

Half-year financial report 2020

January–June 2020

Highly volatile market situation with demand improving towards the end of the quarter, significant uncertainties remain for the rest of the year



This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Fiskars Group believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Fiskars Group include, but are not limited to:

(u) the macroeconomic development and consumer confidence in the key markets, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions, (iv) change in interest rate and foreign exchange rate levels, and (v) internal operating factors.

This presentation does not imply that Fiskars Group has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Highlights of the quarter



**HIGHLY
VOLATILE
MARKET
SITUATION**



**STRONG DEMAND
FUELING TERRA
AND CREA**



**VITA SUFFERING
FROM THE IMPACT
OF COVID-19**



**COMPARABLE
EBITA
INCREASED,
PARTLY
SUPPORTED
BY SAVINGS**



**SIGNIFICANT
UNCERTAINTIES
REMAIN FOR THE
REST OF 2020**

Our new President and CEO

Nathalie Ahlström has been appointed by the Board of Directors as the new CEO

Will **start in the position in January 2021**, at the latest.

Member of our Board of Directors since March 2020.

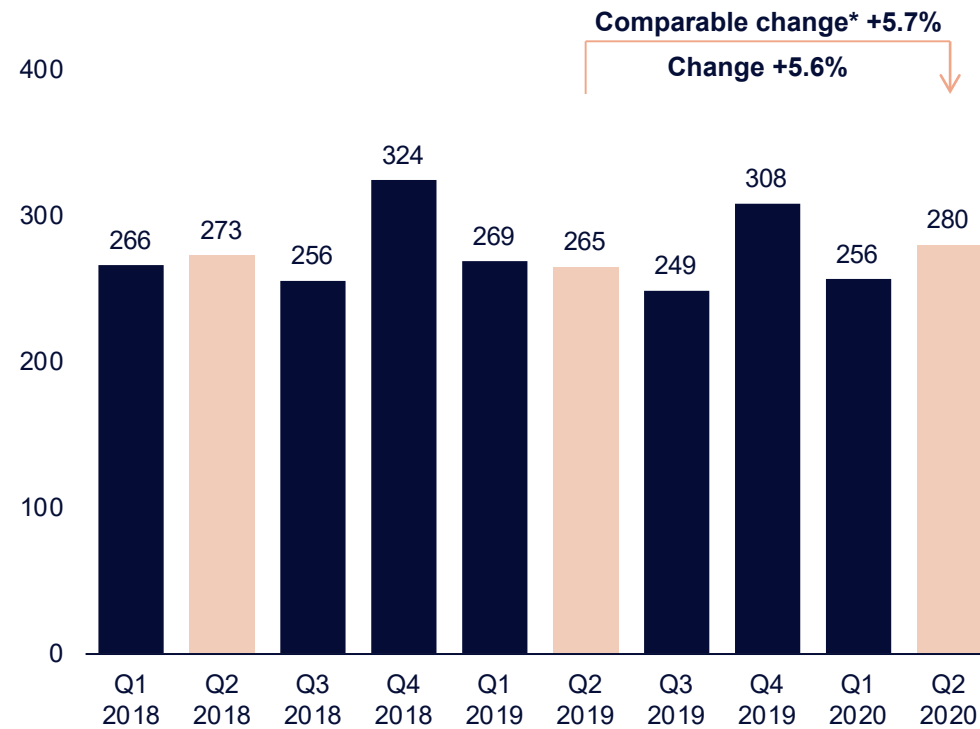
Joins us from Fazer Group where she has been working since 2018 as EVP, Fazer Confectionery and member of the Fazer Group Management Team.

More than 20 years of experience in international business, has been based in Europe and Asia.



Fiskars Group comparable net sales in Q2 2020

NET SALES, EUR MILLION



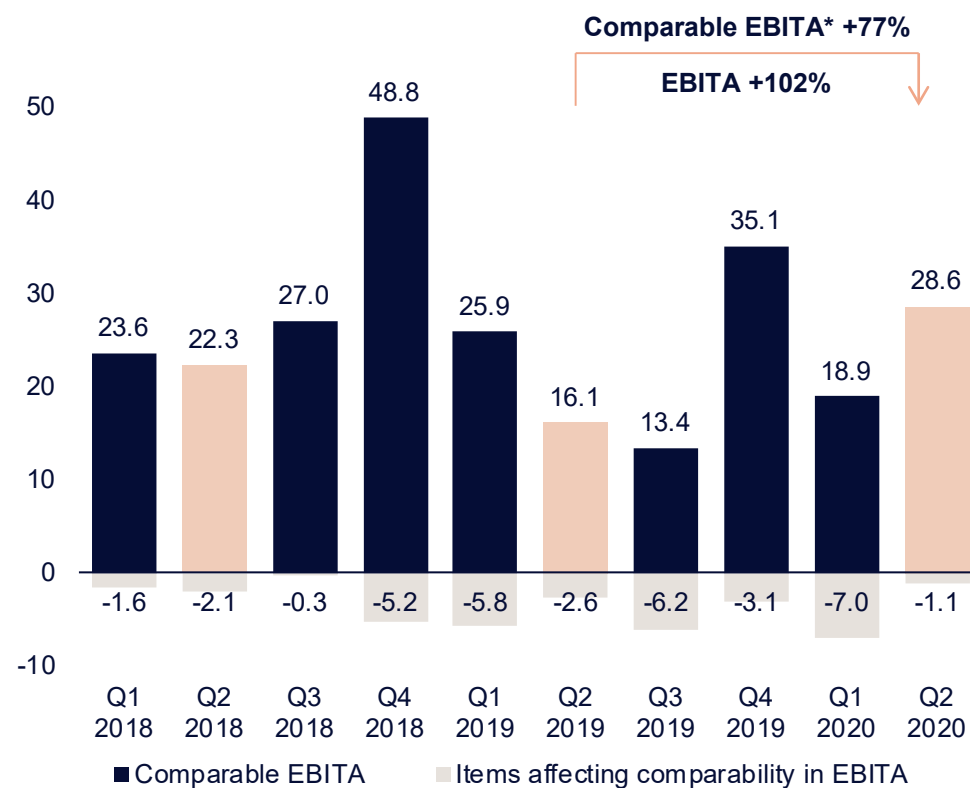
*Comparable change = currency neutral and excluding acquisitions & divestments

NET SALES BRIDGE, EUR MILLION



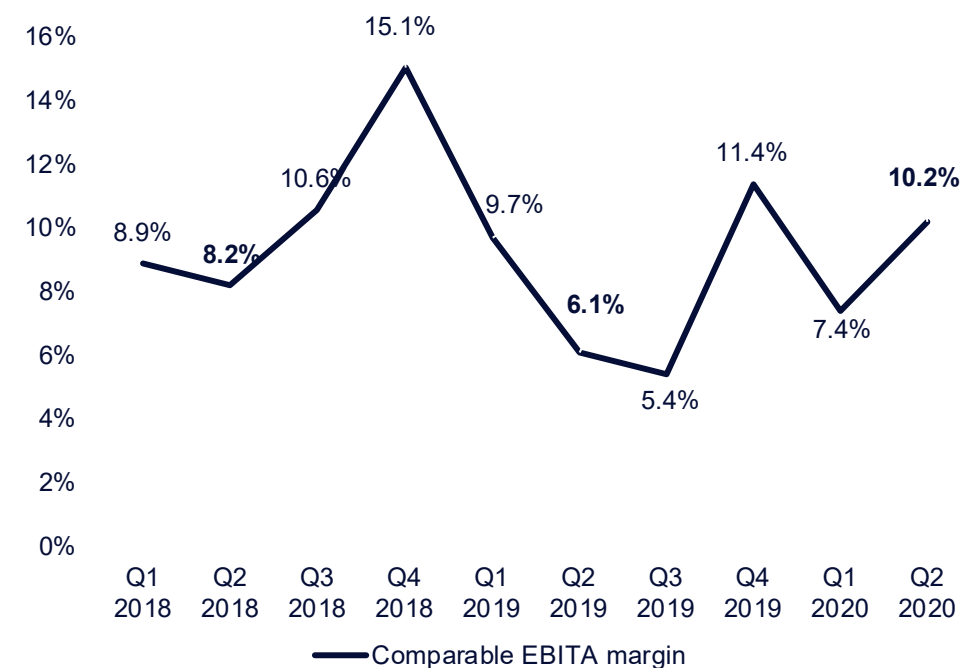
Fiskars Group comparable EBITA in Q2 2020

COMPARABLE EBITA, EUR MILLION



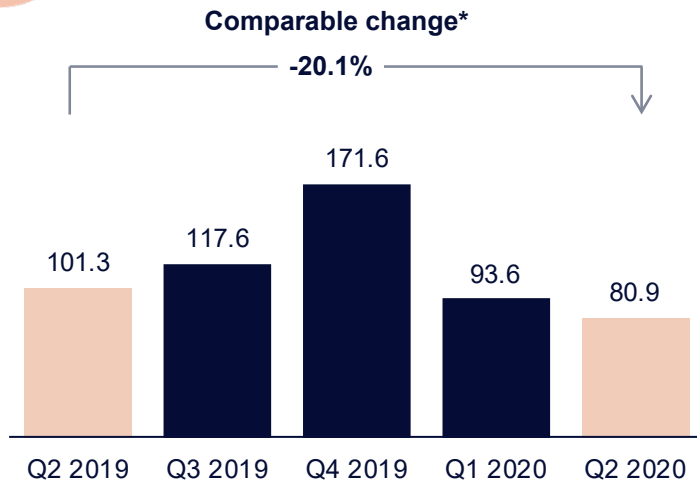
*Comparable change: includes items such as restructuring costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses

COMPARABLE EBITA MARGIN

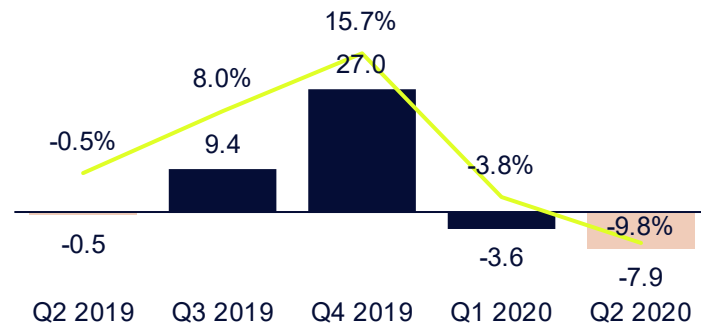




Vita in Q2 2020



*Using comparable exchange rates



■ Comparable EBITA, EUR million
— Comparable EBITA margin

EUR million	Q2 2020	Q2 2019	Change	Q1-Q2 2020	Q1-Q2 2019	Change	2019
Net sales	80.9	101.3	-20.2%	174.5	211.5	-17.5%	500.8
Comparable EBITA	-7.9	-0.5		-11.5	2.5		38.8
Capital expenditure	3.6	4.8	-24.6%	5.6	8.8	-36.7%	18.3

Comparable net sales decreased

- Increased significantly in the direct e-commerce, decrease in all other channels
- Situation started to improve in June
- Stores were temporarily closed in many markets and the wholesale channel limited replenishment orders
- The hospitality channel has been severely hit by the pandemic
- Growth in APAC; pandemic eased in some markets, China growth plan proceeded
- On brand level Waterford and Iittala most severely impacted

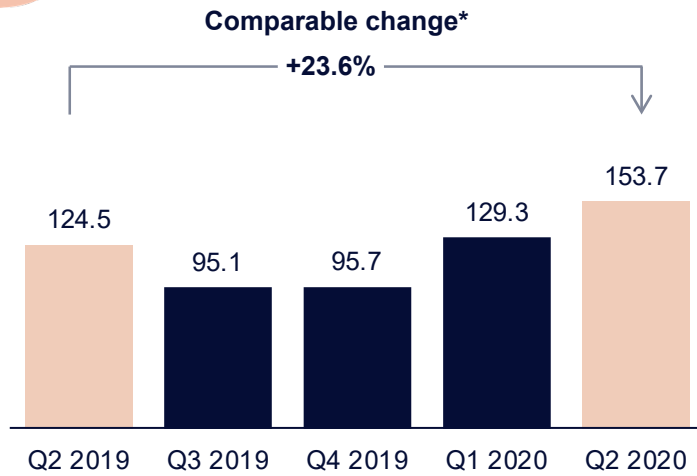
Comparable EBITA decreased

- Lower volumes due to the pandemic
- Temporary cost-cutting measures supported the performance



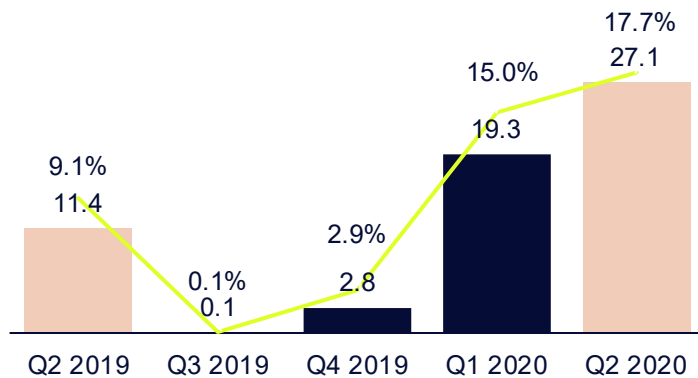


Terra in Q2 2020



■ Net sales, EUR million

*Using comparable exchange rates and excluding the Leborgne divestment



■ Comparable EBITA, EUR million

— Comparable EBITA margin

EUR million	Q2 2020	Q2 2019	Change	Q1-Q2 2020	Q1-Q2 2019	Change	2019
Net sales	153.7	124.5	23.4%	283.0	252.1	12.3%	442.9
Comparable EBITA	27.1	11.4	138.7%	46.5	33.3	39.7%	36.2
Capital expenditure	2.2	3.8	-43.5%	4.3	6.7	-35.8%	16.6

Comparable net sales increased

- Strong demand and increased distribution in gardening and watering, in particular US and Germany
- Favorable weather conditions in the seasonally important quarter
- Growth in all categories except outdoor – government orders decreased
- Some negative impact from store closures, mostly in Finland and France
- Actions taken to improve availability of products

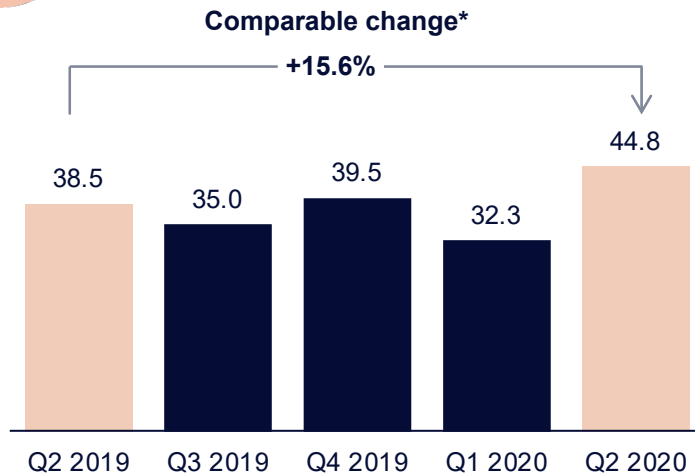
Comparable EBITA increased

- Increased sales volumes
- Temporary cost-cutting measures

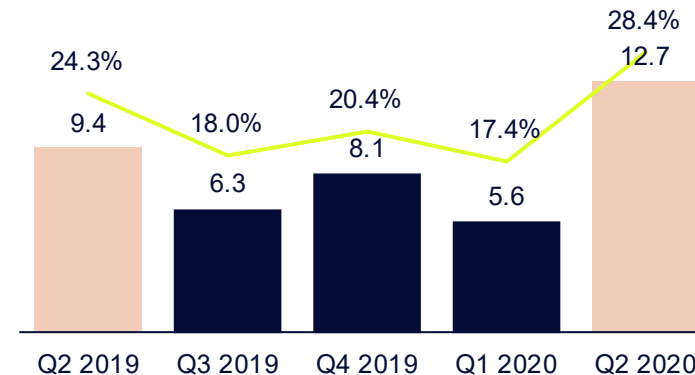




Crea in Q2 2020



*Using comparable exchange rates



■ Comparable EBITA, EUR million
— Comparable EBITA margin

EUR million	Q2 2020	Q2 2019	Change	Q1-Q2 2020	Q1-Q2 2019	Change	2019
Net sales	44.8	38.5	16.3%	77.0	68.4	12.6%	142.9
Comparable EBITA	12.7	9.4	35.9%	18.3	13.7	34.3%	28.0
Capital expenditure	0.6	0.2		0.8	0.3	141.5%	0.9

Comparable net sales increased

- Growth driven by the Americas; strong demand for scissors and sewing products
- Significant differences by market in Europe (lockdowns and channel split), situation improved towards the end of the quarter
- Direct e-commerce increased, not offsetting the decrease in the rest of the direct channel (store closures)

Comparable EBITA increased

- Increased sales volumes
- Temporary cost-cutting measures



Net sales by geography in Q2 2020

Comparable net sales in Europe decreased

- Increased in Terra, unchanged in Crea and decreased in Vita
- Growth in Germany and Norway, challenges in Finland, UK and Ireland
- Store closures impacting performance

Comparable net sales in the Americas increased

- Increased in Terra and Crea
- Decreased in Vita

Comparable net sales in Asia-Pacific increased

- Growth in most markets as pandemic eased
- Japan an exception, impacted by significant lockdowns
- Growth plan in China proceeded

EUR million	Q2 2020	Q2 2019	Change	Comparable change	2019
Europe	104.0	120.8	-13.8%	-12.3%	518.9
Americas	142.4	116.2	22.6%	20.4%	427.5
Asia-Pacific	33.3	28.6	16.1%	16.2%	143.6
Unallocated**	0.3	-0.5			0.3

*Using comparable exchange rates and excluding the Leborgne divestment

**Geographically unallocated exchange rate differences



The Fiskars design team was awarded one of the highest distinctions of the design industry, the 'Red Dot: Design Team of the Year 2020' title.

A tribute to sustainable and innovative design, the honorary title is given to only one team each year



Marketing highlights in Q2 2020

Fiskars' watering nozzles and wands won the "Red Dot: Best of the Best" Design Award.

The rollout of new e-commerce sites continued, as the renewed sites for Wedgwood and Royal Doulton were launched. The redefinition of both brands was completed during the first quarter of 2020, supporting the new sites as well.

littala launched several new products. Building on previous trials with recycled glass, the brand launched a collection made entirely of waste glass from the littala Glass Factory.

littala and Fiskars partnered with WWF Finland to support nature biodiversity in Finland. "Design, recycled" introduces the next generation of classic products made from recycled materials, including Fiskars Recycled Scissors and littala Design Recycled glass collection.



Q2 2020



Consolidated income statement

EUR million	Q2 2020	Q2 2019	Change, %	2019
Net sales	280.0	265.1	6	1,090.4
Cost of goods sold	-173.3	-156.7	11	-643.1
Gross profit	106.7	108.3	-1	447.3
Gross profit margin	38.1 %	40.9 %		41.0%
Sales and marketing expenses	-58.3	-72.2	-19	-284.3
Amortization	-6.7	-3.1	119	-12.9
Other expenses	-20.9	-22.5	8	-102.9
Operating profit (EBIT)	20.8	10.5	97	60.1
Profit for the period	11.1	9.9	12	52.4
Items affecting comparability	1.1	2.6	-56	17.7
Comparable EBITA	28.6	16.1	77	90.6
Comparable EBITA margin	10.2 %	6.1 %		8.3%

Gross profit margin decreased

- Decreased volumes in Vita
- Mix in Crea

Temporary cost-cutting measures supported profitability



Transformation program, targeted annual cost savings app. EUR 17 million

- Subject to the full implementation of the program
- Targeted cost savings would be achieved gradually, and the majority of the savings are expected to materialize after the program is completed (end of 2021)

Costs of the program app. EUR 40 million in 2018–2021. By the end of Q2 2020:

- EUR 20.2 million of costs had been booked

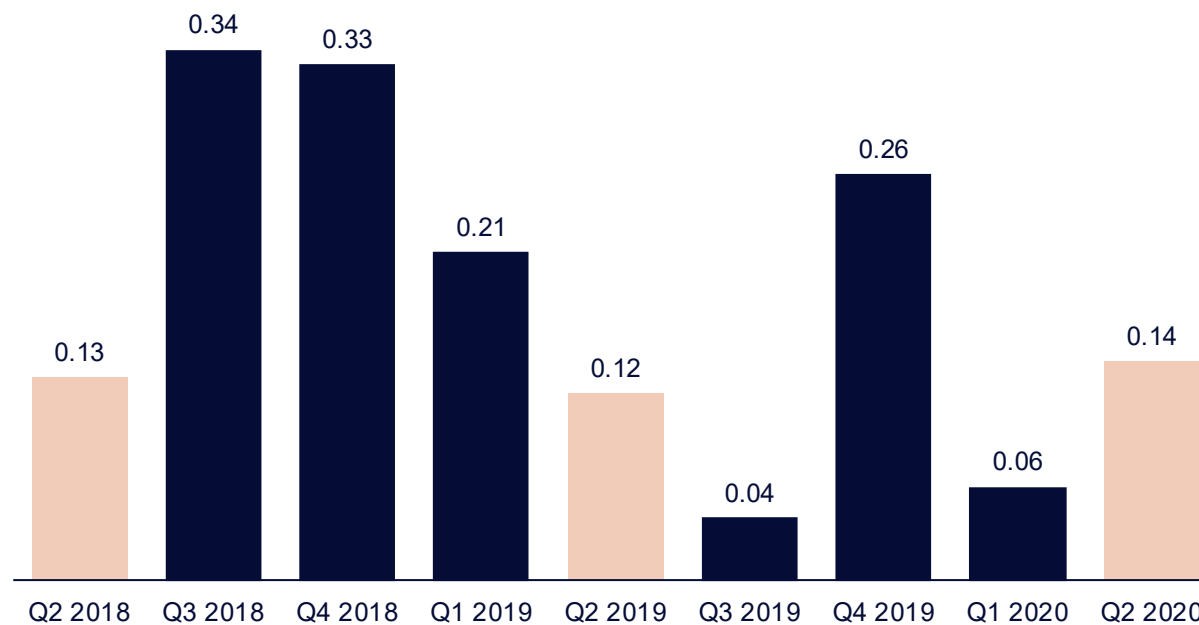
Restructuring program, targeted annual cost savings app. EUR 20 million

- Subject to the full implementation of the program
- Targeted cost savings would be achieved gradually, and the majority of the savings are expected to materialize after the program is completed (end of 2021)

Costs of the program app. EUR 30 million in 2019–2021. By the end of Q2 2020:

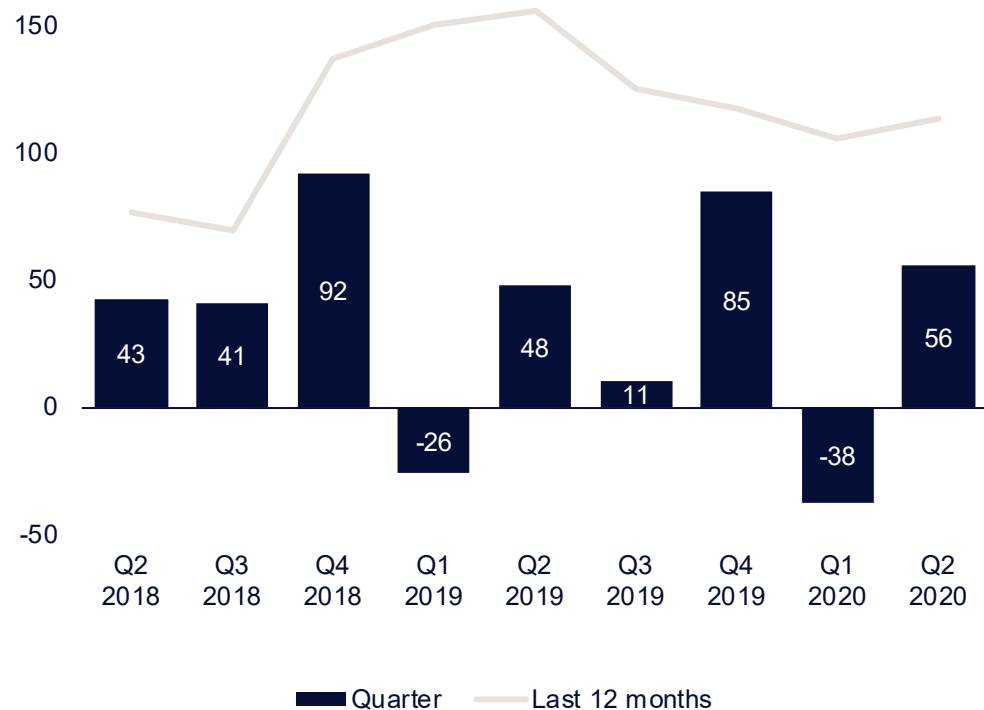
- EUR 8.1 million of costs had been booked

Earnings per share in Q2 2020

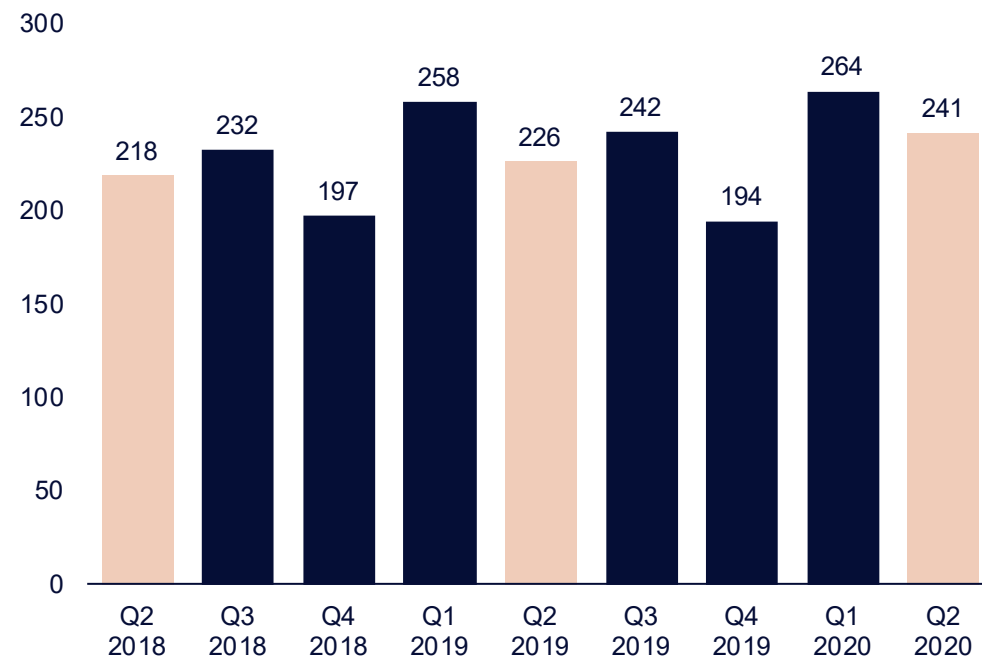


Cash flow increased from previous year's level

CASH FLOW FROM OPERATING ACTIVITIES BEFORE FINANCIAL ITEMS AND TAXES, EUR MILLION



WORKING CAPITAL, EUR MILLION



Balance sheet

EUR million	Q2 2020	Q2 2019	2019
Goodwill and other intangible assets	500.6	503.1	508.2
Other non-current assets	364.4	368.8	382.5
Inventories	214.6	240.9	232.1
Trade receivables	247.2	202.6	203.2
Other current assets	33.3	35.6	28.8
Cash and cash equivalents	177.4	10.6	9.4
Total assets	1,537.5	1,361.6	1,364.3
Equity	755.7	760.5	764.5
Total interest-bearing liabilities	360.5	185.3	160.1
Lease liabilities	107.1	104.4	111.3
Trade and other payables	246.9	247.7	267.7
Other current & non-current liabilities	67.3	63.7	60.7
Total equity and liabilities	1,537.5	1,361.6	1,364.3

Strong June sales visible

- increased trade receivables
- decreased inventories

Production and sourcing accommodated to the swings in demand

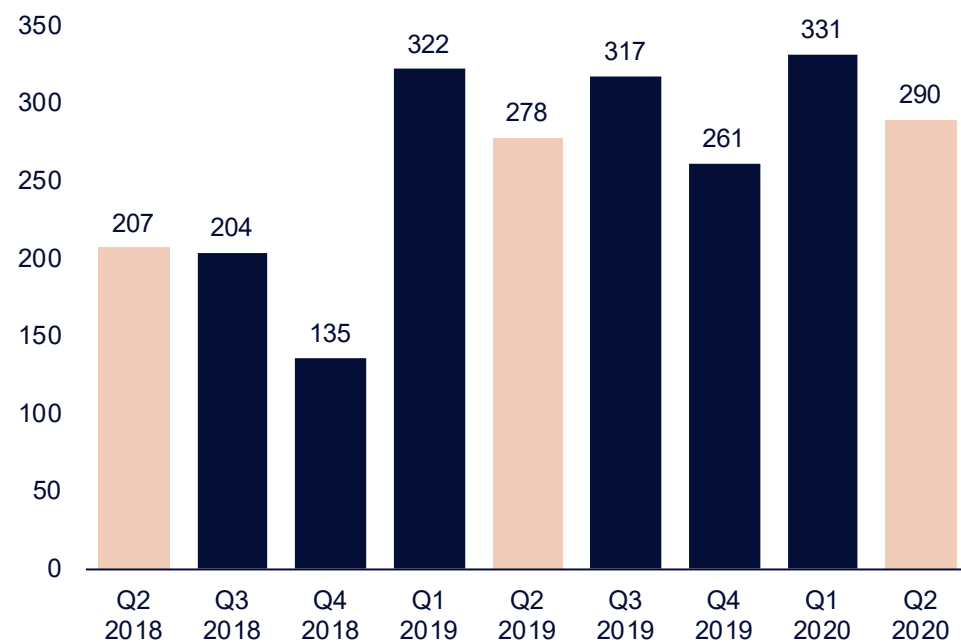
New loans raised during the first half of 2020, leading to higher level of cash and interest-bearing liabilities. Loans excluding leasing debt are due as follows:

- EUR 118 million in 2020,
- EUR 190 million in 2021 and
- EUR 50 million in 2022



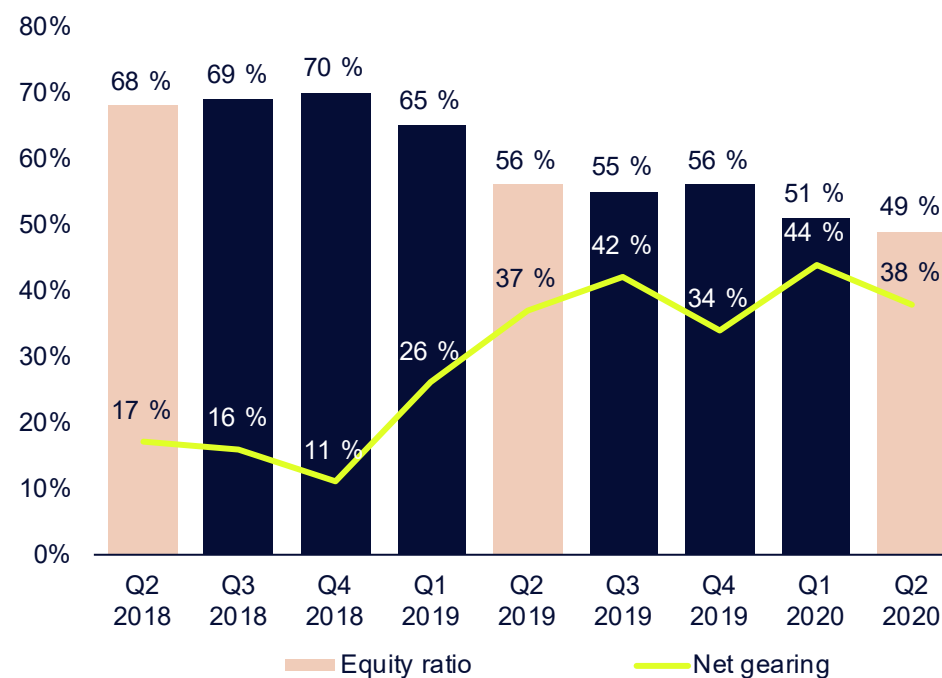
Net debt increased somewhat

NET DEBT, EUR MILLION



The implementation of IFRS 16 impacts net debt from Q1 2019 onwards

EQUITY RATIO AND NET GEARING



The key figures are impacted by the implementation of IFRS 16 from Q1 2019 onwards and by the Wärtsilä share dividend (distributed in Q2 2019)



Long-term financial targets unchanged



GROWTH

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



PROFITABILITY

EBITA margin to reach 12%



CAPITAL STRUCTURE

Net gearing* below 100%



DIVIDEND

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

2019

-2.5% YoY
-3.9% YoY (comparable)

6.7%
8.3% (comparable)

34%

EUR 0.56 per share, paid in two installments of 0.28 each

**Q1-Q2
2020**

+0.5% YoY
+0.4% YoY (comparable)

7.3%
8.9% (comparable)

38%

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





Making
the everyday
extraordinary