

A person wearing a grey sweater is holding a plant with roots and green leaves. The background is a blurred outdoor scene with trees and a building. The text is overlaid on the left side of the image.

Fiskars Group  
October 31, Helsinki, Finland

January–September 2017

FISKARS

# 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.



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# Key takeaways for Q1–Q3 2017

1

Continued growth in comparable net sales and comparable EBITA

2

Strong performance in the Scandinavian Living business

3

Both comparable net sales and comparable EBITA increased in the Functional business

4

The trading challenges in the U.S. continued to constrain the English & Crystal Living business

5

Outlook for 2017 has been specified

# Q1–Q3 2017

Net sales  
EUR million

**866.3**

-0.5%

Comparable EBITA\*\*  
EUR million

**83.5**

+18%

Cash flow from operating  
activities\*\*\* EUR million

**27.0**

Q1–Q3 2016: 43.2

Earnings per share  
EUR

**2.59**

Q1–Q3 2016: 0.27

Operative earnings  
per share EUR

**0.59**

Q1–Q3 2016: 0.33

Comparable  
net sales\* +2.2%

\* Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and 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

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# Comparable net sales and EBITA grew in Q3 2017

Net sales  
EUR million

**270.1**

-3.8%

Comparable  
net sales\* +1.1%

Comparable EBITA\*\*  
EUR million

**29.1**

+17%

Cash flow from operating  
activities\*\*\* EUR million

**24.8**

Q3 2016: 40.3

Earnings per share  
EUR

**1.20**

Q3 2016: 0.52

Operative earnings  
per share EUR

**0.25**

Q3-2016: 0.15

\* Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016)

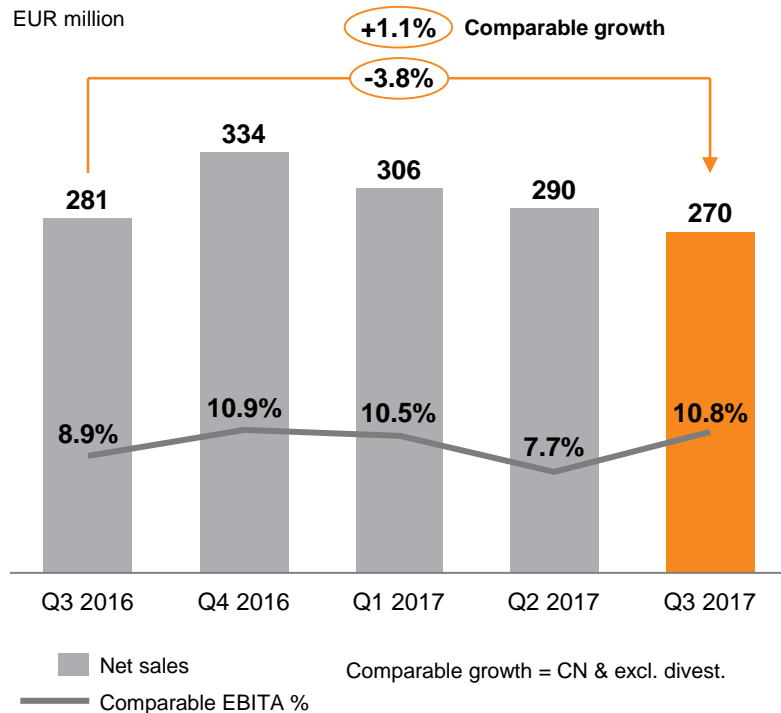
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\*\*\* Before financial items and taxes

# Fiskars Group in Q3 2017

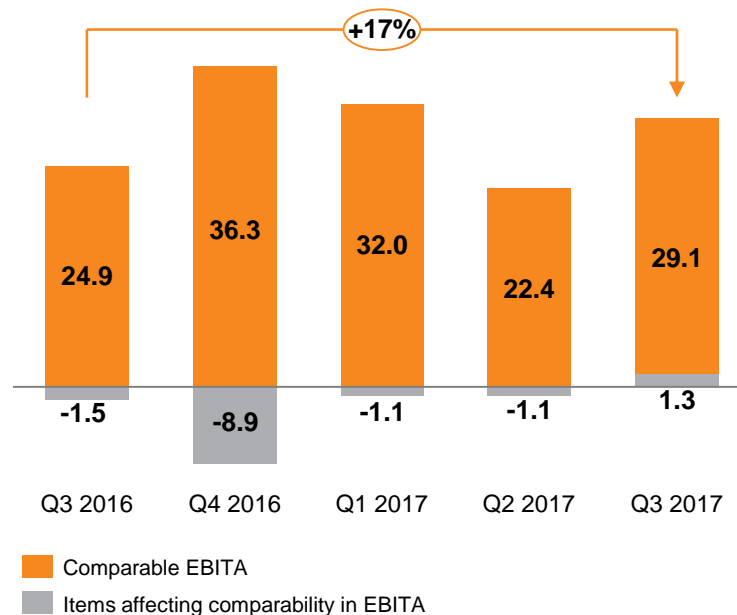
## Net sales and comparable EBITA %

EUR million



## EBITA

EUR million



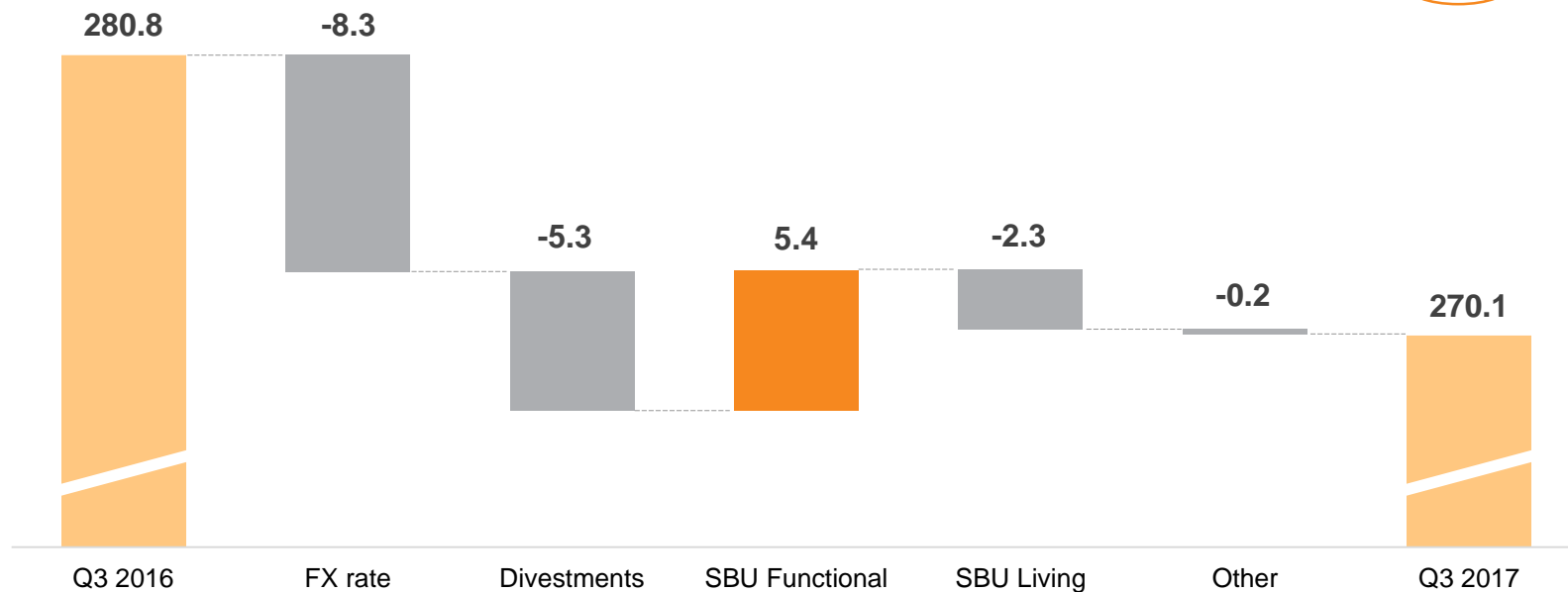
# Net sales bridge Q3 2017

## Net sales

EUR million

Comparable  
growth

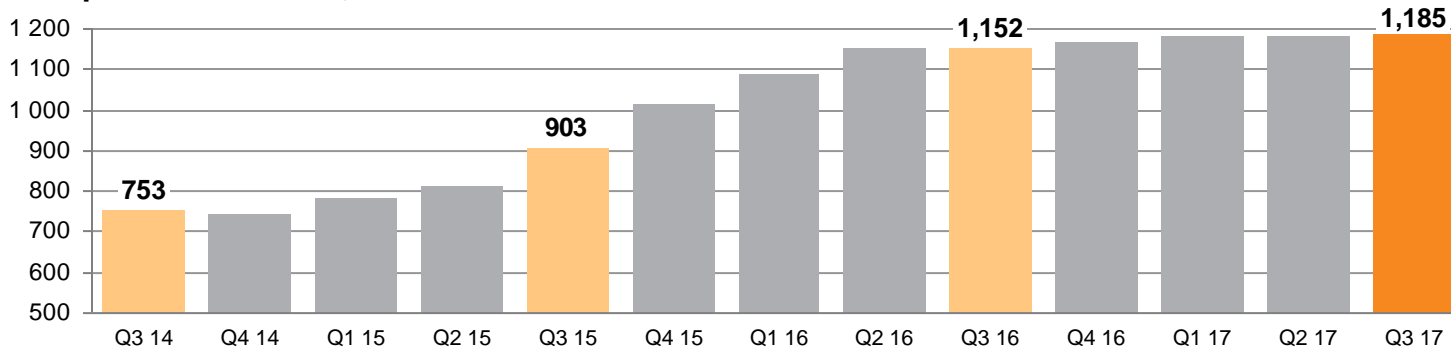
+1.1%



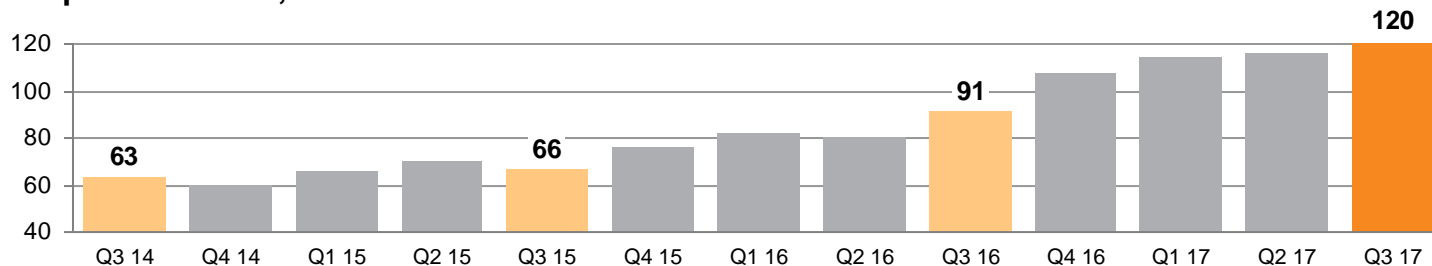


# Fiskars Group rolling 12 months performance

Comparable net sales, EUR million (currency neutral & excluding divestments)



Comparable EBITA, EUR million



# With the mission to build iconic lifestyle brands

Delivering on our strategic priorities



# Living marketing highlights

- Wedgwood participated for the first time in the British Ceramics Biennial. The objective of this festival is to showcase and celebrate ceramics from across the world as an important part of the culture.
- The partnership includes special exhibitions from artists and students



# Living marketing highlights

- The modern classic and one of Iittala's most beloved series, Taika tableware, celebrated its 10-year anniversary through a successful campaign and new product introductions
- Rörstrand's Swedish Grace Rose started collaboration with Pink Ribbon, a nonprofit organization aimed to support breast cancer patients



# Functional marketing highlights

- Fiskars' orange-handled scissors celebrate their 50th anniversary in 2017. With over a billion pairs sold world-wide, they have made Fiskars the biggest scissors brand in the world
- In honor of the event, Fiskars invited artists and creative individuals from around the world to participate in the 'Our Scissors' exhibition with their inspired birthday greetings at the Design Museum in Helsinki
- Learning® Magazine awarded Fiskars two 2018 Teachers' Choice Awards for the Classroom in the U.S. The Color Change Student Scissors and Color Change Pointed-Tip Kids Scissors were selected as the very best in classroom-tested, teacher-recommended products



# Functional marketing highlights

- Gerber entered a new category as it introduced a new fishing collection for the adventurous angler, with sales starting in the U.S. in 2018
- In addition, Gerber teamed up with Hobie Kayaks - an influential leader in the kayak fishing market





# Fiskars Q3 2017

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# Living in Q3 2017

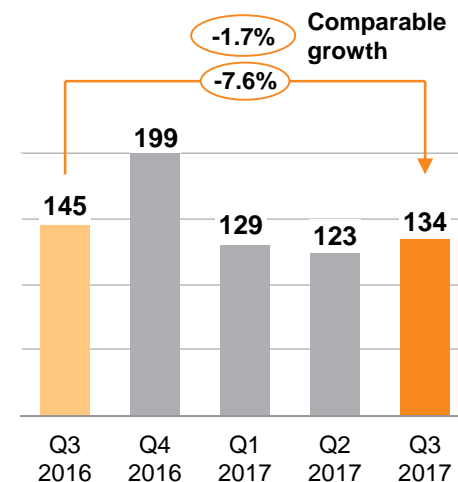
EUR million	Q3 2017	Q3 2016	Change	2016
Net sales	133.8	144.8	-7.6%*	598.1
Comparable EBITA	17.9	16.9	6%	59.4
Capital expenditure	3.6	3.1	14%	14.9

\*Using comparable exchange rates and excluding the net sales of the divested Spring USA (September 2016), net sales in the Living segment decreased by 1.7% in Q3 2017

- Net sales in the Living segment decreased year-on-year and amounted to EUR 133.8 million (Q3 2016: 144.8). Comparable net sales decreased by 1.7%, impacted by the English & Crystal Living business. The net sales in the Scandinavian Living business, in particular in the Nordic countries, continued to increase during the third quarter
- The increase in the Scandinavian Living business was driven by the Finland 100th anniversary products from the Arabia and Iittala brands, customer campaigns, as well as the Royal Copenhagen, and Rörstrand brands. The increase was offset by the decrease in net sales in the English & Crystal Living business, impacted primarily by the challenges in the department store channels in the U.S and discontinuing business with select customers. Net sales grew among others in the hospitality and own e-commerce channels
- Comparable EBITA for the Living segment increased by 6% and amounted to EUR 17.9 million (16.9), driven by the performance of the Scandinavian Living business, partly offset by the English & Crystal Living business

## Net sales

EUR million





# Functional in Q3 2017

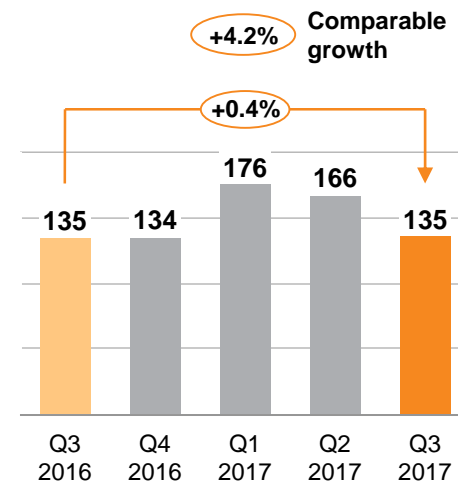
EUR million	Q3 2017	Q3 2016	Change	2016
Net sales	135.4	134.9	0.4%*	602.7
Comparable EBITA	13.6	9.8	40%	57.1
Capital expenditure	3.1	6.2	-50%	21.8

\*Using comparable exchange rates and excluding the net sales of the divested container gardening businesses in the U.S. (in January 2016) and Europe (in December 2016), net sales in the Functional segment increased by 4.2% in Q3 2017

- Net sales in the Functional segment increased by 0.4% to EUR 135.4 million (Q3 2016: 134.9). Comparable net sales increased by 4.2%, supported by the fall campaigns in the U.S. and Europe, offsetting the decline in the Outdoor business.
- The Functional segment broke another record during the Back to School season in the U.S, with several top-selling scissors. In addition, the net sales increased in the Functional EMEA due to the tidy up fall campaigns, which have become an important seasonal activity after the peak season in spring
- Comparable EBITA for the Functional segment increased by 40% during the third quarter and amounted to EUR 13.6 million (9.8), driven by the Functional EMEA and Functional Americas businesses, offsetting the decline in the Outdoor business

## Net sales

EUR million



# Net sales by geography in Q3 2017

EUR million	Q3 2017	Q3 2016	Change	Comparable change*	2016
Europe	131.3	126.1	4.2%	6.6%	555.3
Americas	105.8	116.4	-9.1%	-1.7%	489.9
Asia-Pacific	33.6	34.0	-1.4%	3.5%	153.3
Unallocated**	-0.6	4.3			6.2

\*Using comparable exchange rates, excluding the divested Spring USA (in September 2016), divested container gardening businesses in the U.S (in January 2016) and Europe (in December 2016)

\*\*Geographically unallocated exchange rate differences

- Net sales in Europe increased by 4.2% and amounted to EUR 131.3 million (Q3 2016: 126.1). Comparable net sales increased by 6.6%, driven by the Scandinavian Living and Functional businesses
- Net sales in Americas decreased by 9.1% to EUR 105.8 million (116.4). Comparable net sales decreased by 1.7%, impacted by the English & Crystal Living and Outdoor businesses
- Net sales in Asia-Pacific decreased by 1.4% and amounted to EUR 33.6 million (34.0). Comparable net sales increased by 3.5%, driven mainly by the Scandinavian Living business

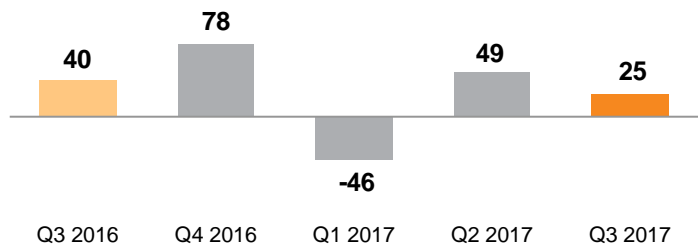


# Other segment

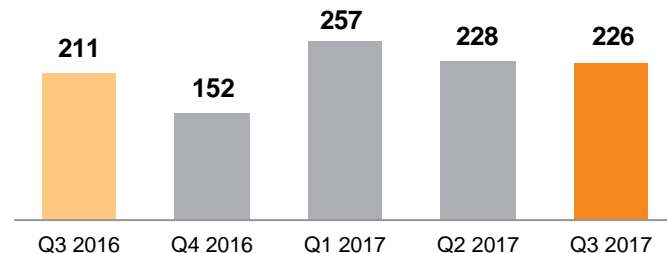
- The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services
- Along with the rest of the Group's active investments, shares in Wärtsilä Corporation are treated as financial assets at fair value through profit or loss, which increases the volatility of Fiskars' net results
- At the end of the third quarter of 2017, Fiskars owned 10,881,781 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital
- The net change in the fair value of investments through profit or loss amounted to EUR 88.7 million (Q3 2016: 38.3) during the third quarter of 2017

# Cash flow and debt Q3 2017

Cash flow from operating activities\* EUR million

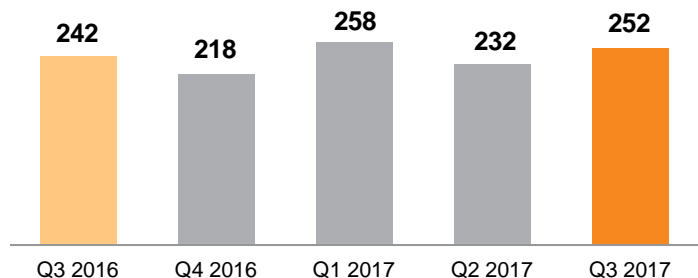


Net debt, EUR million

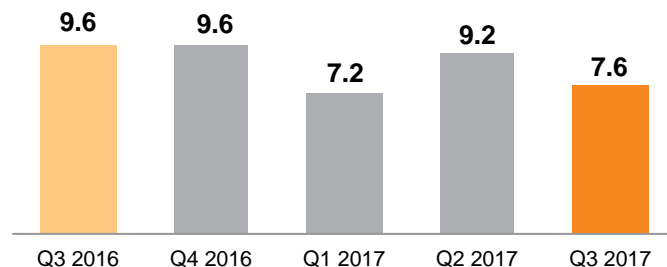


In September, Fiskars paid the second installment of dividends (EUR 0.35 per share), amounting to EUR 24.6 million

Working capital, EUR million

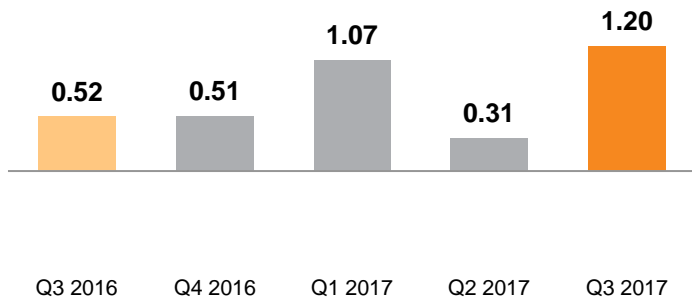


Capex, EUR million

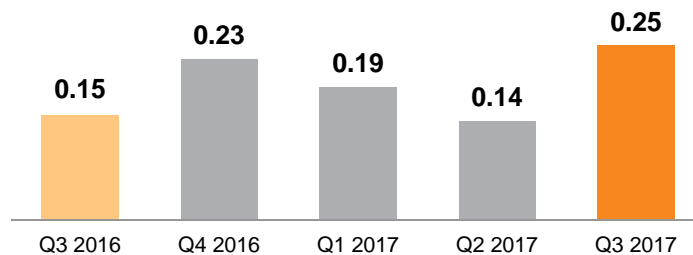


# Key ratios Q3 2017

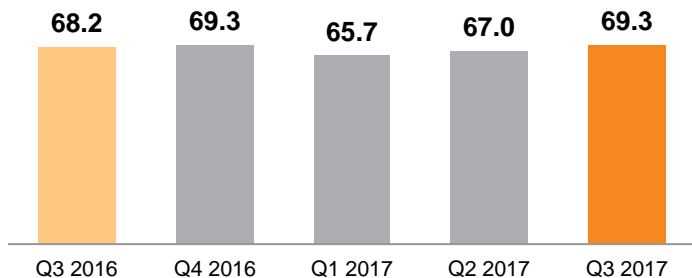
EPS, euro



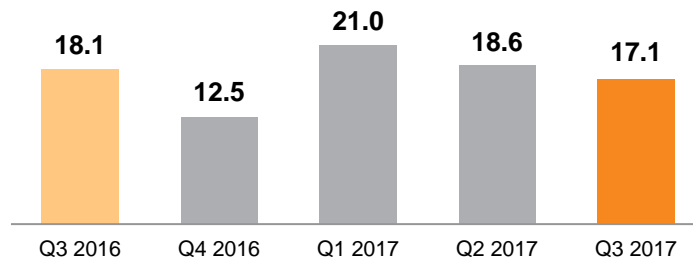
Operative EPS, euro



Equity ratio, %



Net gearing, %



# Long-term financial targets



## **Growth:**

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



## **Profitability:**

EBITA margin to exceed 10%



## **Capital structure:**

Net gearing\* below 100%



## **Dividend:**

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

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

# Outlook 2017 specified

- Fiskars expects the Group's net sales, excluding the net sales of businesses divested in 2016 (2016: EUR 1,180 million) and comparable EBITA (2016: EUR 107 million) to increase from the previous year.
- Should the weakening of the U.S. dollar continue during the remainder of the year, the net sales, excluding the net sales of businesses divested in 2016, may stay at the same level with the previous year, due to the translation exposure.
- Fiskars expects the comparable net sales to increase from the previous year.

## Previous outlook for 2017:

- Fiskars estimated in its half-year report of August 1, 2017 that the Group's net sales, excluding the net sales of businesses divested in 2016 (2016: EUR 1,180 million) and comparable EBITA (2016: EUR 107 million) will increase from the previous year.
- The comparable EBITA excludes restructuring costs, impairment charges, integration-related costs, and gain and loss from the sale of businesses. The fourth quarter is significant both in terms of net sales and profitability
- Fiskars' Other segment includes investments, which are treated as financial assets at fair value through profit or loss. This increases the volatility of Fiskars' financial items and taxes in the profit and loss statement and thus the volatility of Fiskars' net results and earnings per share

A close-up photograph of a person's hands using orange-handled garden shears to trim a green plant stem. The plant has small white flowers and is set against a blurred background of greenery. The shears are silver with orange handles and have "FISKARS STAINLESS FINLAND" engraved on the blades. The person is wearing a grey long-sleeved shirt. The overall scene is bright and natural, suggesting a garden or outdoor setting.

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