

Financial statement release

January–December 2018

Today's speakers



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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 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.



Key takeaways for Q1–Q4 2018

- Comparable EBITA increased despite a decrease in comparable net sales
- Profitability improved clearly in the Functional segment, as comparable EBITA increased with comparable net sales remaining at the previous year's level
- Challenging year for the Living segment, as comparable net sales and comparable EBITA decreased
- In 2019, Fiskars Group expects the comparable net sales and comparable EBITA to be at the same level as in 2018
- Dividend proposal: a total of EUR 0.54 per share, paid in two installments of EUR 0.27 per share. Additionally, a proposed distribution of Wärtsilä shares held by Fiskars Group



Q1-Q4 2018

Q4

Net sales
EUR million (Q4 2017: 319.2)

324.1

YoY 1.5%
Comparable* change 1.1%

Comparable EBITA**
EUR million (35.4)

48.8

YoY 38%

Cash flow from operating activities***
EUR million (103.5)

92.2

Earnings per share
EUR (0.21)****

0.33

Q1–Q4

EUR million (2017: 1,185.5)

1,118.5

YoY -5.6%
Comparable* change -2.4%

EUR million (119.0)

121.7

YoY 2%

EUR million (130.5)

136.8

EUR (0.98)****

1.00

*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

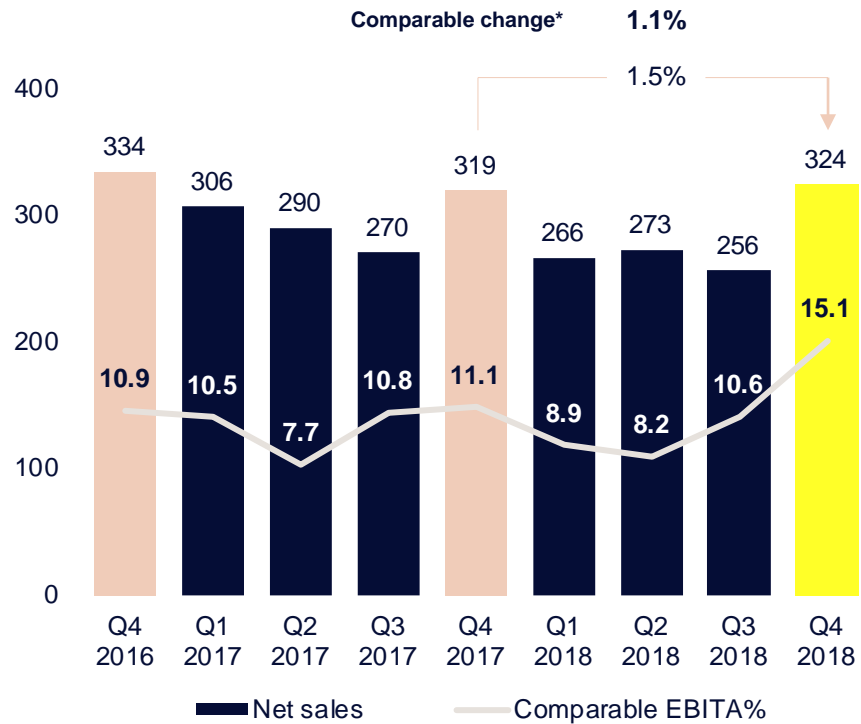
***Before financial items and taxes

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

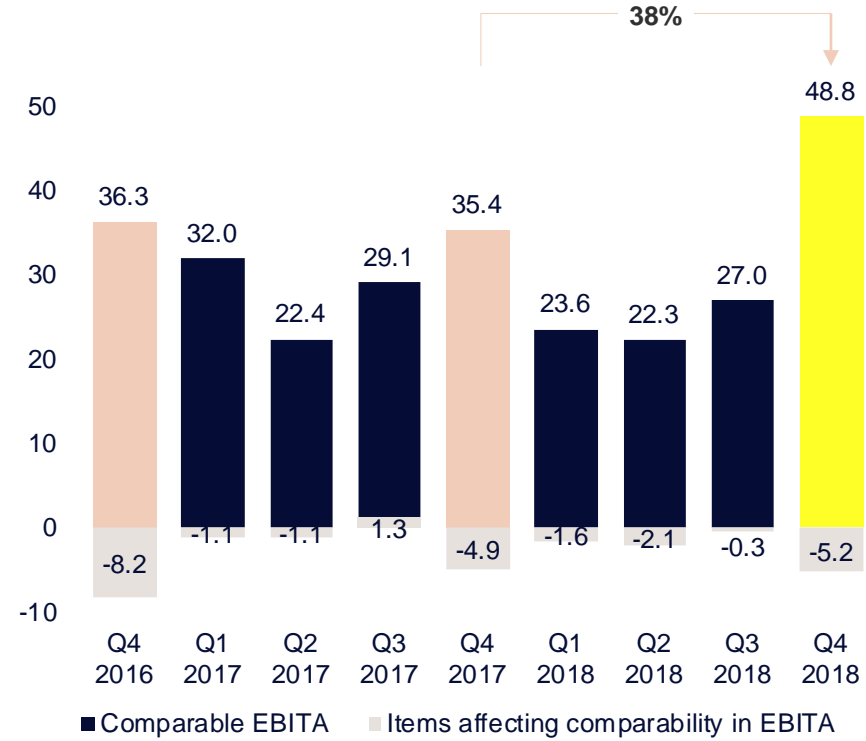


Fiskars Group in Q4 2018

Net sales and comparable EBITA %, EUR million



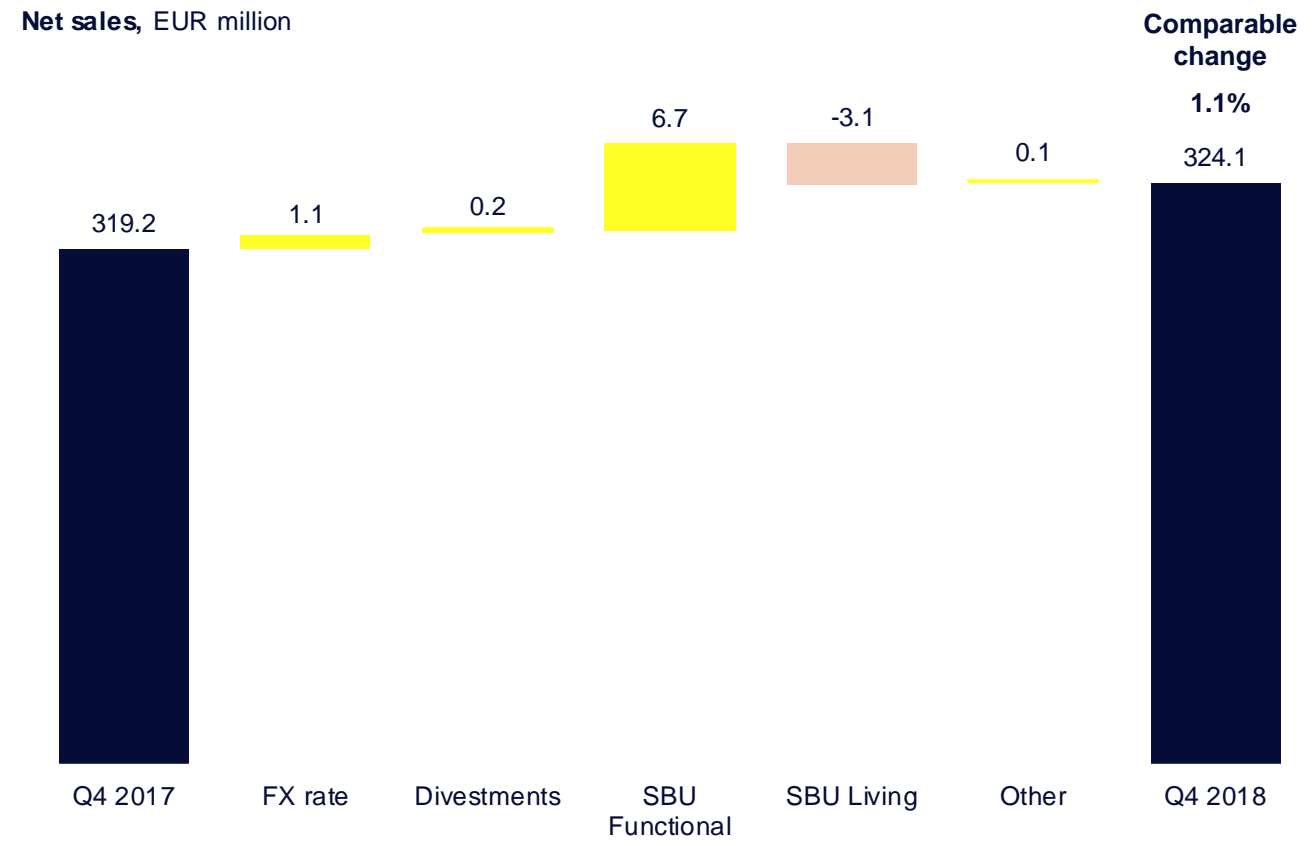
Comparable EBITA, EUR million



Comparable change = CN & excl. divest.



Net sales bridge Q4 2018



Transformation program in the Living business

The Transformation program focuses primarily on:

- The English & Crystal Living business, to improve its profitability
- Planned actions in retail, distribution and supply network as well as organizational structure

Cost savings targets are based on the potential to increase efficiencies and reduce complexity in the Living business

In 2017, Fiskars Group completed the Supply Chain 2017 -program that focused on the optimization of the global supply chain network in Europe and Asia. The program excluded the manufacturing operations and distribution network of the English & Crystal Living business

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 2018, EUR 2.5 million of costs had been booked



Living marketing highlights in Q4 2018

littala launched Raami, a new tableware series designed by Jasper Morrison. The pieces are made of ceramics, glass and wood, intended to combine and promote a good atmosphere at the table. In December, littala opened a new store in Berlin city center

Waterford celebrated New Year at Times Square in New York, as people from around the world followed the iconic Waterford Times Square New Year's Eve Ball drop at midnight

The Living business attended the New York Tabletop Market show and participated with a wide range of brands, as Wedgwood, Waterford, Royal Doulton, Royal Albert, littala and Royal Copenhagen were present at the event. The event is important for displaying the offerings for the spring season, with both trade customers and media present



Functional marketing highlights in Q4 2018

Fiskars introduced stainless steel pots, pans and casseroles for the Norden premium cooking range. Norden Steel are also the first stainless steel products to feature Thermium™, Fiskars' new innovation for mineral treatment for non-stick frying. The series will be in stores from January 2019 onwards.

Fiskars won nine GOOD DESIGN awards, including for shears, knives, snips, DIY tools and shovels

Additionally, Fiskars launched a new line of tools for the DIY market, which will be available in early 2019.

Gerber expanded upon the Compleat series with the Devour multi-fork for outdoor cooking. The product was launched prior to the gifting season, and the product was well received on the market.



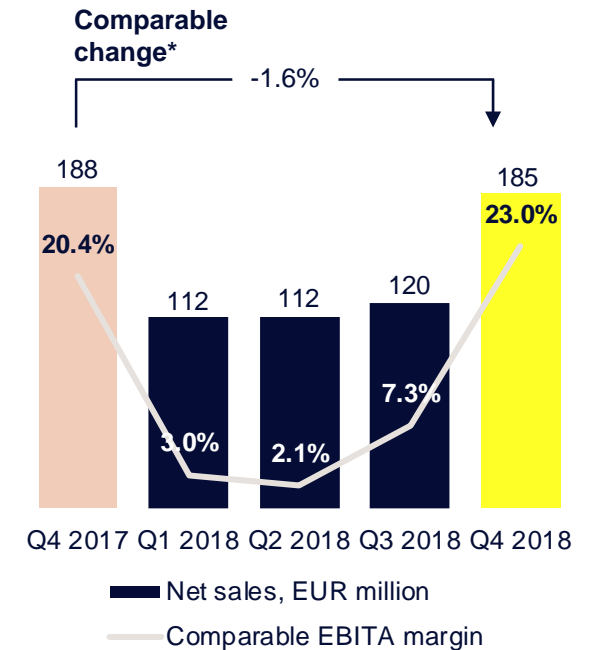
Q4 2018

Living in Q4 2018

EUR million	Q4 2018	Q4 2017	Change	2018	2017	Change
Net sales*	184.7	187.8	-1.6%	529.6	573.9	-7.7%
Comparable EBITA	42.5	38.3	11%	57.0	70.7	-19%
Capital expenditure	7.4	4.9	51%	23.8	14.0	71%

*Using comparable exchange rates, net sales in the Living segment decreased by 1.6% in Q4 2018 and by 5.4% in 2018

- Comparable net sales decreased year-on-year by 1.6%. Net sales grew in the direct e-commerce channel by double-digit numbers.
- Over all, demand around the time of Singles Day and Black Friday was good, while December sales showed some weakness.
- In the English & Crystal Living business, comparable net sales decreased, as the UK and Australian markets remained challenging. At the same time, comparable net sales increased in Asia-Pacific.
- In the Scandinavian Living business the comparable net sales remained at last year's level. Comparable net sales increased in Japan, where the distribution of Iittala was transferred from a local distributor to Fiskars Group at the beginning of the year. This transfer started to have a positive impact during the important holiday season. In Finland, comparable net sales decreased, with the comparison period in 2017 having been supported by strong sales relating to the Finland 100 anniversary.
- Comparable EBITA increased by 11% and improved in both the English & Crystal Living and the Scandinavian Living businesses. Both improved particularly in the Asia-Pacific region. Additionally, the gross profit improvement and efficiencies supported the comparable EBITA.
- Capital expenditure in the Living business increased as a result of facility expansions, specifically the factory in Thailand



*Using comparable exchange rates

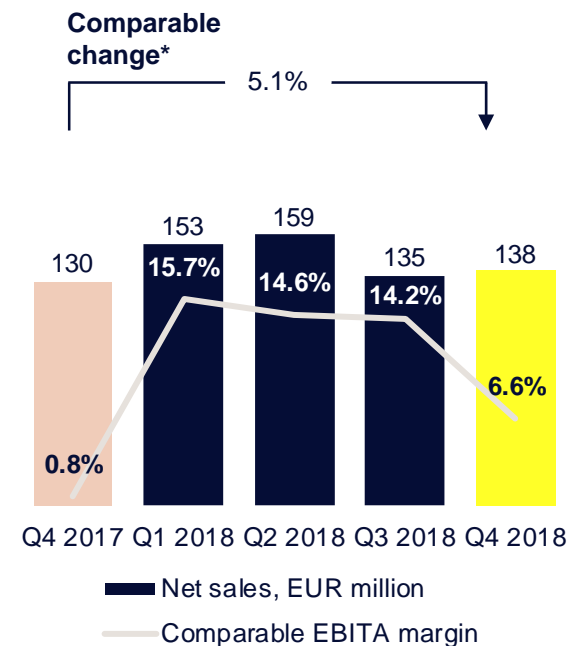


Functional in Q4 2018

EUR million	Q4 2018	Q4 2017	Change	2018	2017	Change
Net sales*	138.4	130.4	6.1%	585.2	607.8	-3.7%
Comparable EBITA	9.2	1.0		75.5	59.7	27%
Capital expenditure	5.7	6.6	-13.6%	18.9	19.4	-2.6%

*Using comparable exchange rates and excluding the net sales of the divested container gardening business in Europe (in December 2016), net sales in the Functional segment increased by 5.1% in Q4 2018 and increased by 0.5% in 2018

- Comparable net sales increased by 5.1%, supported by all business areas
- In Functional EMEA, increased snow tool sales supported net sales, while the weak sales in certain Eastern European countries continued. The distribution network is being rationalized in these markets, and this has negatively impacted net sales in the short term
- In Functional Americas, extended distribution supported net sales
- For the Outdoor business, the net sales grew in Europe, supported by the gifting season
- Comparable EBITA increased clearly. The increase was supported by all businesses, particularly the Functional EMEA and Outdoor businesses, where the increased net sales and operational efficiencies contributed to the increase in comparable EBITA



*Using comparable exchange rates



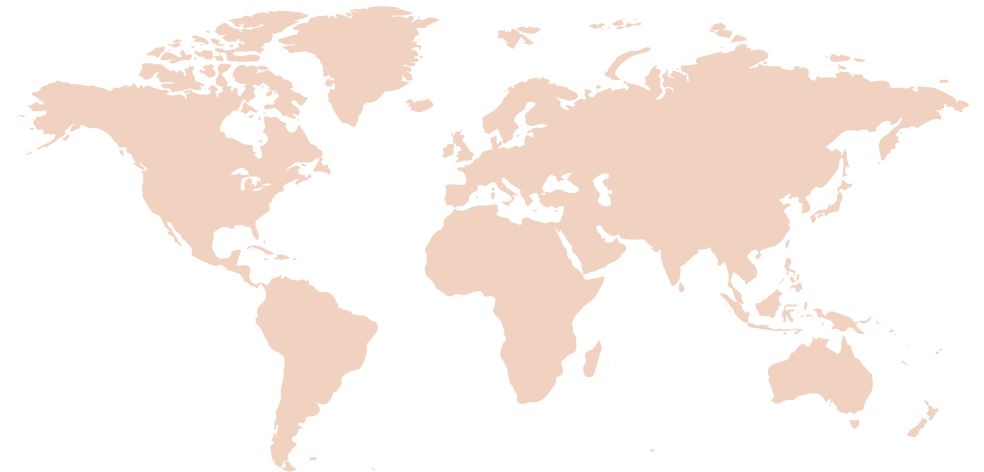
Net sales by geography in Q4 2018

EUR million	Q4 2018	Q4 2017	Change	Comparable change	2018	2017	Change	Comparable change
Europe	162.1	165.9	-2.3%	-1.2%	531.2	568.5	-6.6%	-5.0%
Americas	112.0	107.2	4.5%	1.6%	444.4	463.0	-4.0%	1.3%
Asia-Pacific	48.7	46.4	4.9%	5.0%	141.7	152.8	-7.3%	-3.2%
Unallocated**	1.2	-0.3			1.3	1.2	1%	5%

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

**Geographically unallocated exchange rate differences

- Comparable net sales in Europe decreased by 1.2%, mainly impacted by the challenges in both the English & Crystal Living and Scandinavian Living businesses. In Finland, the comparison period in 2017 was supported by strong sales relating to the Finland 100 anniversary
- Comparable net sales in the Americas increased by 1.6%, supported by Functional Americas, while net sales in the English & Crystal Living business decreased
- Comparable net sales in Asia-Pacific increased by 5.0%, supported by both the English & Crystal Living and Scandinavian Living businesses.



Other segment

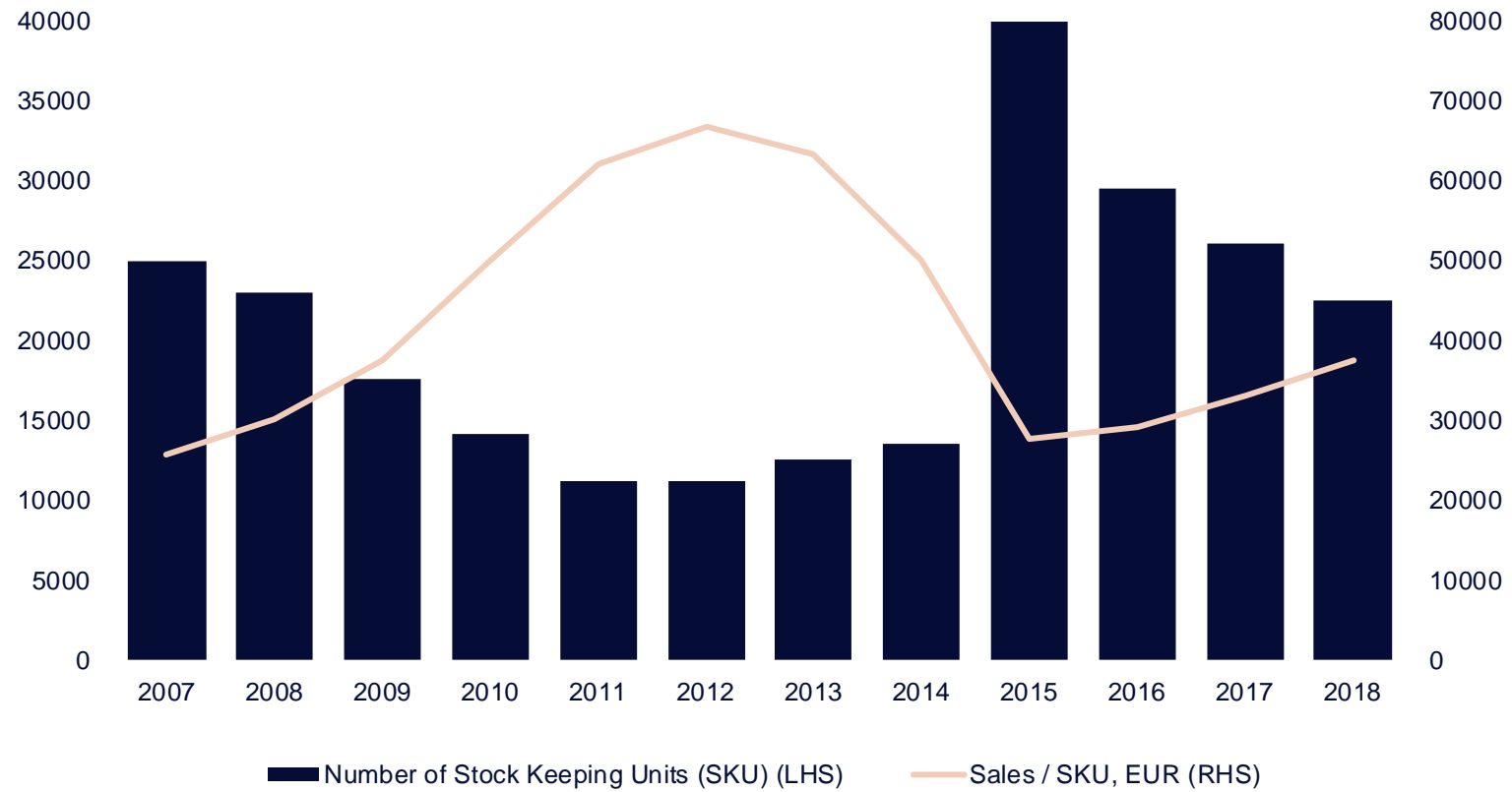
The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services

At the end of Q4 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 453.6 million (572.4) at the end of the quarter

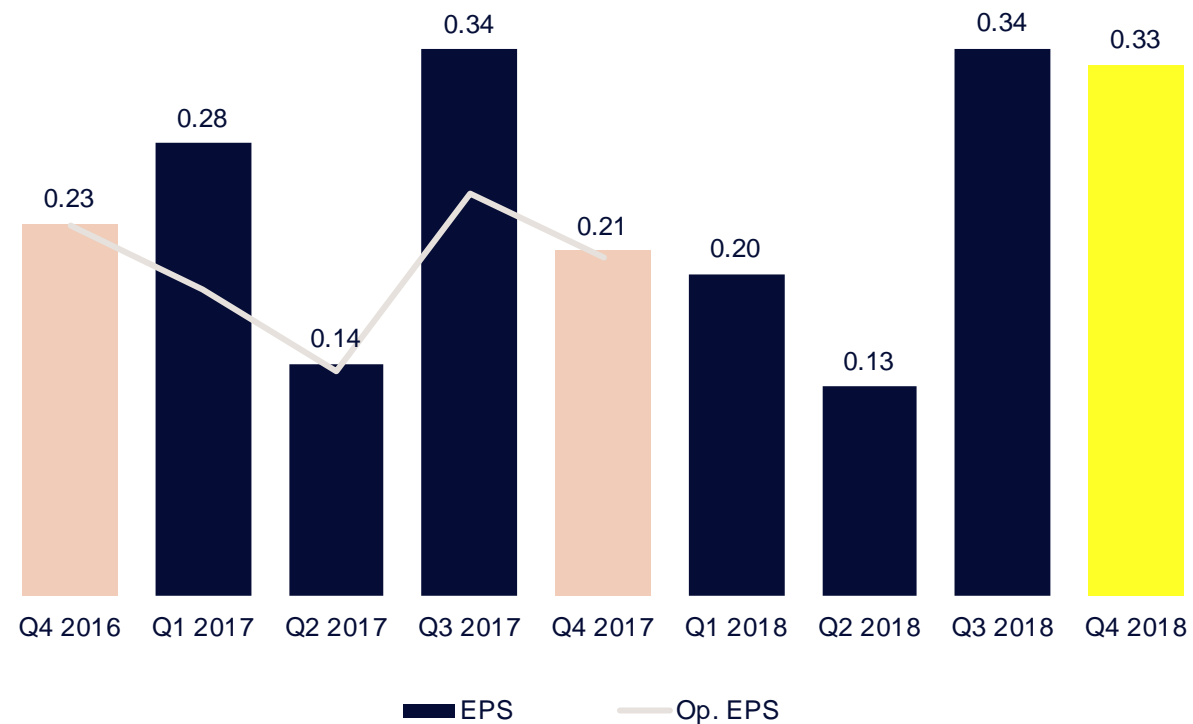


SKU efficiency improvement continued



Earnings per share increased in Q4 2018

Full year EPS increased to EUR 1.00 from 0.98 in 2017

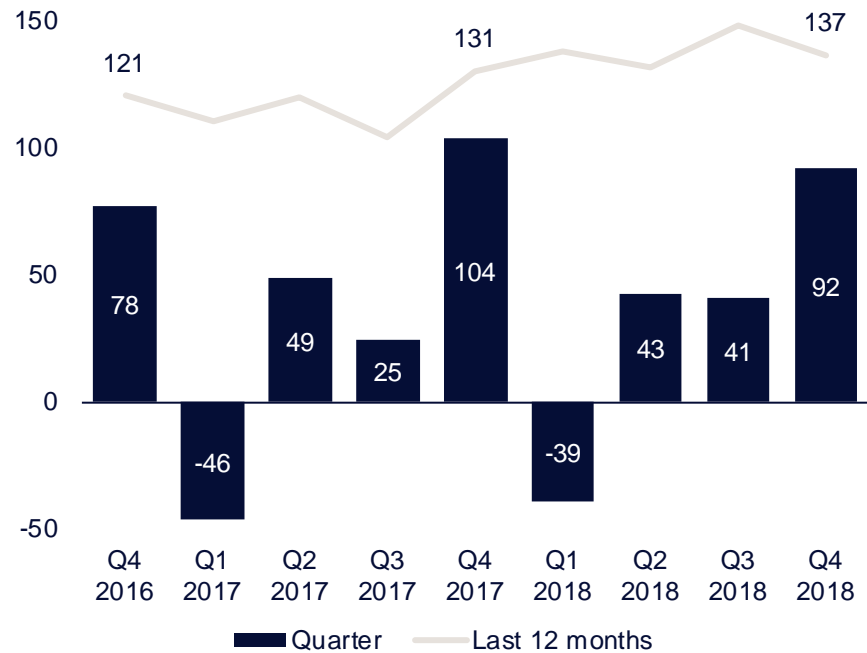


EPS (for Q4 2016 to Q4 2017 restated to current accounting practice)
Operative EPS (reported until Q4 2017)

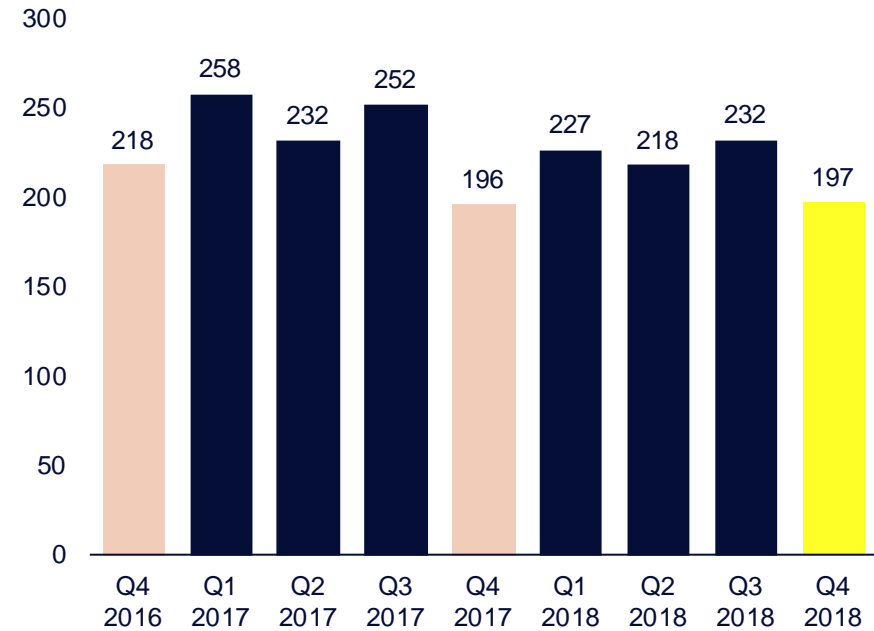


Cash flow improved in 2018, working capital at previous year's level

Cash flow from operating activities before financial items and taxes, EUR million

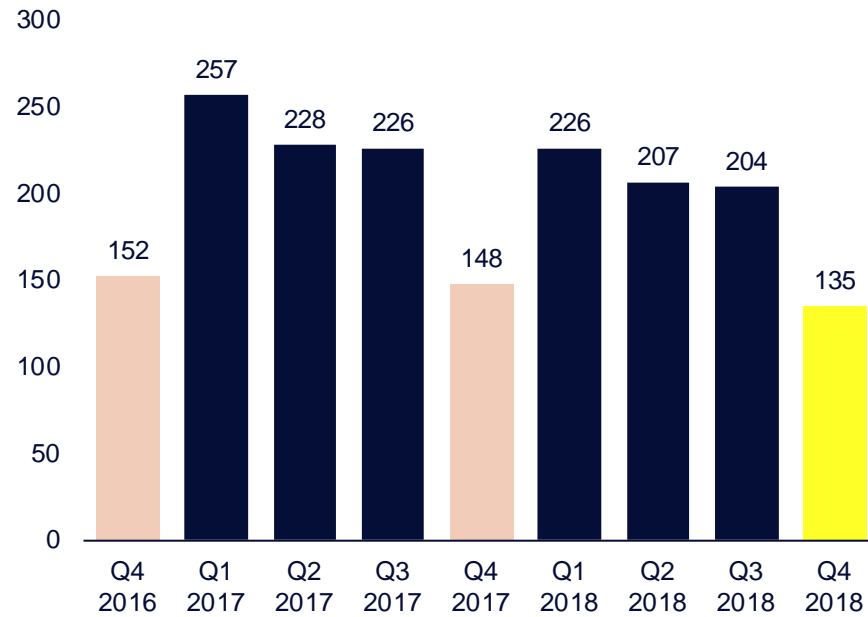


Working capital, EUR million

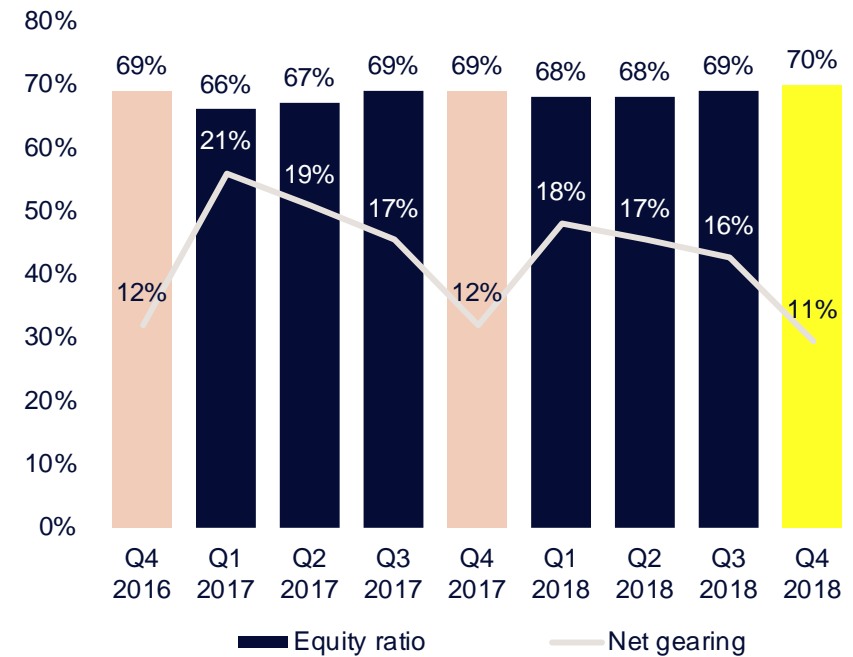


Net debt decreased in Q4

Net debt, EUR million



Equity ratio and net gearing



Outlook for 2019 issued

In 2019, Fiskars Group expects the comparable net sales and comparable EBITA to be at the same level as in 2018

The outlook is influenced by the company's investments in growth initiatives that are expected to add sustainable value in the long-term. In addition, there are material risks relating to changes in the operating environment, e.g. Brexit and the U.S. tariffs. An unfavorable outcome of these risks might have a significant impact on the comparable net sales and comparable EBITA.

Furthermore, fluctuations in currency rates might also have a considerable impact on comparable EBITA.

Comparable net sales excludes the impact of exchange rates, acquisitions and divestments. Items affecting comparability in EBITA include restructuring costs, impairment 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



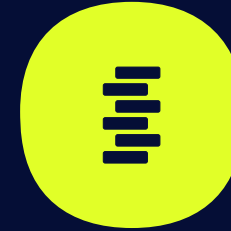
Profitability

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

2018

-5.6% YoY
-2.4% YoY (comparable)

10.1%

11%

A proposed total of EUR 0.54 per share, paid in two installments of EUR 0.27 per share. Additionally, a proposed distribution of Wärtsilä shares held by Fiskars

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



Dividend proposal:

- Cash dividend of EUR 0.27 per share in March and an authorization to distribute an additional EUR 0.27 per share in September
- Distribution of Wärtsilä shares as a extra dividend

A shareholder would receive 2 shares in Wärtsilä for every 5 shares in Fiskars Group

Fractional entitlements to be compensated in cash

Proposal for the AGM, that the Board of Directors is authorized to decide on the share distribution in June. This is the earliest time for a technically secure implementation as guided by Euroclear Finland

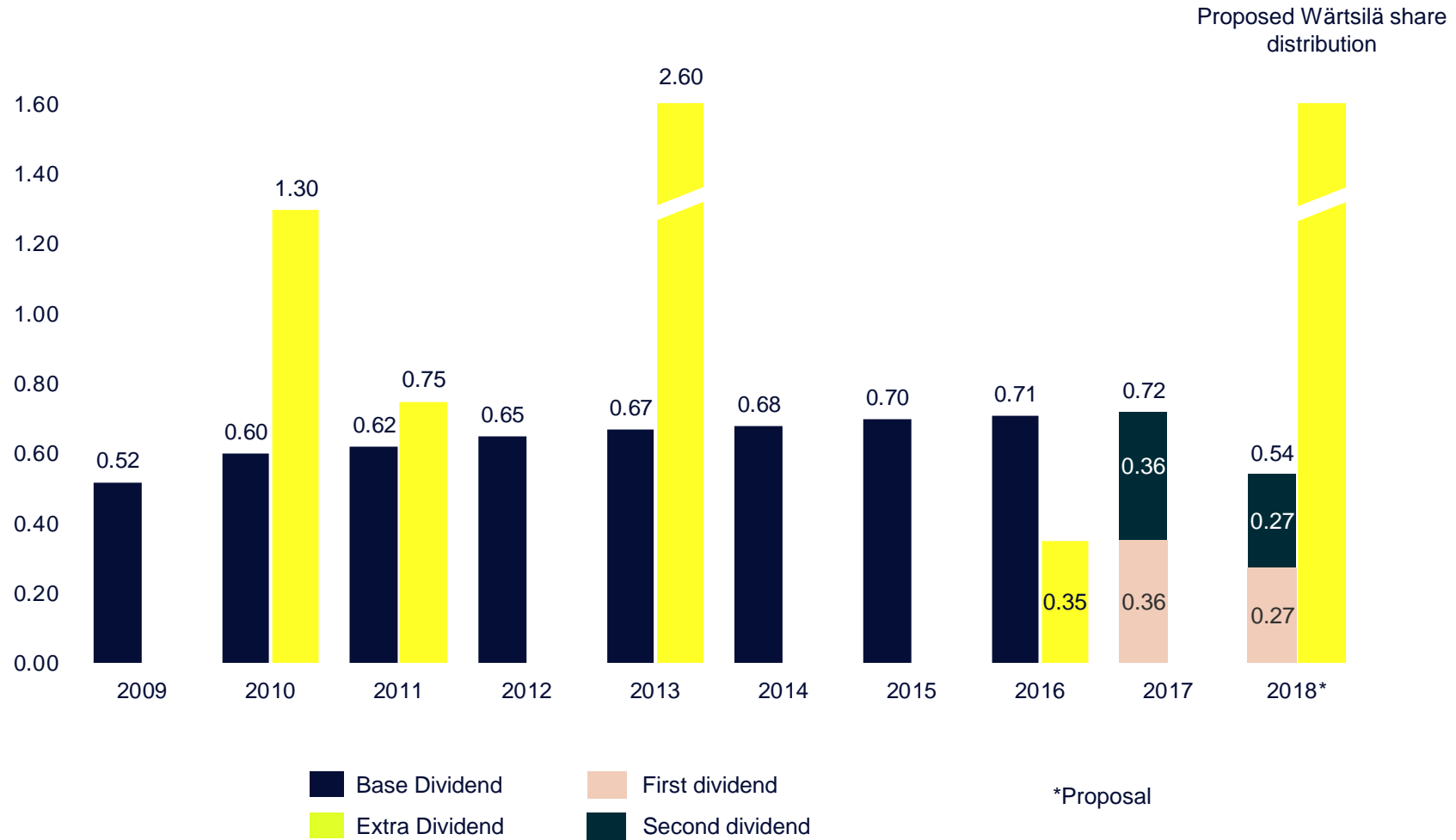
Long-term financial targets intact:

After the potential distribution of the Wärtsilä shares to shareholders, Fiskars would cease to receive dividend income on those shares.

Hence, the Board of Directors proposes to lower the regular cash dividend accordingly. This would affect the baseline for the future development of Fiskars' dividends.

The target regarding growth is to achieve an average annual net sales growth exceeding 5%, through a combination of organic growth and targeted acquisitions. Acquisitions continue to be a relevant option for the company to deliver on the strategic priorities and long-term financial targets

Dividend track



Making
the everyday
extraordinary