

Interim Report January–March 2018

Fiskars, Gerber, Iittala, Royal Copenhagen,
Waterford, Wedgwood, Arabia, Gilmour,
Royal Albert, Royal Doulton, Rörstrand

Disclaimer

- This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Fiskars believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.
- Important factors that may cause such a difference for Fiskars include, but are not limited to: (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 has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Key takeaways for Q1 2018

1

A tough start to the year, due to adverse weather conditions and differences in timing between quarters, such as spring campaigns

2

Decreased comparable net sales and comparable EBITA in the Living segment, where the profitability in the comparison period was strong

3

Decreased comparable net sales and comparable EBITA in the Functional segment, mainly due to Functional EMEA

4

Full year 2018 guidance unchanged



Q1 2018

Net sales
EUR million (Q1 2017: 306.2)

266.1

YoY -13.1%
Comparable* change -6.2%

Comparable EBITA**
EUR million (32.0)

23.6

YoY -26%

Cash flow from operating activities***
EUR million (-46.4)

-39.2

Earnings per share
EUR (0.28)****

0.20

*Using comparable exchange rates, excluding the net sales reported in 2017 from the divested container gardening business in Europe (December 2016)

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

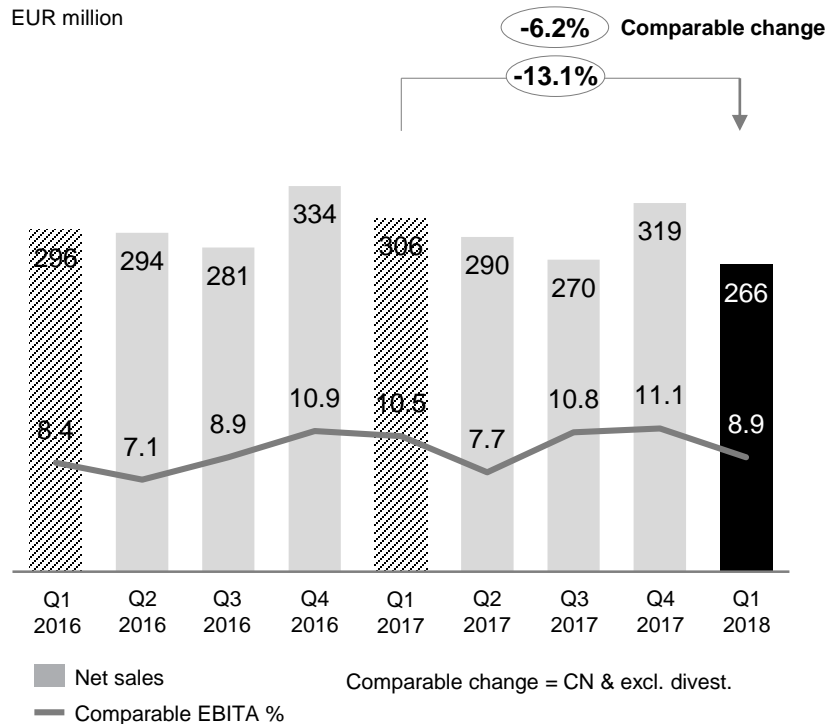
***Before financial items and taxes

****Earnings per share does not include net changes in the fair value of the investment portfolio. The comparable figure for Q1 2017 has been adjusted accordingly.

Fiskars Group in Q1 2018

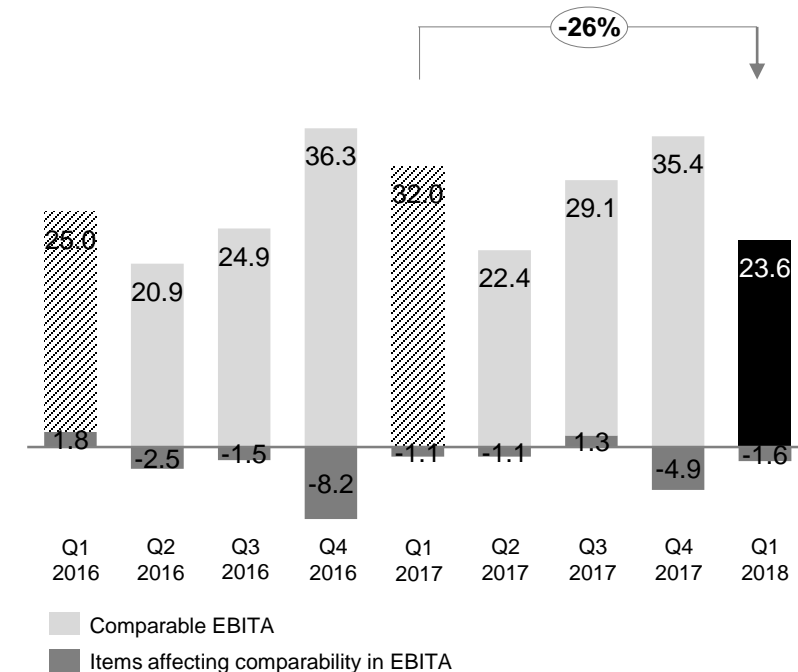
Net sales and comparable EBITA %

EUR million



Comparable EBITA

EUR million



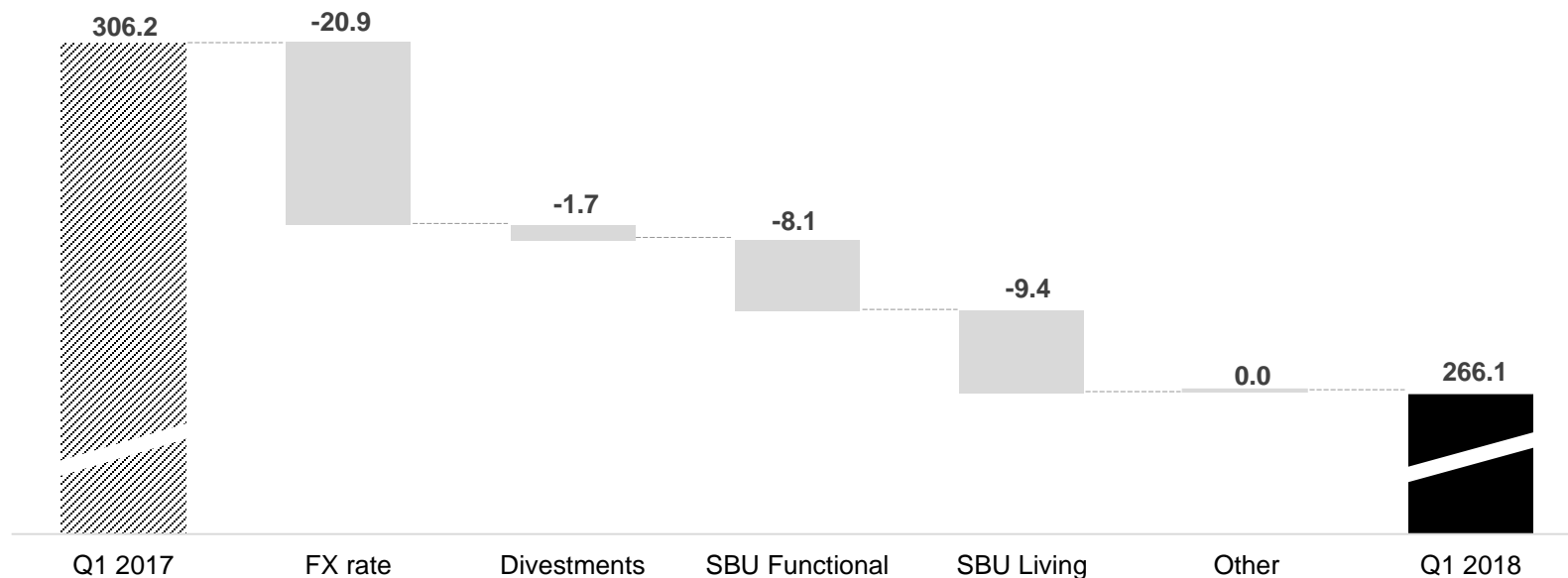
Net sales bridge Q1 2018

Net sales

EUR million

Comparable
change

-6.2%



Living marketing Q1 highlights

- Iittala participated in the Stockholm Design Week, which is an important fair for showcasing Scandinavian design
- Both Iittala and Royal Doulton were present at the International Home + Housewares Show in Chicago, where Royal Doulton presented the new Coffee Studio -collection
- An in-house tradeshow was arranged at the World of Wedgwood in the UK. The tradeshow presented products from the Spring/Summer 2018 collections from Wedgwood, Waterford, Royal Doulton, Royal Albert, Royal Copenhagen and Iittala
- The new tableware series from Arabia, Mainio, started shipping at the beginning of 2018. The series has been positively welcomed by consumers in Finland



Functional marketing Q1 highlights

- Fiskars launched its annual product recycling campaign in Finland, and in addition to the cooking category it was also piloted for the gardening category
- Fiskars' new cooking range Norden was introduced at the Ambiente trade fair in Frankfurt. The Norden range will start shipping later in 2018. The redesigned Functional Form cookware range was also launched at Ambiente
- Gilmour launched a new line of watering tools. Additionally, the brand opened its innovative e-commerce service on Gilmour.com for the U.S. market
- Gerber's new fishing category, which was introduced in the second half of 2017, started shipping in the first quarter of 2018. The products were first introduced in the U.S., Australia, Norway and Finland



**Make an
impact.
Recycle.**

All Fiskars pots
& pans are
made of at least
70% recycled
materials.



FISKARS

FISKARS

Fiskars Village won the EDEN award

- In January 2018, Fiskars Village won the Culture EDEN in Finland -award
- The award is for travel destinations, that combine culture and travel, and is an European Commission initiative that awards and promotes sustainable tourism development models across the EU
- As a winner, Fiskars Village will join the EDEN network

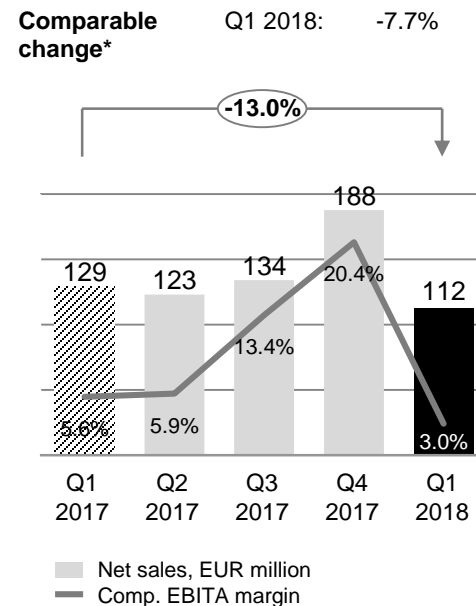
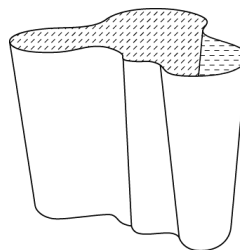


Fiskars Q1 2018

Living in Q1 2018

| EUR million | Q1 2018 | Q1 2017 | Change | 2017 |
|---------------------|---------|---------|--------|-------|
| Net sales | 112.4 | 129.2 | -13.0% | 573.9 |
| Comparable EBITA | 3.4 | 7.2 | -53% | 70.7 |
| Capital expenditure | 5.1 | 2.6 | 97% | 14.0 |

- Comparable net sales in the Living segment decreased year-on-year
- Net sales was mainly impacted by the English & Crystal Living business, which faced challenges in the U.S., the UK and Australia, either related to the overall market environment or channel specific challenges. Additionally, work has continued on streamlining the product portfolio to create a competitive offering
- Comparable net sales in the Scandinavian Living business remained flat. In Japan, the distribution of the Iittala brand was transferred from a local distributor to Fiskars Group. Comparable net sales increased in the direct e-commerce channel in the Living segment
- Comparable EBITA for the Living segment decreased due to the Scandinavian Living business. The main reason was the product mix and the strong comparison figures from the previous year. The profitability improved in the English & Crystal Living business

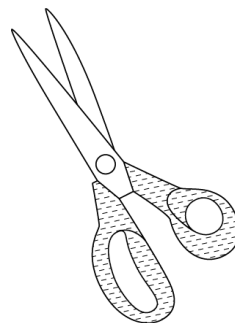


*Using comparable exchange rates

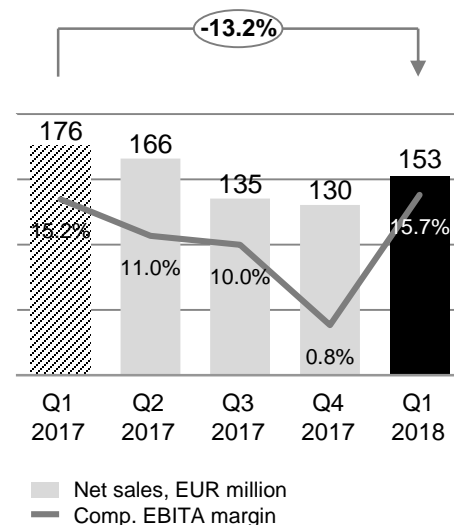
Functional in Q1 2018

| EUR million | Q1 2018 | Q1 2017 | Change | 2017 |
|---------------------|---------|---------|--------|-------|
| Net sales | 152.8 | 176.0 | -13.2% | 607.8 |
| Comparable EBITA | 24.0 | 26.8 | -10% | 59.7 |
| Capital expenditure | 3.3 | 5.1 | -36% | 19.4 |

- Comparable net sales in the Functional segment decreased year-on-year
- Net sales was mainly impacted by the development in Functional EMEA, where the unusually late spring delayed sales in the gardening category
- The same weather-related challenges impacted Functional Americas, but despite these headwinds comparable net sales grew slightly, supported by new distribution
- Comparable net sales increased in the Outdoor business, supported by the launch of the fishing category products
- Comparable EBITA for the Functional segment decreased, mainly due to the low sales volumes in the Functional EMEA business



Comparable change* Q1 2018: -5.1%



*Using comparable exchange rates and excluding the net sales of the divested container gardening business in Europe (in December 2016)

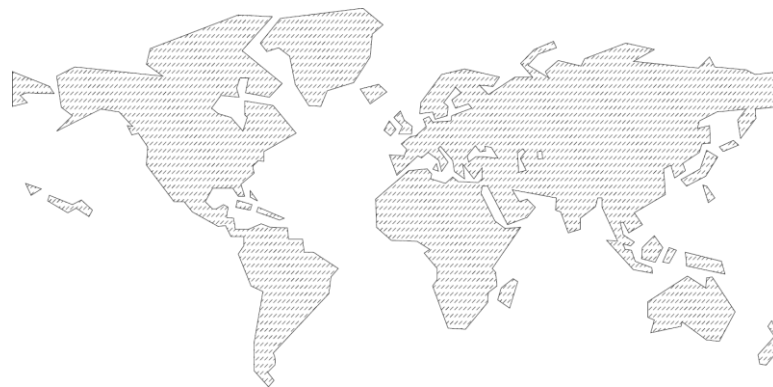
Net sales by geography in Q1 2018

| EUR million | Q1 2018 | Q1 2017 | Change | Comparable change* | 2017 |
|---------------|---------|---------|--------|--------------------|-------|
| Europe | 125.8 | 139.2 | -9.6% | -7.6% | 568.5 |
| Americas | 110.3 | 129.7 | -15.0% | -2.5% | 463.0 |
| Asia-Pacific | 31.4 | 35.8 | -12.2% | -4.4% | 152.8 |
| Unallocated** | -1.5 | 1.5 | | | 1.2 |

*Using comparable exchange rates, excluding the divested container gardening business in Europe (in December 2016)

**Geographically unallocated exchange rate differences

- Net sales in Europe decreased by 9.6% and comparable net sales by 7.6%, impacted by the weather-related headwinds in the Functional segment. In the Living segment, the comparable net sales remained flat
- Net sales in Americas decreased by 15.0% and comparable net sales by 2.5%. While the comparable net sales increased in Functional Americas and the Outdoor business, the increase was offset by the decrease in the English & Crystal Living business
- Net sales in Asia-Pacific decreased by 12.2% and comparable net sales by 4.4%, impacted mainly by the English & Crystal Living business in Australia and Scandinavian Living business in Japan

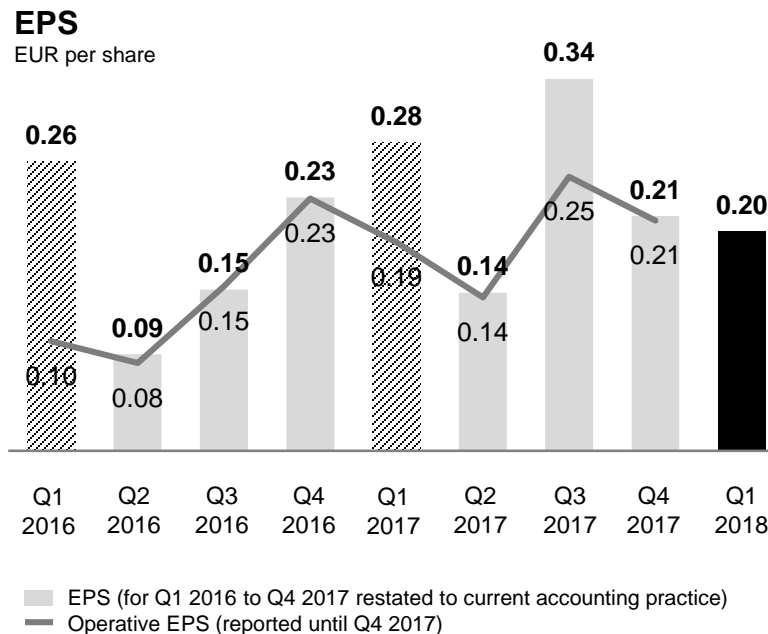


Other segment

- The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services
- Based on the new IFRS 9 standard that Fiskars adopted from January 1, 2018, Fiskars Group records the change in fair value of investments in other comprehensive income
- At the end of Q1 2018, Fiskars owned 32,645,343 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital
- The shares in Wärtsilä were valued at EUR 586.0 million (545.7) at the end of the quarter

Earnings per share

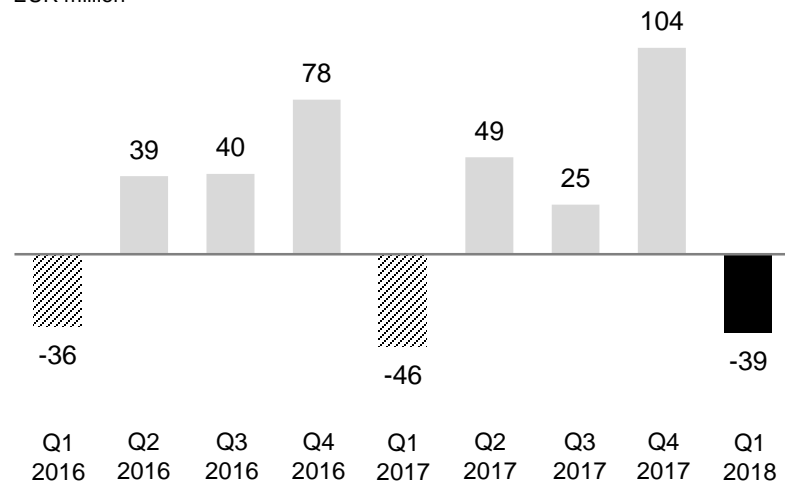
- Prior to Q1 2018, Fiskars has reported earnings per share (EPS) and operative earnings per share
- In accordance with the IFRS 9 accounting principles, the change in fair value of investments has been moved to other comprehensive income
 - Therefore there is no need to separately report the operative earnings per share anymore
- Our new EPS **excludes** the change in fair value of investments and related deferred taxes, but **includes** dividends received from investments (i.e. Wärtsilä)
- Our previous operative earnings per share **excluded** all of these items



Improved cash flow in Q1 2018

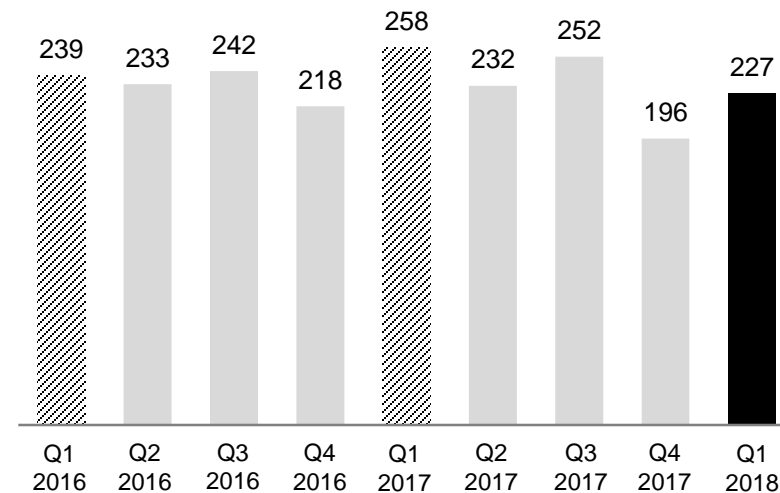
Cash flow from operating activities before financial items and taxes

EUR million



Working capital

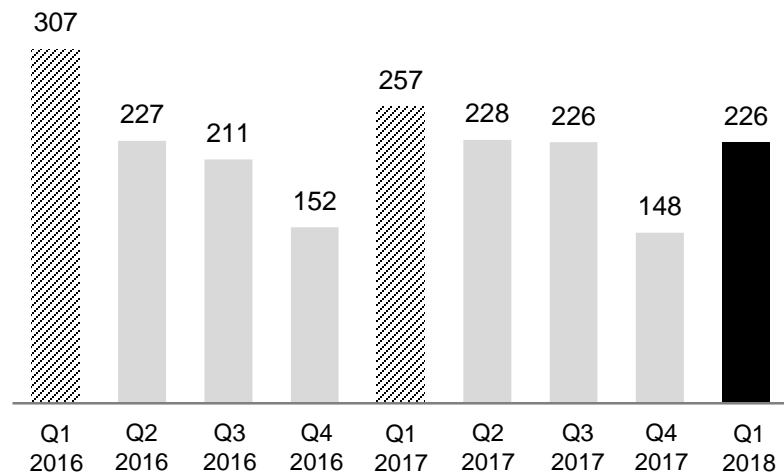
EUR million



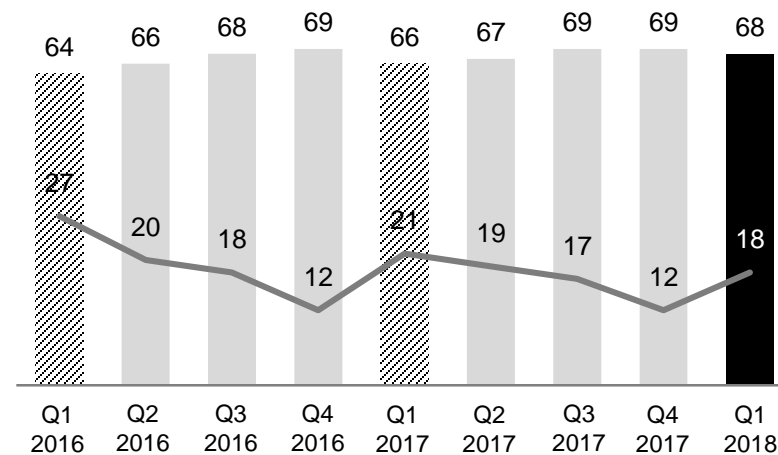
Net debt decreased in Q1 2018

Net debt

EUR million



Equity ratio and net gearing



■ Equity ratio, %
— Net gearing, %

Outlook for 2018 unchanged

In 2018, Fiskars expects the Group's comparable net sales and comparable EBITA to increase from 2017

- The comparable net sales excludes the impact of exchange rates, acquisitions and divestments
- Items affecting comparability in EBITA excludes restructuring costs, impairment or provision charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses

Long-term financial targets



GROWTH

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

Q1 2018

2017

-13.1% YoY

-1.6% YoY



PROFITABILITY

EBITA margin to exceed 10%

8.3%

9.5%



CAPITAL STRUCTURE

Net gearing* below 100%

18%

12%



DIVIDEND

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

A total of EUR 0.72 per share, to be paid in two installments of EUR 0.36 per share. Nine years of base dividend growth.

*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**

FISKARS