

Half-year report January–June 2018

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

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- 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–Q2 2018

1

Adverse weather impacted sales in Functional EMEA, English & Crystal Living continued to face challenges in some of its key markets

2

Comparable EBITA increased in the Functional segment, where our actions to increase efficiency are gaining ground

3

Product mix and decreased sales volumes affected comparable EBITA in the Living segment

4

Fiskars lowered its outlook for comparable net sales in 2018, outlook for the comparable EBITA unchanged

Q1–Q2 2018

Q2	Net sales EUR million (Q2 2017: 290.0)	Comparable EBITA** EUR million (22.4)	Cash flow from operating activities*** EUR million (48.6)	Earnings per share EUR (0.14)****
	272.6	22.3	42.7	0.13
	YoY -6.0% Comparable* change -0.8%	YoY 0%		
Q1– Q2	EUR million (Q1–Q2 2017: 596.1)	EUR million (54.4)	EUR million (2.2)	EUR (0.43)****
	538.7	45.9	3.5	0.33
	YoY -9.6% Comparable* change -3.5%	YoY -16%		

*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

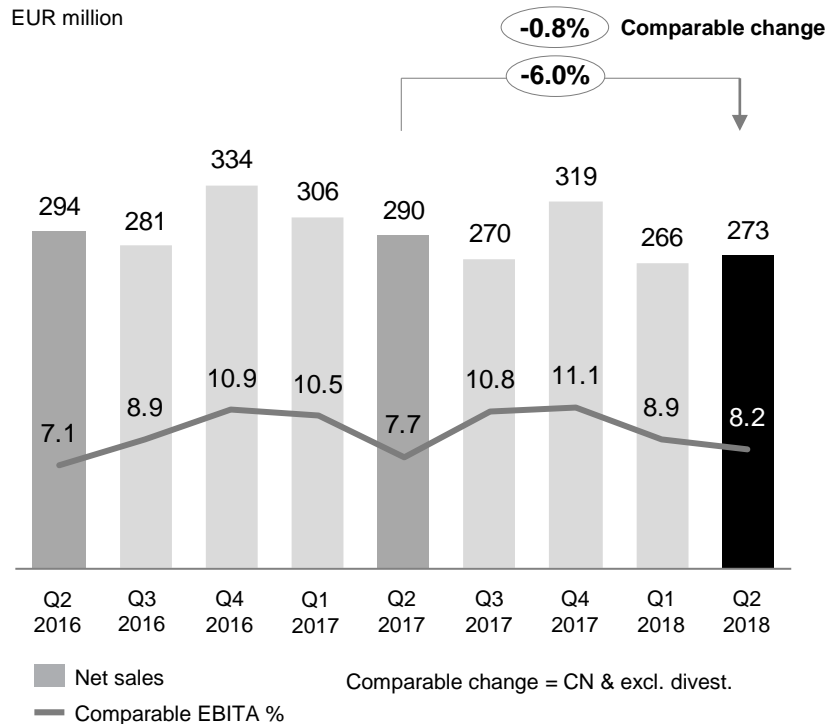
***Before financial items and taxes

****Earnings per share does not include net changes in the fair value of the investment portfolio. The comparable figures have been adjusted accordingly.

Fiskars Group in Q2 2018

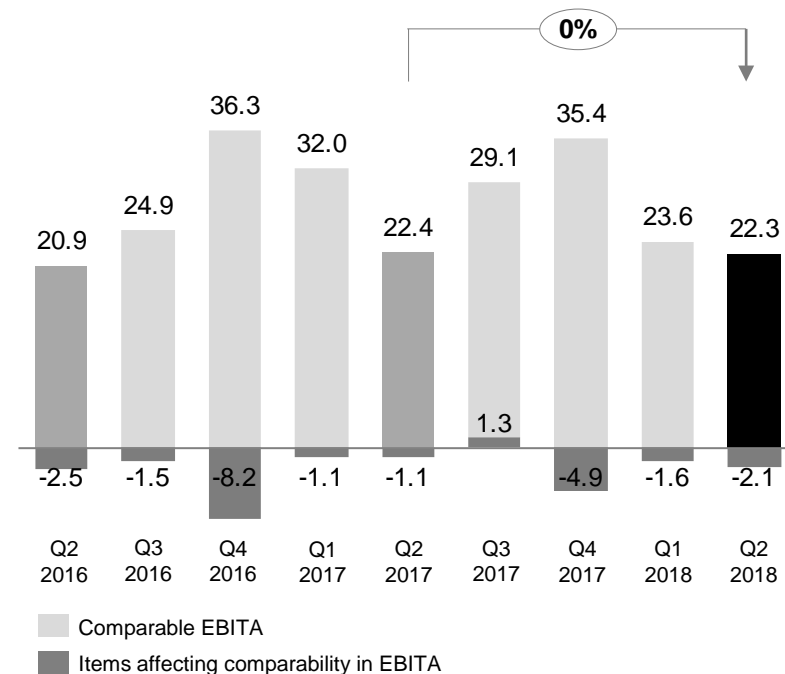
Net sales and comparable EBITA %

EUR million



Comparable EBITA

EUR million



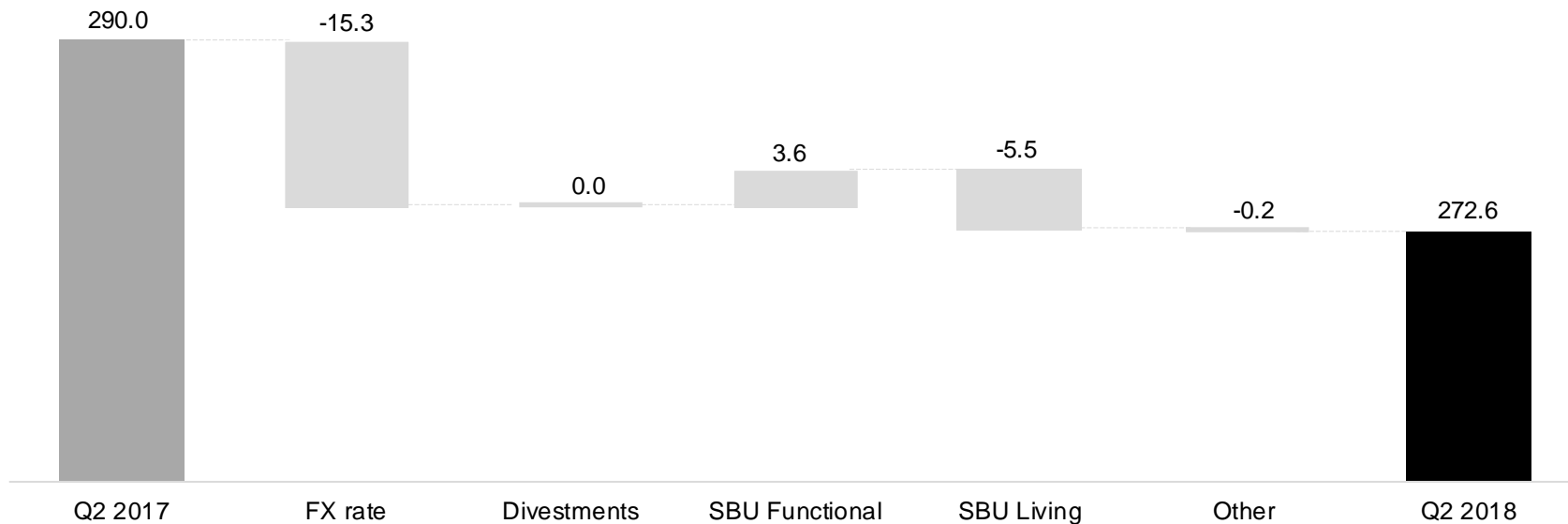
Net sales bridge Q2 2018

Net sales

EUR million

Comparable
change

-0.8%



Our focus areas

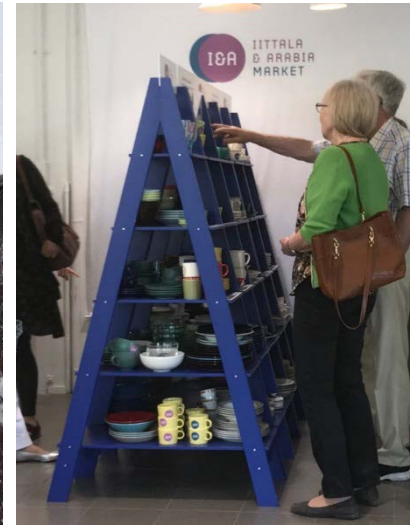
We have implemented several changes within the last quarters. We continue to focus on the following areas:

- Making progress in operational efficiency
- Developing our channel strategy, including e-commerce
- Driving sales
- Creating great consumer experiences



Living marketing Q2 highlights

- Royal Copenhagen launched a new dinnerware series, Blomst. Blomst is a reinterpretation of one of the oldest decorations in Royal Copenhagen's history, Blue Flower dating back to 1780
- Iittala and Arabia launched a second-hand pilot in selected stores in Finland. During the pilot period Iittala & Arabia Market buys old and used glass and ceramic tableware and sells the items to new owners
- Wedgwood continued the collaboration with the Royal Horticultural Society in the United Kingdom. Within this collaboration, Wedgwood participated in the Chelsea and Chatsworth Flower Shows in May and June



Functional marketing Q2 highlights

- Fiskars' new cooking range Norden was awarded the Red Dot Award and two Good Design 2018 Australia -awards. The cast-iron cookware and knives will be available worldwide in the fall of 2018. Norden steel cookware will be available in early 2019.
- In the U.S. Fiskars introduced a new teacher grant program to support the back-to-school -season. Under the program, Fiskars provided tools to teachers who inspire creativity in the classroom.
- The Outdoor business started to renew its product packaging through a number of new product introductions. The renewed packaging is helping to substantially reduce or eliminate plastics from packaging, aiming to reduce the ecological footprint.



Fiskars Q2 2018

CONNECT

314 mm

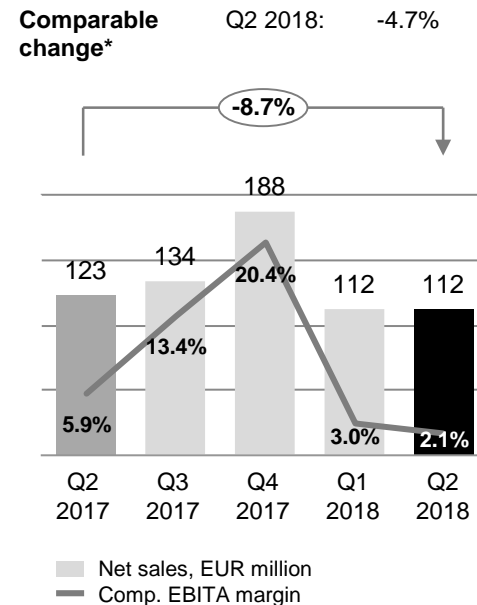
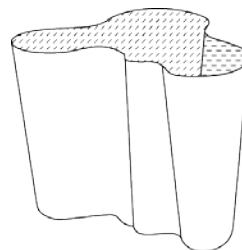
LATHYRUS - SW
LARGE BOWL -
REVISED 23.6

25 mm

Living in Q2 2018

EUR million	Q2 2018	Q2 2017	Change	Q1-Q2 2018	Q1-Q2 2017	Change
Net sales	112.4	123.1	-8.7%	224.8	252.3	-10.9%
Comparable EBITA	2.4	7.3	-68%	5.7	14.6	-61%
Capital expenditure	6.0	2.0	200%	11.1	4.6	142%

- Net sales in the Living segment decreased year-on-year. Comparable net sales decreased by 4.7%
- This was impacted by lower traffic to stores in some countries. The shift from brick-and-mortar to online channels continued. Comparable net sales increased in the direct e-commerce channel in the Living segment
- In the English & Crystal Living business the headwinds came in particular from Australia and the hospitality channel. Comparable net sales increased in the Americas supported by positive development in the department store channel
- Comparable EBITA for the Living segment decreased by 68% and amounted to EUR 2.4 million (7.3). The decrease was primarily due to lower sales volumes and brand building activities, which offset the improvements in operational efficiency

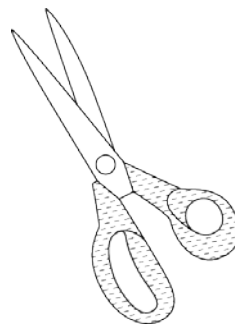


*Using comparable exchange rates

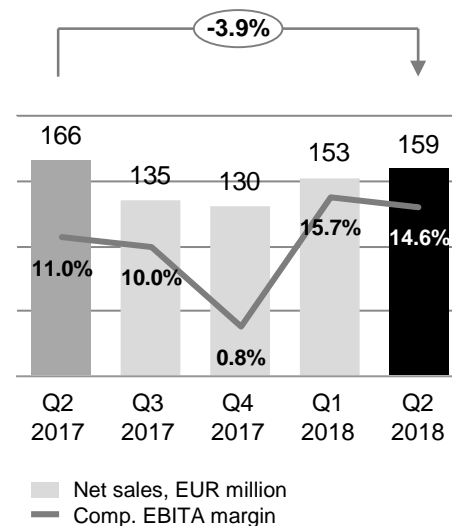
Functional in Q2 2018

EUR million	Q2 2018	Q2 2017	Change	Q1-Q2 2018	Q1-Q2 2017	Change
Net sales	159.4	165.9	-3.9%	312.2	342.0	-8.7%
Comparable EBITA	23.2	18.3	27%	47.3	45.1	5%
Capital expenditure	3.9	4.5	-13%	7.2	9.6	-25%

- Net sales in the Functional segment decreased year-on-year but increased by 2.3% on comparable terms
- The delayed spring season shifted some sales in the gardening category from Q1 2018 to Q2 2018, which did not fully compensate for the shortfall in demand during the first quarter. In Functional EMEA, gardening sales increased in the Nordics, but decreased in the rest of Europe
- In the Functional Americas business comparable net sales grew, supported by the gardening category and new distribution. Comparable net sales in the Outdoor business remained largely unchanged
- Comparable EBITA for the Functional segment increased during the second quarter. The increase was supported by operational efficiencies in the Functional EMEA and the Outdoor businesses, whereas comparable EBITA in the Functional Americas business decreased due to the product mix and increased promotional expenses



Comparable change* Q2 2018: +2.3%



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

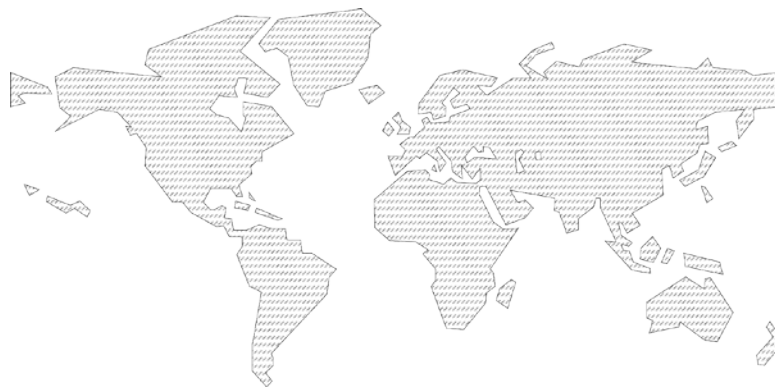
Net sales by geography in Q2 2018

EUR million	Q2 2018	Q2 2017	Change	Comparable change*	Q1-Q2 2018	Q1-Q2 2017	Change	Comparable change*
Europe	123.9	132.0	-6.2%	-4.3%	249.7	271.3	-7.9%	-6.0%
Americas	118.0	120.3	-1.9%	7.3%	228.2	249.9	-8.7%	2.3%
Asia-Pacific	32.4	37.0	-12.5%	-6.2%	63.9	72.8	-12.3%	-5.3%
Unallocated**	-1.7	0.6			-3.2	2.1		

*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 6.2%. Comparable net sales decreased by 4.3%, mainly impacted by the challenges in Functional EMEA
- Net sales in the Americas decreased by 1.9%. Comparable net sales increased by 7.3%, supported by the improved weather conditions and new distribution in Functional Americas and the positive development in the department store channel in the English & Crystal Living business
- Net sales in Asia-Pacific decreased by 12.5%. Comparable net sales decreased by 6.2%, impacted by the English & Crystal Living business in Australia

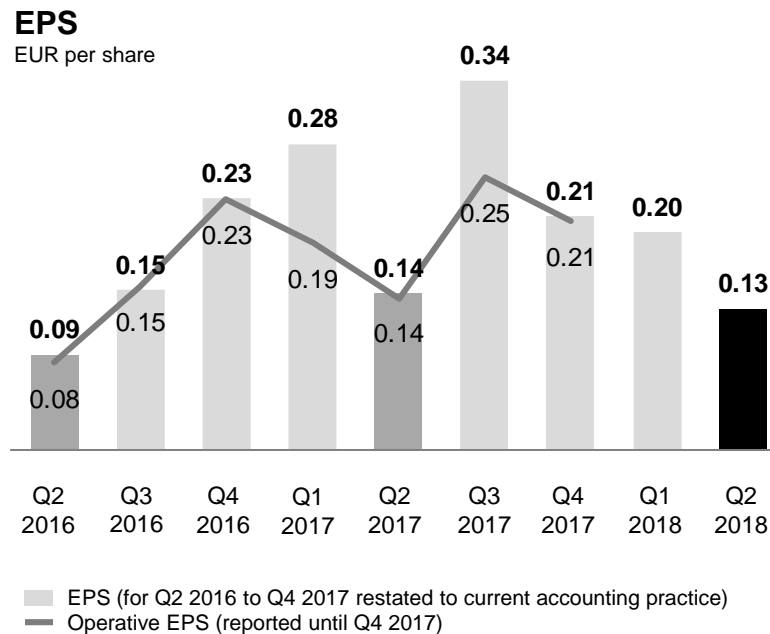


Other segment

- 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 Q2 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 549.4 million (563.1) at the end of the quarter

Earnings per share

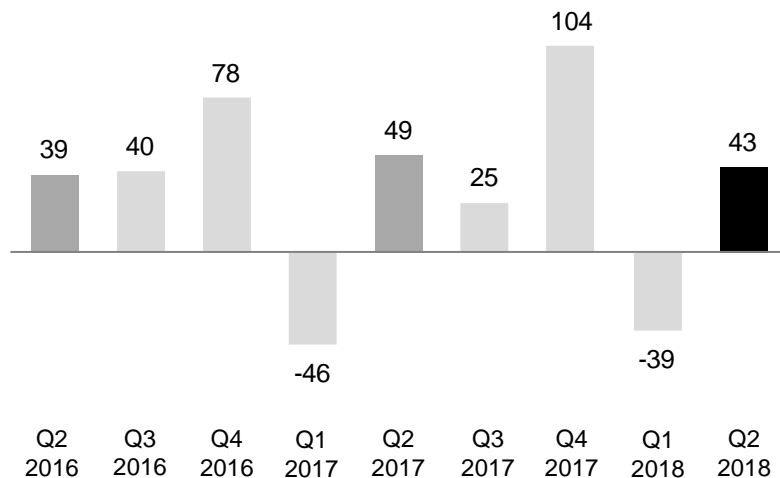
- Prior to Q1 2018, Fiskars has reported earnings per share (EPS) and operative earnings per share
- In accordance with the IFRS 9 accounting principles, the change in fair value of investments has been moved to other comprehensive income
 - Therefore there is no need to separately report the operative 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 working capital in Q2 2018

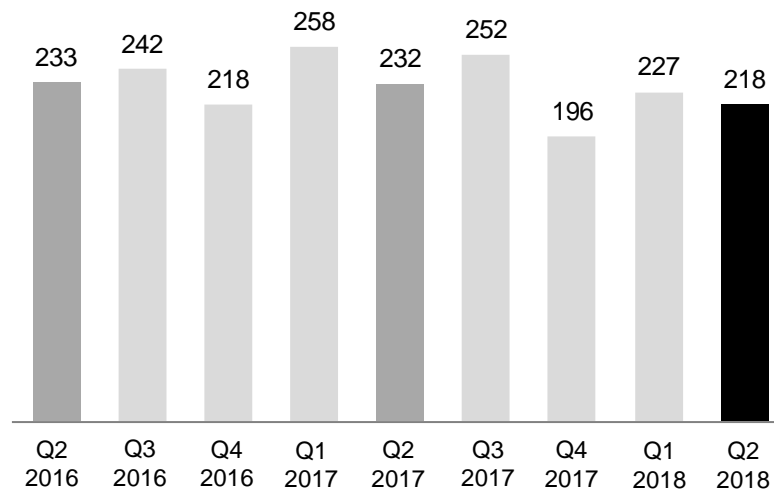
Cash flow from operating activities before financial items and taxes

EUR million



Working capital

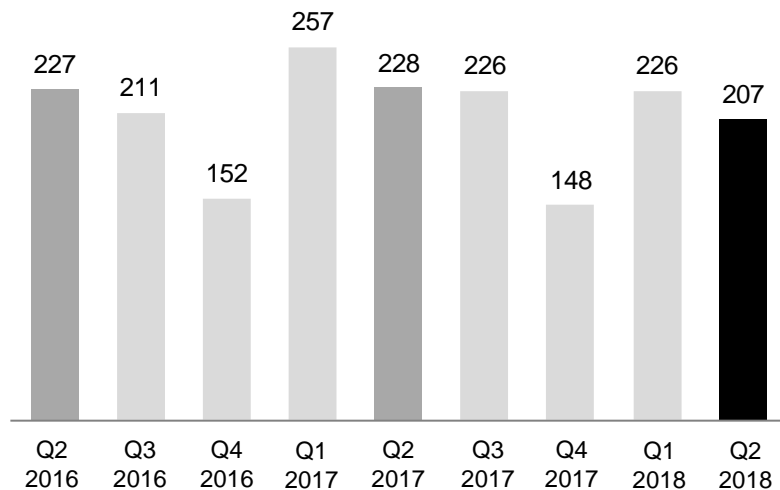
EUR million



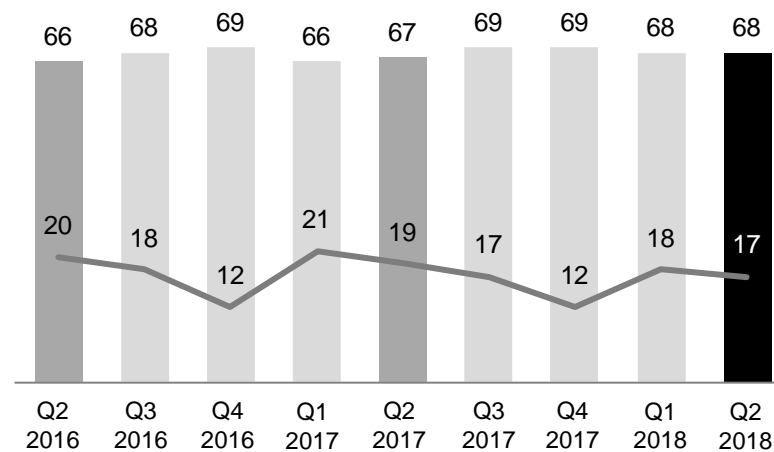
Net debt decreased in Q2 2018

Net debt

EUR million



Equity ratio and net gearing



■ Equity ratio, %
— Net gearing, %

Outlook for 2018 updated on July 18,2018

In 2018, Fiskars expects the Group's comparable net sales to be slightly below the previous year and comparable EBITA to increase from 2017. The fourth quarter of the year is significant both in terms of net sales and profitability.

Previously, Fiskars expected 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 includes 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

Q2 2018

2017

-6.0% YoY

-1.6% YoY



PROFITABILITY

EBITA margin to exceed 10%

7.4%

9.5%



CAPITAL STRUCTURE

Net gearing* below 100%

17%

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

A close-up photograph showing a person's hands using a pair of scissors with a colorful, patterned handle to cut a teal feather. The scissors are positioned to cut the feather into smaller sections. The background is blurred, showing other hands and colorful fabric scraps, suggesting a craft or manufacturing environment.

**Making the everyday
extraordinary**