

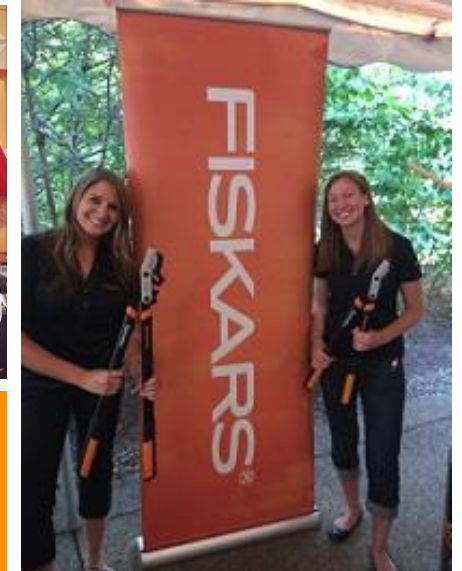
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# Fiskars Group

# Q3/2014

1.1. – 30.9.2014 Helsinki, October 31, 2014





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## Q3 2014: Stable performance, big strategic steps

Net sales flat,  
178.4 MEUR

Comparable net sales  
+3%

EBIT excl. NRI  
16.8 MEUR, +9%

Sale of Wärtsilä  
shares for 639 MEUR  
completed in October

Proposed extra  
dividend EUR 2.60

Outlook for 2014:  
FY and EBIT excl.  
NRI below 2013  
levels

# Acquisition of leading US watering brands Nelson and Gilmour

- Watering is globally one of the largest garden categories
- Strategic fit:
  - Branded
  - Category leader in an adjacent category
  - Synergistic channels
- Sales in 2013: \$116.7 million (90.3 MEUR)
  - Not profitable in 2013
- Purchase price \$30 million (23.2 MEUR)
- Main product lines hoses, hose ends, sprinklers, nozzles and watering timers
- Geographic presence: US and Canada



Fiskars Q3 2014



**Gilmour**

**NELSON**

**FISKARS**



# Sale of 8% of Wärtsilä shares to Investor



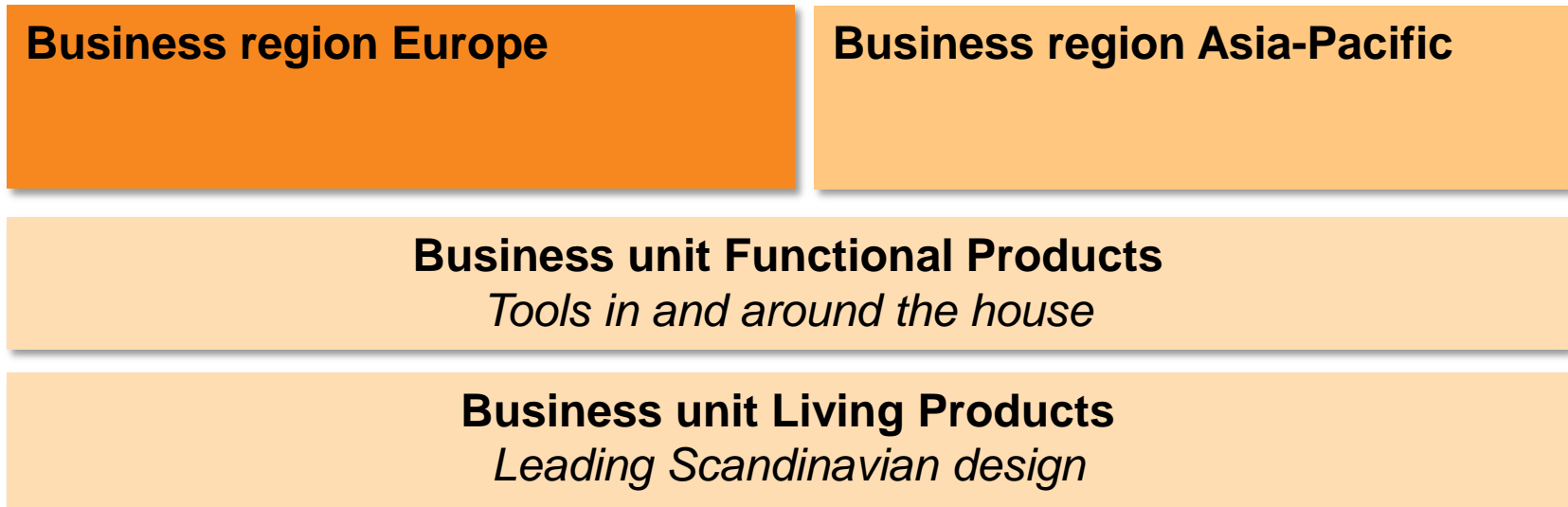
- Role of largest owner in Wärtsilä no longer a part of Fiskars strategy
- The transaction enables Fiskars to accelerate its growth as a consumer goods company both organically and through strategic acquisitions
- Consideration for the shares was EUR 40.55 per share, totalling EUR 639 million
- Board of Directors proposes extra dividend of EUR 2.60 per share, or EUR 213 million
- Fiskars intends to utilize the remaining proceeds to finance future growth
- Meanwhile, the plan is to over time build a diversified medium-risk investment portfolio
  - The investment portfolio will be managed dynamically and reported in the Other segment
- Fiskars remaining holding in Wärtsilä is 5.01%
- The remaining Wärtsilä shares together with those other financial instruments which will form an active investment portfolio will be treated as financial assets at fair value through profit or loss
  - Reported in the Other segment
  - This will increase the volatility of Fiskars financial result.

# A simpler organization in Europe&Asia-Pacific with less overlap

Now



As of December 1, 2014



# European Home and Garden categories reorganized into new Business Units

<b>Business</b>	<b>Living Products</b> <i>Leading Scandinavian design</i>	<b>Functional Products</b> <i>Tools in and around the house</i>	<b>Outdoor products</b> <i>Outdoor equipment for purpose</i>
<b>Categories</b>	Dining, Interior, Glassware, Licensing	Garden & Yardcare, Kitchen, Creating, Scissors, Fixing, container gardening, construction tools	Essentials, Hunting, Fishing, Camping, Tactical, Military, Industrial,
<b>Brands</b>	<b>Iittala, Royal Copenhagen</b> Rörstrand, Arabia	<b>Fiskars</b> Leborgne, Hackman, EbertSankey +local brands	<b>Gerber</b>
<b>Distribution</b>	<b>Specialty</b> Specialty, department stores, own retail & e-commerce	<b>Intensive</b> DIY, garden centers, hypermarkets, e-commerce, food & drug	<b>Multi</b> Sporting goods, mass, institutional, e-commerce etc.

# New Executive Board, including the business regions

- Focus on
  - Global way of working
  - Strategic capabilities and competencies
  - Strong collaboration culture
  - Portfolio for the future
- Members as of December 1, 2014
  - Kari Kauniskangas, President and CEO
  - Teemu Kangas-Kärki, Chief Operating Officer and Chief Financial Officer (COO & CFO)
  - Nina Ariluoma-Hämäläinen, SVP, Human Resources
  - Thomas Enckell, President, Europe
  - Matteo Gaeta, President, Asia-Pacific
  - Risto Gaggl, SVP, Supply Chain
  - Robert Kass, President, Gerber Americas
  - Paul Tonnesen, President, Fiskars Americas
  - Frans Westerlund, Chief Information Officer (CIO)





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# Changes in Fiskars reporting structure

- As of Q4 2014
  - Reporting segments are: Europe & Asia-Pacific, Americas and Other
  - Wärtsilä ceases to be a reporting segment
  - Wärtsilä and active investment portfolio reported in Other
- As of Q1 2015
  - Home and Garden business areas to be replaced by Living products and Functional products
  - Boats moved from Europe & Asia-Pacific to Other

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# Q3 2014

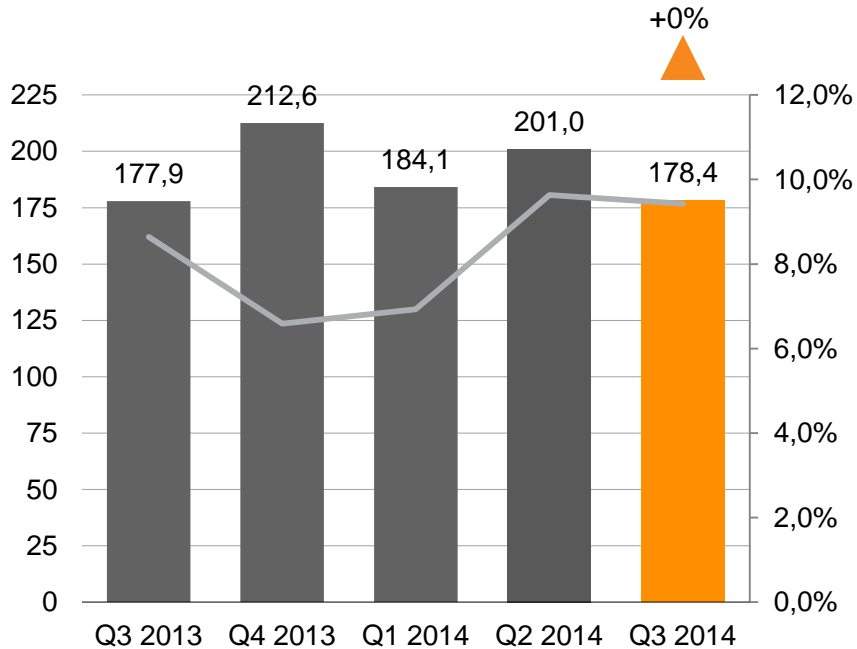
Group performance



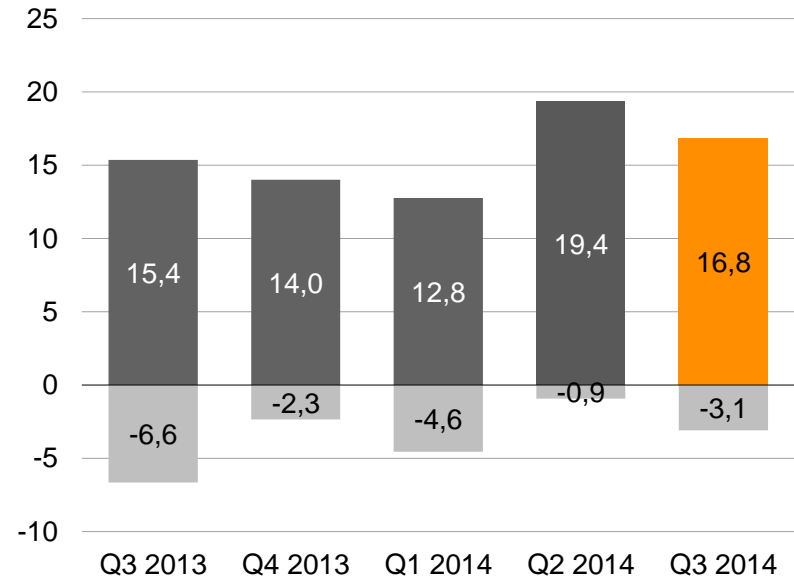
# Net sales and EBIT in Q3 2014

Fiskars Group

## Net sales by quarter, MEUR



## EBIT by quarter, MEUR



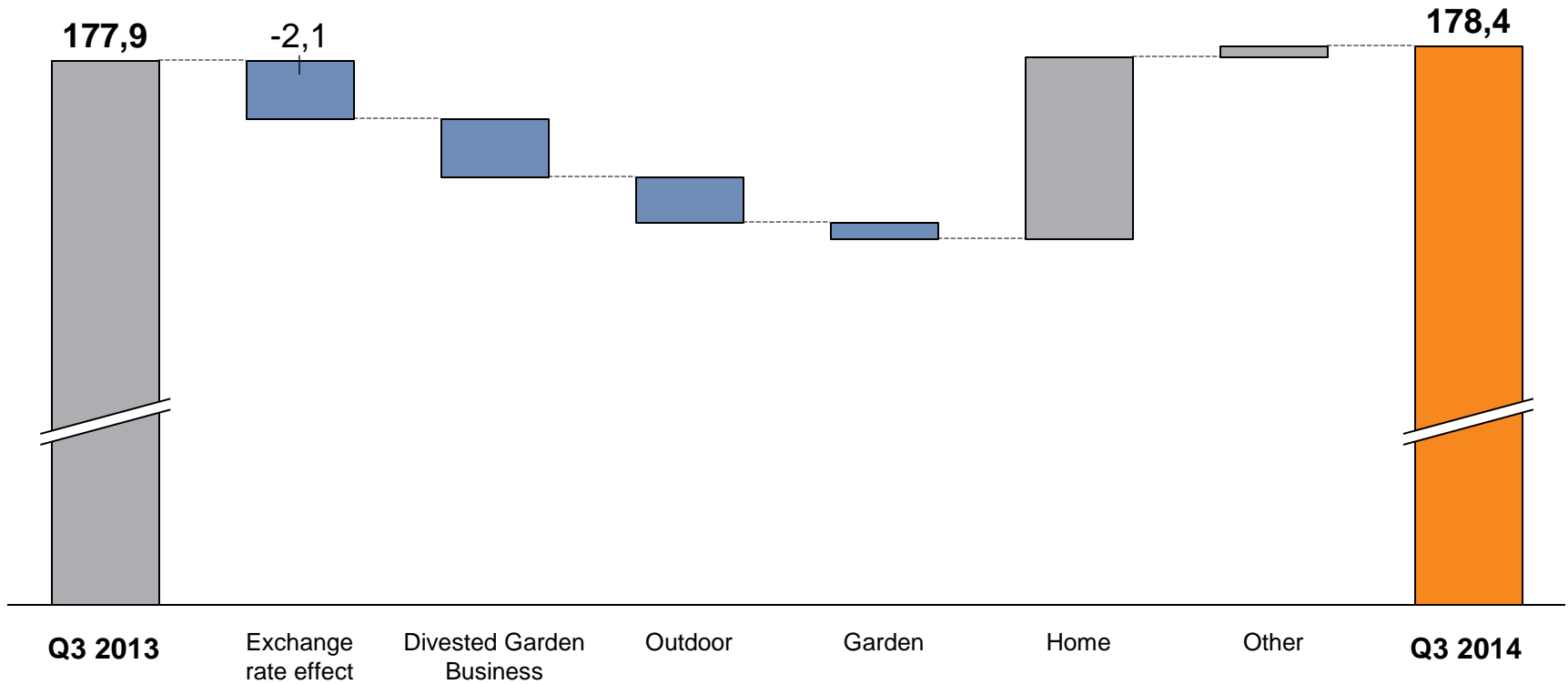
Cn +1 %  
Cn and excl. divested  
UK pottery +3 %

EBIT excl. NRI %	8,6%	6,6%	6,9%	9,6%	9,4%
GP%	39,1%	42,1%	38,9%	41,3%	41,1%

■ EBIT excluding non-recurring items  
■ Non-recurring items

# Net sales development bridge

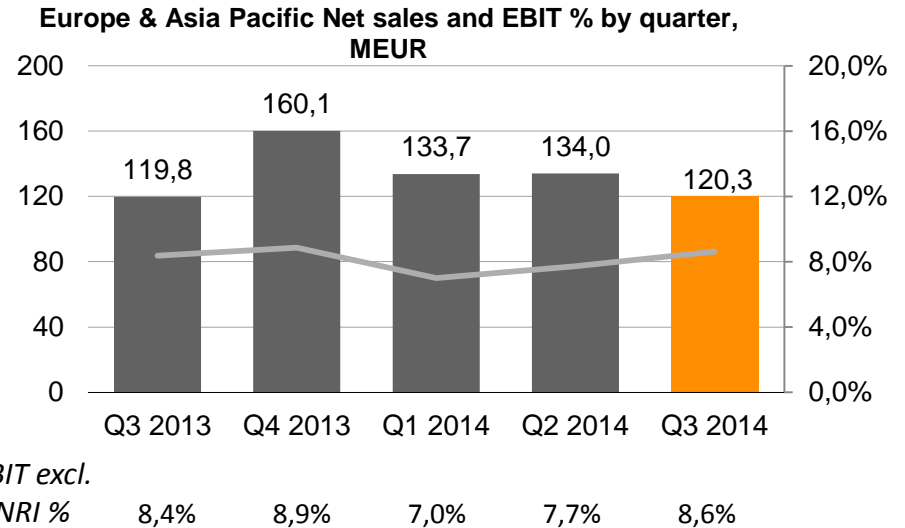
MEUR



# Geographic segments in Q3 2014

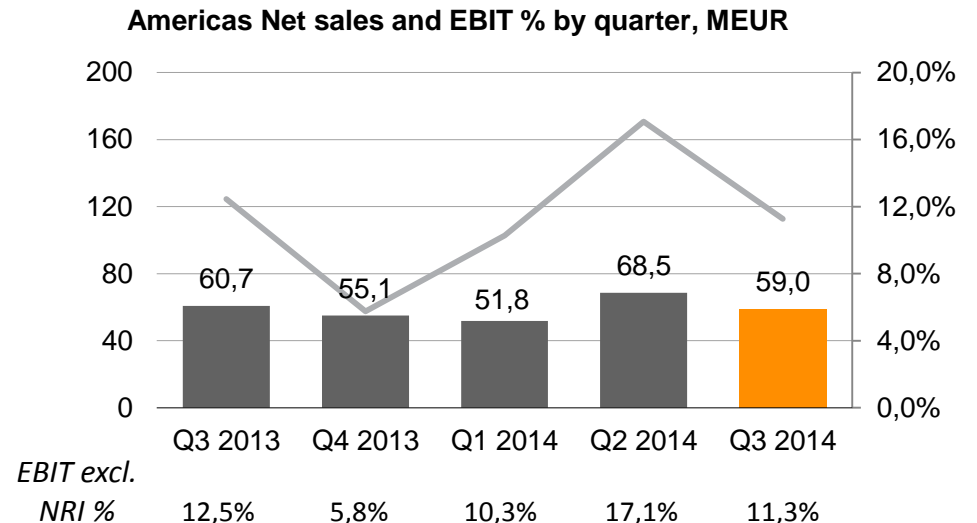
## Europe & Asia Pacific

- Net sales in Q3 120.3 MEUR, +0%
  - Cn and excl. divested UK pottery +3%.
- EBIT excl. NRI 10.4 MEUR +3%
- Sales boosted by timing of strong Home product launches



## Americas

- Net sales 59.0 MEUR, -3%, cn -1%
- EBIT 6.6 MEUR, -12%
- Softness in Outdoor sales continued





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# Q3 2014

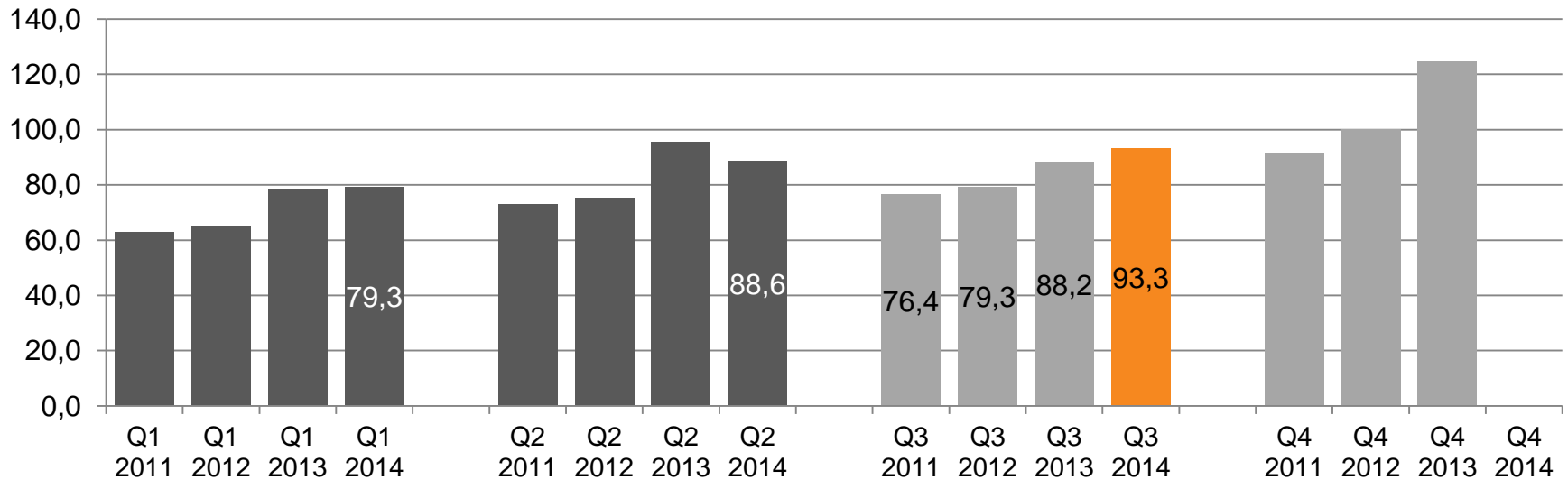
Home



# Home, Quarterly View

- Net sales 93.3 MEUR, +6%, cn +7%
  - Sales in Europe boosted by timing of strong launches in the license business
  - Good development across Europe for tabletop, kitchen and interior noveltis
  - Net sales for School, office, and craft (SOC) products were flat as good back to school sales outweighed softness in crafting products.

Net Sales, MEUR



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# Q3 2014

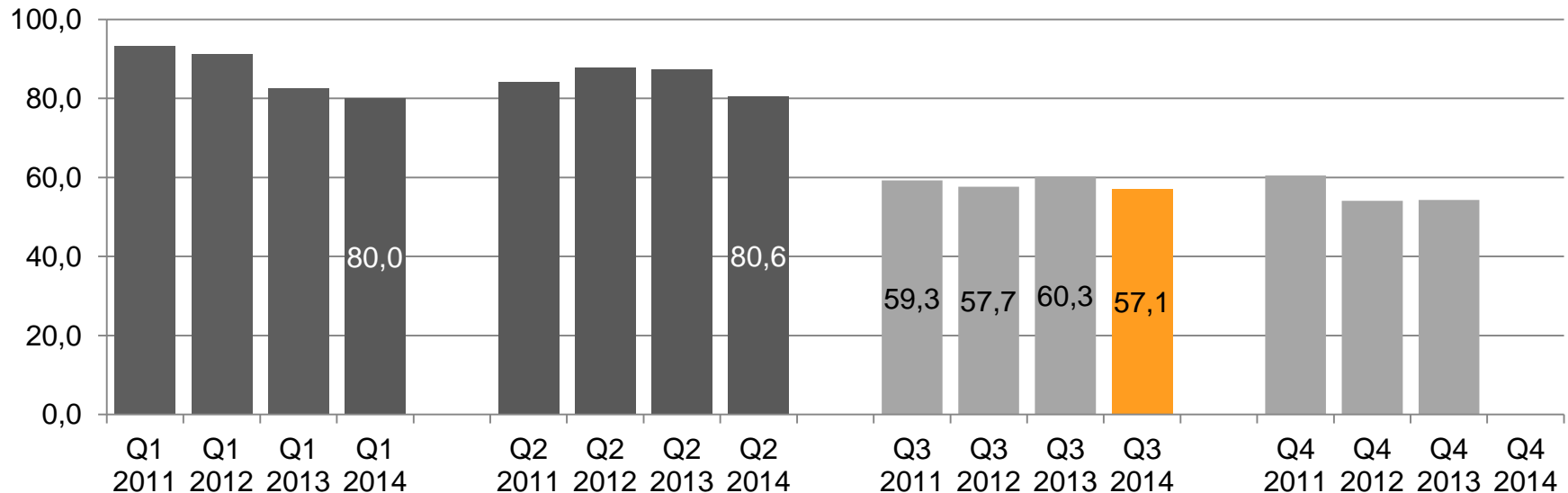
Garden



# Garden Quarterly View

- Net sales 57.1 MEUR, -5%, cn -4%
- Cn and excl. divested UK pottery sales -1%
  - In Europe, sales were below 2013 levels due to the divestment of the UK pottery business, slow snow tool sell-in, and fewer business-to-business campaigns.
    - Core garden and yard-care categories performed well.
  - In the Americas, sales were slightly up and Fiskars increased its market share

**Net Sales, MEUR**



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# Q3 2014

Outdoor

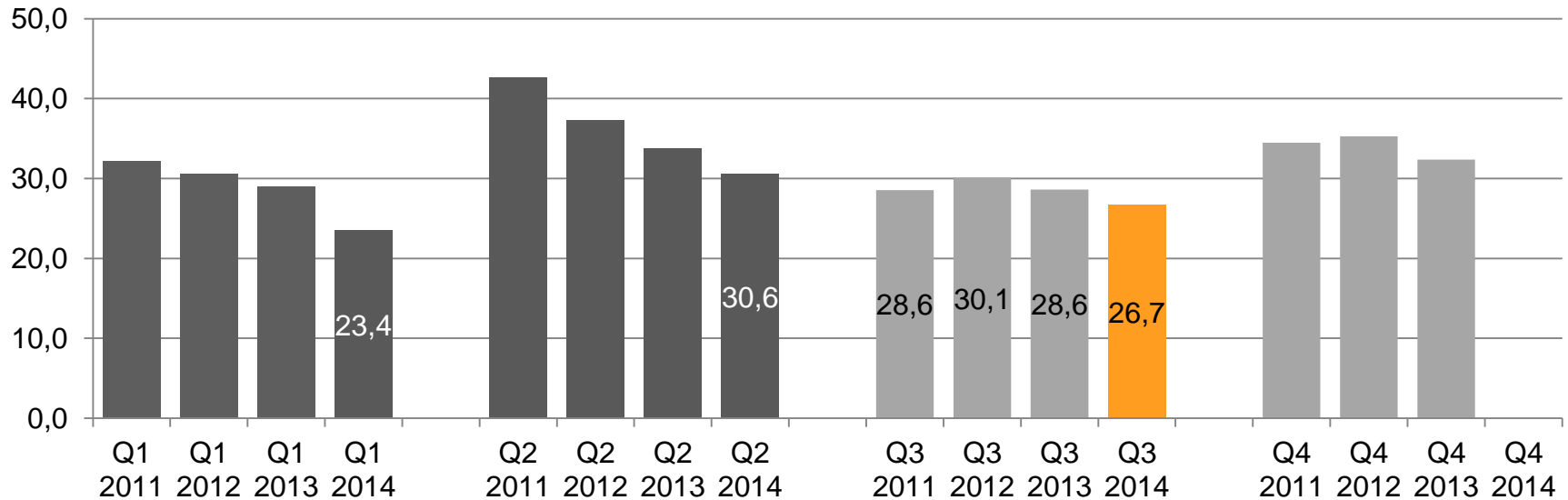




# Outdoor Quarterly View

- Net sales 26.7 MEUR, -7%, cn -6%
  - In Europe, sales were lower than previous year, when successful b-to-b campaigns accounted for a strong sales increase. Boat sales grew, mainly due to a shift in sales from the second quarter.
  - Outdoor sales were down, since the decline in some commercial accounts was only partly offset by good development in the industrial and institutional channels.

Net Sales, MEUR



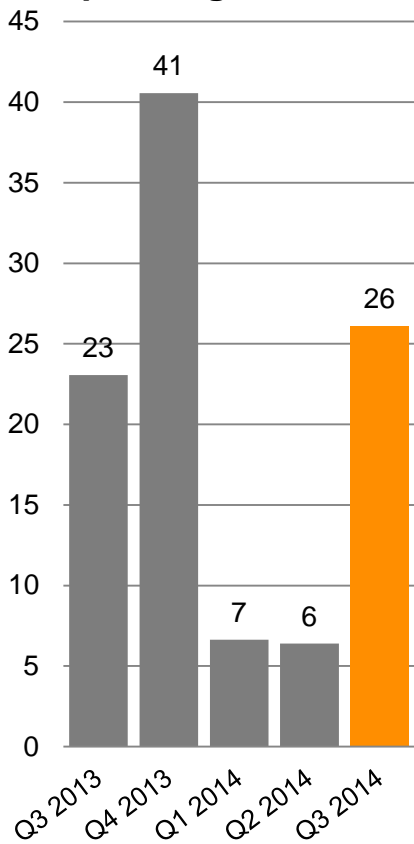
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# Q3 Financials:

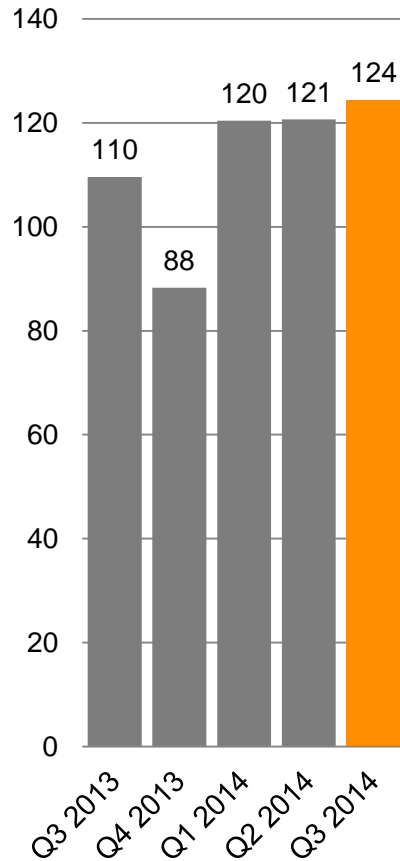


# Cash flow and debt Q3 2014, MEUR

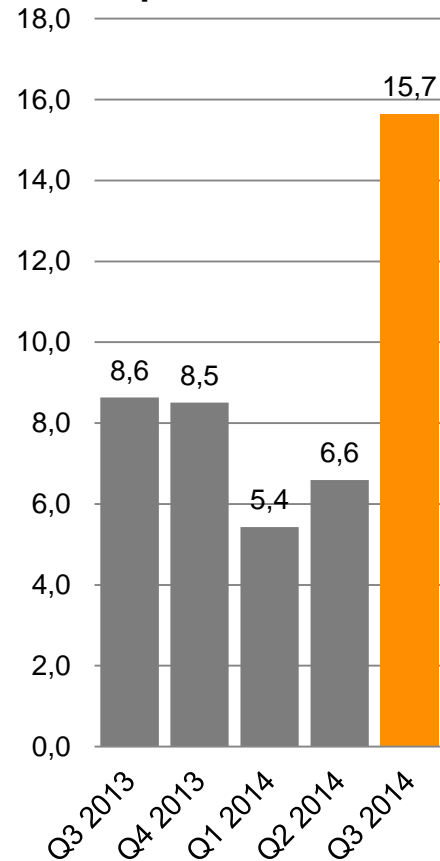
## Cash flow from operating activities



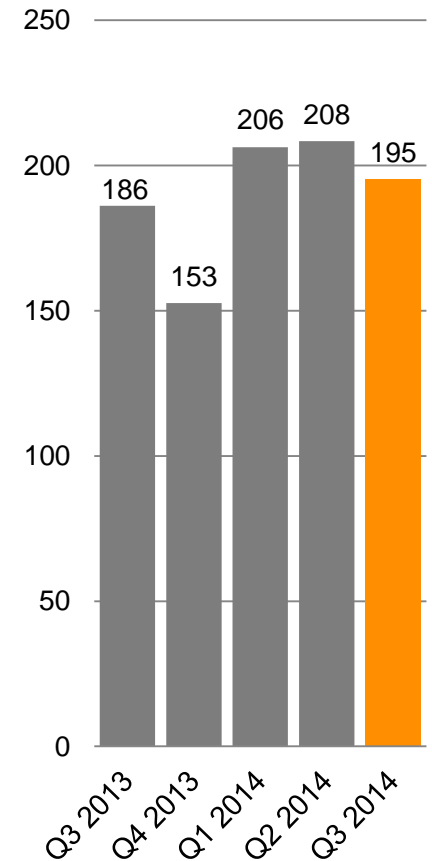
## Working Capital



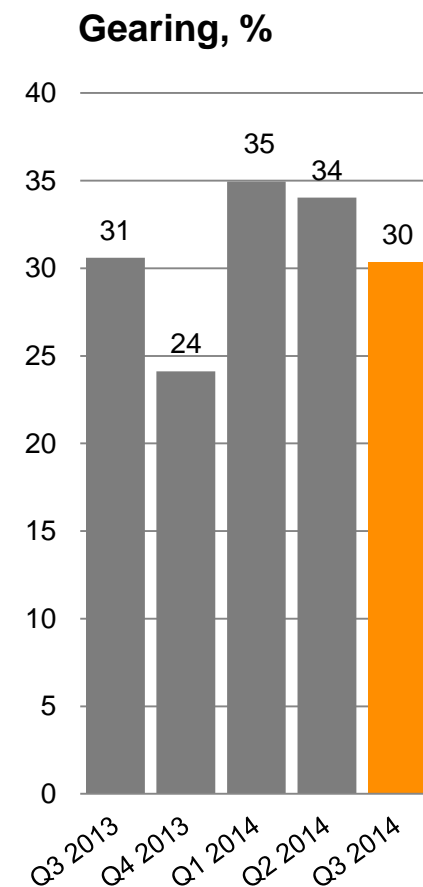
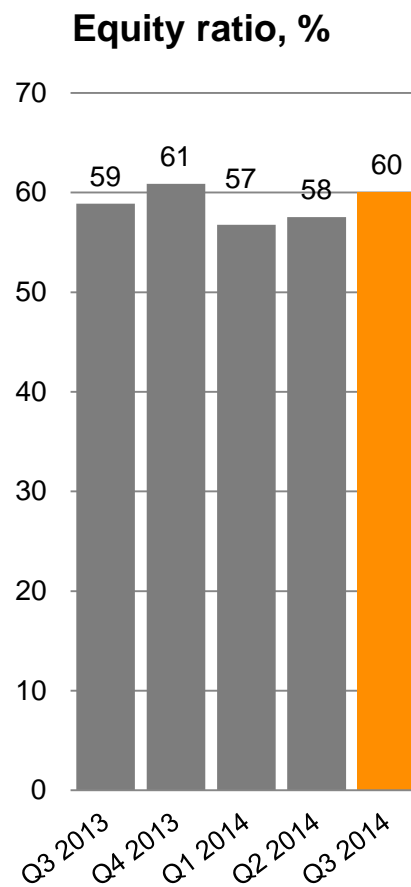
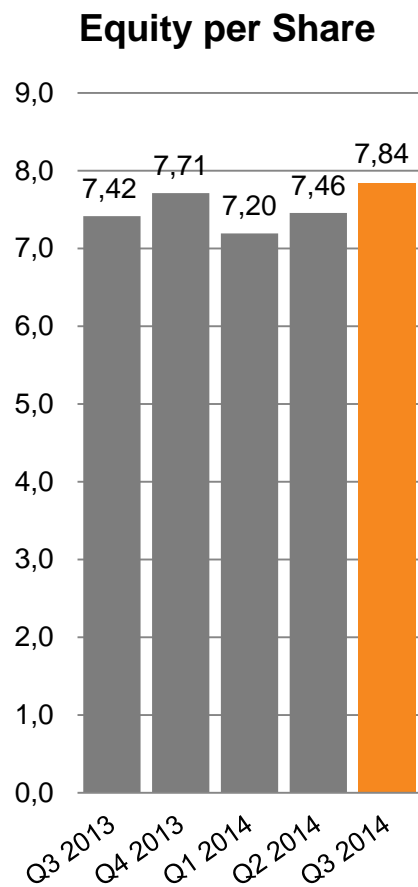
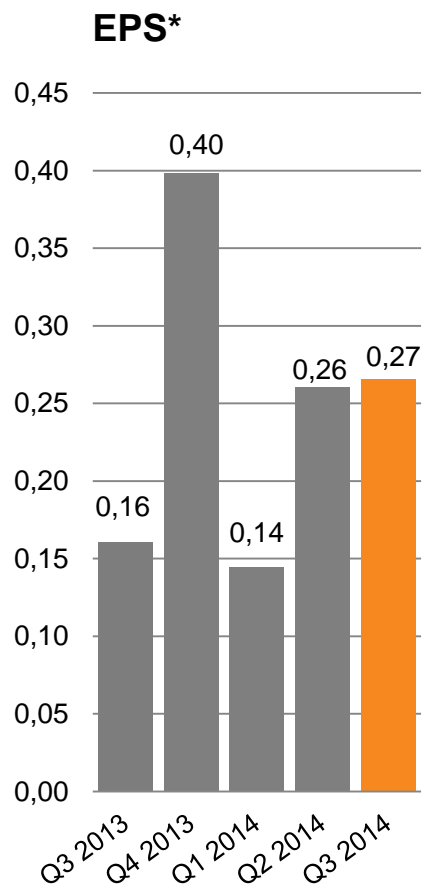
## Capital expenditure



## Net debt



# Key ratios Q3 2014



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## Outlook for 2014

- In the third quarter of 2014, some of the challenges that had affected Fiskars in the first half of the year turned for the better: currencies and availability issues in Europe had only a minor negative impact on sales. Rebuilding momentum in the Outdoor Americas business, however, will take time.
- The business environment in Europe and the United States showed signs of decline during the third quarter. In Finland, the retail environment remains weak and no turn for the better can be expected in the short term. For home products, sales in the fourth-quarter holiday season are significant.
- As of the fourth quarter of 2014, Wärtsilä is no longer treated as Fiskars' associated company, but will be treated as a financial asset at fair value through profit or loss together with those other financial instruments which will form an active investment portfolio. This will thus increase the volatility of Fiskars' financial result.
- We keep our outlook unchanged and expect full year 2014 net sales and operating profit, excluding non-recurring items, to be below 2013 levels.



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# Fiskars 365 – celebrating centuries of pride, passion and design. Every day.



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VARJE DAG  
SINCE 1649