

# Investor presentation

August-September 2019

FISKARS  
◆  
GROUP



- **Fiskars Group in brief**
- **Strategy**
- **Segments**
- **Financials**
- **Appendices**



# Fiskars Group in brief





Our purpose:

# Making the **everyday** **extraordinary**

Established in Finland 1649

Globally recognized brands

Products sold in more than 100 countries

Nearly 400 own stores

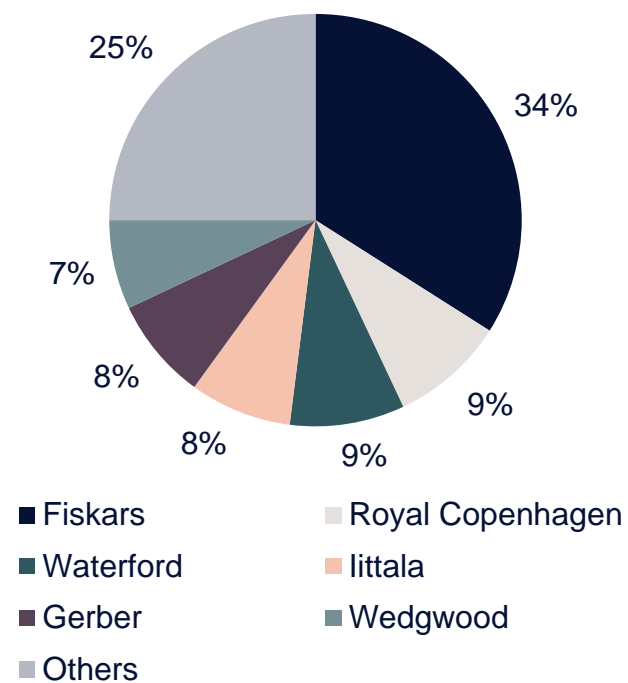
Net sales in 2018 EUR 1,119 million

7,600 employees in over 30 countries

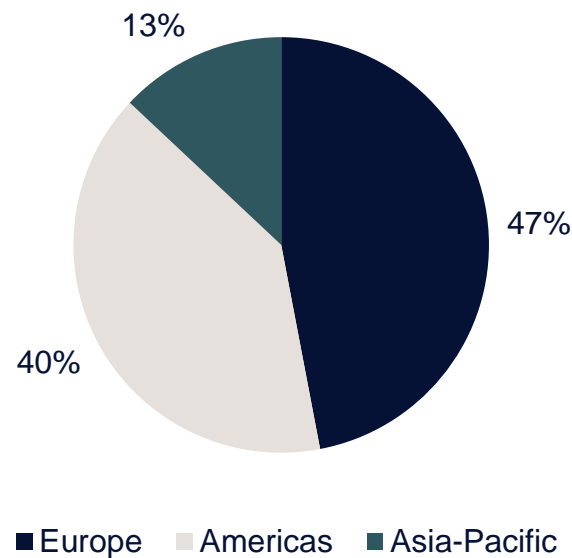


# Fiskars Group in 2018

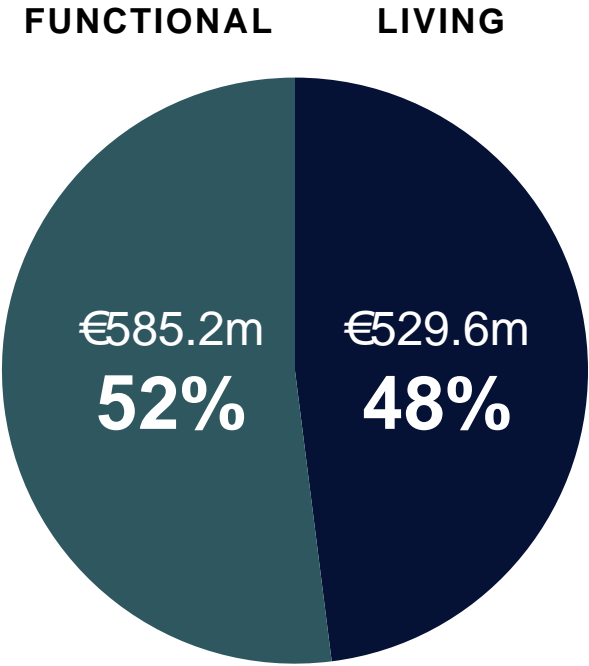
NET SALES SPLIT BY BRAND



NET SALES SPLIT BY GEOGRAPHY



# Net sales by segment



## Key categories

FUNCTIONAL

LIVING



Gardening



Watering



School, office & craft



Cooking



Outdoor



Fixing



Dinnerware



Interior



Drinkware



Other



## Strong brand portfolio

FISKARS® ♦ GERBER® ♦ Gilmour

iittala® ♦ ROYAL COPENHAGEN  
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK ♦ ARABIA  
1873 ♦ Rörstrand

WATERFORD ♦ WEDGWOOD  
ENGLAND 1759 ♦ ROYAL ALBERT  
ENGLAND 1904 ♦ ROYAL DOULTON  
LONDON



## Main markets for the key international brands

	Americas	Europe	Asia-Pacific
Fiskars	◆	◆	
Gerber	◆		
Iittala		◆	◆
Royal Copenhagen	◆	◆	◆
Wedgwood	◆	◆	◆
Waterford	◆	◆	◆

Based on net sales split in 2018

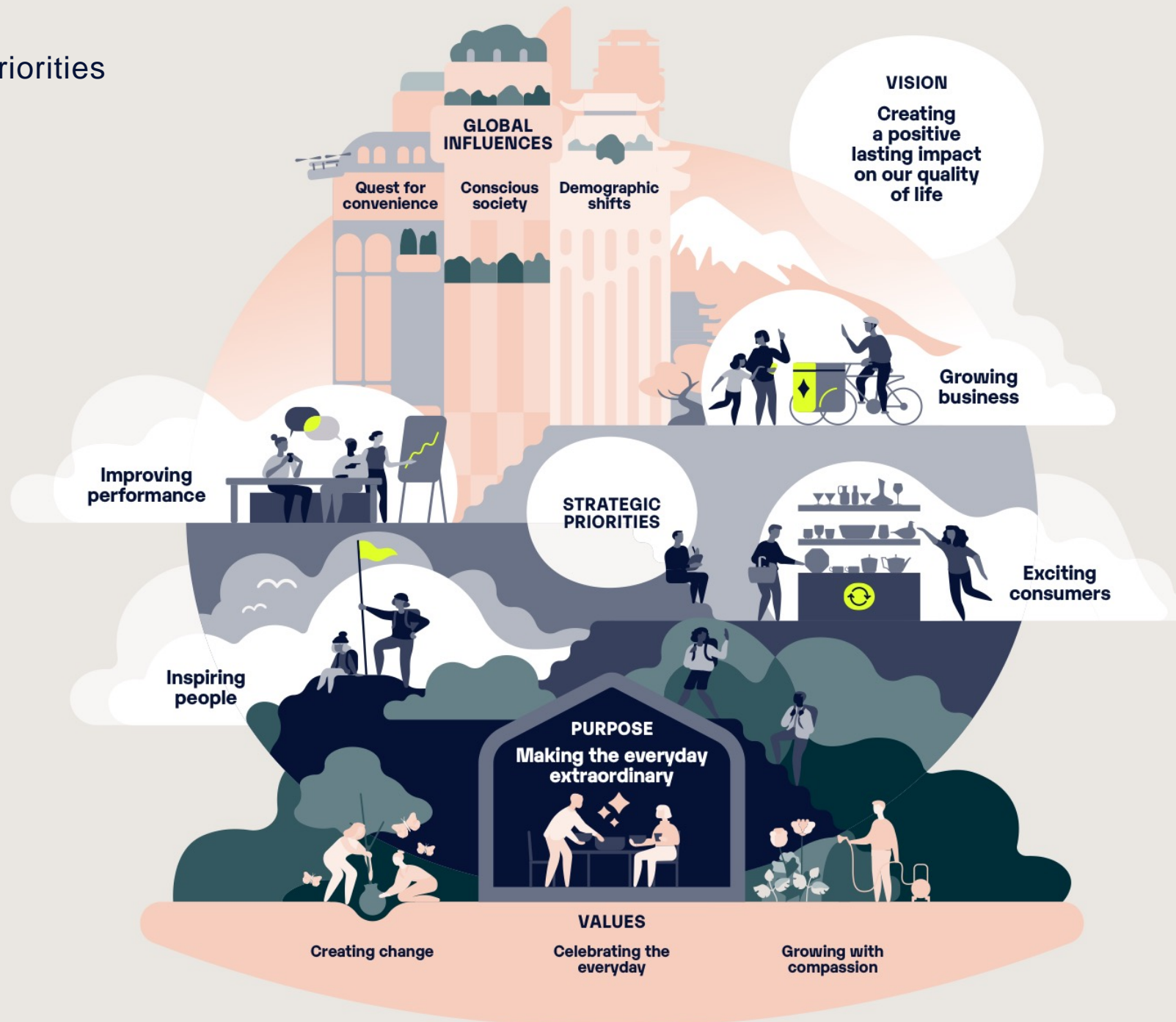




## Our locations



# Our strategic priorities



# Strategy



## Megatrends impacting our business



**Conscious society**



**Demographic shifts**



**Quest for  
convenience**





**Creating a  
positive, lasting  
impact on our  
quality of life**



**We are making the  
everyday extraordinary by...**



**creating  
change**



**celebrating  
the everyday**



**growing with  
compassion**

## Our strategic priorities

### Growing business



### Inspiring people



### Exciting consumers



### Improving performance



## Our approach to sustainability

For Fiskars Group, sustainable business is integral in building long-term economic success.

We work towards our vision to have a positive, lasting impact on our quality of life by acting as a responsible business and pushing ourselves forward in creating positive change.

We see opportunities in embedding sustainability even deeper into our business strategy to provide people meaningful experiences and to make the everyday extraordinary.



# SBU Functional





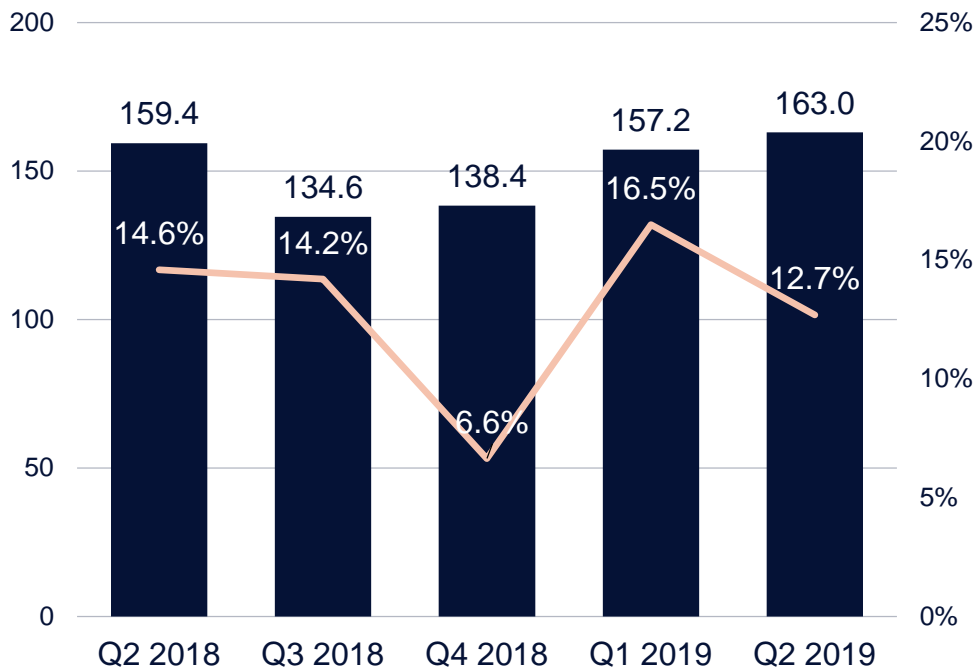
OUR BRANDS

FISKARS®

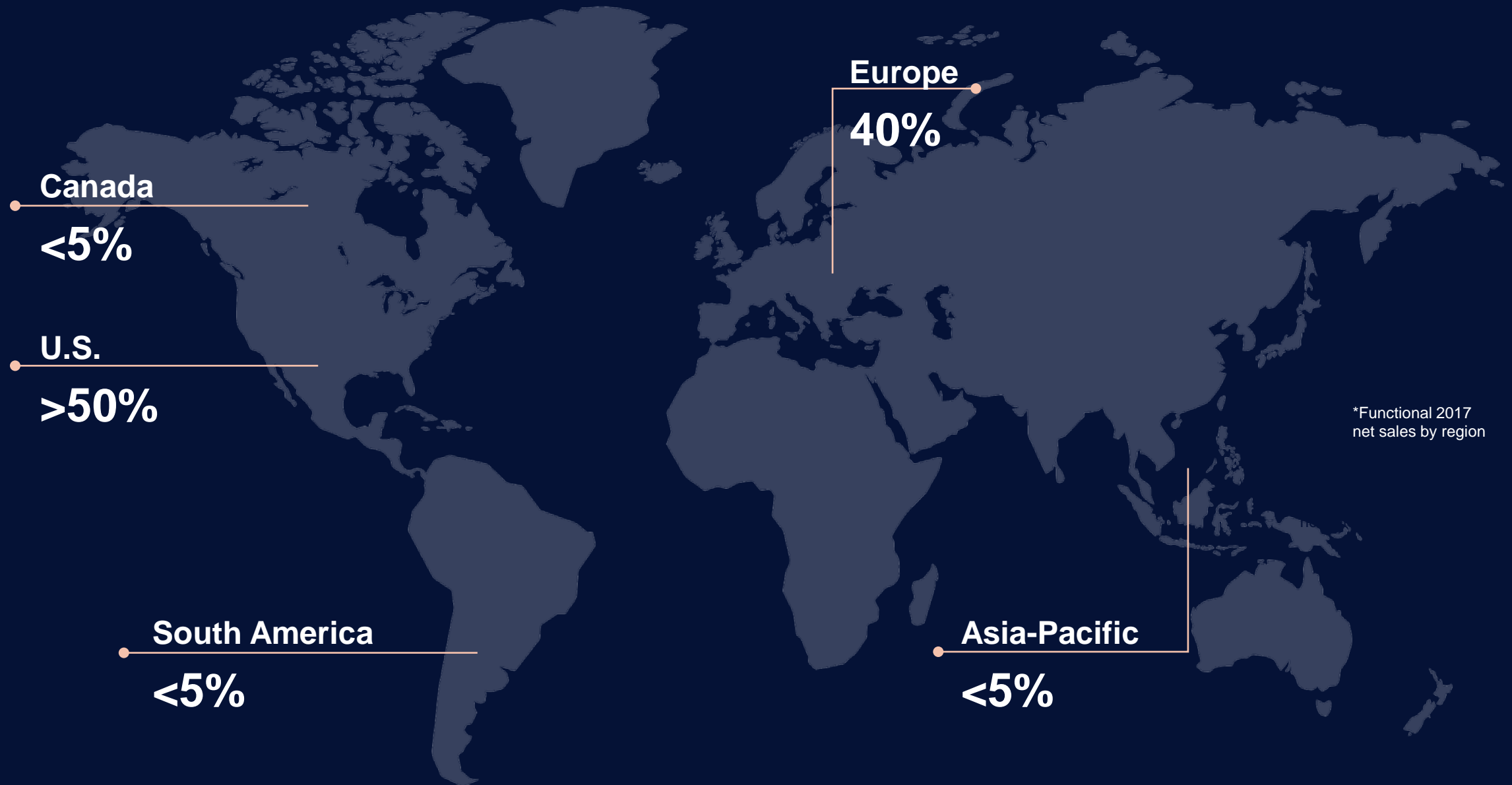
GERBER®

Gilmour.

NET SALES, EUR MILLION  
COMPARABLE EBITA, %



## SBU Functional – Well balanced footprint



## SBU Functional – Category split



\*Functional 2017 net sales by category





**Distribution  
fully through  
indirect  
channels**

**Work with  
some of the  
largest retailers  
globally**

**Strong trade  
partnerships  
is one of our  
strengths**

### **E-commerce**

- Total indirect e-commerce: >5% of 2017 net sales
- Share of total e-commerce higher in the Americas than other markets

# SBU Living



# Strategic business unit Living

## OUR BRANDS

### English and Crystal Living

**WEDGWOOD**  
ENGLAND 1759

**ROYAL DOULTON**  
LONDON 1815

**WATERFORD**

**ROYAL ALBERT**  
ENGLAND 1904

### Scandinavian Living

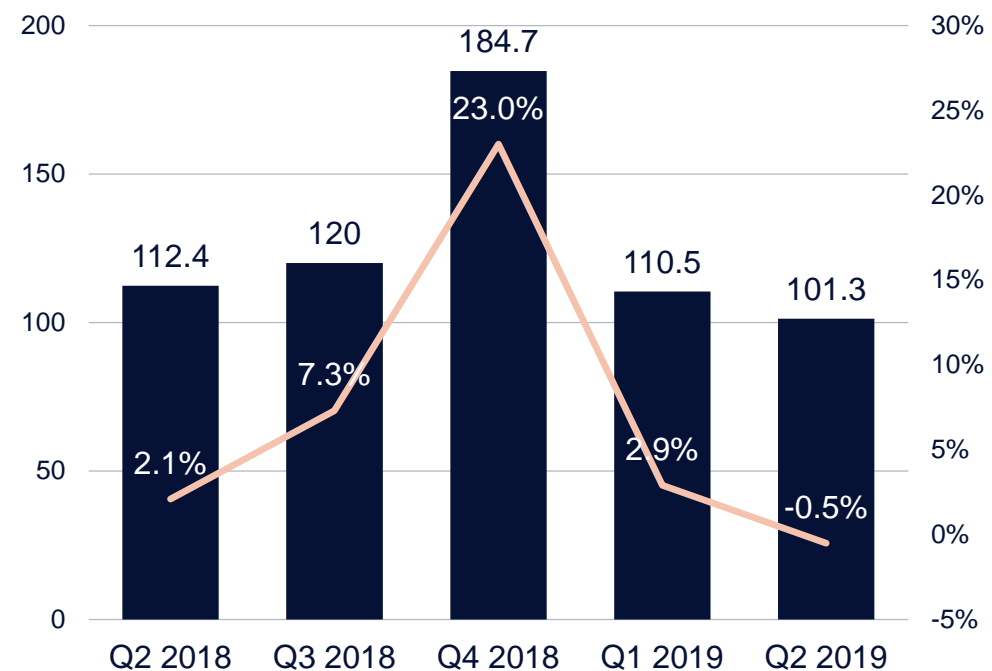
**iittala®**

**ARABIA**  
1873

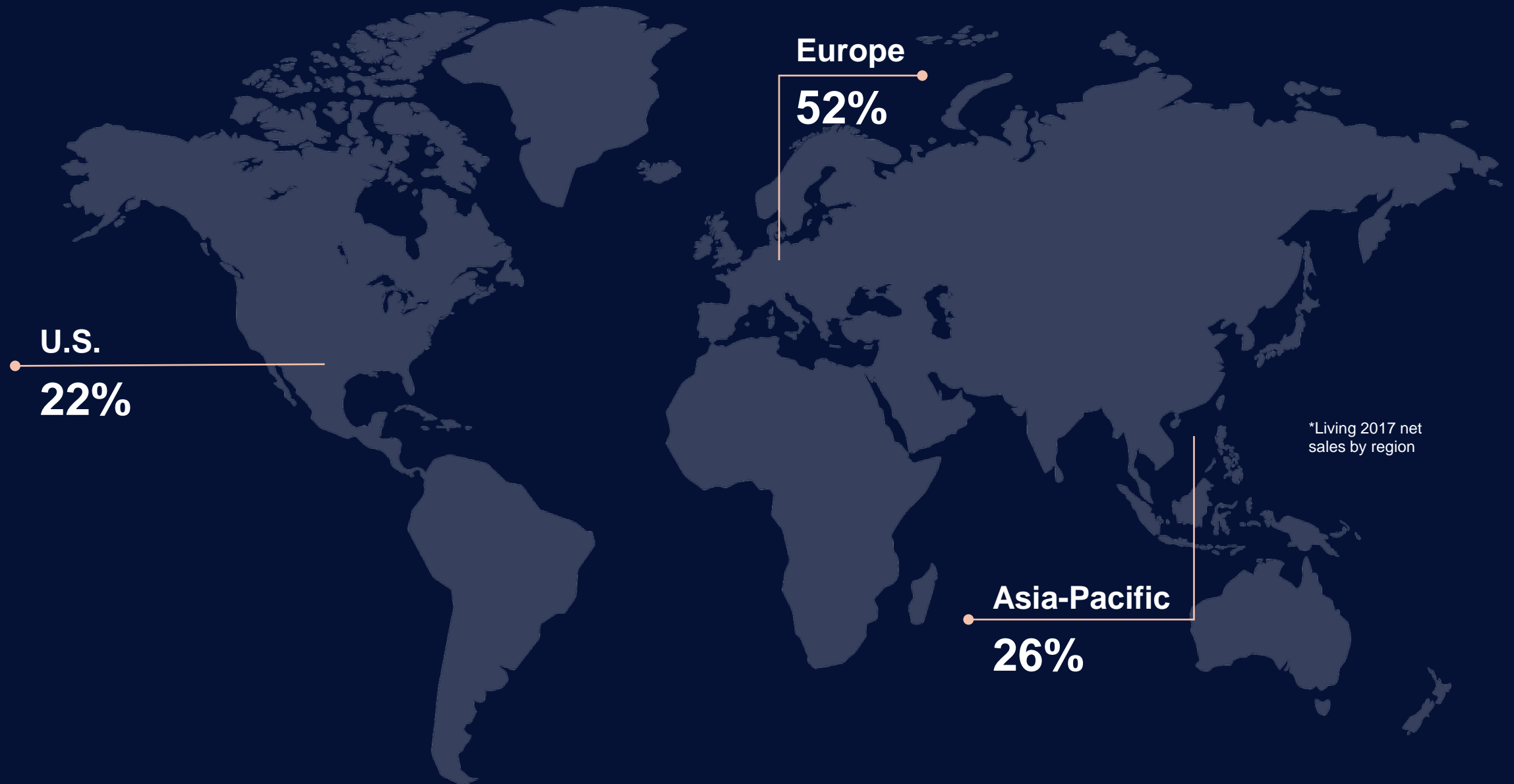
  
**ROYAL COPENHAGEN**  
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

  
**Rörstrand**

## NET SALES, EUR MILLION COMPARABLE EBITA, %
































## SBU Living – Well balanced footprint





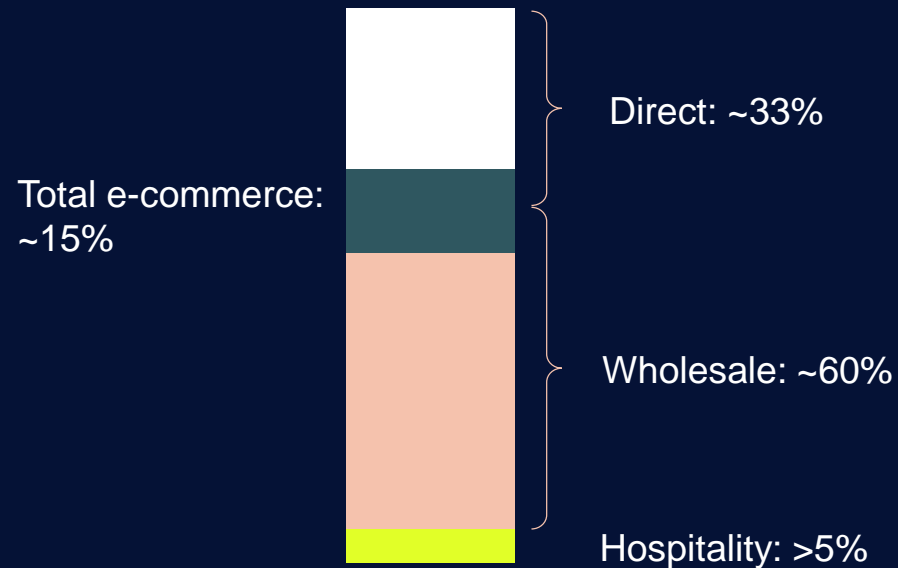
# SBU Living – Category split

Key categories by brand (% of Living net sales 2017)

		Dinnerware 45%	Drinkware 17%	Interior 23%	Other 15%
Key international brands					
					
					
					
Regional brands					
					
					
					



### SHARE OF 2017 NET SALES



### Direct channel includes our own:

- Stores (8% of total number of locations)
- Shop-in-shops (64%)
- Outlets (28%)
- E-commerce

Indirect e-commerce represents those customers who are operating on online basis only or sell a significant value of our business through e-commerce platforms

## New business models

Circular economy is part of Fiskars Group's sustainability program, and the aim is to find new business opportunities based on it.

Circular economy means a new way of thinking in which consumption is based on sharing, renting, recycling, and using services, instead of owning products and manufacturing new ones.

The first of new adopted concepts is Vintage, where we buy and sell used Iittala and Arabia-branded tableware. The concept is being rolled out in Finland during 2019.

Other concepts are being reviewed as well.

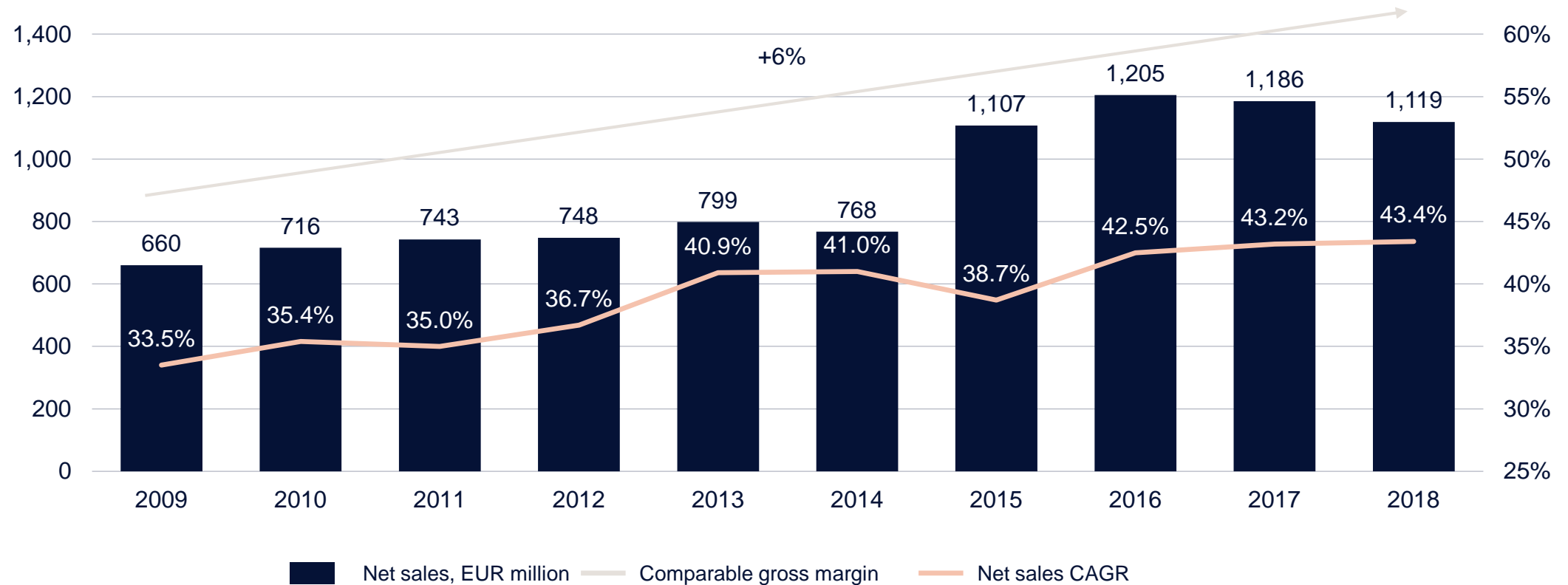


# Financials





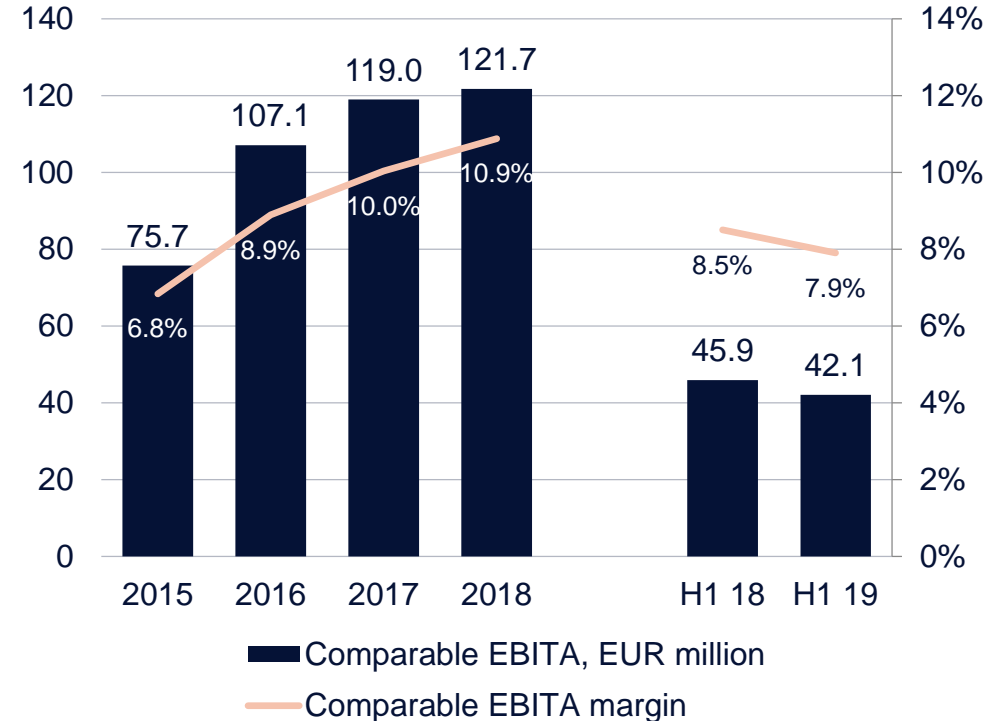
## Group net sales and profitability development



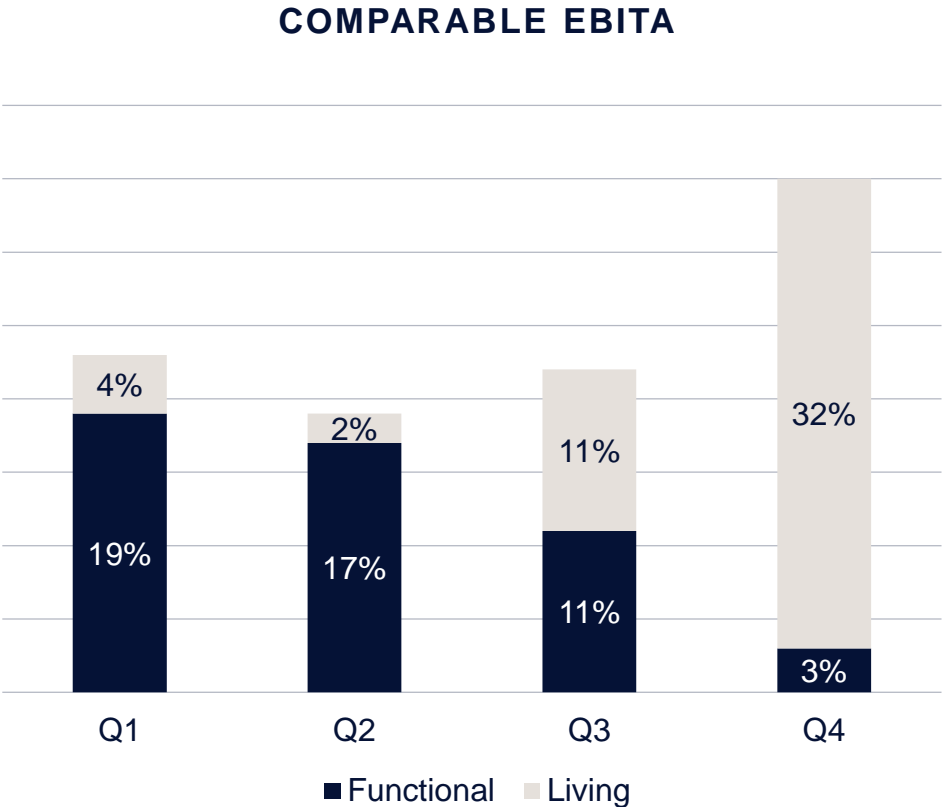
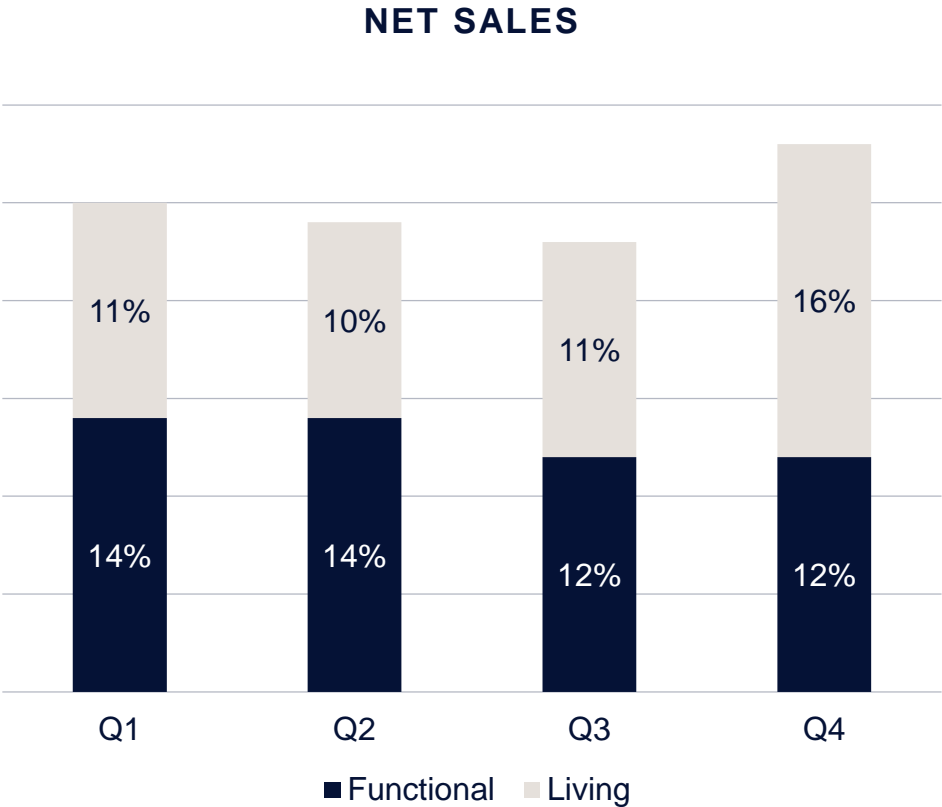


# Comparable EBITA increased in 2018

COMPARABLE EBITA



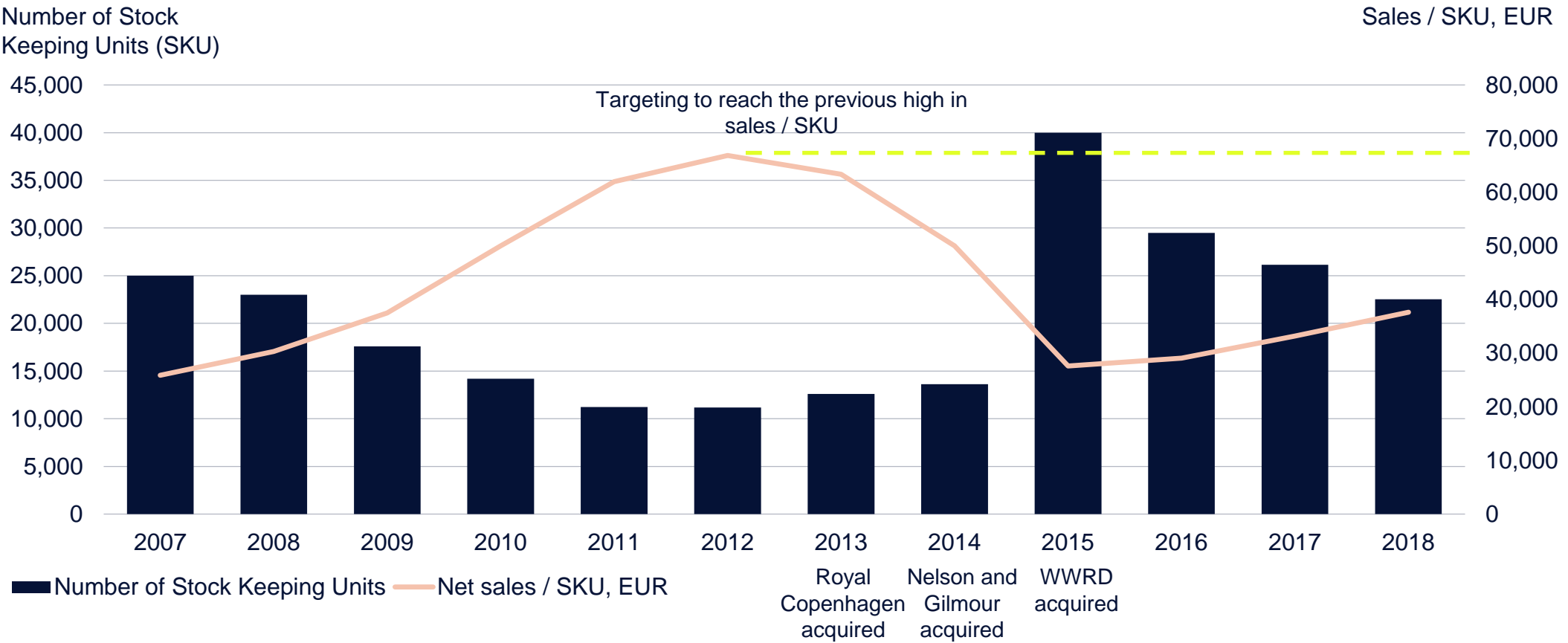
# Seasonalities creating balanced income profile



Seasonal distribution by quarter and business (average 2016-18). Percentages as share of total full year group figures



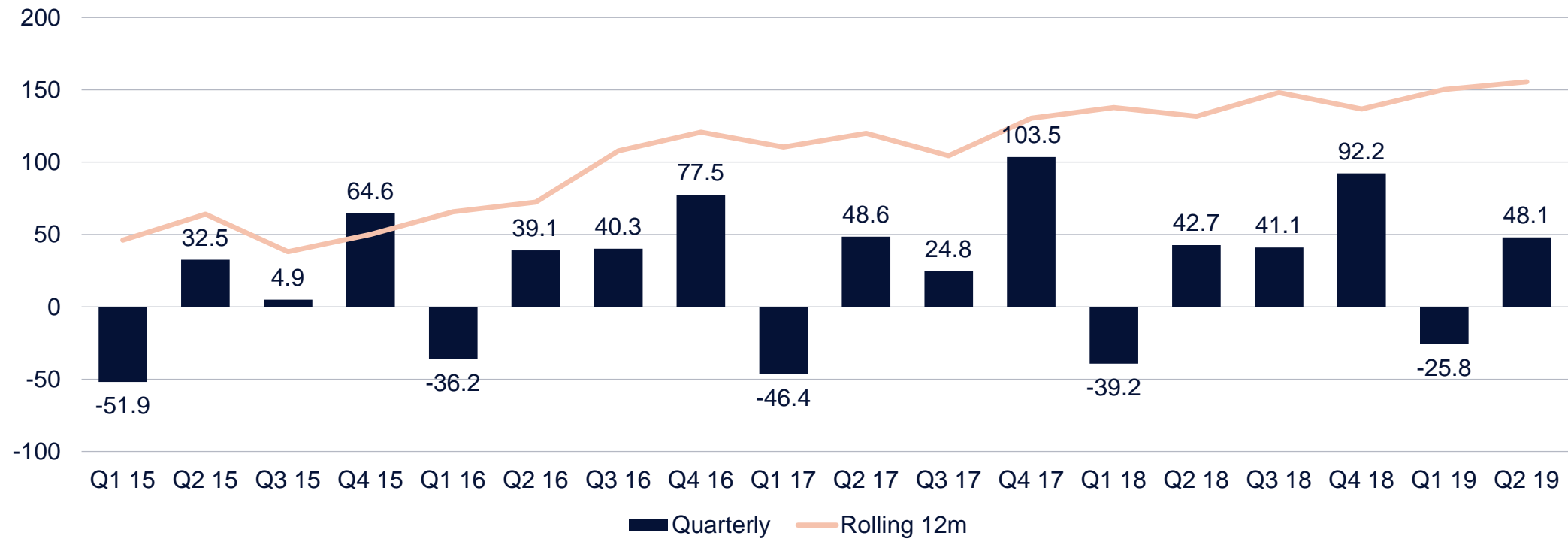
# SKU reduction ongoing





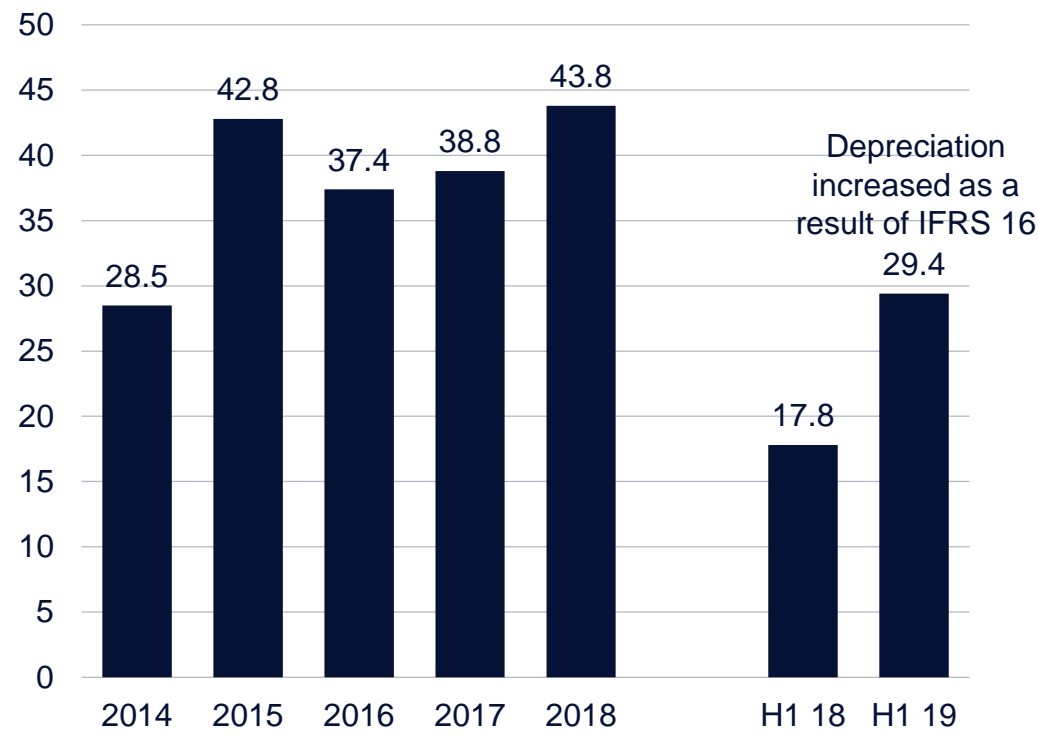
## Cash flow has improved

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

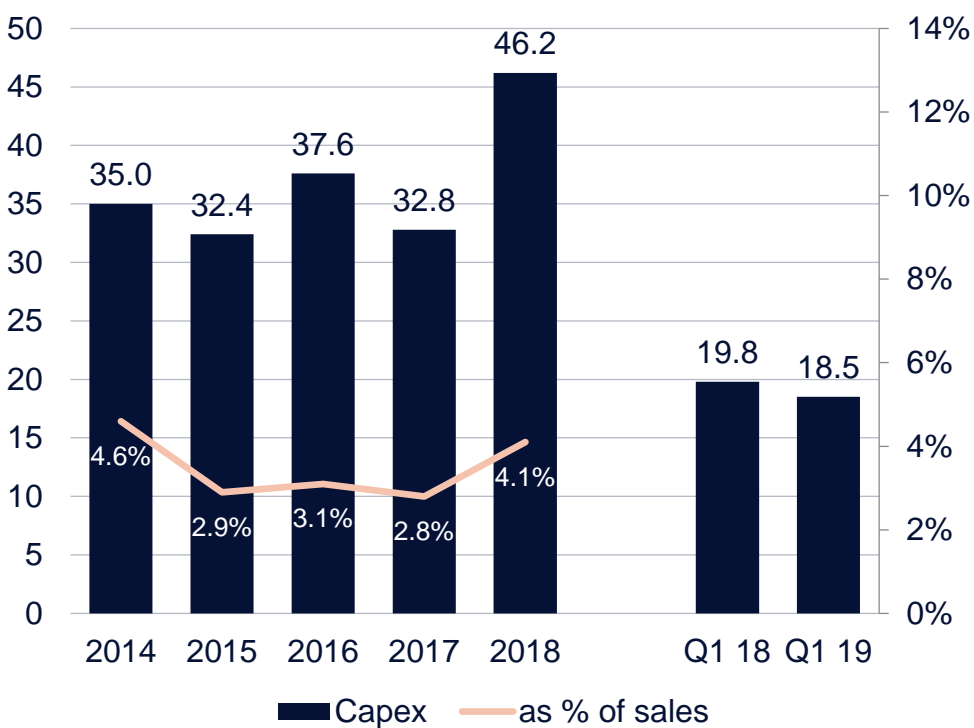


Capital expenditure increased in 2018 due to a factory expansion

DEPRECIATION, AMORTIZATION  
AND IMPAIRMENT, EUR MILLION

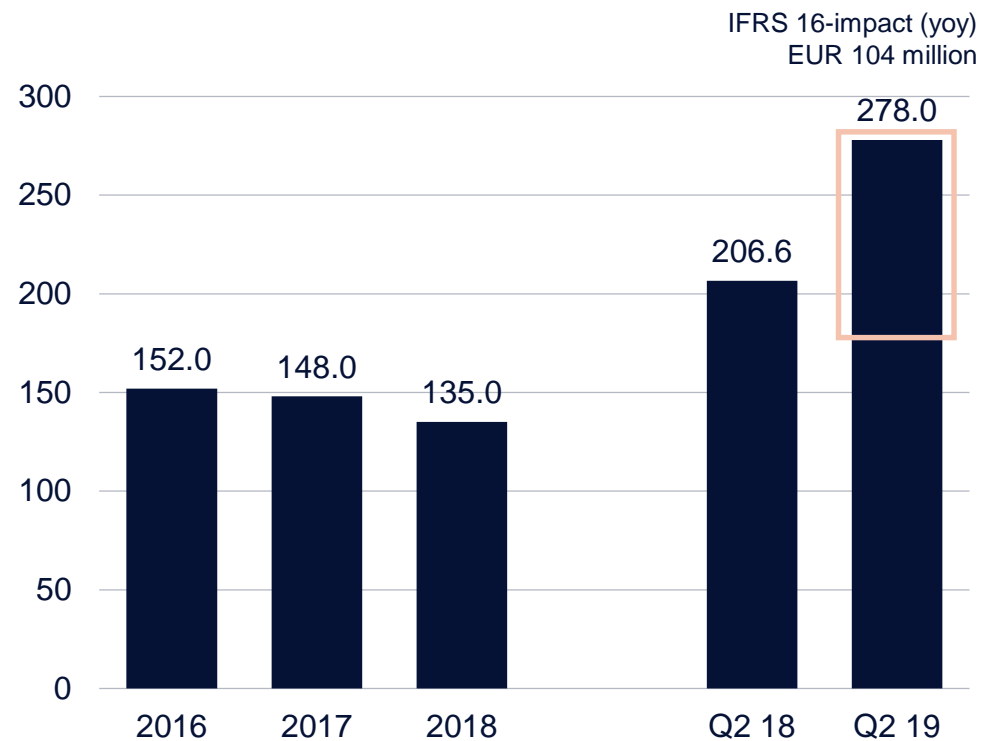


CAPEX, EUR MILLION

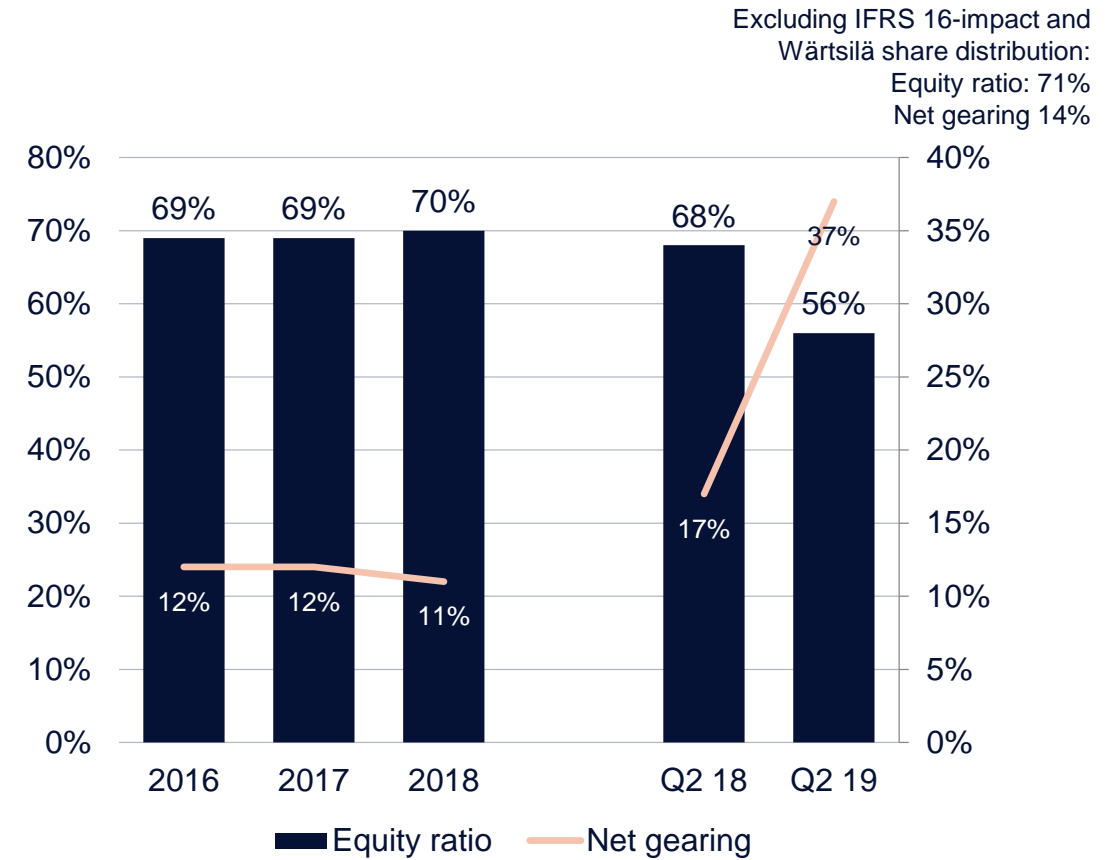


# IFRS 16 impacting balance sheet

## NET DEBT, EUR MILLION



## NET GEARING AND EQUITY RATIO



# 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%

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

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





**In 2019, Fiskars expects the Group's comparable net sales to be at the same level as in 2018 (unchanged) and comparable EBITA to be below the previous year's level (previously: at the same level).**

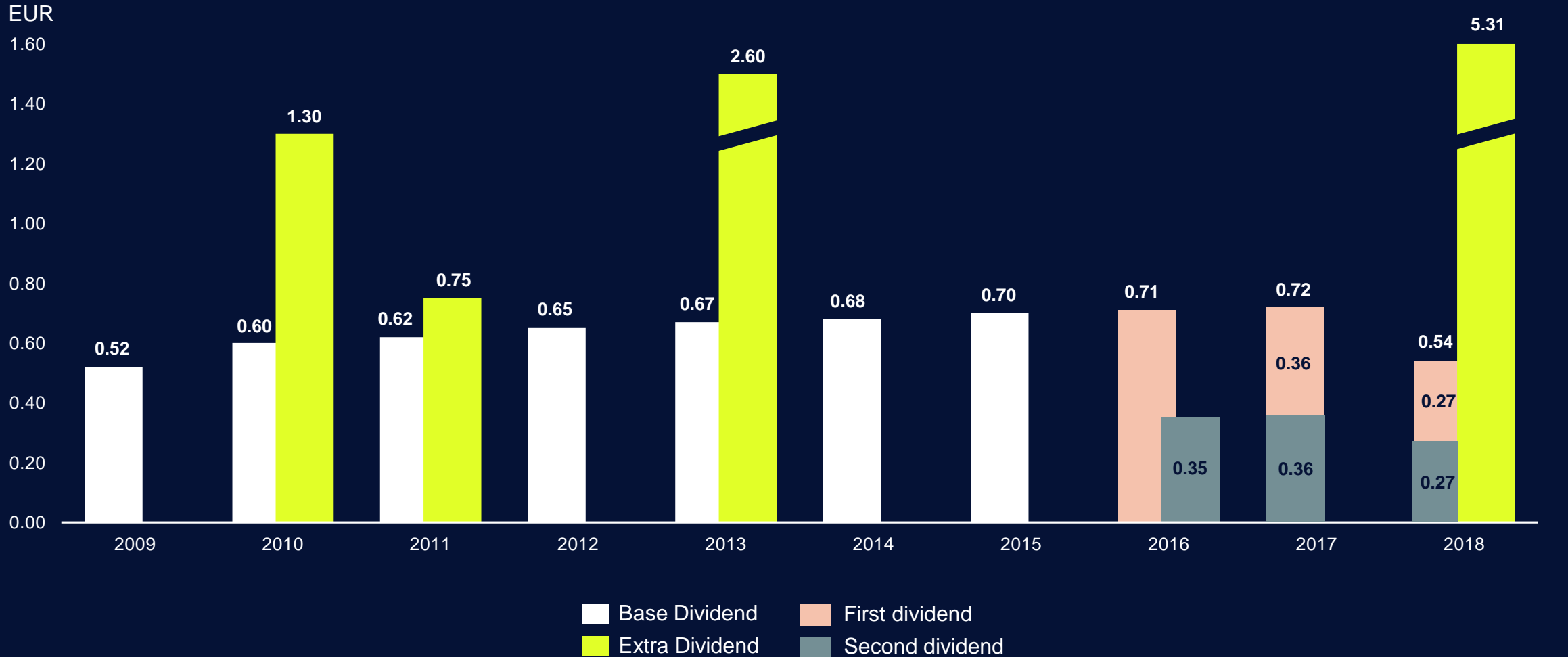
The outlook is influenced by the company's investments in growth initiatives that are expected to add sustainable value in the long-term. In addition, there are continued material risks relating to changes in the operating environment, e.g. Brexit and potential further increases to the U.S. tariffs. 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.



## Wärtsilä share distribution changed the baseline for dividend growth

### Dividend per share (DPS) history 2009–2018



# Appendices





## Largest shareholders as of July 31, 2019

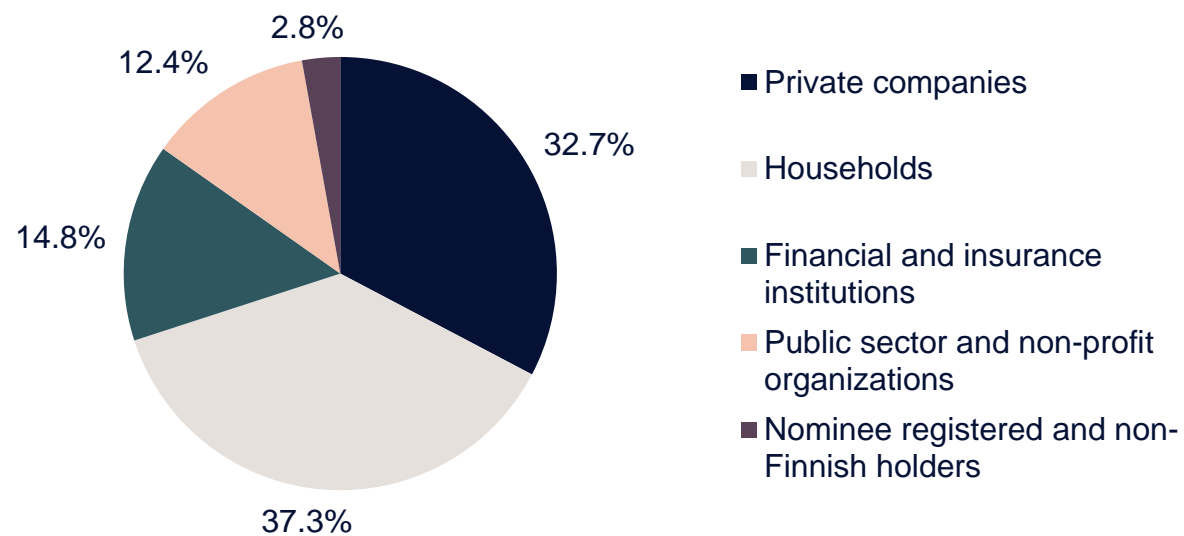
#	Shareholder name	Number of shares	% of shares and votes
1	Virala Oy Ab	12,650,000	15.44
2	Holdix Oy Ab	10,165,537	12.41
3	Turret Oy Ab	9,330,961	11.39
4	Bergsrådninnan Sophie von Julins Foundation	2,556,000	3.12
5	Oy Julius Tallberg Ab	2,554,350	3.12
6	Varma Mutual Pension Insurance Company	2,469,326	3.01
7	Gripenberg Gerda Margareta Lindsay Dödsbo	1,974,000	2.41
8	Ehrnrooth Jacob Robert Göran	1,626,929	1.99
9	von Julin Sofia Margareta dödsbo	1,560,000	1.90
10	Ehrnrooth Sophia	1,558,630	1.90
<b>10 largest shareholders, total</b>		<b>46,445,733</b>	<b>56.71</b>
Other shareholders		35,459,509	43.29
<b>Total</b>		<b>81,905,242</b>	<b>100.00</b>

Data supplied by Euroland





## Shareholder structure as of July 31, 2019



Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares and votes
Private companies	652	2.89%	26788963	32.71%
Households	21,499	95.29%	30,539,606	37.29%
Financial and insurance institutions	43	0.19%	12099507	14.77%
Public sector and non-profit organizations	240	1.07%	10148272	12.39%
Nominee registered and non-Finnish holders	128	0.57%	2328894	2.84%
<b>Total</b>			<b>81,905,242</b>	<b>100.00</b>

Data supplied by Euroland



## Fiskars Group Leadership Team



**Jaana Tuominen**  
President & CEO  
Interim President, SBU Living



**Sari Pohjonen**  
Chief Financial Officer  
Deputy to the CEO



**Risto Gaggl**  
Chief Supply Chain Officer



**Michael Halak**  
President, SBU Functional



**Tuomas Hyryläinen**  
Chief Growth Officer



**Niklas Lindholm**  
Chief Human Resources  
Officer



**Maija Taimi**  
SVP, Corporate  
Communications and  
Sustainability



**Päivi Timonen**  
General Counsel



## Board of Directors



**Paul Ehrnrooth**  
Chairman



**Jyri Luomakoski**  
Vice Chairman



**Albert Ehrnrooth**



**Louise Fromond**



**Inka Mero**



**Fabian Månsson**



**Peter Sjölander**



**Ritva Sotamaa**



## 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: (i) 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.



# Making the everyday extraordinary

