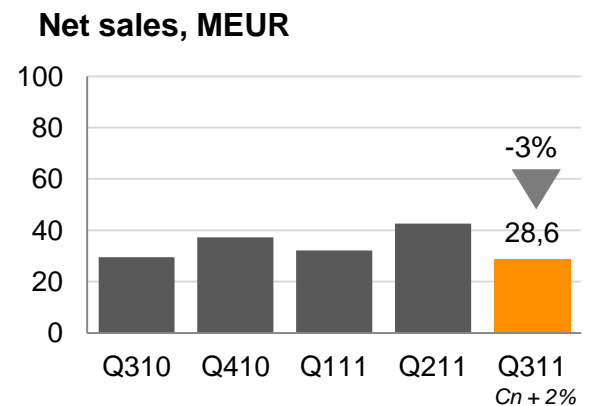
## by Business Area



Home



Garden



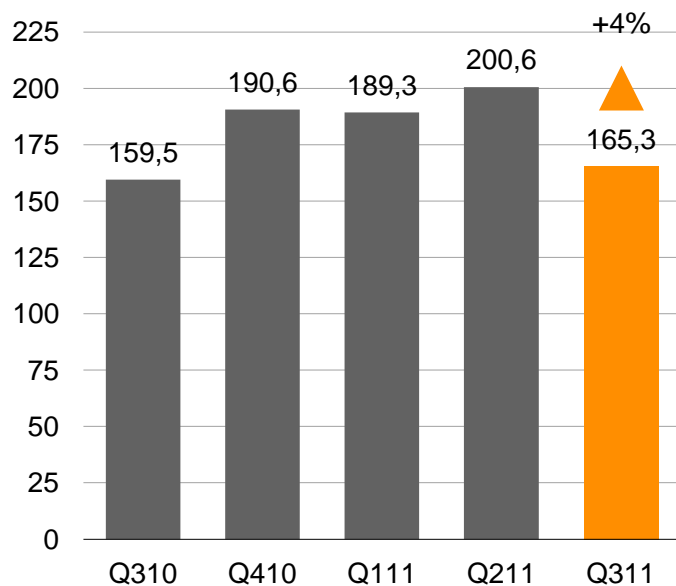
Outdoor



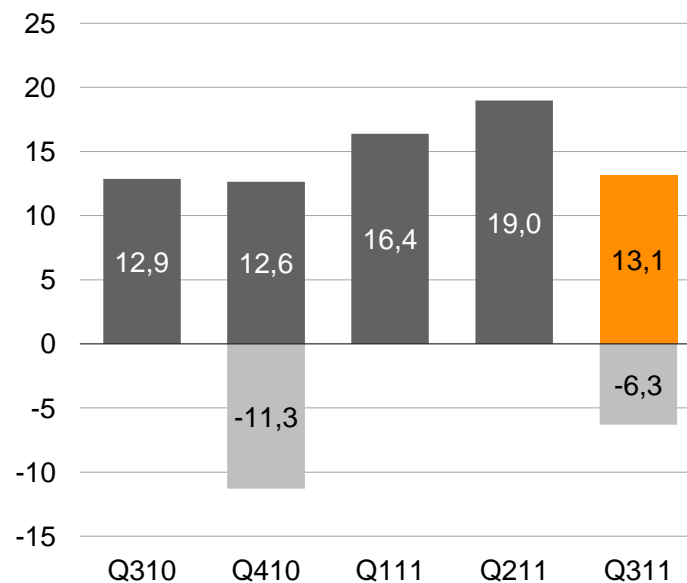
# Net Sales and EBIT in Q3 2011

Fiskars Group

## Net sales by quarter, MEUR



## EBIT by quarter, MEUR



EBIT % 8,1 % 6,6 % 8,6 % 9,5 % 7,9 %

■ EBIT excluding non-recurring items  
■ Non-recurring items

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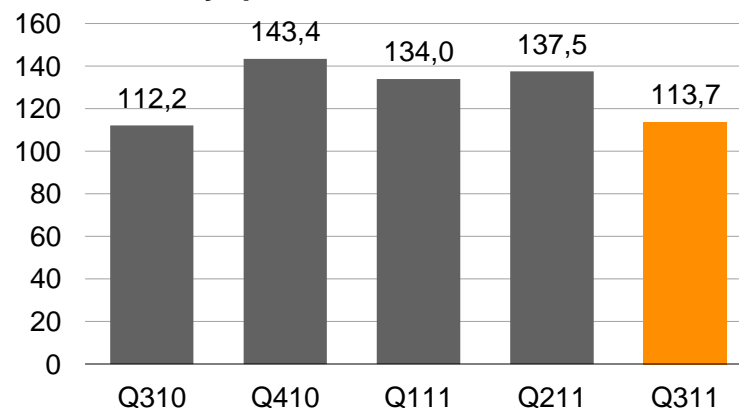


# Net Sales and EBIT in Q3 2011

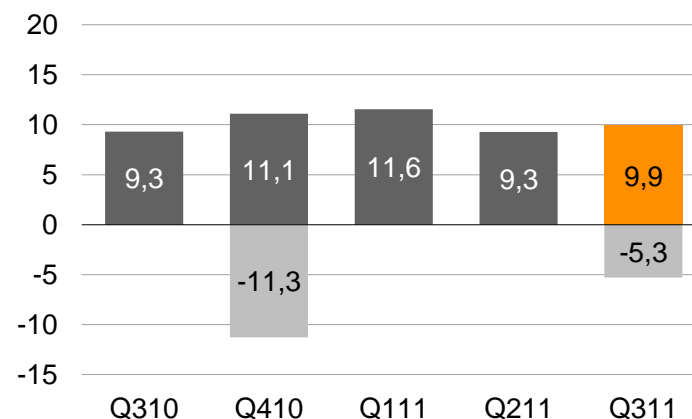
## EMEA segment

- Net sales 113.7 MEUR (112.2); +1% or +1 % at comparable currency rates
- EBIT excl. non-recurring items 9.9 MEUR (9.3); +7%
- Sales growth driven by Garden business
- Fiskars booked a non-recurring loss of EUR 5.3 million related to the divestment of Silva during the period

Net sales by quarter, MEUR



EBIT by quarter, MEUR



EBIT % 8,3 % 7,7 % 8,6 % 6,7 % 8,7 %

■ EBIT excluding non-recurring items  
■ Non-recurring items

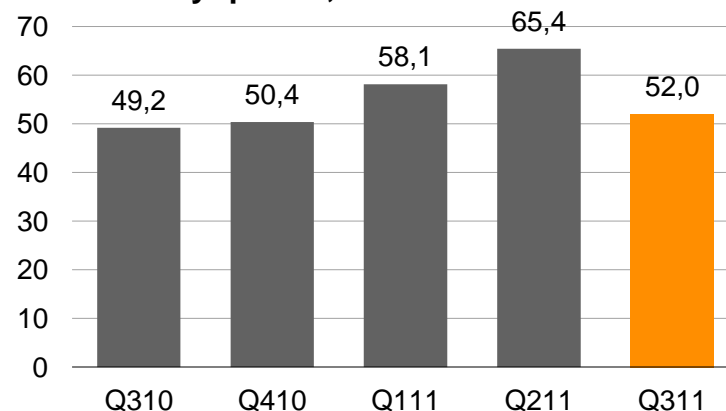
**FISKARS**

# Net Sales and EBIT in Q3 2011

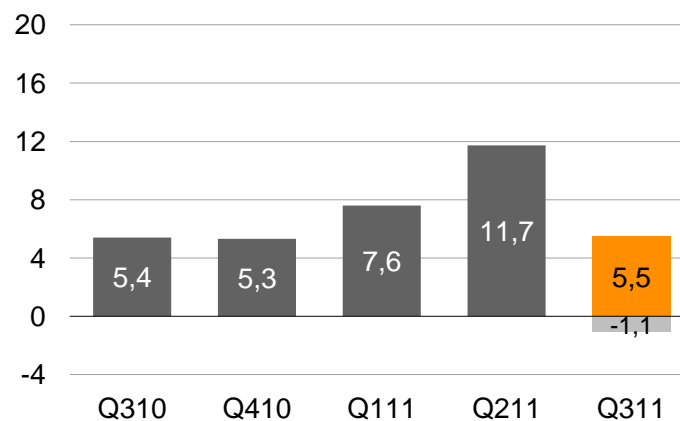
## Americas segment

- Net sales 52.0 MEUR (49.2); +6% or +15 % at comparable currency rates
- EBIT excl. non-recurring items 5.5 MEUR (5.4); +2%
- Good sales development across all businesses, led by Outdoor
- Strong performance in Outdoor contributed to EBIT
- The segment recorded a EUR 1.1 million non-recurring item related to a product recall

Net sales by quarter, MEUR



EBIT by quarter, MEUR



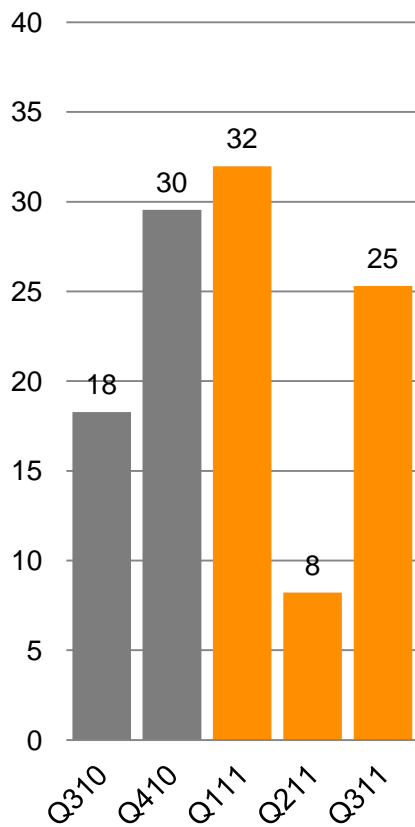
EBIT % 10,9 % 10,5 % 13,0 % 17,9 % 10,6 %

■ EBIT excluding non-recurring items  
■ Non-recurring items

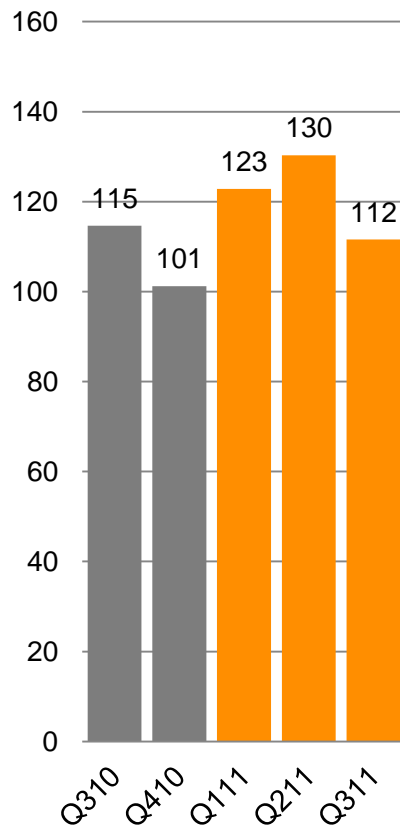
**FISKARS**

# Cash flow and debt Q3 2011, MEUR

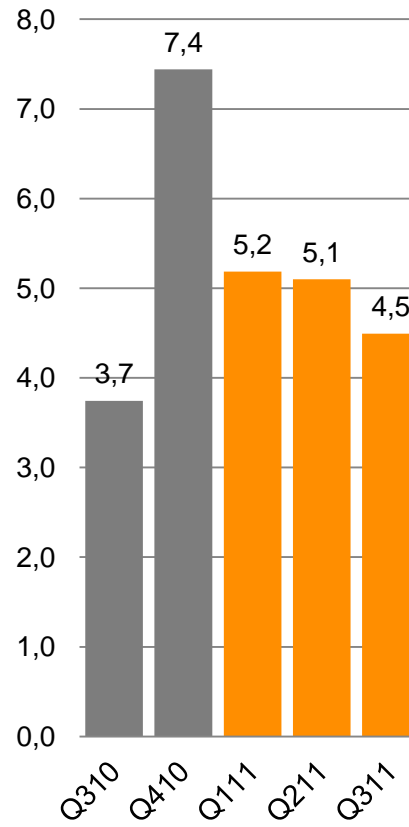
**CF from operating activities**



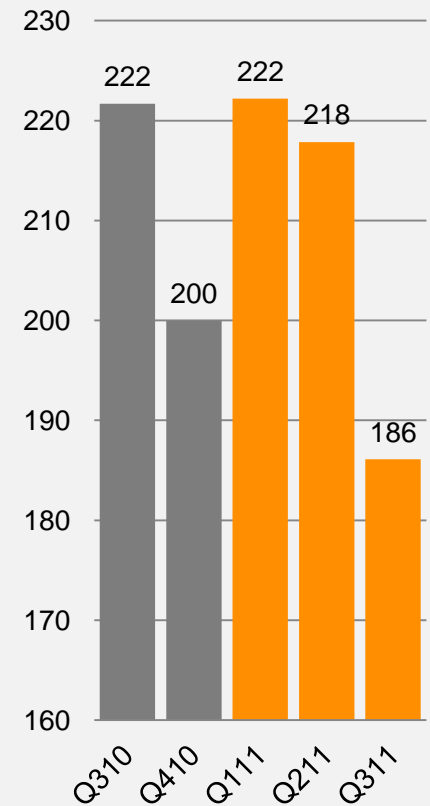
**Working Capital**



**Capital expenditure**

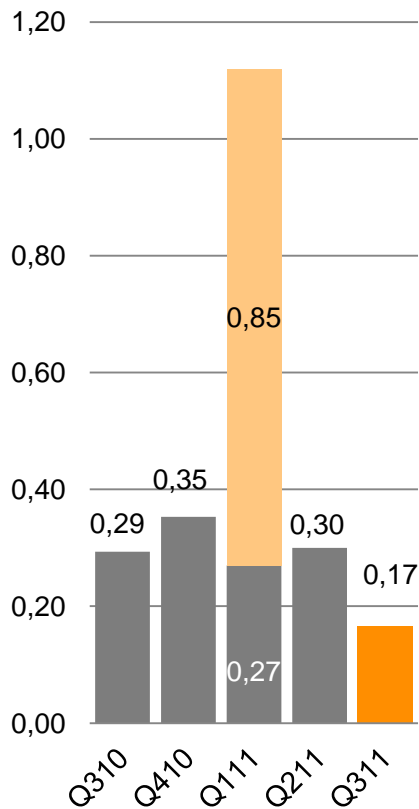


**Net debt**

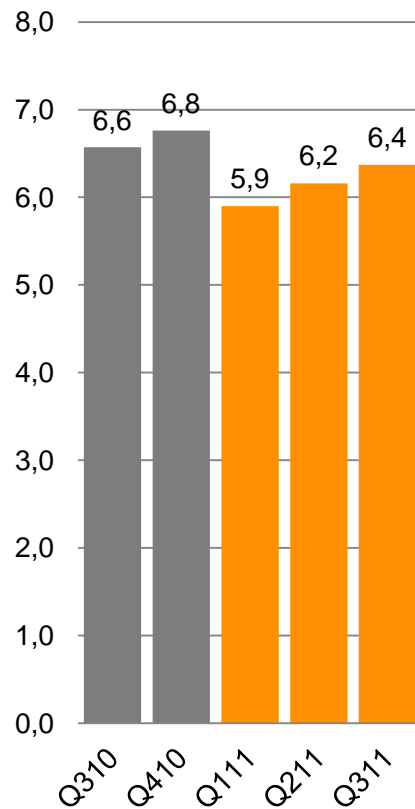


# Key ratios in Q3 2011

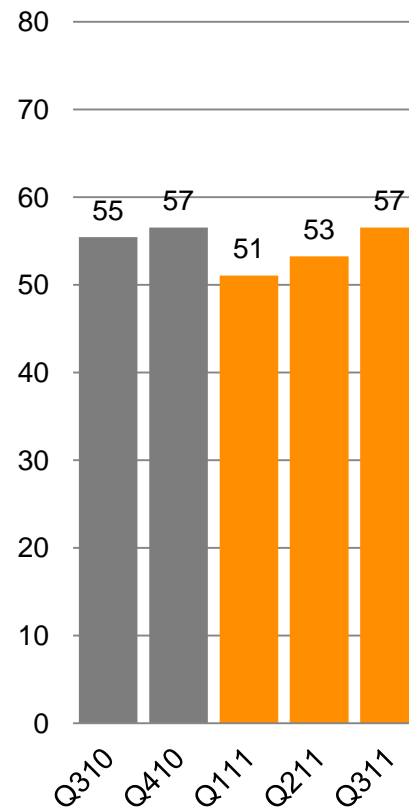
**EPS\***



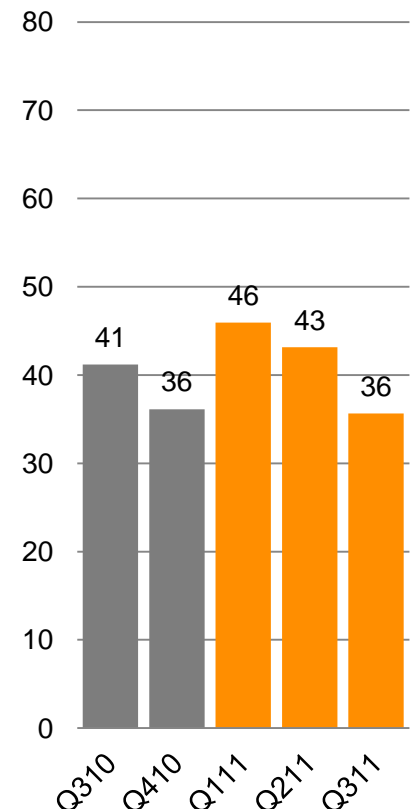
**Equity per Share**



**Equity ratio, %**



**Gearing, %**



Gain of Wärtsilä sales  
Excl. Wärtsilä sales

# Q3

## Outlook for 2011



# Outlook for 2011 unchanged

- Full-year net sales and operating profit excluding non-recurring items are expected to increase compared to 2010
- In the beginning of the year, Fiskars expected the general market situation to remain positive in 2011. Since then, uneasiness about the economic outlook has increased.
- The trade is expected to continue focusing on working capital, and retailer purchasing to remain cautious
- Associated company Wärtsilä will continue to have a major impact on Fiskars' profit and cash flow in 2011



# Q3 2011

## In a nutshell



# FISKARS

# Key figures Q3 2011

EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Net sales	165.3	159.5	4%	555.2	525.3	6%
Operating profit (EBIT)*	6.8	12.9	-47%	42.1	47.7	-12%
Operating profit excluding non-recurring items	13.1	12.9	2%	48.4	47.7	1%
Share of profit from associated company	7.5	17.3	-56%	29.3	35.9	-18%
Change in the fair value of standing timber	-0.1	-0.6		-0.9	-1.8	
Profit before taxes**	14.8	26.6	-44%	138.3	76.3	81%
Profit for the period**	13.6	24.1	-43%	129.7	65.4	98%
Earnings per share, EUR	0.17	0.29		1.58	0.80	
Equity per share, EUR				6.37	6.57	-3%
Cash flow from operating activities***	25.3	18.3	38%	65.5	63.0	4%
Equity ratio, %				57%	55%	
Net gearing, %				36%	41%	
Capital expenditure	4.6	3.5	33%	14.9	11.0	35%
Personnel (FTE), average	3,463	3,631	-5%	3,606	3,594	0%

\* Including a non-recurring loss of EUR 5.3 million related to the sale of Silva and a EUR 1.1 million non-recurring loss related to product recalls in Q3 2011

\*\* Including a non-recurring profit of EUR 69.8 million from the sale of Wärtsilä shares in Q1 2011

\*\*\* Including Wärtsilä dividend of EUR 40.9 million in Q1 2011 (29.5)



# Q3

## Appendixes



# Fiskars IR Calendar and Contact Information

- Q1 Interim Report May 5, 2011
- Q2 Interim Report August 5, 2011
- Q3 Interim Report October 27, 2011

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