



Fiskars Group

# Interim report

January–September 2021

# INTERIM REPORT JANUARY–SEPTEMBER 2021

Sixth consecutive quarter of net sales growth, with Business Area Vita as the main driver in Q3

## THIRD QUARTER 2021 IN BRIEF:

- Net sales increased by 9.4% to EUR 291.8 million (Q3 2020: 266.7)
- Comparable net sales<sup>1</sup> increased by 10.0% to EUR 291.8 million (265.4)
- EBITA decreased by 1.3% to EUR 38.6 million (39.1)
- Comparable<sup>2</sup> EBITA decreased by 3.1% to EUR 38.0 million (39.3)
- Cash flow from operating activities before financial items and taxes decreased to EUR 51.9 million (115.6)
- Earnings per share (EPS) were EUR 0.36 (0.33)

## JANUARY-SEPTEMBER 2021 IN BRIEF:

- Net sales increased by 12.2% to EUR 901.2 million (Q1-Q3 2020: 802.9)
- Comparable net sales<sup>1</sup> increased by 15.6% to EUR 901.2 million (779.8)
- EBITA increased by 65.1% to EUR 129.6 million (78.5)
- Comparable<sup>2</sup> EBITA increased by 52.9% to EUR 132.7 million (86.8)
- Cash flow from operating activities before financial items and taxes decreased to EUR 109.3 million (134.0)
- Earnings per share<sup>3</sup> (EPS) were EUR 0.84 (0.53)

## OUTLOOK FOR 2021 UPGRADED ON OCTOBER 13:

On October 13, 2021, Fiskars upgraded its outlook for 2021. The company expects the comparable EBITA for 2021 to be in the range of EUR 160-170 million. According to the previous outlook issued on June 23, 2021, the comparable EBITA in 2021 was expected to be in the range of EUR 140-160 million.

The upgrade was based on the company's better than expected financial performance during the third quarter, in particular towards the end of the quarter. A central factor was that Fiskars has so far successfully mitigated the global supply chain challenges, which have previously been highlighted as a material risk for the full-year financial performance.

The seasonality of both trade and consumer demand may continue to differ from a typical year, also towards the end of the year. Trade customers may seek to secure the availability of products by pulling forward orders from the first quarter of 2022 into the fourth quarter of 2021. In addition, there are ongoing challenges in global supply chains as well as raw material and energy price inflation. While the company has managed to mitigate these factors, they continue to pose a risk.

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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 provision 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

We continued on a strong growth path in the third quarter, marking the sixth consecutive quarter of growth. At the same time, this was our highest third-quarter net sales ever. Comparable EBITA fell somewhat behind the record high level seen last year.

Our financial performance improved towards the end of the quarter in all Business Areas. Comparable net sales increased in Vita and Crea, while it was at the previous year's level in Terra. For Terra and Crea, the comparison figures from 2020 were at record levels.

Despite challenges in the global supply chains, we have successfully served our customers, which has been a competitive advantage for us. The risks related to product availability are still ongoing. In addition, raw material and logistics prices continue to increase. A new factor is the increase in energy prices, which impacts Vita in particular. We continue to mitigate these factors. However, there might be a lag with the timing of the cost inflation and the effect of the actions.

During the second half of the year, we are investing more in our growth levers. These investments are mostly related to our digital operations, to develop our capabilities within data, direct-to-consumer and the consumer experience. During the third quarter, we opened approximately 50 new positions to support our Digital growth initiative. We have also made changes to our current IT operations, which will bring savings from 2022 onwards. We expect these upfront investments to be covered by future savings.

Our two ongoing restructuring programs are coming to an end. In the half-year financial report of 2021 we gave an update on the Vita transformation program. We can now confirm that the Restructuring program will also be completed by the end of 2021. We expect that the majority of the benefits will be realized by the end of 2021. Additionally, the costs of the programs will be significantly lower than originally anticipated. In other words, 2021 will mark the completion of both programs, delivering the savings we targeted and with costs below our initial expectations.

Our focus is now on ensuring the shipments for the important last quarter of the year. At the same time, we continue to implement our strategy to create organic growth for the longer term. As part of our growth plans, we announced a new global strategic partnership with Moomin Characters, as we announced the acquisition of a minority stake in Rights & Brands, a licensing agency representing iconic Nordic brands such as the Moomins. We look forward to discussing our growth strategy in more detail at our Capital Markets Day on November 9, 2021.



**NATHALIE  
AHLSTRÖM**  
President & CEO

# GROUP KEY FIGURES

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change	2020
Net sales	291.8	266.7	9.4%	901.2	802.9	12.2%	1,116.2
Comparable net sales <sup>1)</sup>	291.8	265.4	10.0%	901.2	779.8	15.6%	1,096.9
EBITA	38.6	39.1	-1.3%	129.6	78.5	65.1%	125.8
Items affecting comparability in EBITA <sup>2)</sup>	0.6	-0.1		-3.1	-8.3	-62.6%	-11.0
Comparable EBITA	38.0	39.3	-3.1%	132.7	86.8	52.9%	136.8
Operating profit (EBIT)	34.7	35.6	-2.5%	119.0	64.7	83.9%	98.0
Profit before taxes	37.8	34.6	9.1%	120.0	59.4	102.1%	89.8
Profit for the period	29.8	27.0	10.2%	69.3	43.2	60.4%	68.5
Earnings per share, EUR <sup>3)</sup>	0.36	0.33	9.8%	0.84	0.53	60.1%	0.83
Equity per share, EUR				9.68	9.08		9.30
Cash flow from operating activities before financial items and taxes	51.9	115.6	-55.1%	109.3	134.0	-18.4%	223.8
Equity ratio, %				58%	51%		57%
Net gearing, %				17%	29%		19%
Capital expenditure	7.3	8.8	-16.4%	21.6	20.5	5.3%	30.0
Personnel (FTE), average	6,157	6,027	2.2%	6,033	6,140	-1.8%	6,104

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

2) In Q3 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).

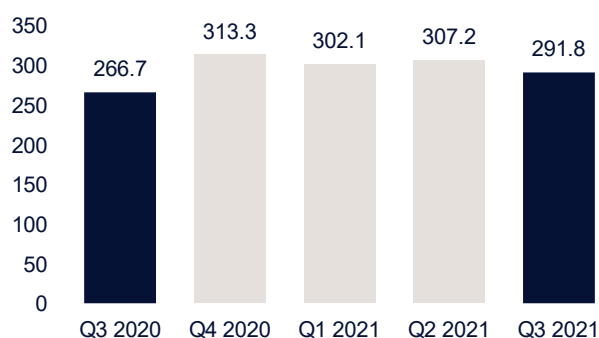


# GROUP PERFORMANCE

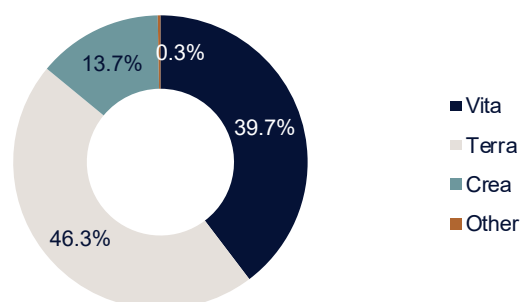
EUR million	Q3 2021	Q3 2020	Change	Comparable change*	Q1-Q3 2021	Q1-Q3 2020	Change	Comparable change*	2020
<b>Net sales</b>									
Group	291.8	266.7	9.4%	10.0%	901.2	802.9	12.2%	15.6%	1,116.2
Vita	133.8	111.0	20.6%	20.2%	357.6	285.5	25.2%	26.3%	456.6
Terra	111.5	113.1	-1.4%	-0.3%	417.2	396.0	5.4%	9.9%	493.8
Crea	45.6	41.5	10.0%	11.0%	123.7	118.5	4.4%	8.4%	162.0
Other	0.9	1.1	-22.1%	-22.1%	2.6	2.9	-8.0%	-8.0%	3.8
<b>Comparable EBITA</b>									
Group	38.0	39.3	-3.1%		132.7	86.8	52.9%		136.8
Vita	26.6	14.7	80.7%		53.0	3.2			41.0
Terra	7.6	13.4	-43.1%		58.4	59.9	-2.4%		67.5
Crea	11.9	14.2	-16.2%		32.0	32.5	-1.5%		41.1
Other	-8.0	-3.0			-10.8	-8.8	-22.9%		-12.8

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

## NET SALES, EUR MILLION



## NET SALES SPLIT BY SEGMENT, JANUARY-SEPTEMBER 2021



## FISKARS GROUP NET SALES IN Q3 2021

Fiskars Group's consolidated net sales increased by 9.4% to EUR 291.8 million (Q3 2020: 266.7). Comparable net sales increased by 10.0%, driven by the Vita and Crea segments. In Terra, the comparable net sales remained close to the previous year's level.

Net sales increased in all channels and most markets, with the exception of the Americas and Australia. The decrease in the Americas came from the Terra and Crea segments, which were up against a strong level seen in Q3 2020.

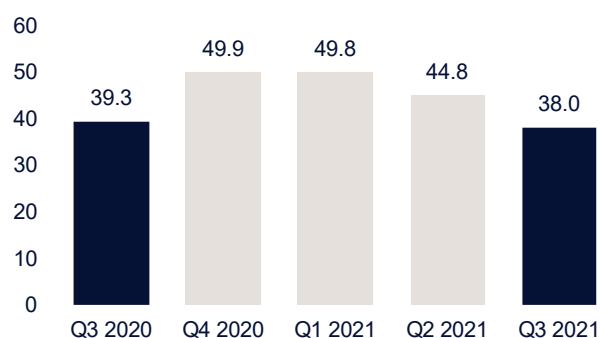
On the positive side, net sales growth was strong in for example Sweden and China. Additionally, net sales grew in the UK, which has been a challenging market for us in the last few years.

## FISKARS GROUP NET SALES IN Q1-Q3 2021

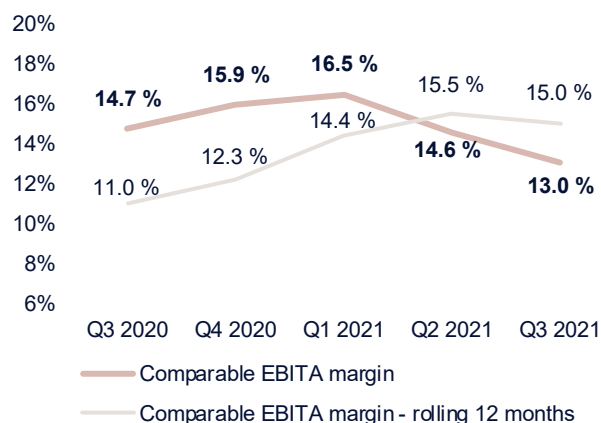
Fiskars Group's consolidated net sales increased by 12.2% to EUR 901.2 million (Q1-Q3 2020: 802.9). Comparable net sales increased by 15.6%, supported by all Business Areas and nearly all channels. Strong demand supported the increase in net sales.



## FISKARS GROUP COMPARABLE EBITA, EUR MILLION



## FISKARS GROUP COMPARABLE EBITA MARGIN



### FISKARS GROUP COMPARABLE EBITA IN Q3 2021

Fiskars Group's comparable EBITA decreased by 3.1% to EUR 38.0 million (Q3 2020: 39.3). The comparable EBITA increased in Business Area Vita, driven by an increase in net sales. In BA Terra and Crea the comparable EBITA decreased.

The Group-level gross margin improved, driven by an improvement in product mix, particularly an increased share of sales in Vita. The increased cost of raw materials, energy and logistics were mostly offset by price increases.

Group level sales, marketing and administration cost increased thanks to the company's investments in growth. At the same time, the previous year's figures were supported by temporary cost savings.

### FISKARS GROUP COMPARABLE EBITA IN Q1-Q3 2021

Fiskars Group's comparable EBITA increased by 52.9% to EUR 132.7 million (Q1-Q3 2020: 86.8). The increase in comparable EBITA was driven by the Vita segment, whereas it decreased somewhat in Terra and Crea.

Comparable EBITA 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.

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.



## OPERATING ENVIRONMENT IN Q3 2021

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

The number of store closures has been fairly stable during the quarter. Most closures were in Australia, where approximately 20% of the Group's own stores are located. Despite the decreased impact on brick-and-mortar stores compared to the third quarter of 2020, the importance of e-commerce and hybrid models (such as curbside pickup) is more prominent than before the pandemic.

Global supply chains have continued to come 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. Energy prices started to soar in many countries during the third quarter.

The weather conditions have varied by market, as Continental Europe for example had heavy rainfall during the quarter.

## REPORTING SEGMENTS

This interim 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.

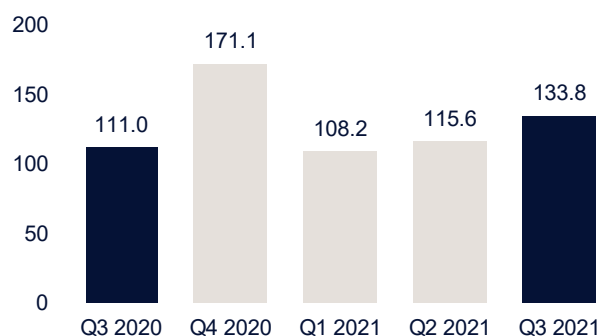


# VITA SEGMENT

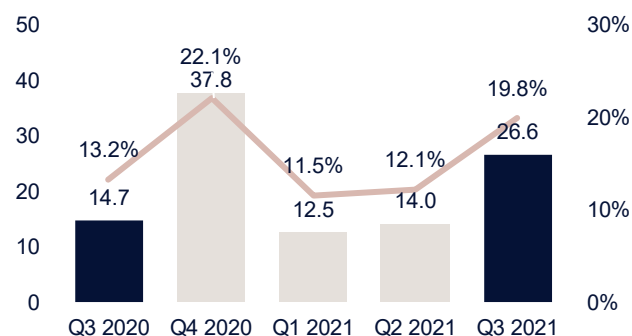
EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change	2020
Net sales*	133.8	111.0	20.6%	357.6	285.5	25.2%	456.6
Comparable EBITA	26.6	14.7	80.7%	53.0	3.2		41.0
Capital expenditure	3.6	5.1	-28.7%	10.8	10.7	1.1%	16.3

\*Using comparable exchange rates, net sales increased by 20.2% in Q3 2021 and by 26.3% in Q1-Q3 2021.

## NET SALES, EUR MILLION



## COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



## VITA SEGMENT IN Q3 2021

Net sales in the Vita segment increased by 20.6% to EUR 133.8 million (Q3 2020: 111.0). Comparable net sales increased by 20.2%.

Net sales increased for most brands and in nearly all markets. The direct e-commerce channel performed well, sales to retailers increased and the Moomin Day was a success. Some customers have brought forward some of their orders from the fourth quarter of 2021 already to the third quarter.

The only significant negative exception at a country level was Australia, as there were a significant number of pandemic-related store closures.

Comparable EBITA in the Vita segment increased during the quarter to EUR 26.6 million (14.7). The comparable EBITA was supported by many factors, including increased sales volumes and an improved gross margin through product mix. Additionally, the positive impact from the ongoing programs has increasingly supported profitability. On the other hand, marketing costs were increased in order to support growth. At the same time, the previous year's figures were supported by temporary cost savings.

## VITA SEGMENT IN Q1-Q3 2021

Net sales in the Vita segment increased by 25.2% to EUR 357.6 million (Q1-Q3 2020: 285.5). Comparable net sales increased by 26.3%, rebounding from a difficult first half of 2020, when the pandemic had a more significant negative impact on the financial performance.

Much of the growth was driven by China and the direct channel. Net sales increased for most of the brands and in nearly all the important markets. The strongest growth was in China, the Americas, Finland and Continental Europe.

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 still had a negative impact on net sales.

Comparable EBITA in the Vita segment increased to EUR 53.0 million (3.2). The comparable EBITA was supported by a number of 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 increasingly supported profitability. At the same time, the previous year's figures were supported by temporary cost savings.



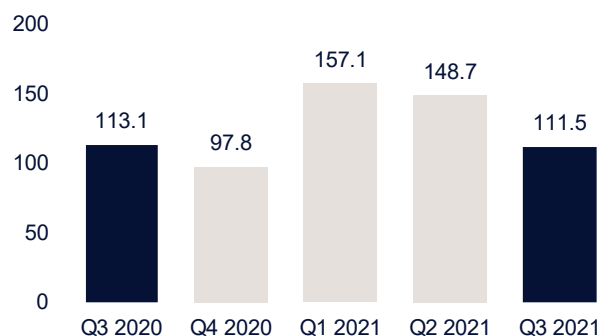


# TERRA SEGMENT

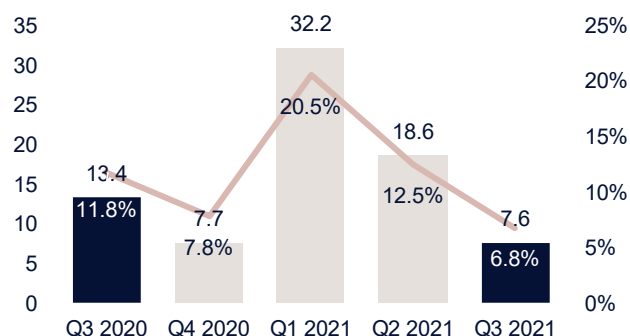
EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change	2020
Net sales*	111.5	113.1	-1.4%	417.2	396.0	5.4%	493.8
Comparable EBITA	7.6	13.4	-43.1%	58.4	59.9	-2.4%	67.5
Capital expenditure	2.9	2.7	6.7%	8.0	7.0	13.1%	9.9

\*Using comparable exchange rates, net sales decreased by 0.3% in Q3 2021 and increased by 9.9% in Q1-Q3 2021.

## NET SALES (EUR MILLION)



## COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



## TERRA SEGMENT IN Q3 2021

Net sales in the Terra segment decreased by 1.4% to EUR 111.5 million (Q3 2020: 113.1). Comparable net sales were at the previous year's level. The comparison figures from 2020 were at record levels.

Net sales increased in Continental Europe and Finland, while it decreased in the Americas.

On a category level, net sales were weighed down by the watering category, partly due to unfavorable weather in Continental Europe. Sales in the gardening category remained close to the previous year's level.

Comparable EBITA in the Terra segment decreased during the quarter to EUR 7.6 million (13.4). The comparable EBITA decreased as a result of higher raw material and logistics costs, as there might be a lag with the timing of the cost inflation and the effect of the mitigation actions. At the same time, the previous year's figures were supported by temporary cost savings.

## TERRA SEGMENT IN Q1-Q3 2021

Net sales in the Terra segment increased by 5.4% to EUR 417.2 million (Q1-Q3 2020: 396.0). Comparable net sales increased by 9.9%. It was driven by the majority of markets, Continental Europe in particular.

Net sales growth was driven by all categories, with Outdoor showing the strongest figures. Overall, availability challenges had a negative impact on net sales.

Comparable EBITA in the Terra segment decreased to EUR 58.4 million (59.9). The comparable EBITA was supported by the increase in net sales, while higher manufacturing and logistics costs had a negative impact. At the same time, the previous year's figures were supported by temporary cost savings.

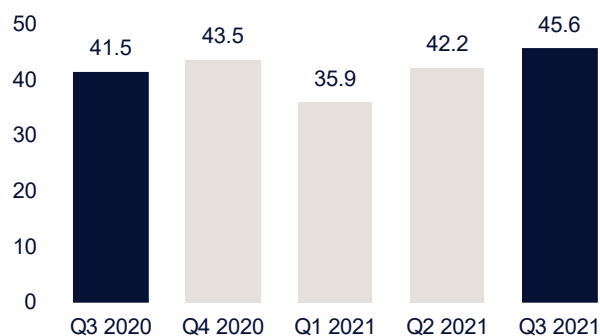


# CREA SEGMENT

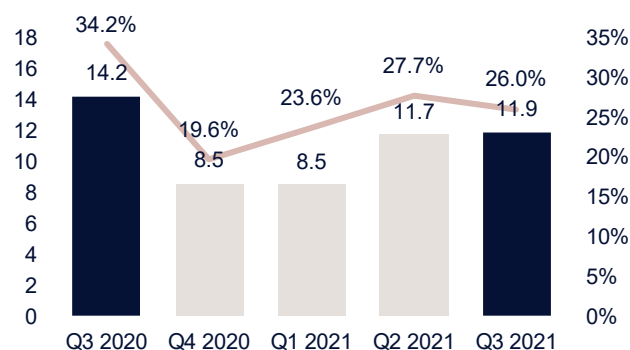
EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change	2020
Net sales*	45.6	41.5	10.0%	123.7	118.5	4.4%	162.0
Comparable EBITA	11.9	14.2	-16.2%	32.0	32.5	-1.5%	41.1
Capital expenditure	0.5	0.3	53.1%	2.1	1.1	84.2%	1.8

\*Using comparable exchange rates, net sales increased by 11.0% in Q3 2021 and by 8.4% in Q1-Q3 2021.

## NET SALES (EUR MILLION)



## COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



## CREA SEGMENT IN Q3 2021

Net sales in the Crea segment increased by 10.0% to EUR 45.6 million (Q3 2020: 41.5). Comparable net sales increased by 11.0%.

Net sales growth in Continental Europe and the Nordics more than 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 in the Americas. Looking at channels, sales growth came from the retail channel.

Comparable EBITA in the Crea segment decreased during the quarter to EUR 11.9 million (14.2). The decrease from the previous year's level is mainly due to higher raw material and logistics costs. At the same time, the previous year's figures were supported by temporary cost savings.

On the other hand, the increased sales volumes and positive product mix had a positive impact on profitability.

## CREA SEGMENT IN Q1-Q3 2021

Net sales in the Crea segment increased by 4.4% to EUR 123.7 million (Q1-Q3 2020: 118.5). Comparable net sales increased by 8.4%.

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.

Comparable EBITA in the Crea segment decreased to EUR 32.0 million (32.5). The comparable EBITA was supported by increased volumes and a more favorable product mix, while higher raw material, logistics and SG&A costs had a negative impact. At the same time, the previous year's figures were supported by temporary cost savings.



# CONSUMER EVERYDAY

Fiskars Group and Moomin Characters entered into a new era of strategic partnership. As part of this partnership, Fiskars Group became a minority shareholder in Rights & Brands, a licensing agency representing iconic Nordic brands such as the Moomins. With joint business planning as well as shared international growth plans and initiatives, Fiskars Group, Rights & Brands and Moomin Characters aim to develop new consumer-centric concepts globally.

Arabia celebrated Moomin's Day with a limited edition Moomin's Day mug. The exclusive launch was supported by an extensive campaign in a wide set of channels. The day was successful, with the direct e-commerce channel and most stores quickly selling out of stock.

In China, Wedgwood has grown over the last few years by using collaborations with influencers, often celebrities or other key opinion leaders. Lately it has collaborated with actor Li Xian. To support growth, Wedgwood is now expanding the collaboration to a few other influencers as well, including Austin Li, who has collaborated with Wedgwood previously. The first steps were taken in September with positive results, and other actions are planned for the rest of the year.

Fiskars started a collaboration with U.S. crafts retailer JOANN Fabrics to roll out a "Fiskars Tool Shop", creating a

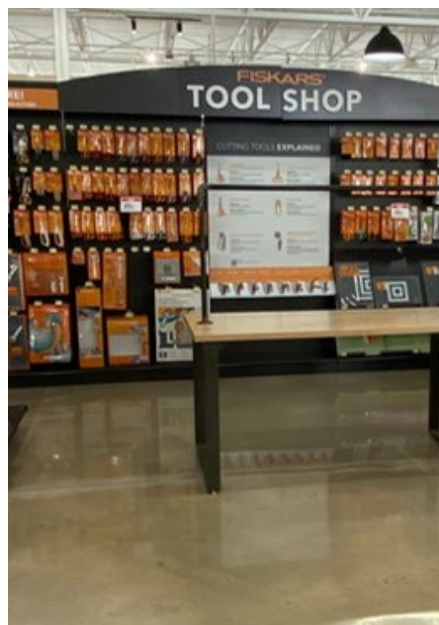
one-stop-shop for Fiskars scissors and crafting products. The shop includes educational and interactive merchandise in order to create an experience, while guiding customers' purchase decisions. All stores rolled out a version of the setup in September. The launch was supported by a digital campaign, as well as a collaboration with a well-known influencer in the Creating category.

Fiskars trialed a live-stream event on Yandex in Russia. Yandex Market is one of the biggest market places in Russia. Fiskars held an event with influencers in the Yandex livestream, where it presented different gardening products, demonstrated how to use them in the garden and answered consumer questions.

## Moomin partnership



## Fiskars collaboration with JOANN



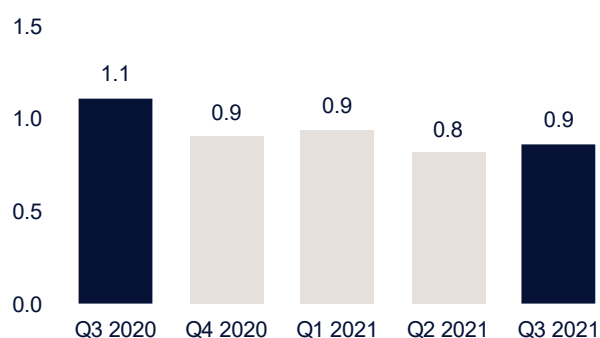
## Chinese Key Opinion Leader Austin Li



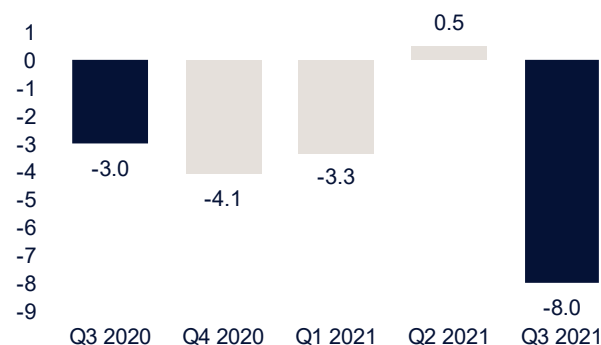
# OTHER SEGMENT

EUR million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change	2020
Net sales	0.9	1.1	-22.1%	2.6	2.9	-8.0%	3.8
Comparable EBITA	-8.0	-3.0		-10.8	-8.8	-22.9%	-12.8
Capital expenditure	0.3	0.6	-57.1%	0.7	1.6	-57.0%	2.2

## NET SALES (EUR MILLION)



## COMPARABLE EBITA (EUR MILLION)



## OTHER SEGMENT IN Q3 2021

Net sales in the Other segment amounted to EUR 0.9 million (Q3 2020: 1.1), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -8.0 million (-3.0). The change was due to timing differences in spending.

## OTHER SEGMENT IN Q1-Q3 2021

Net sales in the Other segment amounted to EUR 2.6 million (Q1-Q3 2020: 2.9), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -10.8 million (-8.8).



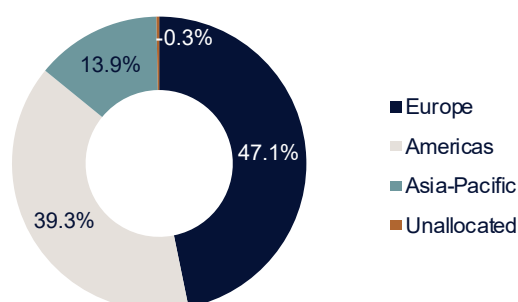
# NET SALES BY GEOGRAPHY

EUR million	Q3 2021	Q3 2020	Change	Comparable change*	Q1-Q3 2021	Q1-Q3 2020	Change	Comparable change*	2020
Europe	143.8	121.3	18.6%	17.8%	424.3	344.4	23.2%	22.9%	495.9
Americas	106.0	112.9	-6.1%	-4.5%	354.5	363.4	-2.4%	4.1%	471.6
Asia-Pacific	42.0	35.6	18.1%	18.7%	125.1	99.5	25.8%	27.3%	154.1
Unallocated**	-0.1	-3.2			-2.7	-4.3			-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-SEPTEMBER 2021



### NET SALES IN Q3 2021

Net sales in Europe increased by 18.6% and amounted to EUR 143.8 million (Q3 2020: 121.3). Comparable net sales increased by 17.8%. Growth was driven by an overall strong performance in all markets.

Net sales in the Americas decreased by 6.1% to EUR 106.0 million (112.9). Comparable net sales decreased by 4.5%, weighed down by Terra and Crea. On the other hand, net sales for Vita increased.

Net sales in Asia-Pacific increased by 18.1% to EUR 42.0 million (35.6). Comparable net sales increased by 18.7%, driven by China and Japan. Net sales decreased in Australia, due to extensive store closures.

### NET SALES IN Q1-Q3 2021

In Europe, net sales increased by 23.2% and amounted to EUR 424.3 million (Q1-Q3 2020: 344.4). Comparable net sales increased by 22.9%. Growth was driven by all markets, with a strong performance in Finland, Scandinavia and Continental Europe.

Net sales in the Americas decreased by 2.4% to EUR 354.5 million (363.4). Comparable net sales increased by 4.1%. The Vita segment has grown in the Americas, while the rest of the business in the Americas is close to the previous year's level.

Net sales in Asia-Pacific increased by 25.8% to EUR 125.1 million (99.5). Comparable net sales increased by 27.3%. 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-SEPTEMBER 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 stabilized during 2021, in particular during the third quarter. 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 2021. Still, store closures have negatively impacted the performance. Gifting is an important part of the business, and this still has not fully recovered from the 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 and third quarters 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 third 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. Despite these challenges, the company has successfully served its customers. The ability to deliver has been a competitive advantage for Fiskars.

## Financial position

The liquidity of Fiskars Group has remained strong during 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 were 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](http://www.fiskarsgroup.com/investors).

The COVID-19 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 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 in 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 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 with 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.

With a significant part of the business in the U.S. and in other countries outside of the eurozone, Fiskars Group is exposed to fluctuations in foreign currency rates. 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

Fiskars Group has two ongoing programs, the Transformation and Restructuring programs. The Transformation program was launched in October 2018, and aimed at increasing efficiency, reducing complexity and accelerating long-term strategic development in its former Living segment. The company-wide Restructuring Program was launched in December 2019, aimed at reducing costs in a wide range of areas.

Both programs will be completed by the end of 2021. The Transformation program targeted annual cost savings of approximately EUR 17 million and the Restructuring program of approximately EUR 20 million. These benefits will be realized, and a majority are already being visible by the end of 2021.

The total costs of both programs were originally expected to be approximately EUR 70 million, consisting of EUR 40 million from the Transformation program and EUR 30 million from the Restructuring program. In the Half-year Financial Report 2021, the company lowered the cost estimate regarding the Transformation program with EUR 5 million. Fiskars Group now expects the total costs of the programs to be a further EUR 20 million lower, whereby the total cost of both programs would be approximately EUR 45 million by the end of 2021.

By the end of the third quarter, a total of EUR 34.2 million in costs had been recorded. Of these, EUR 24.0 million had been recorded for the Transformation program and EUR 10.2 million for the Restructuring program. The costs have been recorded as items affecting comparability (IAC).



## FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN Q3 2021

Other financial income and expenses in the third quarter amounted to EUR 2.8 million (Q3 2020: -1.0). Foreign exchange differences accounted for EUR 0.9 million (-0.5) of financial items.

Profit before taxes was EUR 37.8 million (34.6). Income taxes were EUR -8.0 million (-7.6). Earnings per share were EUR 0.36 (0.33).

Cash flow from operating activities before financial items and taxes amounted to EUR 51.9 million (Q3 2020: 115.6). The change was a result of the change in net working capital. Cash flow from financial items and taxes amounted to EUR -5.5 million (-10.5).

Cash flow from investing activities was EUR -9.2 million (-8.6), including EUR -7.3 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -38.8 million (-107.8), including EUR -24.4 million of dividends paid, EUR -7.7 million of change in current debt and EUR -6.1 million of payments of lease liabilities. The comparison figure from Q3 2020 included EUR -77.9 million of change in current debt, EUR -22.8 million in dividends paid and EUR -6.0 million of payments of lease liabilities.

Capital expenditure totaled EUR 7.3 million (8.8), mainly relating to retail, supply chain and IT investments. Depreciation, amortization and impairment were EUR 15.7 million (15.1).

## FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN Q1-Q3 2021

During the first nine months of the year, other financial income and expenses amounted to EUR -0.1 million (Q1-Q3 2020: -5.8), including EUR -6.2 million of interests related to the tax dispute. Foreign exchange differences accounted for EUR 1.9 million (0.1) of financial items.

Profit before taxes was EUR 120.0 million (59.4). Income taxes were EUR -50.7 million (-16.1). 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 0.84 (0.53), where the tax dispute had a negative impact of EUR 0.35 per share. More details on the tax case can be found on page 30 of this Interim report.

The cash flow from operating activities before financial items and taxes amounted to EUR 109.3 million (134.0). The change was a result of the increase in profit before taxes, while the change in net working capital had the opposite effect. Cash flow from financial items and taxes amounted to EUR -21.8 million (-17.2).

Cash flow from investing activities was EUR -21.4 million (-20.2), including EUR -21.6 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -105.1 million (60.3), including EUR -37.8 million of change in current debt, EUR -48.9 million of dividends paid and EUR -18.3 million of lease liability payments. The comparison figure from Q1-Q3 2020 included EUR 85.4 million of change in current debt, EUR 39.9 million of change in non-current debt, EUR -45.6 million of dividends paid and EUR -18.2 million of lease liability payments.

Capital expenditure totaled EUR 21.6 million (20.5), mainly relating to retail, supply chain and IT investments. Depreciation, amortization and impairment amounted to EUR 46.0 million (50.1).

## BALANCE SHEET AND FINANCING IN Q3 2021

Fiskars Group's working capital totaled EUR 157.8 million (171.5) at the end of September. The equity ratio was 58% (51%) and net gearing was 17% (29%).

Cash and cash equivalents at the end of the period totaled EUR 24.4 million (165.4). Net interest-bearing debt amounted to EUR 136.4 million (214.0), of which leases classified as interest-bearing debt under IFRS 16 accounted for EUR 87.1 million (95.1).

Excluding leasing debt, short-term borrowing totaled EUR 23.4 million (233.8) and long-term borrowing EUR 50.9 million (51.1). 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 3.7 million (Q3 2020: 3.7) in the third quarter of 2021, equivalent to 1.3% (1.4%) of net sales. During the first nine months of the year, research and development expenses totaled EUR 11.1 million (Q1–Q3 2020: 12.3), equivalent to 1.2% (1.5%) of net sales.

## PERSONNEL

The average number of full-time equivalent employees (FTE) was 6,157 (Q3 2020: 6,027) in the third quarter. At the end of the quarter, the Group employed 6,517 (6,432) employees, of whom 1,090 (1,058) were in Finland.

## SUSTAINABILITY

Fiskars Group is working towards becoming a carbon neutral business. The target is to reduce scope 1 and 2 greenhouse gas emissions from own operations by 60% from the base year 2017.

In 2021 (year-to-date), our scope 1 and 2 greenhouse gas emissions have increased by 10% compared to 2020; this is due to a significant increase in sales and thus also in production volumes. However, we remain fully committed to our science-based reduction targets and overall our scope 1 and 2 emissions have declined by 39 %

compared to the base year.

Another important target for us by 2030 is to have all waste from our own manufacturing units and distribution centers recovered or recycled with zero waste going to landfill. During the first three quarters of 2021, Fiskars Group has reduced waste to landfill by 42% compared to 2020 and by 90% compared to the base year 2017.

We are integrating sustainability into our business practices, and our target is that by 2030 the majority of our net sales will come from circular products and services. For example, Iittala has a product range made from 100% recycled glass, and the collection was expanded with seven new products in the autumn of 2021. In addition, earlier this year the Fiskars brand introduced a version of its iconic scissors, made from recycled and 100% recyclable materials. Consumers and customers have shown a keen interest in our recycled products, and sales of the recycled products have grown 112% during this year compared to last year.

## 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 joined Fiskars Group on August 16, 2021. The former Chief Financial Officer and deputy to the CEO, Sari Pohjonen, had decided to leave the company.

## OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

### Record date and payment date of the second dividend instalment

The Board of Directors of Fiskars Corporation has on September 9, 2021, resolved in accordance with the resolution of the Annual General Meeting that the dividend payment date for the second dividend instalment of EUR 0.30 per share was to be September 20, 2021. The ex-dividend date for the dividend instalment was September 10, 2021 and the record date September 13, 2021.



## 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 third quarter was EUR 20.45 (Q3 2020: 11.20). At the end of September, the closing price was EUR 19.14 (EUR 11.60) per share and Fiskars had a market capitalization of EUR 1,559.4 million (945.1). The number of shares traded on Nasdaq Helsinki and in alternative market places from July to September was 1.8 million (2.2), which represents 2.3% (2.7%) of the total number of shares. The total number of shareholders was 29,210 (25,546) at the end of September 2021.

### Flagging notifications

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

## EVENTS AFTER THE REPORTING PERIOD

### Outlook for 2021 upgraded on October 13, 2021

On October 13, 2021, Fiskars upgraded its outlook for 2021. The company expects the comparable EBITA for 2021 to be in the range of EUR 160-170 million. According to the previous outlook issued on June 23, 2021, the comparable EBITA in 2021 was expected to be in the range of EUR 140-160 million.

The upgrade was based on the company's better than expected financial performance during the third quarter, in particular towards the end of the quarter. A central factor was that Fiskars has so far successfully mitigated the global supply chain challenges, which have previously been highlighted as a material risk for the full-year financial performance.

The seasonality of both trade and consumer demand may continue to differ from a typical year, also towards the end of the year. Trade customers may seek to secure the availability of products by pulling forward orders from the first quarter of 2022 into the fourth quarter of 2021. In addition, there are ongoing challenges in global supply chains as well as increasing raw material and energy price inflation. While the company has managed to mitigate

these factors, they continue to pose a risk.

### Update on the Transformation and Restructuring programs provided on October 27, 2021

On October 27, Fiskars Group provided an update on its ongoing programs, the Transformation and Restructuring programs. Both programs will be completed by the end of 2021. The expected benefits from the programs will be realized, with total annual cost savings amounting to approximately EUR 37 million. A majority of these benefits are already being visible by the end of 2021.

The total costs of both programs were originally estimated to be approximately EUR 70 million. Fiskars Group now expects the total costs of the programs to be approximately EUR 45 million by the end of 2021. By the end of the third quarter, a total of EUR 34.2 million in costs had been recorded. The costs have been recorded as items affecting comparability (IAC). The update does not have an impact on the company's outlook for 2021

Helsinki, Finland, October 28, 2021

### FISKARS CORPORATION

Board of Directors



# CONSOLIDATED INCOME STATEMENT

EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Net sales</b>	<b>291.8</b>	<b>266.7</b>	<b>9</b>	<b>901.2</b>	<b>802.9</b>	<b>12</b>	<b>1,116.2</b>
Cost of goods sold	-169.2	-157.1	-8	-514.2	-482.0	-7	-664.1
<b>Gross profit</b>	<b>122.6</b>	<b>109.6</b>	<b>12</b>	<b>387.0</b>	<b>320.9</b>	<b>21</b>	<b>452.0</b>
Other operating income	1.2	0.3		3.3	1.2	165	6.5
Sales and marketing expenses	-58.9	-51.4	-15	-184.5	-177.7	-4	-241.5
Administration expenses	-26.1	-19.2	-36	-74.9	-66.2	-13	-90.4
Research and development costs	-3.7	-3.7	1	-11.1	-12.3	10	-16.5
Goodwill and trademark amortization and impairment					-1.0	100	-11.4
Other operating expenses	-0.4	0.0		-0.7	-0.2		-0.8
<b>Operating profit (EBIT)*</b>	<b>34.7</b>	<b>35.6</b>	<b>-2</b>	<b>119.0</b>	<b>64.7</b>	<b>84</b>	<b>98.0</b>
Change in fair value of biological assets	0.3	0.1		1.1	0.4	146	0.7
Other financial income and expenses	2.8	-1.0		-0.1	-5.8	98	-8.9
<b>Profit before taxes</b>	<b>37.8</b>	<b>34.6</b>	<b>9</b>	<b>120.0</b>	<b>59.4</b>	<b>102</b>	<b>89.8</b>
Income taxes	-8.0	-7.6	5	-50.7	-16.1	214	-21.3
<b>Profit for the period</b>	<b>29.8</b>	<b>27.0</b>	<b>10</b>	<b>69.3</b>	<b>43.2</b>	<b>60</b>	<b>68.5</b>
Attributable to:							
Equity holders of the parent company	29.6	26.9	10	68.7	42.9	60	67.6
Non-controlling interest	0.2	0.1	91	0.6	0.3	99	0.8
Earnings for equity holders of the parent company per share, euro (basic and diluted)**	0.36	0.33	10	0.84	0.53	60	0.83
*Comparable EBITA (detailed in notes)	38.0	39.3	-3	132.7	86.8	53	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	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
<b>Profit for the period</b>	<b>29.8</b>	<b>27.0</b>	<b>69.3</b>	<b>43.2</b>	<b>68.5</b>
<b>Other comprehensive income for the period</b>					
Items that may be reclassified subsequently to profit or loss					
Translation differences	3.4	-16.7	9.2	-19.5	-25.3
Cash flow hedges	0.0	-0.0	-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	-0.2	0.0	0.2
Other comprehensive income for the period net of tax total	3.3	-16.6	9.1	-19.2	-24.8
<b>Total comprehensive income for the period</b>	<b>33.1</b>	<b>10.4</b>	<b>78.4</b>	<b>24.0</b>	<b>43.6</b>
Attributable to:					
Equity holders of the parent company	33.0	10.4	78.0	24.1	43.5
Non-controlling interest	0.1	0.0	0.4	-0.1	0.1





# CONSOLIDATED BALANCE SHEET

EUR million	Sep 30 2021	Sep 30 2020	Change %	2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	217.4	215.8	1	213.7
Other intangible assets	268.9	279.9	-4	268.2
Property, plant & equipment	145.4	151.1	-4	149.2
Right-of-use assets	82.4	90.9	-9	90.2
Biological assets	45.2	43.9	3	44.1
Investment property	3.7	4.1	-9	4.0
Financial assets at fair value through profit or loss	32.1	24.6	30	24.4
Other investments	3.6	0.9	289	0.8
Deferred tax assets	25.9	23.0	13	27.4
Other non-current assets	6.7	7.5	-10	7.3
<b>Non-current assets total</b>	<b>831.3</b>	<b>841.6</b>	<b>-1</b>	<b>829.1</b>
<b>Current assets</b>				
Inventories	277.9	205.3	35	207.4
Trade and other receivables	227.3	214.0	6	213.8
Income tax receivables	10.5	40.3	-74	29.2
Interest-bearing receivables	0.0	0.0	-71	0.0
Cash and cash equivalents	24.4	165.4	-85	62.5
<b>Current assets total</b>	<b>540.0</b>	<b>624.9</b>	<b>-14</b>	<b>512.8</b>
<b>Assets total</b>	<b>1,371.3</b>	<b>1,466.5</b>	<b>-6</b>	<b>1,342.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to the equity holders of the parent company	788.5	739.6	7	757.8
Non-controlling interest	4.1	3.5	17	3.8
<b>Equity total</b>	<b>792.7</b>	<b>743.1</b>	<b>7</b>	<b>761.6</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	50.9	51.1	-1	51.2
Lease liabilities	65.5	73.4	-11	71.8
Other liabilities	5.1	3.7	36	4.5
Deferred tax liabilities	31.6	30.1	5	31.2
Pension liability	13.6	12.8	6	13.1
Provisions	3.4	3.5	-3	3.6
<b>Non-current liabilities total</b>	<b>170.0</b>	<b>174.7</b>	<b>-3</b>	<b>175.4</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	23.4	233.8	-90	61.2
Lease liabilities	21.7	21.7	0	22.7
Trade and other payables	334.0	275.0	21	309.8
Income tax liabilities	23.1	13.1	77	5.5
Provisions	6.5	5.2	26	5.7
<b>Current liabilities total</b>	<b>408.6</b>	<b>548.7</b>	<b>-26</b>	<b>404.9</b>
<b>Equity and liabilities total</b>	<b>1,371.3</b>	<b>1,466.5</b>	<b>-6</b>	<b>1,342.0</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
<b>Cash flow from operating activities</b>					
Profit before taxes	37.8	34.6	120.0	59.4	89.8
Adjustments for					
Depreciation, amortization and impairment	15.7	15.1	46.0	50.1	76.1
Gain/loss on sale and loss on scrap of non-current assets	0.0	-0.1	-0.7	-0.4	-0.1
Other financial items	-2.5	1.0	0.4	5.8	8.6
Change in fair value of biological assets	-0.3	-0.1	-1.1	-0.4	-0.7
Change in provisions and other non-cash items	9.5	-2.2	9.7	5.1	3.9
<b>Cash flow before changes in working capital</b>	<b>60.1</b>	<b>48.4</b>	<b>174.2</b>	<b>119.5</b>	<b>177.6</b>
Changes in working capital					
Change in current assets, non-interest-bearing	20.9	26.0	-7.9	-23.4	-25.6
Change in inventories	-35.1	7.1	-71.2	19.8	15.9
Change in current liabilities, non-interest-bearing	6.0	34.2	14.1	18.0	55.8
<b>Cash flow from operating activities before financial items and taxes</b>	<b>51.9</b>	<b>115.6</b>	<b>109.3</b>	<b>134.0</b>	<b>223.8</b>
Financial income received and costs paid	-0.3	-2.5	-3.9	-2.3	-4.2
Taxes paid	-5.2	-8.0	-17.9	-14.9	-20.3
<b>Cash flow from operating activities (A)</b>	<b>46.4</b>	<b>105.1</b>	<b>87.5</b>	<b>116.7</b>	<b>199.2</b>
<b>Cash flow from investing activities</b>					
Investments in financial assets	-3.5	-0.4	-3.6	-1.7	-1.9
Capital expenditure on fixed assets	-7.3	-8.8	-21.6	-20.5	-30.0
Proceeds from sale of fixed assets	0.1	0.5	1.3	0.6	1.2
Proceeds from sale of subsidiary shares			0.9		
Cash flow from other investments	1.5	0.0	1.6	1.4	1.3
<b>Cash flow from investing activities (B)</b>	<b>-9.2</b>	<b>-8.6</b>	<b>-21.4</b>	<b>-20.2</b>	<b>-29.4</b>
<b>Cash flow from financing activities</b>					
Purchase of treasury shares				-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	0.0	-0.1	39.9	39.9
Change in current debt	-7.7	-77.9	-37.8	85.4	-84.5
Payment of lease liabilities	-6.1	-6.0	-18.3	-18.2	-24.0
Cash flow from other financing items	-0.5	-1.0	0.0	-0.9	-1.9
Dividends paid	-24.4	-22.8	-48.9	-45.6	-45.7
<b>Cash flow from financing activities (C)</b>	<b>-38.8</b>	<b>-107.8</b>	<b>-105.1</b>	<b>60.3</b>	<b>-116.5</b>
<b>Change in cash and cash equivalent (A+B+C)</b>	<b>-1.6</b>	<b>-11.3</b>	<b>-39.0</b>	<b>156.9</b>	<b>53.3</b>
Cash and cash equivalent at beginning of period	26.0	177.4	62.5	9.4	9.4
Translation difference	-0.0	-0.8	0.9	-0.8	-0.2
Cash and cash equivalent at end of period	24.4	165.4	24.4	165.4	62.5



# CONSOLIDATED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company							Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Financial assets at FVTOCI	Retained earnings		
<b>Opening Balance Jan 1, 2020</b>	<b>77.5</b>	<b>-7.1</b>	<b>20.1</b>	<b>-0.2</b>	<b>-1.9</b>	<b>0.0</b>	<b>672.5</b>	<b>3.6</b>	<b>764.5</b>
Total comprehensive income for the period			-19.1	0.3	0.0		42.9	-0.1	24.0
Purchase of treasury shares		-0.3					0.2		-0.1
Dividend distribution							-45.6		-45.6
Other changes		0.3					0.1		0.3
<b>Sep 30, 2020</b>	<b>77.5</b>	<b>-7.2</b>	<b>1.0</b>	<b>0.1</b>	<b>-1.9</b>	<b>0.0</b>	<b>670.1</b>	<b>3.5</b>	<b>743.1</b>
<b>Opening Balance Jan 1, 2021</b>	<b>77.5</b>	<b>-7.2</b>	<b>-4.5</b>	<b>0.1</b>	<b>-1.7</b>	<b>0.0</b>	<b>693.7</b>	<b>3.8</b>	<b>761.6</b>
Total comprehensive income for the period			9.5	0.0	-0.2		68.7	0.4	78.4
Purchase and issue of treasury shares							1.4		1.4
Dividend distribution							-48.9		-48.9
Other changes							0.1		0.1
<b>Sep 30, 2021</b>	<b>77.5</b>	<b>-7.2</b>	<b>5.0</b>	<b>0.1</b>	<b>-1.9</b>	<b>0.0</b>	<b>715.0</b>	<b>4.1</b>	<b>792.7</b>



# NOTES TO THE INTERIM REPORT

## **ACCOUNTING PRINCIPLES**

This unaudited interim 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	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Net sales</b>							
Vita	133.8	111.0	21	357.6	285.5	25	456.6
Terra	111.5	113.1	-1	417.2	396.0	5	493.8
Crea	45.6	41.5	10	123.7	118.5	4	162.0
Other	0.9	1.1	-22	2.6	2.9	-8	3.8
<b>Group total</b>	<b>291.8</b>	<b>266.7</b>	<b>9</b>	<b>901.2</b>	<b>802.9</b>	<b>12</b>	<b>1,116.2</b>
EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Operating profit (EBIT)</b>							
Vita	25.2	12.0	110	45.2	-10.5	530	11.9
Terra	6.2	12.7	-51	54.8	54.1	1	60.8
Crea	11.4	13.9	-18	30.7	30.2	2	38.5
Other	-8.2	-3.0	175	-11.7	-9.1	28	-13.1
<b>Group total</b>	<b>34.7</b>	<b>35.6</b>	<b>-2</b>	<b>119.0</b>	<b>64.7</b>	<b>84</b>	<b>98.0</b>
EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Depreciation, amortization and impairment</b>							
Vita	8.8	9.6	-8	25.5	30.9	-17	50.4
Terra	4.9	4.6	5	13.9	13.3	4	17.9
Crea	1.1	0.7	61	3.2	3.5	-9	4.4
Other	0.9	0.2	281	3.4	2.4	42	3.3
<b>Group total</b>	<b>15.7</b>	<b>15.1</b>	<b>4</b>	<b>46.0</b>	<b>50.1</b>	<b>-8</b>	<b>76.1</b>
EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Capital expenditure</b>							
Vita	3.6	5.1	-29	10.8	10.7	1	16.3
Terra	2.9	2.7	7	8.0	7.0	13	9.9
Crea	0.5	0.3	53	2.1	1.1	84	1.8
Other	0.3	0.6	-57	0.7	1.6	-57	2.2
<b>Group total</b>	<b>7.3</b>	<b>8.8</b>	<b>-16</b>	<b>21.6</b>	<b>20.5</b>	<b>5</b>	<b>30.0</b>

# NET SALES BY GEOGRAPHY

EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Net sales</b>							
Europe	143.8	121.3	19	424.3	344.4	23	495.9
Americas	106.0	112.9	-6	354.5	363.4	-2	471.6
Asia-Pacific	42.0	35.6	18	125.1	99.5	26	154.1
Unallocated	-0.1	-3.2		-2.7	-4.3		-5.4
<b>Group total</b>	<b>291.8</b>	<b>266.7</b>		<b>901.2</b>	<b>802.9</b>		<b>1,116.2</b>



# OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q3 2021	Q3 2020	Change %	Q1-Q3 2021	Q1-Q3 2020	Change %	2020
<b>Operating profit (EBIT)</b>	<b>34.7</b>	<b>35.6</b>	<b>-2</b>	<b>119.0</b>	<b>64.7</b>	<b>84</b>	<b>98.0</b>
Amortization	-3.9	-3.6	-11	-10.6	-13.8	23	-27.8
<b>EBITA</b>	<b>38.6</b>	<b>39.1</b>	<b>-1</b>	<b>129.6</b>	<b>78.5</b>	<b>65</b>	<b>125.8</b>
<b>Items affecting comparability in EBITA</b>							
Restructuring Program	0.1	-0.2	139	1.6	7.5	-78	8.1
Transformation program	-0.6	0.3		1.5	1.1	39	3.0
Leborgne divestment							0.2
Other adjustments to operating profit	0.0	0.0	-27	-0.1	-0.3	-71	-0.3
<b>Total items affecting comparability in EBITA</b>	<b>-0.6</b>	<b>0.1</b>		<b>3.1</b>	<b>8.3</b>	<b>-63</b>	<b>11.0</b>
<b>Comparable EBITA</b>	<b>38.0</b>	<b>39.3</b>	<b>-3</b>	<b>132.7</b>	<b>86.8</b>	<b>53</b>	<b>136.8</b>

# INTANGIBLE AND TANGIBLE ASSETS

EUR million	Sep 30 2021	Sep 30 2020	Dec 31 2020
<b>Intangible assets and goodwill</b>			
Book value, Jan 1	481.9	508.2	508.2
Currency translation adjustment	5.9	-6.1	-9.7
Additions	9.1	7.8	11.4
Amortization and impairment	-10.6	-13.8	-27.7
Decreases and transfers	-0.1	-0.4	-0.3
<b>Book value at end of period</b>	<b>486.2</b>	<b>495.7</b>	<b>481.9</b>
<b>Tangible assets and investment property</b>			
Book value, Jan 1	153.2	165.9	165.9
Currency translation adjustment	1.2	-6.3	-7.2
Additions	12.6	12.3	18.4
Depreciation and impairment	-16.9	-17.0	-22.8
Decreases and transfers	-0.9	0.3	-1.1
<b>Book value at end of period</b>	<b>149.1</b>	<b>155.2</b>	<b>153.2</b>
Investment commitments for property, plant and equipment	3.9	2.2	2.2
<b>Right-of-use assets</b>			
Book value, Jan 1	90.3	108.8	108.8
Currency translation adjustment	1.3	-2.3	-2.9
Additions	10.6	9.6	18.7
Depreciation	-18.7	-18.7	-24.7
Decreases	-1.0	-6.6	-9.8
<b>Book value at end of period</b>	<b>82.4</b>	<b>90.9</b>	<b>90.2</b>





# CONTINGENCIES AND PLEDGED ASSETS

EUR million	Sep 30 2021	Sep 30 2020	Dec 31 2020
<b>As security for own commitments</b>			
Guarantees	10.6	11.6	11.5
Other contingencies*	3.9	2.8	1.9
<b>Contingencies and pledged assets total</b>	<b>14.5</b>	<b>14.4</b>	<b>13.4</b>

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

# DERIVATIVES

EUR million	Sep 30 2021	Sep 30 2020	Dec 31 2020
<b>Nominal amounts of derivatives</b>			
Foreign exchange forwards and swaps	296.6	295.6	223.6
<b>Fair value of derivatives</b>			
Foreign exchange forwards and swaps	0.0	-0.3	-0.4

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	USD	SEK	AUD	JPY	CAD	IDR	NOK
Operational currency position	-30.6	-27.8	23.6	18.6	13.9	12.7	-11.6	9.4
Exchange rate sensitivity of the operations*	3.1	2.8	-2.4	-1.9	-1.4	-1.3	1.2	-0.9

\*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

Sep 30, 2021

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			32.1	32.1
Other investments*	0.2		3.5	3.6
Derivative assets				
<b>Total assets</b>	<b>0.2</b>	<b>0.0</b>	<b>35.5</b>	<b>35.7</b>
Derivative liabilities		0.0		0.0
<b>Total liabilities</b>		<b>0.0</b>		<b>0.0</b>

Sep 30, 2020

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			24.6	24.6
Other investments*	0.3		0.6	0.9
Derivative assets		0.0		0.0
<b>Total assets</b>	<b>0.3</b>	<b>0.0</b>	<b>25.3</b>	<b>25.6</b>
Derivative liabilities		0.4		0.4
<b>Total liabilities</b>		<b>0.4</b>		<b>0.4</b>

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		0.6	0.8
Derivative assets				
<b>Total assets</b>	<b>0.2</b>	<b>0.0</b>	<b>25.0</b>	<b>25.2</b>
Derivative liabilities		0.4		0.4
<b>Total liabilities</b>		<b>0.4</b>		<b>0.4</b>

\*Loan and other receivables reclassified as Other non-current assets in consolidated balance sheet



# 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 EUR million	FVTPL	Other		Total
	Level 3	Level 1	Level 3	
<b>Book value, Sep 30, 2020</b>	<b>24.6</b>	<b>0.3</b>	<b>0.6</b>	<b>25.6</b>
Additions	0.2			0.2
Decreases	0.0			-0.0
Change in fair value	-0.5	-0.1	0.0	-0.6
<b>Book value, Dec 31, 2020</b>	<b>24.4</b>	<b>0.2</b>	<b>0.6</b>	<b>25.2</b>
Additions	0.2		2.9	3.1
Decreases	-1.5		-0.6	-2.1
Change in fair value	9.0	-0.0	0.6	9.6
<b>Book value, Sep 30, 2021</b>	<b>32.1</b>	<b>0.2</b>	<b>3.5</b>	<b>35.7</b>

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. 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 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.

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