FISKARS GROUP

Fiskars Group

Half-year financial report

January–June 2021

HALF-YEAR FINANCIAL REPORT JANUARY–JUNE 2021

All-time high comparable EBITA during the first half of the year

SECOND QUARTER 2021 IN BRIEF:

- Net sales increased by 9.7% to EUR 307.2 million (Q2 2020: 280.0)
- Comparable net sales[1] increased by 14.1% to EUR 307.2 million (269.3)
- EBITA increased to EUR 41.9 million (27.5)
- Comparable[2] EBITA increased by 56.7% to EUR 44.8 million (28.6)
- Cash flow from operating activities before financial items and taxes decreased to EUR 46.7 million (55.8)
- Earnings per share (EPS) were EUR 0.38 (0.14)

JANUARY-JUNE 2021 IN BRIEF:

- Net sales increased by 13.6% to EUR 609.4 million (Q1-Q2 2020: 536.2)
- Comparable net sales[1] increased by 18.5% to EUR 609.4 million (514.4)
- EBITA increased to EUR 91.0 million (39.4)
- Comparable[2] EBITA increased by 99.0% to EUR 94.7 million (47.6)
- Cash flow from operating activities before financial items and taxes increased to EUR 57.4 million (18.3)
- Earnings per share[3] (EPS) were EUR 0.48 (0.20)

OUTLOOK FOR 2021 UPGRADED ON JUNE 23, 2021:

On June 23, 2021, Fiskars upgraded its outlook for 2021 as the company's financial performance in the second quarter had been better than previously expected. The company now expects the comparable EBITA for 2021 to be in the range of EUR 140-160 million. According to the previous outlook issued on April 19, 2021, the comparable EBITA in 2021 was expected to be in the range of EUR 130-145 million.

Visibility continues to be low due to the COVID-19 pandemic, which is profoundly impacting consumers' lives in terms of changes in for example disposable income, purchasing choices and consumer behavior. These may bring challenges as well as opportunities for Fiskars Group. The seasonality of both trade and consumer demand may continue to differ from a typical year. In addition, there have been challenges in global supply chains and increasing raw material price inflation. While the company has managed to mitigate these factors, they continue to have an impact.

The fourth quarter of the year has typically been seasonally the most important one for Fiskars Group, particularly for Business Area Vita. The market conditions are volatile and consumer demand in the fourth quarter impacts sales performance particularly during the gifting season. In previous years approximately one third of full-year sales in BA Vita has been generated through the company's direct channel, i.e. own stores and direct e-commerce.

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.

3) EPS in Q1 2021 impacted negatively by the unfavorable ruling in the tax dispute (EUR 0.35 per share).

CEO'S REVIEW

NATHALIE AHLSTRÖM
President & CEO

Fiskars Group continued to perform well during the second quarter, as overall demand remained strong and our own actions yielded results. Consequently, net sales and comparable EBITA increased from the previous year's level, wrapping up an unforeseen strong start to the year.

Business Area Vita improved clearly from a weak second quarter in 2020. The performance was supported by a good rebound in sales as well as increased benefits from the ongoing Transformation and Restructuring programs. The strong growth in China continued, with net sales doubling from the previous year's level. The expansion proceeded and during the quarter, we opened new stores, including the first Royal Copenhagen store in the country. Our growth in China is driven by luxury products from the Wedgwood and Royal Copenhagen brands. Overall, our efforts to improve the performance of the English & Crystal Brands are yielding results, in particular for Wedgwood.

I'm also glad to see that comparable net sales in Terra continued to grow, and Crea reached the previous year's level despite the unusually strong comparison period figures, particularly in the Americas. Both Business Areas have improved their performance in Europe and are in a good position to grow in the long term.

We have progressed well during the first half of the year. When looking at the performance, it's important to bear in mind that the pandemic has altered consumer habits and needs, shifting the seasonality of both trade and consumer demand. This phenomenon may continue, and create differences compared to a typical year. Looking forward, the second half of the year is up against strong comparison figures from 2020.

At the same time, we need to focus on creating organic growth in the longer term. A strong digital business is a pre-requisite for growth and while we have invested in this field, we are committed to doing more. We will continue to develop our capabilities within data, direct-to-consumer and the consumer experience, to support our growth ambitions. To implement this, we will need to make upfront investments starting in the third quarter of 2021. We have also made changes to our current IT operations, which will bring savings in 2022 and onwards. We expect these upfront investments and savings to be broadly cost neutral over time.

CEO’S REVIEW

There are challenges in supply chains on a global scale which continue to impact our operations as well. Raw materials and logistics costs have risen rapidly and at the same time, there are availability issues in several categories. We expect the challenges posed by inflation and availability issues to persist throughout 2021.

Our ongoing programs are making progress. We expect to close the Vita transformation program by the end of the year, whereas the closing of the Restructuring program might be delayed until the first quarter of 2022. For the Vita transformation program, the costs are estimated to be approximately EUR 5 million lower than previously anticipated and the estimated benefits will be realized. A majority of the benefits will be visible by the end of 2021.

We appointed Jussi Siitonen as new Chief Financial Officer and deputy to the CEO. He starts in his role in mid-August, and the current CFO Sari Pohjonen continues in her role until Jussi joins the company. I would like to thank Sari for her dedication and leadership, as she has ensured that the team generated outstanding results in challenging times. In addition, I would like to express my gratitude towards all our employees. They have worked hard and showed flexibility and resilience, delivering the strong results in the quarter.

Nathalie Ahlström
President & CEO

NATHALIE AHLSTRÖM
President & CEO

GROUP KEY FIGURES

EUR million	Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change	2020
Net sales	307.2	280.0	9.7%	609.4	536.2	13.6%	1,116.2
Comparable net sales[1)]	307.2	269.3	14.1%	609.4	514.4	18.5%	1,094.5
EBITA	41.9	27.5	52.4%	91.0	39.4	130.9%	125.8
Items affecting comparability in EBITA[2)]	-2.9	-1.1	168.1%	-3.7	-8.2	-55.1%	-11.0
Comparable EBITA	44.8	28.6	56.7%	94.7	47.6	99.0%	136.8
Operating profit (EBIT)	38.5	20.8	85.3%	84.3	29.1	189.3%	98.0
Profit before taxes	40.4	16.3	147.9%	82.2	24.8	232.1%	89.8
Profit for the period	31.4	11.1	183.5%	39.5	16.2	144.2%	68.5
Earnings per share, EUR[3)]	0.38	0.14	182.0%	0.48	0.20	144.8%	0.83
Equity per share, EUR				9.27	9.23		9.30
Cash flow from operating activities before financial items and taxes	46.7	55.8	-16.3%	57.4	18.3	213.5%	223.8
Equity ratio, %				56%	49%		57%
Net gearing, %				19%	38%		19%
Capital expenditure	8.2	6.7	21.7%	14.2	11.7	21.5%	30.0
Personnel (FTE), average	6,033	6,021	0.2%	5,971	6,197	-3.7%	6,104

1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

2) In Q2 2021, items affecting comparability consisted of items related to the transformation and restructuring programs.

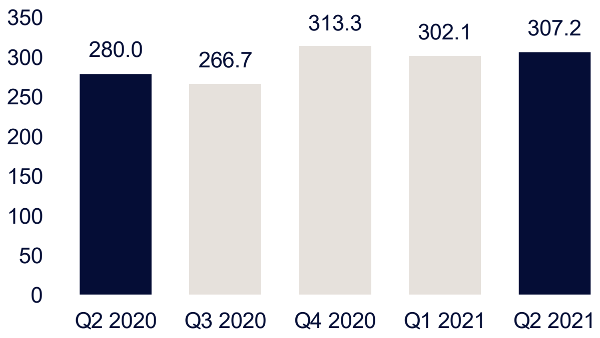
3) EPS in Q1 2021 impacted negatively by the unfavorable ruling in the tax dispute (EUR 0.35 per share).

GROUP PERFORMANCE

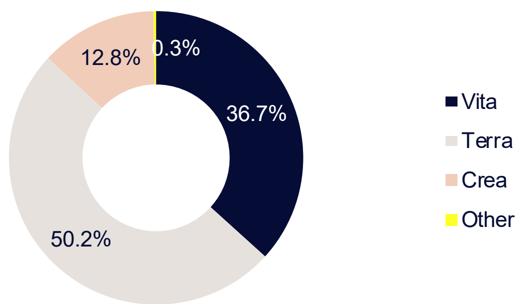
EUR million	Q2 2021	Q2 2020	Change	Comparable change*	Q1-Q2 2021	Q1-Q2 2020	Change	Comparable change*	2020
Net sales									
Group	307.2	280.0	9.7%	14.1%	609.4	536.2	13.6%	18.5%	1,116.2
Vita	115.6	80.9	42.9%	44.5%	223.8	174.5	28.2%	30.2%	456.6
Terra	148.7	153.7	-3.3%	1.6%	305.7	283.0	8.0%	14.2%	493.8
Crea	42.2	44.8	-5.8%	-0.3%	78.1	77.0	1.4%	7.0%	162.0
Other	0.8	0.7	16.3%	16.0%	1.8	1.7	1.1%	1.0%	3.8
Comparable EBITA									
Group	44.8	28.6	56.7%		94.7	47.6	99.0%		136.8
Vita	14.0	-7.9			26.5	-11.5			41.0
Terra	18.6	27.1	-31.5%		50.8	46.5	9.3%		67.5
Crea	11.7	12.7	-8.2%		20.2	18.3	9.8%		41.1
Other	0.5	-3.3			-2.8	-5.8	51.9%		-12.8

*Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

NET SALES, EUR MILLION



NET SALES SPLIT BY SEGMENT, JANUARY-JUNE 2021



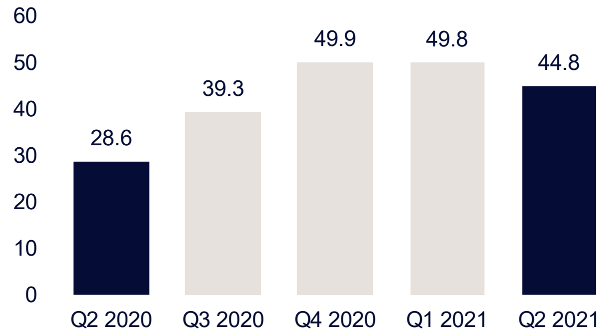
FISKARS GROUP NET SALES IN Q2 2021

Fiskars Group's consolidated net sales increased by 9.7% to EUR 307.2 million (Q2 2020: 280.0). Comparable net sales increased by 14.1%, driven by the Vita segment and the direct channel in particular. In Terra, the comparable net sales increased and in Crea remained close to the previous year's level.

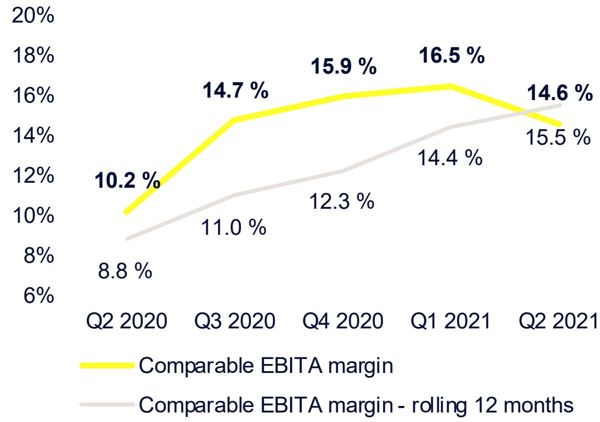
FISKARS GROUP NET SALES IN Q1-Q2 2021

Fiskars Group's consolidated net sales increased by 13.6% to EUR 609.4 million (Q1-Q2 2020: 536.2). Comparable net sales increased by 18.5%, supported by all Business Areas. Strong demand supported the increase in net sales.

FISKARS GROUP COMPARABLE EBITA, EUR MILLION



FISKARS GROUP COMPARABLE EBITA MARGIN



FISKARS GROUP COMPARABLE EBITA IN Q2 2021

Fiskars Group's comparable EBITA increased by 56.7% to EUR 44.8 million (Q2 2020: 28.6). The comparable EBITA increased in Business Area Vita, where an increase in net sales and an improved channel mix had a positive impact. However, in BA Terra and Crea, the comparable EBITA decreased. For both, some sales had already been shifted from the second quarter to the first, with early load-in to customers. Additionally, higher raw material and logistics costs weighed on profitability.

At the Group level, the ongoing Transformation and Restructuring programs had a positive impact on profitability. At the same time, the previous year's figures were supported by temporary cost savings.

FISKARS GROUP COMPARABLE EBITA IN Q1-Q2 2021

Fiskars Group's comparable EBITA increased by 99.0% to EUR 94.7 million (Q1-Q2 2020: 47.6). The comparable EBITA increased in all Business Areas. It was supported by an increase in net sales, an improvement in gross margin from a more favorable product and channel mix as well as the benefits from the ongoing programs.

OPERATING ENVIRONMENT IN Q2 2021

The COVID-19 –pandemic continued to impact the operating environment. The situation has started to stabilize, as vaccinations are progressing, and lockdowns and restrictions are gradually being eased. Still, the situation varies significantly by country.

The number of store closures has continued to decrease during the quarter. Despite the decreased impact on brick-and-mortar stores, the importance of e-commerce and hybrid models (such as curbside pickup) is more prominent than before the pandemic.

Global supply chains have been under pressure, as the pandemic is still having an impact on consumer demand and the global economy. The challenges have included a lack of sufficient logistics capacity and port congestions. This has resulted in higher freight costs and longer delivery times. Additionally, raw material prices have risen rapidly.

The weather conditions have mostly been favorable during the quarter.

REPORTING SEGMENTS

This half-year financial report reflects Fiskars Group's organizational structure, which features three Business Areas (BA): Vita, Terra and Crea. Fiskars Group's four primary reporting segments are Vita, Terra, Crea and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

BA Vita offers premium and luxury products for the tableware, drinkware and interior categories. It consists of brands such as Iittala, Royal Copenhagen, Waterford and Wedgwood.

BA Terra consists of the gardening, watering, and outdoor categories. The brands include Fiskars, Gerber and Gilmour.

BA Crea consists of the scissors and creating as well as the cooking categories, mainly with the Fiskars brand.

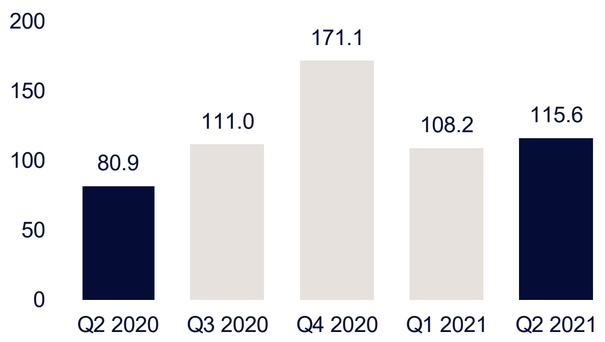
The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

VITA SEGMENT

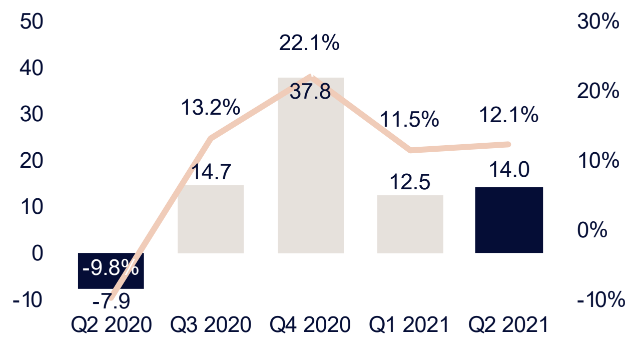
EUR million	Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change	2020
Net sales*	115.6	80.9	42.9%	223.8	174.5	28.2%	456.6
Comparable EBITA	14.0	-7.9		26.5	-11.5		41.0
Capital expenditure	3.9	3.6	7.7%	7.2	5.6	28.2%	16.3

*Using comparable exchange rates, net sales increased by 44.5% in Q2 2021 and by 30.2% in Q1-Q2 2021.

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



VITA SEGMENT IN Q2 2021

Net sales in the Vita segment increased by 42.9% to EUR 115.6 million (Q2 2020: 80.9). Comparable net sales increased by 44.5%, rebounding from a difficult Q2 2020, when the pandemic had a more significant negative impact on the financial performance. Comparable net sales grew in most markets, brands, categories and channels.

Geographically there was strong growth across the markets. While China was the strongest driving force, the business performed well in for example the Nordics and the Americas. The pandemic still had a negative impact on Vita, as tourism has not recovered. Additionally, there were still some store closures that had a negative impact on sales, although the number of closures decreased from the first quarter of 2021.

Comparable EBITA in the Vita segment increased during the quarter and amounted to EUR 14.0 million (-7.9). The comparable EBITA was supported by many factors. Sales volumes increased, pricing improved and the positive impact from the ongoing programs has increasingly supported profitability. On the other hand, there were several new store openings, which increased costs.

VITA SEGMENT IN Q1-Q2 2021

Net sales in the Vita segment increased by 28.2% to EUR 223.8 million (Q1-Q2 2020: 174.5). Comparable net sales increased by 30.2%. The key growth drivers were China and the direct channel. Net sales increased for most of the brands. It is worth noting that the figures for the first half of 2020 were negatively impacted by the pandemic.

Net sales increased in many important markets. The strongest growth was in China, the rest of the Asia-Pacific region and Continental Europe. On the other hand store closures and weak demand in the hospitality channel weighed on sales in the U.K. and Ireland.

On a channel level, net sales increased most in e-commerce, both direct and indirect. The entire direct channel posted positive growth figures, even though temporary store closures had a negative impact on net sales. The hospitality channel continued to be negatively impacted by the pandemic.

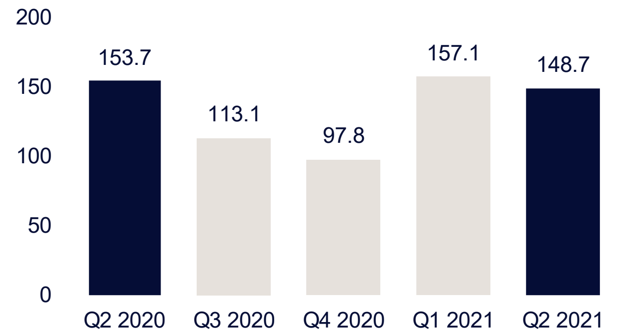
Comparable EBITA in the Vita segment increased and amounted to EUR 26.5 million (-11.5). The comparable EBITA was supported by many factors. Sales volumes increased and the channel mix was more favorable driven by a higher share of the direct channel. The positive impact from the ongoing programs has also increasingly supported profitability.

TERRA SEGMENT

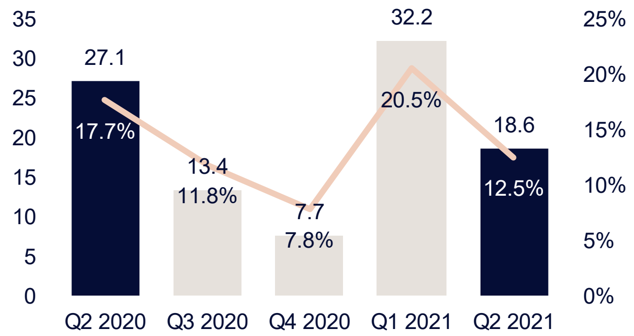
EUR million	Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change	2020
Net sales*	148.7	153.7	-3.3%	305.7	283.0	8.0%	493.8
Comparable EBITA	18.6	27.1	-31.5%	50.8	46.5	9.3%	67.5
Capital expenditure	2.9	2.2	33.5%	5.0	4.3	17.1%	9.9

*Using comparable exchange rates, net sales increased by 1.6% in Q2 2021 and by 14.2% in Q1-Q2 2021.

NET SALES (EUR MILLION)



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



TERRA SEGMENT IN Q2 2021

Net sales in the Terra segment decreased by 3.3% to EUR 148.7 million (Q2 2020: 153.7). Comparable net sales increased by 1.6%, against strong figures from Q2 2020 particularly in the Americas.

On a category level, net sales were supported by the Outdoor and Fixing categories, whereas it decreased in watering. Sales in the gardening category remained close to the previous year’s level. Net sales increased in Continental Europe, Finland and Russia. On the other hand, sales in the Americas decreased. Overall, availability issues had a negative impact on net sales.

Comparable EBITA in the Terra segment decreased during the quarter and amounted to EUR 18.6 million (27.1). The comparable EBITA decreased as a result of higher raw material and logistics costs, as well as increased spending on marketing.

TERRA SEGMENT IN Q1-Q2 2021

Net sales in the Terra segment increased by 8.0% to EUR 305.7 million (Q1-Q2 2020: 283.0). Comparable net sales increased by 14.2%, driven by the majority of markets.

Net sales increased in all categories and was especially supported by Continental Europe. In Americas, reported net sales decreased due to currency effects, as comparable net sales continued to grow. Overall, availability challenges had a negative impact on net sales.

During the first quarter, net sales were supported by the strong load-in to customers ahead of the important spring gardening season. This also had an impact on the second quarter performance, as some sales already had been shifted from the second quarter to the first, with early load-in to customers.

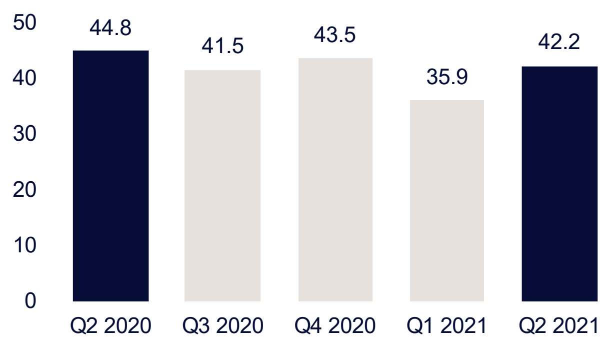
Comparable EBITA in the Terra segment increased and amounted to EUR 50.8 million (46.5). The comparable EBITA increased mainly as a result of the increase in net sales, while increased manufacturing and logistics costs had a negative impact.

CREA SEGMENT

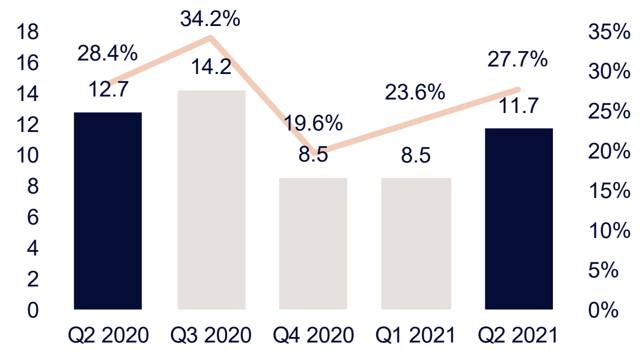
EUR million	Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change	2020
Net sales*	42.2	44.8	-5.8%	78.1	77.0	1.4%	162.0
Comparable EBITA	11.7	12.7	-8.2%	20.2	18.3	9.8%	41.1
Capital expenditure	1.0	0.6	64.5%	1.6	0.8	97.6%	1.8

*Using comparable exchange rates, net sales decreased by 0.3% in Q2 2021 and increased by 7.0% in Q1-Q2 2021.

NET SALES (EUR MILLION)



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



CREA SEGMENT IN Q2 2021

Net sales in the Crea segment decreased by 5.8% to EUR 42.2 million (Q2 2020: 44.8). Comparable net sales decreased by 0.3%, against strong figures from Q2 2020, in particular in the Americas.

Net sales growth in Continental Europe and the Nordics compensated for the decrease in the Americas. The boost in demand in the Americas from people staying at home during the pandemic is normalizing.

On a category level, net sales increased in cooking, and decreased in scissors & creating tools. When looking at the sales by channel, the main driver of growth was the direct channel. Sales in own physical stores increased in particular.

Comparable EBITA in the Crea segment decreased during the quarter and amounted to EUR 11.7 million (12.7). The decrease from the previous year's level is mainly due to higher costs, while the product mix had a positive impact on profitability.

CREA SEGMENT IN Q1-Q2 2021

Net sales in the Crea segment increased by 1.4% to EUR 78.1 million (Q1-Q2 2020: 77.0). Comparable net sales increased by 7.0%.

Net sales increased in Europe, led by Continental Europe. At the same time, net sales decreased in the Americas, where the comparison figures from 2020 were strong. The key driving force behind growth was the cooking category, where the expansion in Europe has proceeded well.

When looking at channels, net sales in the direct channel increased. A decrease in restrictions and lockdowns had a positive impact on net sales in own physical stores.

Comparable EBITA in the Crea segment increased to EUR 20.2 million (18.3). The comparable EBITA was mainly supported by increased volumes and a more favorable product mix, while higher raw material and logistics costs had a negative impact.

CONSUMER EVERYDAY

Royal Copenhagen opened its first retail store in mainland China. The opening event was attended by members of the Danish consulate, Chinese influencers as well as the press. The Group's expansion in China is based on Wedgwood and Royal Copenhagen. Wedgwood also opened two new tearooms in China during the quarter to support the brand-building efforts.

Once again, Fiskars has won the prestigious 'Red Dot: Best of the Best' award. This time, the award was given for the innovative range of garden pruners, including bypass and anvil pruners. The range is divided into three categories: Fiskars Solid™, Fiskars Plus™ and the Fiskars X-series™.

Waterford launched a new high-end series called Mastercraft Stellar, consisting of interior products and drinkware hand-crafted in Ireland. The series spearheads the Waterford brand transformation, showcasing the new visual brand identity and updated aesthetic. The launch has been very well received in Waterford's markets, and has been widely complimented by trade and media partners.

Iittala announced the expansion of the recycled product range. This range of products, made from 100% recycled glass, was first launched in 2019 and expanded in 2020. In the fall of 2021, the range will be expanded with seven new products.

Iittala tested a new shopping format in Sweden. Based on the live shopping phenomenon in China, the brand trialed the format out of its flagship store in Stockholm. Presenters were livestreamed from the store on the Iittala website.

Fiskars launched a pilot for recoating frying pans. The pilot lasted for two weeks at two locations in Finland. Consumers were offered the chance to have their worn-out Fiskars-branded frying pans recoated at an affordable price. Recoating pans saves on natural resources as it extends the life of the product. The company will review the results of the pilot and decide on a possible expansion later.

Fiskars arranged a food gardening campaign in the Americas. This campaign supports the launch of new food gardening in the Americas through partnerships with key influencers, PR efforts and paid media campaigns.

In Continental Europe, Fiskars organized activities around the Happy Bee -campaign. This campaign is an initiative to support bees and is in line with the brands' purpose of wellbeing and sustainability. The activities included media coverage and an influencer campaign, including an urban planting influencer event on World Bee Day (May 20) in a green public space in Berlin.

Waterford Stellar

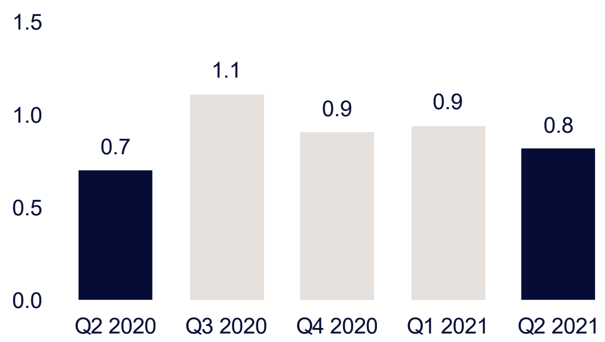
Royal Copenhagen store in Shanghai

Fiskars food gardening tools

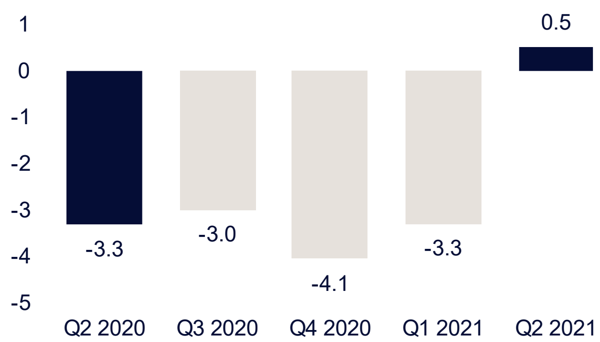
OTHER SEGMENT

EUR million	Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change	2020
Net sales	0.8	0.7	16.3%	1.8	1.7	1.1%	3.8
Comparable EBITA	0.5	-3.3		-2.8	-5.8	51.9%	-12.8
Capital expenditure	0.3	0.3	19.9%	0.4	1.0	-57.0%	2.2

NET SALES (EUR MILLION)



COMPARABLE EBITA (EUR MILLION)



OTHER SEGMENT IN Q2 2021

Net sales in the Other segment amounted to EUR 0.8 million (Q2 2020: 0.7), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR 0.5 million (-3.3). The change was due to timing differences in spending.

OTHER SEGMENT IN Q1-Q2 2021

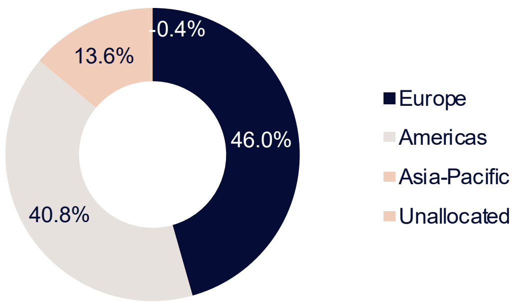
Net sales in the Other segment amounted to EUR 1.8 million (Q1-Q2 2020: 1.7), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -2.8 million (-5.8).

NET SALES BY GEOGRAPHY

EUR million	Q2 2021	Q2 2020	Change	Comparable change*	Q1-Q2 2021	Q1-Q2 2020	Change	Comparable change*	2020
Europe	136.6	104.0	31.3%	29.9%	280.4	223.1	25.7%	25.7%	495.9
Americas	129.5	142.4	-9.1%	-1.2%	248.5	250.4	-0.8%	8.2%	471.6
Asia-Pacific	42.2	33.3	26.9%	28.4%	83.1	63.9	30.0%	32.2%	154.1
Unallocated**	-1.0	0.3			-2.7	-1.2			-5.4

*Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.
**Geographically unallocated exchange rate differences.

FISKARS GROUP NET SALES SPLIT BY GEOGRAPHY, JANUARY-JUNE 2021



NET SALES IN Q2 2021

Net sales in Europe increased by 31.3% and amounted to EUR 136.6 million (Q2 2020: 104.0). Comparable net sales increased by 29.9%. Growth was driven by an overall strong performance in most markets.

Net sales in the Americas decreased by 9.1% to EUR 129.5 million (142.4). Comparable net sales decreased by 1.2%, weighed down by Terra and Crea. On the other hand, net sales for Vita increased.

Net sales in Asia-Pacific increased by 26.9% to EUR 42.2 million (33.3). Comparable net sales increased by 28.4%. This was driven by the Vita segment in most countries, China in particular.

NET SALES IN Q1-Q2 2021

In Europe, net sales increased by 25.7% and amounted to EUR 280.4 million (Q1-Q2 2020: 223.1). Comparable net sales increased by 25.7%. Growth was driven by all markets with the exception of U.K. and Ireland, which remained at the previous year's level as a result of temporary store closures.

Net sales in the Americas decreased by 0.8% to EUR 248.5 million (250.4). Comparable net sales increased by 8.2%, supported by all business areas, the Vita segment in particular.

Net sales in Asia-Pacific increased by 30.0% to EUR 83.1 million (63.9). Comparable net sales increased by 32.2%. This was driven by the Vita segment in most countries, China in particular.

THE IMPACT OF THE COVID-19 PANDEMIC ON FISKARS GROUP IN JANUARY-JUNE 2021

Market situation

The market situation has been volatile throughout the pandemic. It was most challenging in March-April 2020, after which it improved clearly, and the situation has started to show signs of stabilization during the first half of 2021. Throughout the pandemic there have been significant differences by category and market. Overall, consumers have shifted their focus to e-commerce channels as a result of lockdowns and store closures, which has impacted retailers as well.

In the Vita categories demand started to improve during the end of 2020 and the first half of 2021. Still, store closures have negatively impacted the performance. Gifting is an important part of the business, and this is still being hit by social distancing and restrictions on holding meetings. Additionally, customers in the hospitality channel (i.e. hotels, cruise lines, airlines) have largely halted investments.

In the Terra and Crea categories the pandemic had a different impact. Demand has been strong, as people have spent more time at home. In particular, the gardening and watering categories have seen increased consumer interest. Also, these categories have not been hit by store closures to the same extent as for Vita. For Crea, the demand for scissors and sewing products has increased as people have spent more time at home. During the second quarter of 2021, the growth in demand has leveled for both Terra and Crea.

Temporary cost-cutting measures

At the beginning of the pandemic, proactive steps were swiftly introduced to lessen the negative impacts of COVID-19 on operations around the world. As the situation evolved during the course of 2020, a broad range of cost savings were implemented. Most of these measures were taken starting in the second quarter of 2020 and were visible in the financial performance from the second quarter onwards. In 2021, these measures have only had a minor impact on profitability.

Own stores

The company had to temporarily close stores due to the pandemic, starting in the Asia-Pacific region as early as January 2020. The closures and reopenings varied by country and even by city. The closures reached a high in April 2020, when a significant amount of the Group's stores were closed. The number of store closures has since been at a lower level. At the end of the second quarter of 2021, only a small number of stores were closed.

Supply chain

The pandemic has impacted most of the company's own production units. During the pandemic, some units have been temporarily closed to adjust to the decrease in demand, while others increased production volumes. In all units, new arrangements were put in place in order to meet regulations ensuring the health and wellbeing of employees. The strong demand and challenges in the global logistics chains have put pressure on the supply chain, during 2021 in particular.

Financial position

The liquidity of Fiskars Group remained strong during the first half of 2021. Actions to secure liquidity with short term borrowing were promptly taken during the first quarter of 2020. Driven by the strong cash flow, the remainder of these loans was repaid during the second quarter of 2021.

Throughout the COVID-19 pandemic, Fiskars Group has intensely followed up on and assessed the credit risks of trade receivables. The existing bad debt provision model for expected credit losses is based on the age groups of the trade receivables. Bad debt provision increases in line with the age of the trade receivables, so as the model is followed, the increased credit risk in the form of more mature trade receivables results in a higher bad debt provision. The model is adjusted for forward-looking information. Credit losses have remained at a historically normal level during 2021.

The credit risk of trade receivables and the amount of bad debt provision was analyzed at the end of the reporting period, with the conclusion being that sufficient provisions have been made.

RISKS AND BUSINESS UNCERTAINTIES

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

The COVID-19 pandemic continues to impact societies around the world and pose a risk for the full-year performance. The pandemic has profoundly impacted consumers' lives in terms of changes in, for example, disposable income, purchasing choices and consumer behavior. More time spent at home has led to increased demand for certain Fiskars Group product categories and this has presented challenges to Fiskars Group's supply chain. The global supply chains in general are impacted by various disturbances caused by the pandemic, which can further affect Fiskars Group's operations. Continuing safety concerns around COVID-19 can negatively impact sales in the Group's physical stores. However, in the absence of an escalation of the pandemic in the company's key markets, consumer confidence may also strengthen and demand may surge in some categories. In other categories, the demand can be negatively impacted if people spend less time at home, once the pandemic eases.

The seasonality of the product categories plays a role. For the gardening and watering categories in the Terra segment, the second quarter of the year is seasonally the most important one. The back-to-school and holiday seasons are important for the sales performance of Crea during the second half of the year. For the Vita segment, the fourth quarter is the most important quarter. Any negative developments related to product availability, demand or increased costs from manufacturing or logistics during the important seasons for each of the segments can significantly affect the full-year result. The seasonality of demand may differ from a typical year due to the current volatile market conditions and depending on the development of the pandemic.

Demand for some of Fiskars 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 spring and summer and/or snowless winter can have a negative impact on the sale of these products whereas favorable conditions can boost their sales.

Fiskars Group operates globally, with a considerable part of the business in the U.S. and several suppliers in Asia. Growing signs of rising protectionism and consumer concerns over products' country of origin may impact Fiskars Group's business and operations. Ongoing trade tensions between the U.S. and China may have a further negative impact on Fiskars Group's business and on the comparable EBITA in 2021.

With a significant part of the business in the U.S. and in other countries outside of the Euro zone, Fiskars Group is exposed to fluctuations in foreign currency rates. A weakening of the U.S. dollar or other currencies relative to the euro may have a material impact on the reported financial figures as a result of the translation exposure. Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessments of taxes.

ONGOING PROGRAMS

RESTRUCTURING PROGRAM

During the first half of 2020, Fiskars Group changed its organizational structure and simplified the organization to continue to build one company with a common purpose, strategy and values.

The company also launched a company-wide Restructuring Program, announced in December 2019, 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 is looking for synergies and efficiencies in the selling and administrative spending. In addition, the company is evaluating 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. The program was originally estimated to be completed by the end of 2021. According to an updated estimate, the program will be completed by the end of the first quarter of 2022.

The total costs of the program are expected to be approximately EUR 30 million by the end of the first quarter of 2022, of which EUR 10.1 million had been recorded by the end of June 2021. The costs will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues investments in growth initiatives that are expected to add sustainable value in the long-term, e.g., in e-commerce and new business opportunities.

TRANSFORMATION PROGRAM

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

The program targeted annual cost savings of approximately EUR 17 million, subject to the full implementation of the program. The targeted cost savings were expected to be achieved gradually, and the majority of the savings were expected to materialize in the Group's results after the program is completed, which was estimated to be by the end of 2021. The company can now confirm that the benefits will be realized, and a majority of the benefits are already being visible by the end of 2021.

The total costs of the program were originally expected to be approximately EUR 40 million in 2018–2021. The costs are now estimated to approximately EUR 5 million lower than originally anticipated. EUR 24.7 million of the costs had been recorded by the end of the June 2021. The costs are recorded as items affecting comparability (IAC).

FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN Q2 2021

Other financial income and expenses in the second quarter amounted to EUR 1.5 million (Q2 2020: -4.7). Foreign exchange differences accounted for EUR 0.1 million (-0.1) of financial items.

Profit before taxes was EUR 40.4 million (16.3). Income taxes for the second quarter were EUR -9.0 million (-5.2). Earnings per share were EUR 0.38 (0.14).

Cash flow from operating activities before financial items and taxes amounted to EUR 46.7 million (Q2 2020: 55.8). The change was a result of the increase in profit before taxes, while the change in net working capital had an opposite effect. Cash flow from financial items and taxes amounted to EUR -4.0 million (-2.5).

Cash flow from investing activities was EUR -8.0 million (-7.4), including EUR -8.2 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -40.0 million (22.3), including EUR -33.4 million of change in current debt and EUR -6.1 million of payments of lease liabilities. The comparison figure from Q2 2020 included EUR 28.9 million of change in current debt and EUR -6.1 million of payments of lease liabilities.

Capital expenditure totaled EUR 8.2 million (6.7), mainly relating to retail, supply chain and IT investments. Depreciation, amortization and impairment were EUR 15.3 million (19.4) in the second quarter.

FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN Q1-Q2 2021

During the first half of the year, other financial income and expenses amounted to EUR -2.9 million (Q1-Q2 2020: -4.8), including EUR -6.2 million of interests related to the tax dispute. Foreign exchange differences accounted for EUR 1.0 million (0.7) of financial items.

Profit before taxes was EUR 82.2 million (24.8) in the first half of 2021. Income taxes were EUR -42.7 million (-8.6). Out of the total income taxes, EUR -22.1 million relate to the tax dispute concerning intra-group loans forgiven by the company in 2003. The Supreme Administrative Court did not grant Fiskars Corporation a leave to appeal the case in its decision of March 3, 2021 and consequently, the income tax which was already paid in Q3 2016 was recorded as tax cost in the first quarter of 2021. Interest of EUR 6.2 million relating to the tax decision was posted as an interest expense. Earnings per share were EUR 0.48 (0.20), where the tax dispute had a negative impact of EUR 0.35 per share. More details on the tax case on page 31 of this half-year financial report.

The cash flow from operating activities before financial items and taxes amounted to EUR 57.4 million (18.3). The change was a result of the increase in profit before taxes. Cash flow from financial items and taxes amounted to EUR -16.3 million (-6.7).

Cash flow from investing activities was EUR -12.2 million (-11.6), including EUR -14.2 million of capital expenditure on fixed assets, EUR 1.2 million of proceeds from the sale of fixed assets and EUR 0.9 million of proceeds from the sale of subsidiary shares. Cash flow from financing activities was EUR -66.2 million (168.1), including EUR -30.0 million of change in current debt, EUR -24.5 million of dividends paid and EUR -12.2 million of lease liability payments. The comparison figure from Q1-Q2 2020 included EUR 163.4 million of change in current debt, EUR 40.0 million of change in non-current debt, EUR -22.8 million of dividends paid and EUR -12.2 million of lease liability payments.

Capital expenditure totaled EUR 14.2 million (11.7), mainly relating to retail, supply chain and IT investments. Depreciation, amortization and impairment amounted to EUR 30.4 million (35.0) in the first half of the year.

BALANCE SHEET AND FINANCING IN Q2 2021

Fiskars Group's working capital totaled EUR 135.1 million (241.0) at the end of June. The equity ratio was 56% (49%) and net gearing was 19% (38%).

Cash and cash equivalents at the end of the period totaled EUR 26.0 million (177.4). Net interest-bearing debt amounted to EUR 145.3 million (289.5), of which leases classified as interest-bearing debt under IFRS 16 accounted for EUR 89.9 million (107.1).

Excluding leasing debt, short-term borrowing totaled EUR 31.1 million (169.3) and long-term borrowing EUR 51.0 million (191.2). Short-term borrowing consisted mainly of commercial papers issued.

In addition to outstanding loans, Fiskars Group had EUR 300 million of unutilized long-term committed credit facilities and a commercial paper program of EUR 400 million with Nordic banks.

RESEARCH AND DEVELOPMENT

The Group's research and development expenditure totaled EUR 3.8 million (Q2 2020: 3.7) in the second quarter of 2021, equivalent to 1.2% (1.3%) of net sales. During the first half of the year, research and development expenses totaled EUR 7.4 million (Q1–Q2 2020: 8.6), equivalent to 1.2% (1.6%) of net sales.

PERSONNEL

The average number of full-time equivalent employees (FTE) was 6,033 (Q2 2020: 6,021) in the second quarter. At the end of the quarter, the Group employed 6,489 (6,466) employees, of whom 1,131 (1,005) were in Finland.

SUSTAINABILITY

Good progress has been made during the second quarter of 2021 in executing the company's science-based targets, which aim to make Fiskars Group a carbon neutral business by 2030.

To support the target of reducing GHG emissions from own operations (scope 1 & 2) by 60% from the base year of 2017, by May 2021 the company has already achieved a 40% reduction vs. the 2017 base year. Furthermore, two more countries are now using fully renewable electricity (7 out of 12 countries in total). Also all own manufacturing units and distribution centers have now updated their EHS development plans and are executing them accordingly.

In addition, in order to reduce our GHG emissions from transportation and distribution (scope 3) by 30% from the base year of 2018, the company has now finished screening the emission targets of its major logistics partners'.

Lastly, the company has made progress in the work to reduce emissions together with its suppliers. The target is to have 60% of suppliers (by spend) covering purchased goods and services to join the defined science-based targets by 2024.

When it comes to the commitment to fight throwaway culture, the Vintage service was launched to all stores in Sweden during the quarter. Additionally, the project work for running a pilot in Denmark was started, with the long-term target to expand the service further.

CHANGES IN ORGANIZATION AND MANAGEMENT

On May 6, 2021, Fiskars Group announced the appointment of Jussi Siitonen as Chief Financial Officer and deputy to the CEO. He will join Fiskars Group in mid-August 2021. Sari Pohjonen, currently Chief Financial Officer and deputy to the CEO, has decided to leave the company. To support the transition, Sari will continue in her role until Jussi joins the company.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Outlook upgraded on June 23, 2021

On June 23, 2021, Fiskars upgraded its outlook for 2021, as the company's financial performance in the second quarter had been better than previously expected. The company now expects the comparable EBITA for 2021 to be in the range of EUR 140-160 million.

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 433,677 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 second quarter was EUR 17.11 (Q2 2020: 10.03). At the end of June, the closing price was EUR 18.34 (EUR 10.24) per share and Fiskars had a market capitalization of EUR 1,494.2 million (834.3). The number of shares traded on Nasdaq Helsinki and in alternative market places from April to June was 1.8 million (1.3), which represents 2.2% (1.6%) of the total number of shares. The total number of shareholders was 28,671 (25,414) at the end of June 2021.

Flagging notifications

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

EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period.

OUTLOOK FOR 2021 UPGRADED ON JUNE 23, 2021

On June 23, 2021, Fiskars upgraded its outlook for 2021 as the company's financial performance in the second quarter has been better than previously expected. The company now expects the comparable EBITA for 2021 to be in the range of EUR 140-160 million.

Previous outlook (issued on April 19, 2021):

"In 2021, comparable EBITA is expected to be in the range of EUR 130-145 million."

Helsinki, Finland, July 28, 2021

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Net sales	**307.2**	**280.0**	**10**	**609.4**	**536.2**	**14**	**1,116.2**
Cost of goods sold	-174.8	-173.3	-1	-345.0	-324.9	-6	-664.1
Gross profit	**132.4**	**106.7**	**24**	**264.4**	**211.4**	**25**	**452.0**
Other operating income	1.2	0.4	235	2.1	0.9	130	6.5
Sales and marketing expenses	-66.1	-58.3	-13	-125.6	-126.2	1	-241.5
Administration expenses	-25.0	-23.0	-9	-48.8	-47.0	-4	-90.4
Research and development costs	-3.8	-3.7	0	-7.4	-8.6	14	-16.5
Goodwill and trademark amortization and impairment	-0.0	-1.0	100	-0.0	-1.0		-11.4
Other operating expenses	-0.4	-0.2	-52	-0.4	-0.3	-32	-0.8
Operating profit (EBIT)*	**38.5**	**20.8**	**85**	**84.3**	**29.1**	**189**	**98.0**
Change in fair value of biological assets	0.4	0.3	67	0.8	0.4	102	0.7
Other financial income and expenses	1.5	-4.7		-2.9	-4.8	40	-8.9
Profit before taxes	**40.4**	**16.3**	**148**	**82.2**	**24.8**	**232**	**89.8**
Income taxes	-9.0	-5.2	-72	-42.7	-8.6		-21.3
Profit for the period	**31.4**	**11.1**	**183**	**39.5**	**16.2**	**144**	**68.5**
Attributable to:							
Equity holders of the parent company	31.2	11.1	182	39.1	16.0	145	67.6
Non-controlling interest	0.2	0.0		0.4	0.2	103	0.8
Earnings for equity holders of the parent company per share, euro (basic and diluted)**	0.38	0.14	182	0.48	0.20	145	0.83
*Comparable EBITA (detailed in notes)	44.8	28.6	57	94.7	47.6	99	136.8

**EPS in Q1 2021 impacted by the negative ruling on the tax dispute (EUR 0.35 per share)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q2 2021	Q2 2020	Q1–Q2 2021	Q1–Q2 2020	2020
Profit for the period	**31.4**	**11.1**	**39.5**	**16.2**	**68.5**
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss					
Translation differences	-1.6	-1.0	5.9	-2.8	-25.3
Cash flow hedges	-0.0	0.2	-0.0	0.3	0.3
Items that will not be reclassified to profit or loss					
Defined benefit plan, actuarial gains (losses) net of tax	-0.1	-0.1	-0.1	-0.1	0.2
Other comprehensive income for the period net of tax total	-1.7	-0.9	5.8	-2.6	-24.8
Total comprehensive income for the period	**29.7**	**10.2**	**45.3**	**13.6**	**43.6**
Attributable to:					
Equity holders of the parent company	29.7	10.2	45.1	13.7	43.5
Non-controlling interest	0.0	0.0	0.3	-0.1	0.1

CONSOLIDATED BALANCE SHEET

EUR million	Jun 30 2021	Jun 30 2020	Change %	2020
ASSETS				
Non-current assets				
Goodwill	216.1	218.1	-1	213.7
Other intangible assets	269.6	282.5	-5	268.2
Property, plant & equipment	146.0	154.1	-5	149.2
Right-of-use assets	85.3	102.9	-17	90.2
Biological assets	44.9	43.8	2	44.1
Investment property	3.8	4.1	-8	4.0
Financial assets				
Financial assets at fair value through profit or loss	30.0	24.0	25	24.4
Other investments	7.4	8.5	-13	8.1
Deferred tax assets	26.7	27.0	-1	27.4
Non-current assets total	829.7	865.0	-4	829.1
Current assets				
Inventories	247.1	214.6	15	207.4
Trade and other receivables	247.1	247.2	0	213.8
Income tax receivables	7.0	33.3	-79	29.2
Interest-bearing receivables	0.0	0.0	-45	0.0
Cash and cash equivalents	26.0	177.4	-85	62.5
Current assets total	527.2	672.5	-22	512.8
Assets total	**1,356.9**	**1,537.5**	**-12**	**1,342.0**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	755.0	752.2	0	757.8
Non-controlling interest	4.0	3.5	15	3.8
Equity total	759.0	755.7	0	761.6
Non-current liabilities				
Interest-bearing liabilities	51.0	191.2	-73	51.2
Lease liabilities	67.5	83.7	-19	71.8
Other liabilities	4.8	4.3	10	4.5
Deferred tax liabilities	32.6	32.7	0	31.2
Pension liability	13.4	13.2	1	13.1
Provisions	3.4	3.6	-5	3.6
Non-current liabilities total	172.7	328.8	-47	175.4
Current liabilities				
Interest-bearing liabilities	31.1	169.3	-82	61.2
Lease liabilities	22.4	23.4	-4	22.7
Trade and other payables	348.4	246.9	41	309.8
Income tax liabilities	16.9	7.2	135	5.5
Provisions	6.4	6.3	2	5.7
Current liabilities total	425.2	453.0	-1	404.9
Equity and liabilities total	**1,356.9**	**1,537.5**	**-12**	**1,342.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q2 2021	Q2 2020	Q1-Q2 2021	Q1-Q2 2020	2020
Cash flow from operating activities					
Profit before taxes	40.4	16.3	82.2	24.8	89.8
Adjustments for					
Depreciation, amortization and impairment	15.3	19.4	30.4	35.0	76.1
Gain/loss on sale and loss on scrap of non-current assets	-0.0	-0.2	-0.8	-0.3	-0.1
Other financial items	-1.5	4.8	2.9	4.8	8.6
Change in fair value of biological assets	-0.4	-0.3	-0.8	-0.4	-0.7
Change in provisions and other non-cash items	0.7	-0.7	0.2	7.2	3.9
Cash flow before changes in working capital	**54.4**	**39.3**	**114.2**	**71.1**	**177.6**
Changes in working capital					
Change in current assets, non-interest-bearing	-0.5	-39.1	-28.8	-49.5	-25.6
Change in inventories	-28.1	24.4	-36.1	12.8	15.9
Change in current liabilities, non-interest-bearing	21.0	31.2	8.1	-16.1	55.8
Cash flow from operating activities before financial items and taxes	**46.7**	**55.8**	**57.4**	**18.3**	**223.8**
Financial income received and costs paid	0.4	-1.7	-3.6	0.2	-4.2
Taxes paid	-4.4	-0.8	-12.7	-6.9	-20.3
Cash flow from operating activities (A)	**42.7**	**53.3**	**41.1**	**11.6**	**199.2**
Cash flow from investing activities					
Investments in financial assets	-0.2	-1.3	-0.2	-1.3	-1.9
Capital expenditure on fixed assets	-8.2	-6.7	-14.2	-11.7	-30.0
Proceeds from sale of fixed assets	0.3	0.5	1.2	0.1	1.2
Proceeds from sale of subsidiary shares	0.0	0.0	0.9	0.0	0.0
Cash flow from other investments	0.0	0.0	0.1	1.3	1.3
Cash flow from investing activities (B)	**-8.0**	**-7.4**	**-12.2**	**-11.6**	**-29.4**
Cash flow from financing activities					
Purchase of treasury shares		0.0		-0.3	-0.3
Change in current receivables	0.0	0.0	0.0	0.0	0.0
Change in non-current debt	-0.1	0.1	-0.1	40.0	39.9
Change in current debt	-33.4	28.9	-30.0	163.4	-84.5
Payment of lease liabilities	-6.1	-6.1	-12.2	-12.2	-24.0
Cash flow from other financing items	-0.3	-0.5	0.6	0.1	-1.9
Dividends paid	0.0	0.0	-24.5	-22.8	-45.7
Cash flow from financing activities (C)	**-40.0**	**22.3**	**-66.2**	**168.1**	**-116.5**
Change in cash and cash equivalent (A+B+C)	**-5.2**	**68.2**	**-37.3**	**168.1**	**53.3**
Cash and cash equivalent at beginning of period	31.1	109.3	62.5	9.4	9.4
Translation difference	0.1	-0.1	0.9	-0.1	-0.2
Cash and cash equivalent at end of period	26.0	177.4	26.0	177.4	62.5

CONSOLIDATED 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, 2020	**77.5**	**-7.1**	**20.1**	**-0.2**	**-1.9**	**0.0**	**672.5**	**3.6**	**764.5**
Total comprehensive income for the period			-2.5	0.3	-0.1		16.0	-0.1	13.6
Purchase of treasury shares		-0.3					0.0		-0.3
Dividend distribution							-22.8		-22.8
Other changes		0.3					0.4		0.7
Jun 30, 2020	**77.5**	**-7.2**	**17.6**	**0.1**	**-2.0**	**0.0**	**666.2**	**3.5**	**755.7**
Opening Balance Jan 1, 2021	**77.5**	**-7.2**	**-4.5**	**0.1**	**-1.7**	**0.0**	**693.7**	**3.8**	**761.6**
Total comprehensive income for the period			6.0	0.0	-0.1		39.1	0.3	45.3
Purchase and issue of treasury shares							0.9		0.9
Dividend distribution							-48.9		-48.9
Other changes							0.0		0.0
Jun 30, 2021	**77.5**	**-7.2**	**1.5**	**0.1**	**-1.8**	**0.0**	**684.9**	**4.0**	**759.0**

NOTES TO THE HALF-YEAR FINANCIAL REPORT

ACCOUNTING PRINCIPLES

This unaudited half-year financial report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the annual financial statements.

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

REPORTING SEGMENTS

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Net sales							
Vita	115.6	80.9	43	223.8	174.5	28	456.6
Terra	148.7	153.7	-3	305.7	283.0	8	493.8
Crea	42.2	44.8	-6	78.1	77.0	1	162.0
Other	0.8	0.7	16	1.8	1.7	1	3.8
Group total	**307.2**	**280.0**	**10**	**609.4**	**536.2**	**14**	**1,116.2**

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Operating profit (EBIT)							
Vita	9.9	-12.9	176	20.0	-22.5	189	11.9
Terra	17.3	25.5	-32	48.5	41.4	17	60.8
Crea	11.2	11.5	-2	19.3	16.3	18	38.5
Other	0.1	-3.3		-3.5	-6.1	-43	-13.1
Group total	**38.5**	**20.8**	**85**	**84.3**	**29.1**	**189**	**98.0**

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Depreciation, amortization and impairment							
Vita	8.7	11.7	-26	16.8	21.3	-21	50.4
Terra	4.7	4.5	3	9.0	8.7	4	17.9
Crea	1.1	1.8	-39	2.0	2.8	-26	4.4
Other	0.9	1.3	-34	2.5	2.2	17	3.3
Group total	**15.3**	**19.4**	**-21**	**30.4**	**35.0**	**-13**	**76.1**

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Capital expenditure							
Vita	3.9	3.6	8	7.2	5.6	28	16.3
Terra	2.9	2.2	33	5.0	4.3	17	9.9
Crea	1.0	0.6	64	1.6	0.8	98	1.8
Other	0.3	0.3	20	0.4	1.0	-57	2.2
Group total	**8.2**	**6.7**	**22**	**14.2**	**11.7**	**21**	**30.0**

NET SALES BY GEOGRAPHY

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Net sales							
Europe	136.6	104.0	31	280.4	223.1	26	495.9
Americas	129.5	142.4	-9	248.5	250.4	-1	471.6
Asia-Pacific	42.2	33.3	27	83.1	63.9	30	154.1
Unallocated	-1.0	0.3		-2.7	-1.2		-5.4
Group total	**307.2**	**280.0**		**609.4**	**536.2**		**1,116.2**

OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q2 2021	Q2 2020	Change %	Q1-Q2 2021	Q1-Q2 2020	Change %	2020
Operating profit (EBIT)	**38.5**	**20.8**	**85**	**84.3**	**29.1**	**189**	**98.0**
Amortization	-3.4	-6.7	49	-6.7	-10.3	35	-27.8
EBITA	**41.9**	**27.5**	**52**	**91.0**	**39.4**	**131**	**125.8**
Items affecting comparability in EBITA							
Restructuring Program	0.8	0.6	29	1.6	7.6	-79	8.1
Transformation program	2.2	0.5	313	2.2	0.8	177	3.0
Leborgne divestment							0.2
Other adjustments to operating profit	0.0	0.0	34	-0.1	-0.2	-78	-0.3
Total items affecting comparability in EBITA	**2.9**	**1.1**	**168**	**3.7**	**8.2**	**-55**	**11.0**
Comparable EBITA	**44.8**	**28.6**	**57**	**94.7**	**47.6**	**99**	**136.8**

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Jun 30 2021	Jun 30 2020	Dec 31 2020
Intangible assets and goodwill			
Book value, Jan 1	481.9	508.2	508.2
Currency translation adjustment	3.6	-2.2	-9.7
Additions	6.8	5.0	11.4
Amortization and impairment	-6.7	-10.3	-27.7
Decreases and transfers	0.0	-0.2	-0.3
Book value at end of period	**485.7**	**500.6**	**481.9**
Investment commitments for intangible assets		0.1	0.0
Tangible assets and investment property			
Book value, Jan 1	153.2	165.9	165.9
Currency translation adjustment	0.9	-3.0	-7.2
Additions	7.4	6.6	18.4
Depreciation and impairment	-11.3	-11.7	-22.8
Decreases and transfers	-0.5	0.4	-1.1
Book value at end of period	**149.8**	**158.2**	**153.2**
Investment commitments for property, plant and equipment	2.6	2.1	2.2
Right-of-use assets			
Book value, Jan 1	90.3	108.8	108.8
Currency translation adjustment	0.6	-0.6	-2.9
Additions	7.7	8.2	18.7
Depreciation	-12.5	-12.7	-24.7
Decreases	-0.8	-0.8	-9.8
Book value at end of period	**85.3**	**102.9**	**90.2**

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Jun 30 2021	Jun 30 2020	Dec 31 2020
As security for own commitments			
Guarantees	10.6	11.9	11.5
Other contingencies*	3.6	1.1	1.9
Contingencies and pledged assets total	**14.2**	**12.9**	**13.4**

*Other contingencies include a commitment of USD 1.7 million to invest in private equity funds.

DERIVATIVES

EUR million	Jun 30 2021	Jun 30 2020	Dec 31 2020
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	210.2	239.0	223.6
Interest rate swaps		50.0	
Fair value of derivatives			
Foreign exchange forwards and swaps	-0.2	1.1	-0.4
Interest rate swaps		0.0	

Derivatives have been valued at market value on the reporting date.

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, USD and IDR and to 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	-32.7	20.3	-23.9	11.3	10.4	-11.1	8.0	10.2
Exchange rate sensitivity of the operations*	3.3	-2.0	2.4	-1.1	-1.0	1.1	-0.8	-1.0

*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 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

Jun 30, 2021

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			30.0	30.0
Other investments	0.2		7.2	7.4
Derivative assets				
Total assets	**0.2**		**37.2**	**37.4**
Derivative liabilities		0.2		0.2
Total liabilities		**0.2**		**0.2**

Jun 30, 2020

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			24.0	24.0
Other investments	0.3		8.2	8.5
Derivative assets		1.1		1.1
Total assets	**0.3**	**1.1**	**32.2**	**33.6**
Derivative liabilities		0.0		0.0
Total liabilities		**0.0**		**0.0**

Dec 31, 2020

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			24.4	24.4
Other investments	0.2		7.9	8.1
Derivative assets				
Total assets	**0.2**		**32.2**	**32.4**
Derivative liabilities		0.4		0.4
Total liabilities		**0.4**		**0.4**

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	**FVTPL**	**Other**		
EUR million	**Level 3**	**Level 1**	**Level 3**	**Total**
Book value, Jun 30, 2020	**24.0**	**0.3**	**8.2**	**32.5**
Additions	0.6			0.6
Decreases				
Change in fair value	-0.2	-0.1	-0.3	-0.7
Book value, Dec 31, 2020	**24.4**	**0.2**	**7.9**	**32.4**
Additions	0.2			0.2
Decreases			-0.6	-0.6
Change in fair value	5.5	-0.0	-0.1	5.4
Book value, Jun 30, 2021	**30.0**	**0.2**	**7.2**	**37.4**

Investments at fair value through profit or loss (FVTPL) consist of unlisted funds. 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.

Other financial assets comprise unlisted shares as well as non-current receivables. Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments in 2021

The watering assembly plant and related operations in Ningbo, China were sold to Daye (Ningbo Daye Garden Industry Co. Ltd.) on January 22, 2021. The divestment did not have a significant impact on Fiskars' financial position or result.

Acquisitions and divestments in 2020

There were no acquisitions or divestments in 2020.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Fiskars Corporation was not granted a leave to appeal in relation to the tax re-assessment case by the Supreme Administrative Court

On March 19, 2021, Fiskars Corporation announced that the Supreme Administrative Court did not grant a leave to appeal to Fiskars Corporation in relation to the decision made by the Administrative Court of Helsinki in April 2020, which relates to the tax re-assessment decision from the tax audit carried out in 2014. The decision obliged the company to pay EUR 28.3 million in additional tax, interest and punitive increases. The tax re-assessment concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

Fiskars recorded the EUR 21.7 million in additional tax, EUR 6.5 million in interest and EUR 0.1 million in punitive increases as tax and interest costs during the first quarter of 2021. This did not have a cash flow effect during the first quarter of 2021, as the company paid the additional tax, interest and punitive increases during the third quarter of 2016.

FISKARS GROUP

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