

Investor presentation

23.3.2020

FISKARS
♦
GROUP



- **Fiskars Group in brief**
- **Planned organizational structure**
- **Segments**
- **Financials**
- **Appendices**



Fiskars Group in brief



Our purpose:

Making
the **everyday**
extraordinary



Key categories in 2019

FUNCTIONAL



Gardening



School, office
& craft



Outdoor



Watering



Cooking



Fixing

NET SALES BY SEGMENT

EUR 585.5
million

54%

EUR 501.0
million

46%

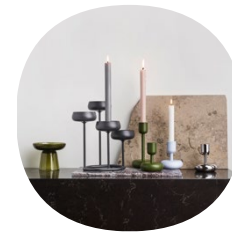
LIVING



Dinnerware



Drinkware



Interior

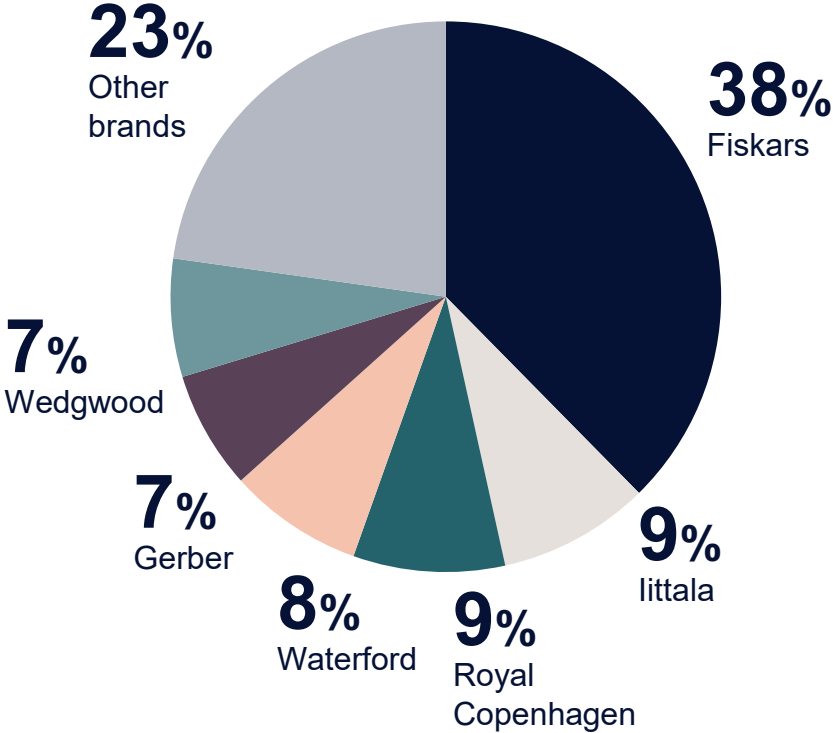


Other

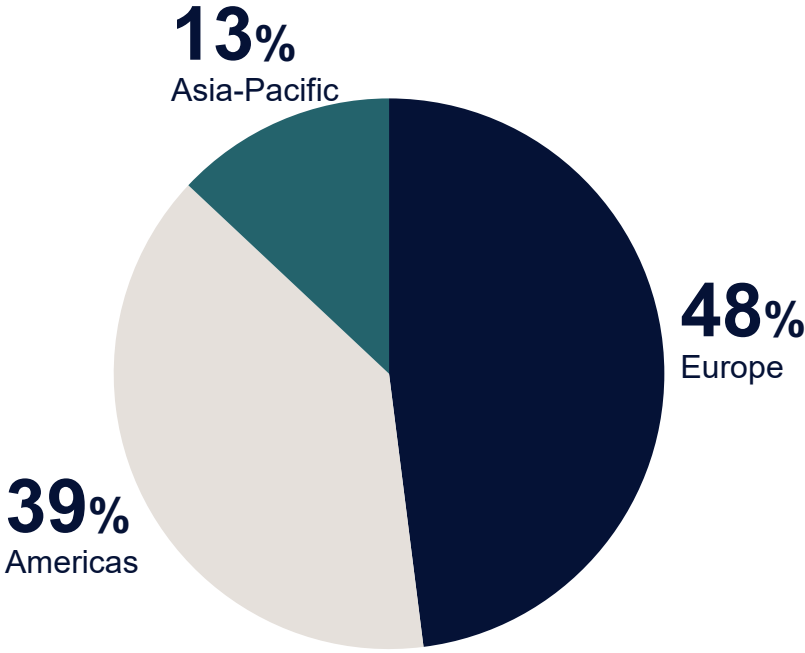


Net sales in 2019

NET SALES SPLIT BY BRAND



NET SALES SPLIT BY GEOGRAPHY



Strong brand portfolio

FISKARS® ♦ GERBER® ♦ Gilmour

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

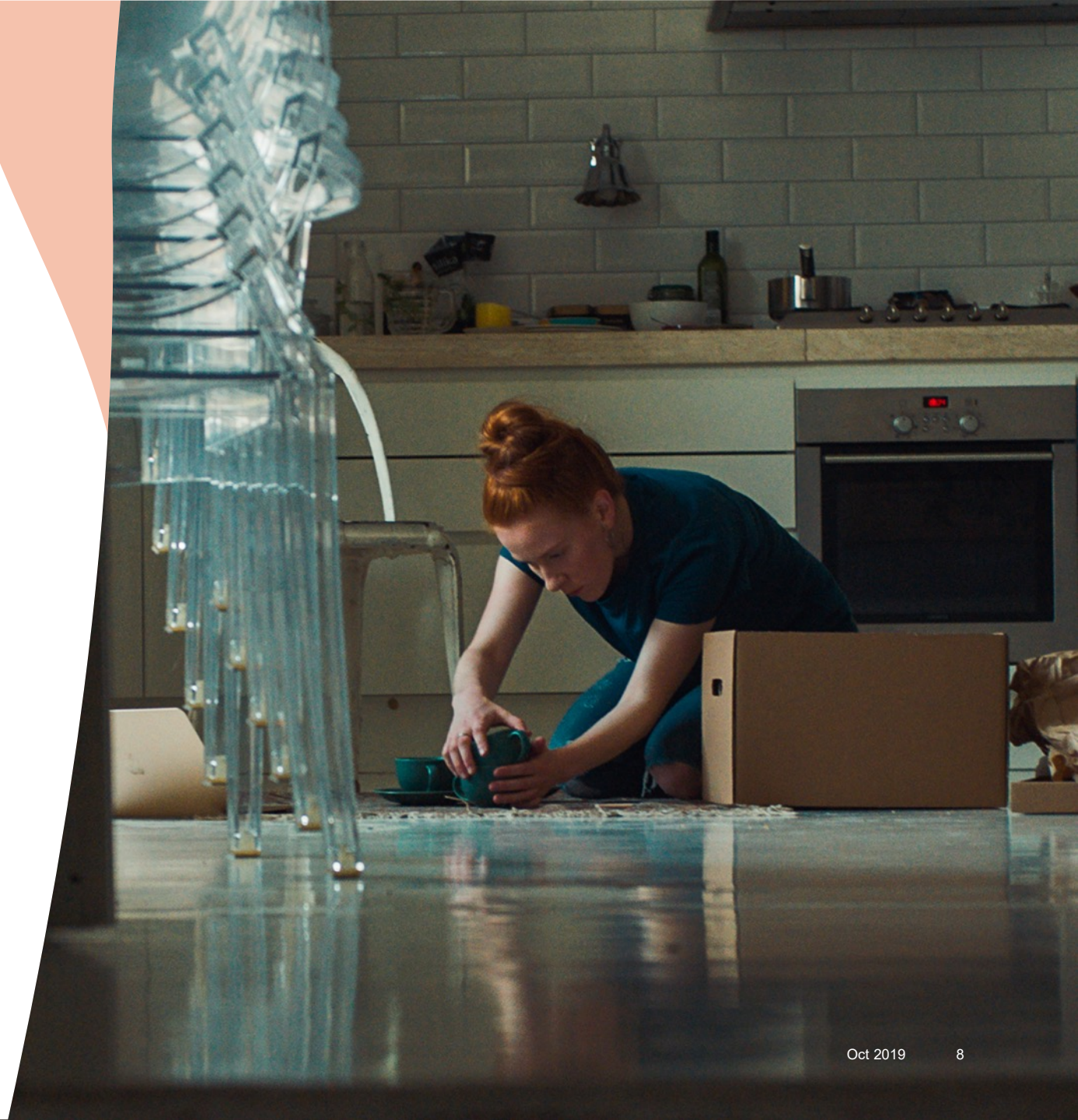
WATERFORD ♦ WEDGWOOD
ENGLAND 1759 ♦ ROYAL ALBERT
ENGLAND 1904 ♦ ROYAL DOULTON
LONDON



Main markets for the key international brands

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

Based on net sales split in 2019



Our global presence

EMPLOYEES **7,000**

PRESENCE IN **30** COUNTRIES

BRANDS AVAILABLE IN MORE
THAN **100** COUNTRIES

MORE THAN **350** STORES



Strategic priorities

Growing business



Inspiring people



Exciting consumers



Improving performance



Growing the core

Expanding in China and e-commerce

Exploring services



Our sustainability commitments



CIRCULAR PRODUCTS AND SERVICES

- Design for sustainability
- Create zero waste
- Explore service models



CARBON NEUTRAL BUSINESS

- Improve our energy efficiency
- Invest in renewable energy sources
- Reduce emissions from value chain



POSITIVE IMPACT

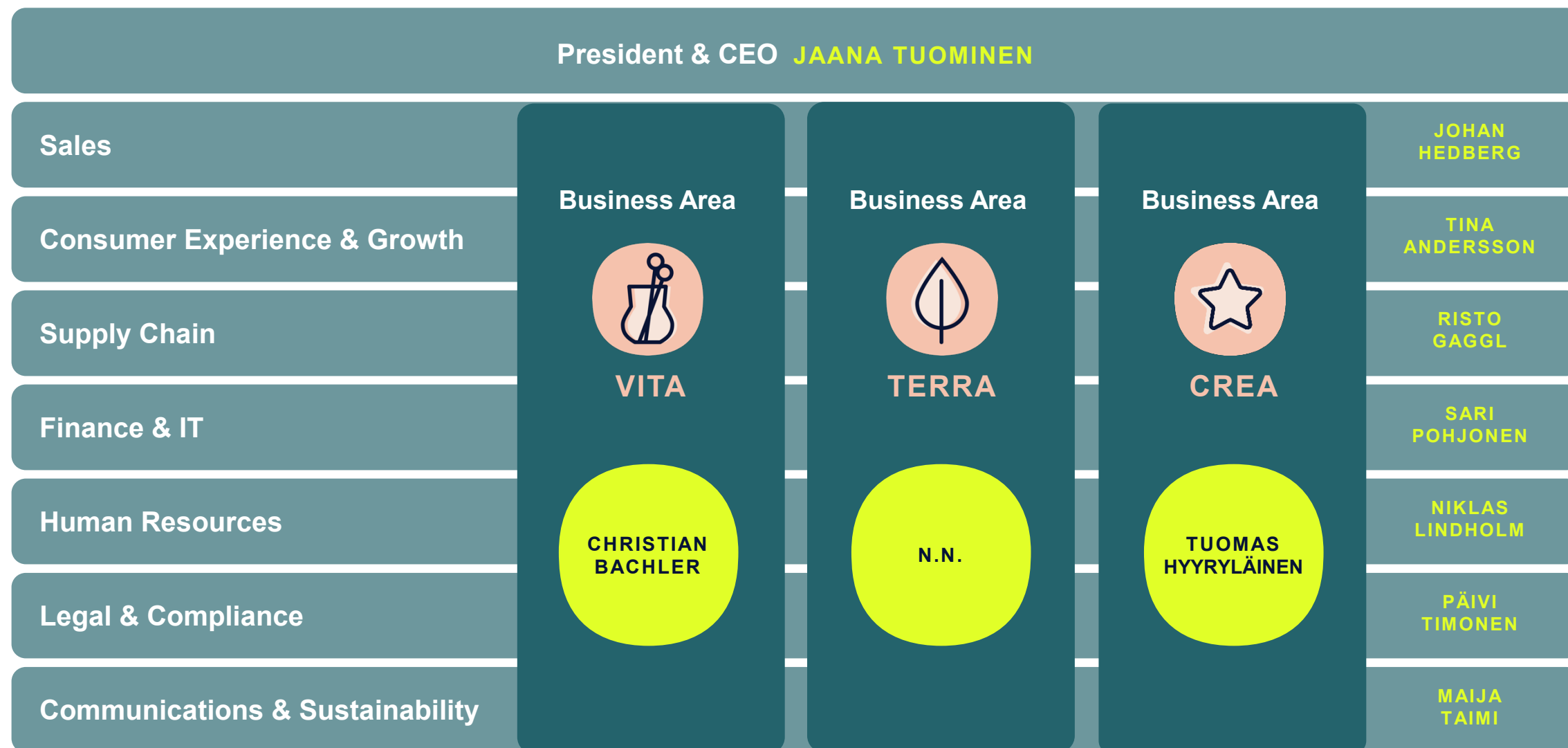
- Inspire people through leadership
- Champion safety, diversity and inclusion
- Create positive societal impact



New organizational structure



New organization structure, effective April 1.



Planned new Business Areas responsible for driving business results



VITA

- BA Vita is a world leader in premium tableware and interior design and would consist of tableware, drinkware and interior design categories
- With Iittala, Royal Copenhagen, Wedgwood, Waterford, and a portfolio of other tableware and interior design brands, BA Vita would serve people with a passion for craftsmanship, timeless design and quality.
- Based on net sales in 2018, this Business Area would represent appr. 47% of group net sales.



TERRA

- BA Terra to consist of garden, watering, and outdoor categories, with the global reach, scale and innovation capability to inspire people and design high-quality products and services.
- Fiskars, Gerber and Gilmour are the biggest brands in BA Terra.
- Based on net sales in 2018, this Business Area would represent appr. 40% of group net sales.



CREA

- BA Crea would bring together activities that fuel people's creativity, such as cooking and crafting
- This Business Area would also host our iconic Fiskars scissors and leverage multiple brands such as Fiskars, Iittala and Royal Doulton. Crea would be responsible for unlocking the potential that exists in these categories and providing a robust innovation pipeline for new products and services
- Based on net sales in 2018, this Business Area would represent appr. 13% of group net sales.



Building one Sales and one Consumer Experience & Growth function



- The global **Sales** function would integrate our sales into one global function, streamlining the organization, developing common ways of working and continuing to build long-term strategic relationships with our customers.

The sales function would consist of our people working in sales and in retail across the world, building on the shared understanding of the consumer and the customer, providing the opportunity to build world-class sales capabilities and leverage our global footprint.



- The global **Consumer Experience & Growth** function would be responsible for developing and providing expertise in consumer insights, brand portfolio management, marketing and growth initiatives



- **Supply Chain** is responsible for ensuring both an efficient inbound and outbound of products, looking after the entire process from procurement, sourcing, quality management and manufacturing, to warehousing, packaging, and finally, transportation to customers and increasingly, directly to consumers.



- **Human Resources, Finance & IT, Legal & Compliance** as well as **Communications & Sustainability** will drive global processes, developing capabilities and bringing our strategic priorities alive across the company.

Fiskars Group Leadership Team



JAANA TUOMINEN

President & CEO



SARI POHJONEN

Chief Financial Officer &
Deputy to the President & CEO



TINA ANDERSSON

Chief Consumer Officer



CHRISTIAN BACHLER

EVP



RISTO GAGGL

Chief Supply Chain Officer



JOHAN HEDBERG

Chief Sales Officer



TUOMAS HYYRYLÄINEN

EVP



NIKLAS LINDHOLM

Chief People Officer



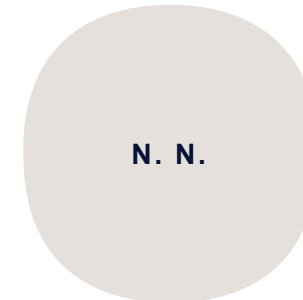
MAIJA TAIMI

Chief Communications Officer



PÄIVI TIMONEN

Chief Legal Officer

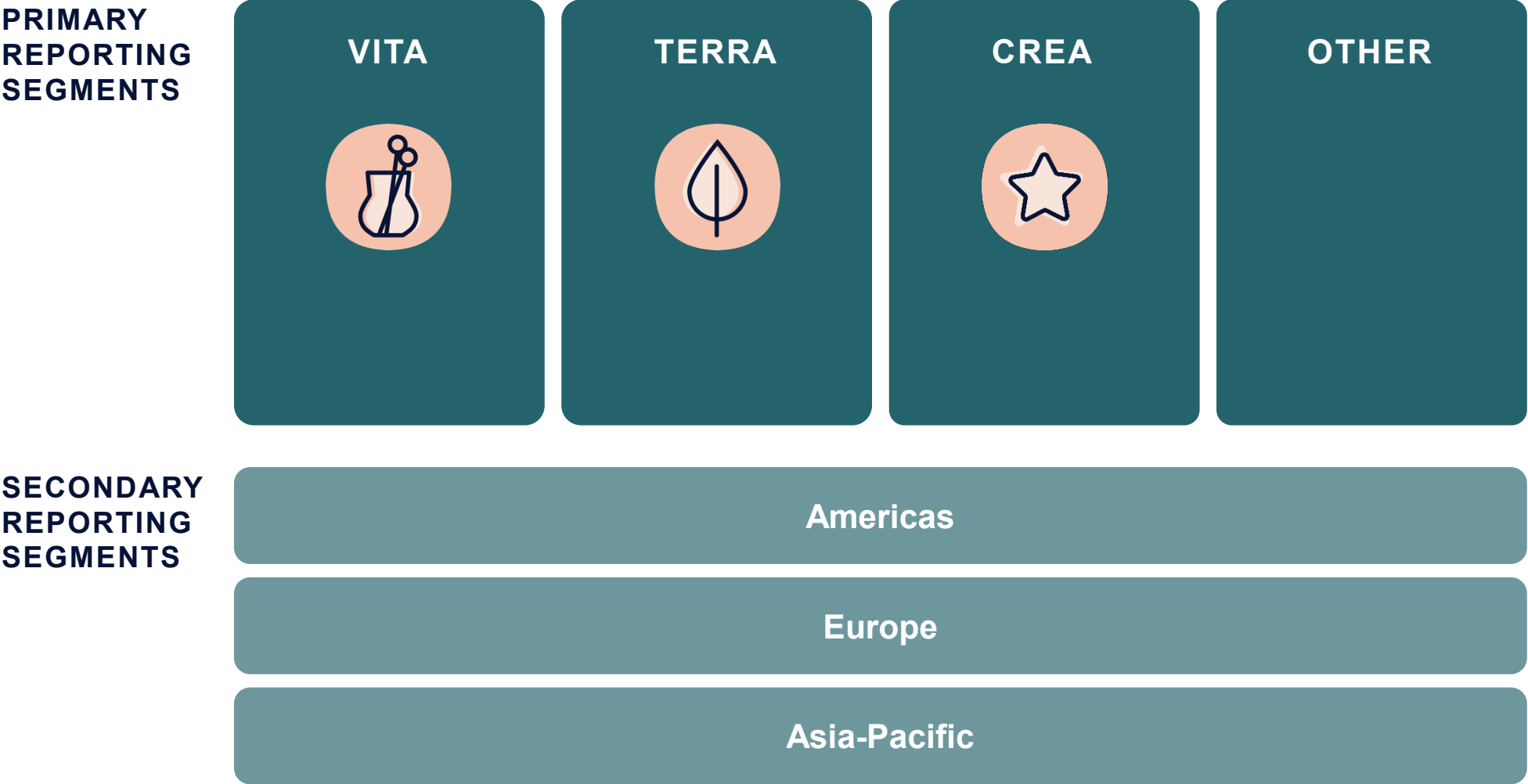


N. N.

EVP, BA Terra



Planned Reporting Structure (as of Q1/2020)



Update on programs

Transformation program

Focusing on:

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

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 2019, EUR 19.5 million of costs had been booked

Restructuring program

Focusing on:

- Looking for synergies and efficiencies in our selling and administrative spending
- Evaluating our entire supply and distribution network for efficiency improvements

Targeted annual cost savings app. EUR 20 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 30 million in 2019–2021

By the end of 2019, EUR 0.4 million of costs had been booked



SBU Functional



Functional – good position in key markets and categories

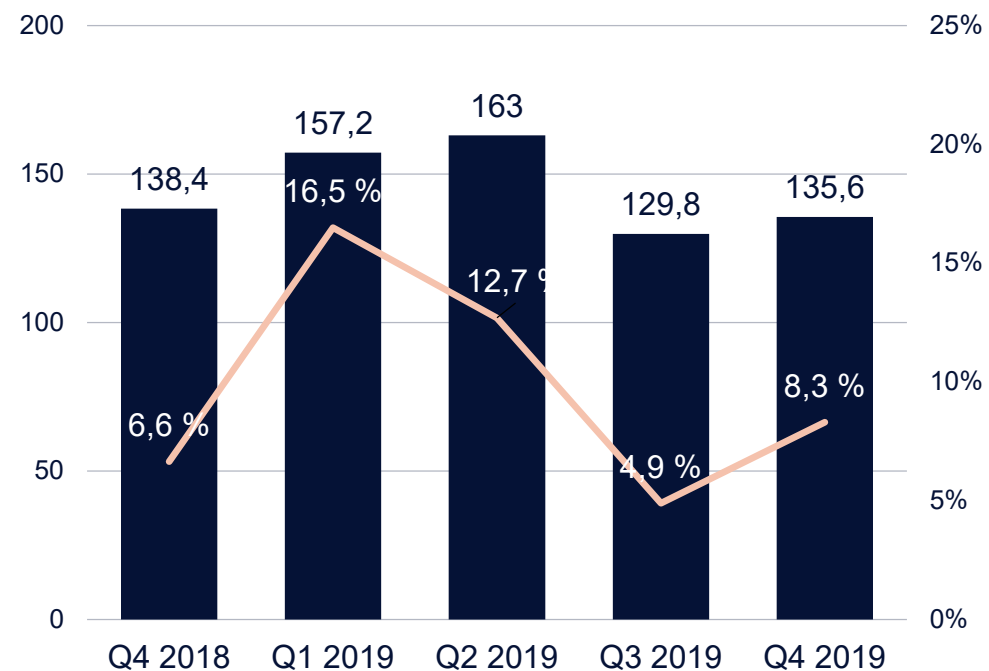
OUR BRANDS

FISKARS®

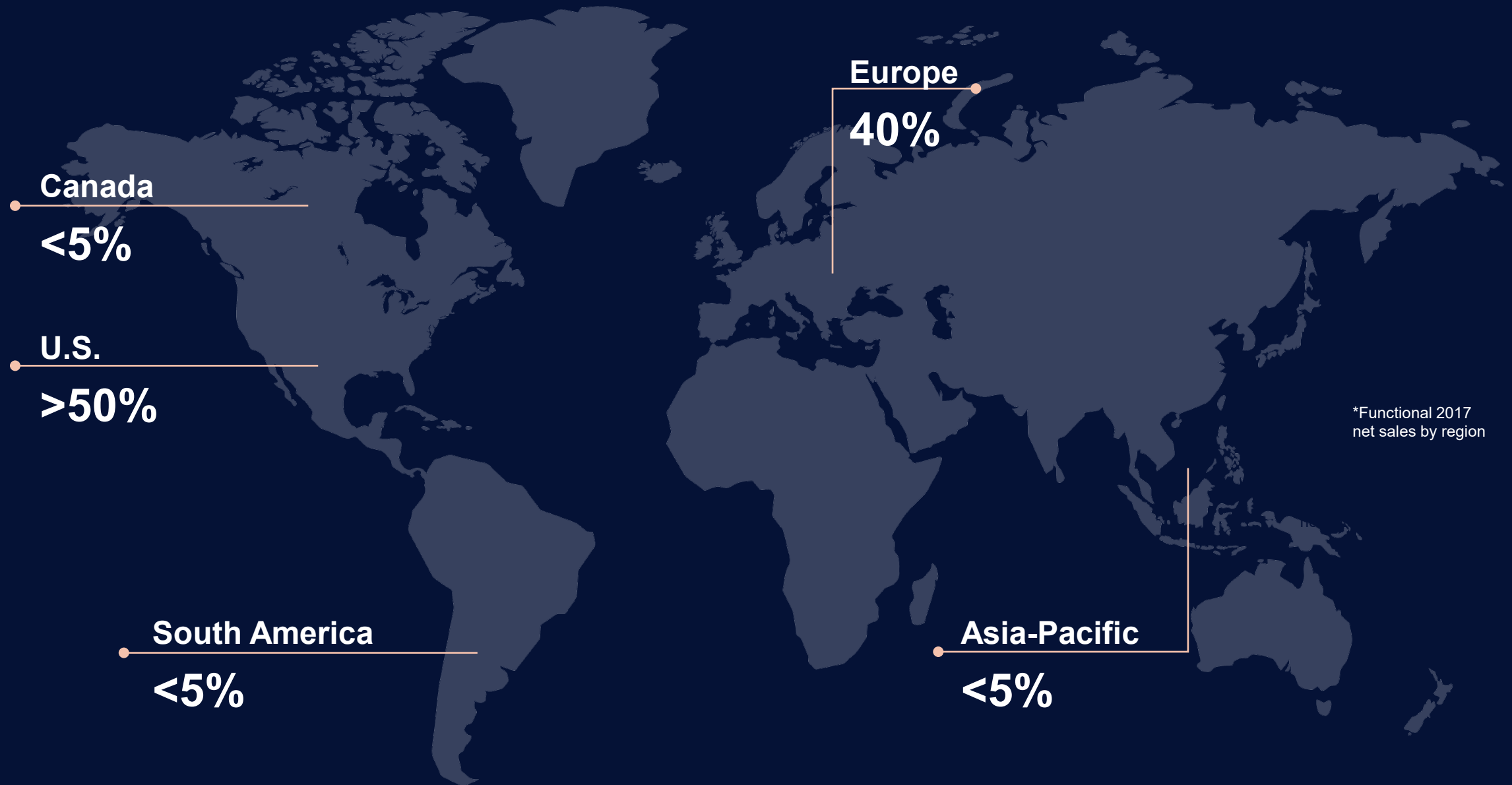
GERBER®

Gilmour

NET SALES, EUR MILLION COMPARABLE EBITA, %



Functional – U.S. market a key driver



*Functional 2017
net sales by region



Functional – Growth opportunities in several categories



*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
- Focus on growing own e-comm

SBU Living



Living – Strong player in fragmented markets

OUR BRANDS

English and Crystal Living

WEDGWOOD
ENGLAND 1759

ROYAL DOULTON
LONDON 1815

WATERFORD

ROYAL ALBERT
ENGLAND 1904

Scandinavian Living

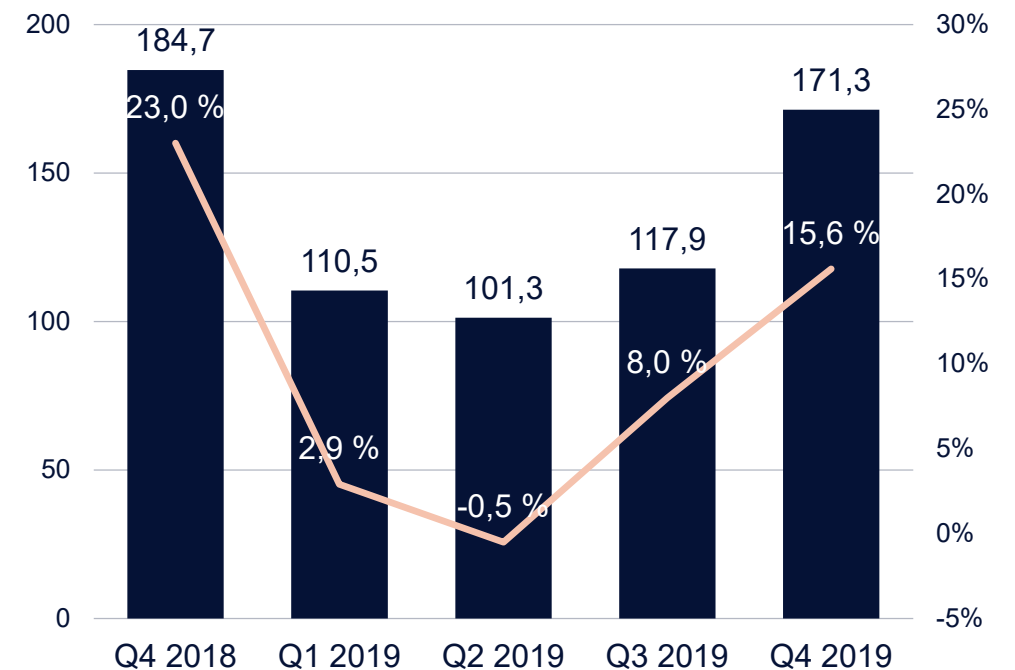
iittala

ARABIA
1873

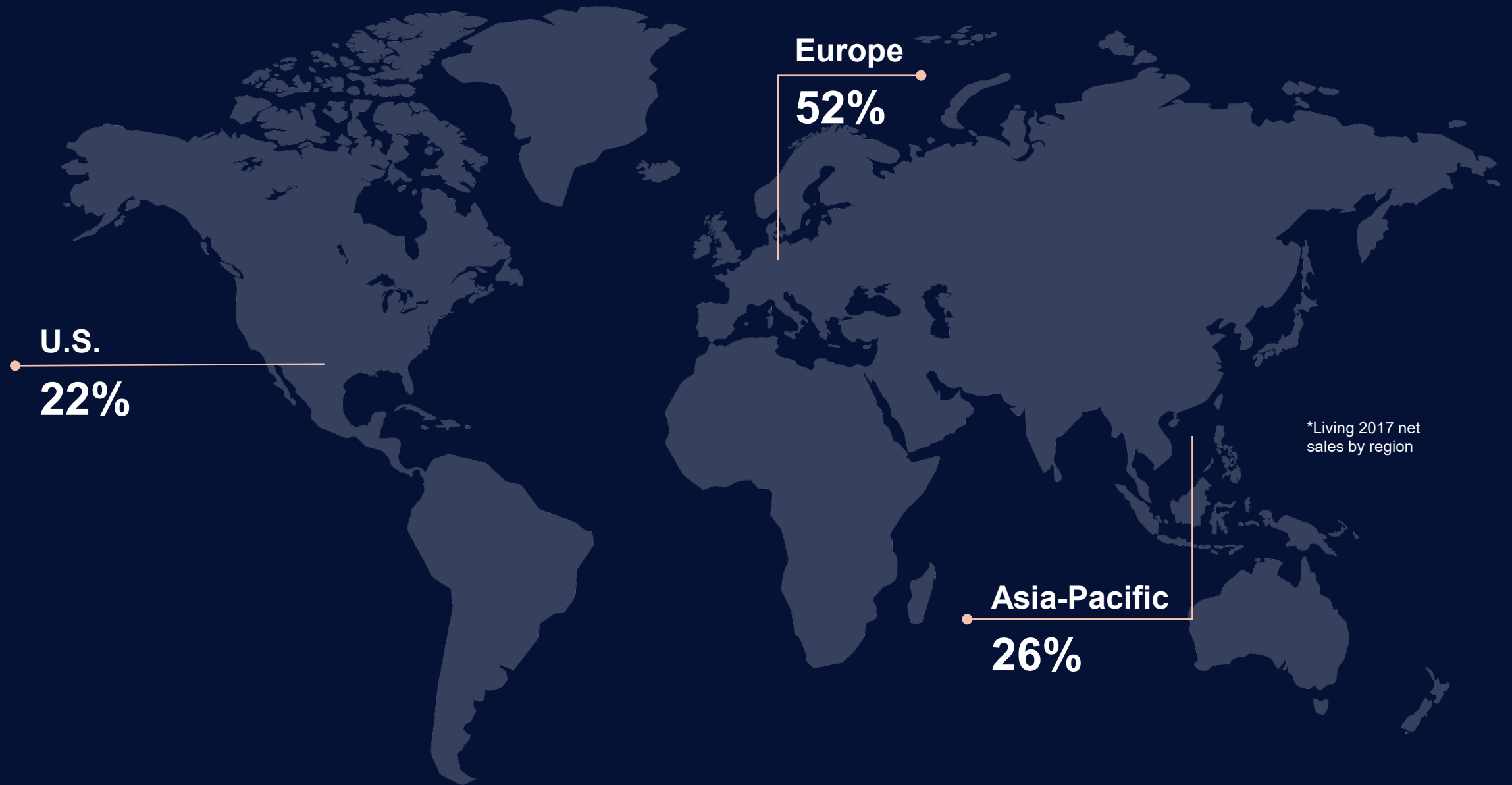

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK


Rörstrand

NET SALES, EUR MILLION COMPARABLE EBITA, %



Living – Well balanced footprint



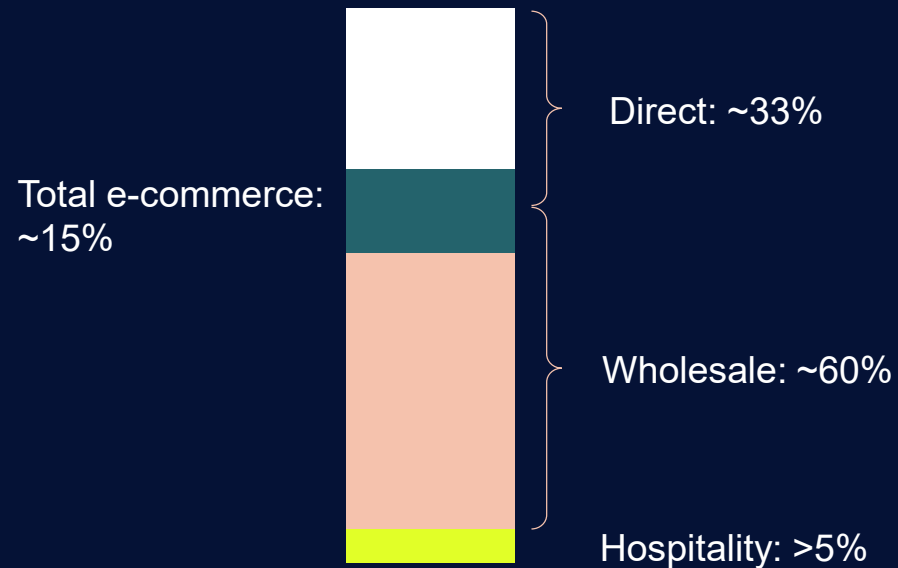
Living – Category split

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

Rolled out in all own Iittala stores in Finland in 2019

E-commerce in piloting phase

Assessing expansion to other countries – decision to expand to Sweden taken



Responding to new consumer habits, such as sharing and renting

Arabia launched subscription service in November 2019



Brands with own e-commerce

iittala®


ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

ROYAL DOULTON
LONDON

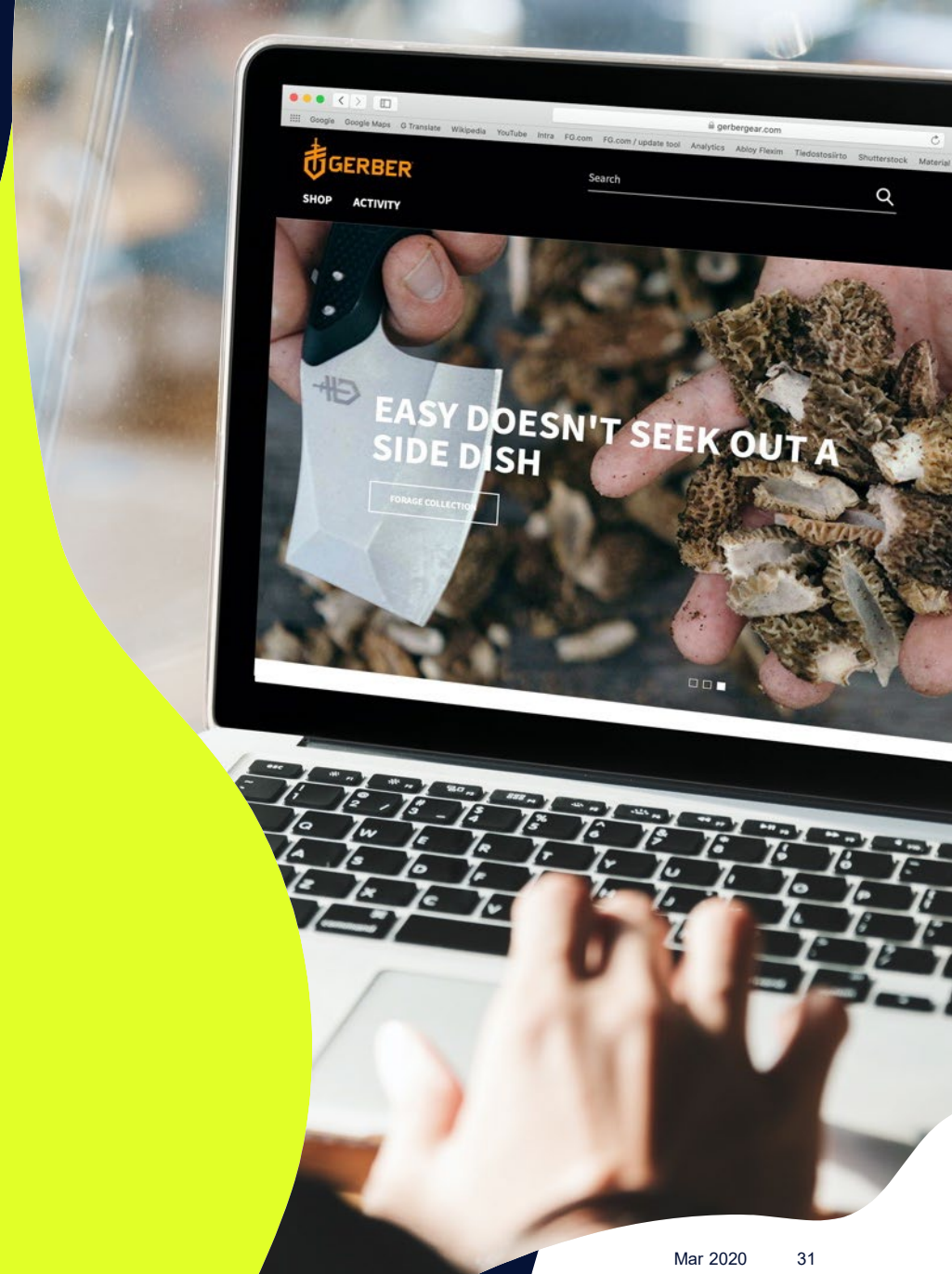
WATERFORD

WEDGWOOD
ENGLAND 1759

FISKARS®

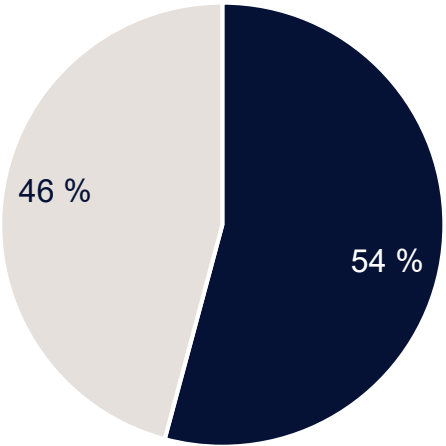
 **GERBER®**

Gilmour



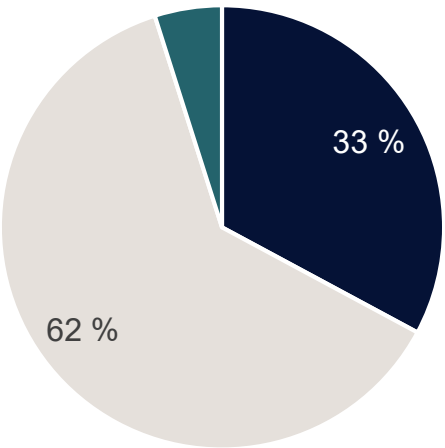
A total of 347 own stores at the end of 2018

BY BUSINESS



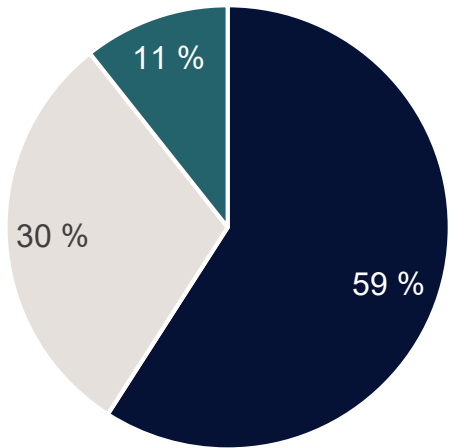
- English & Crystal Living
- Scandinavian Living

BY REGION



- EMEA
- APAC
- Americas

BY TYPE



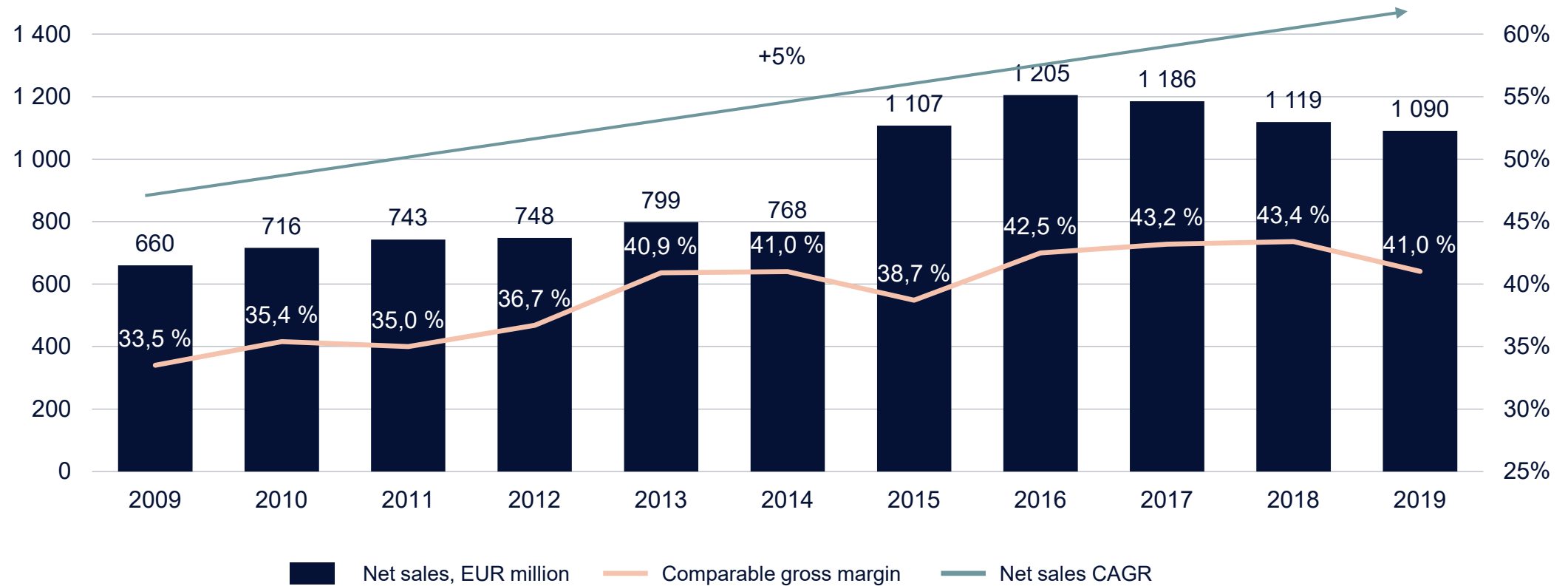
- Concession
- Outlet
- Store



Financials



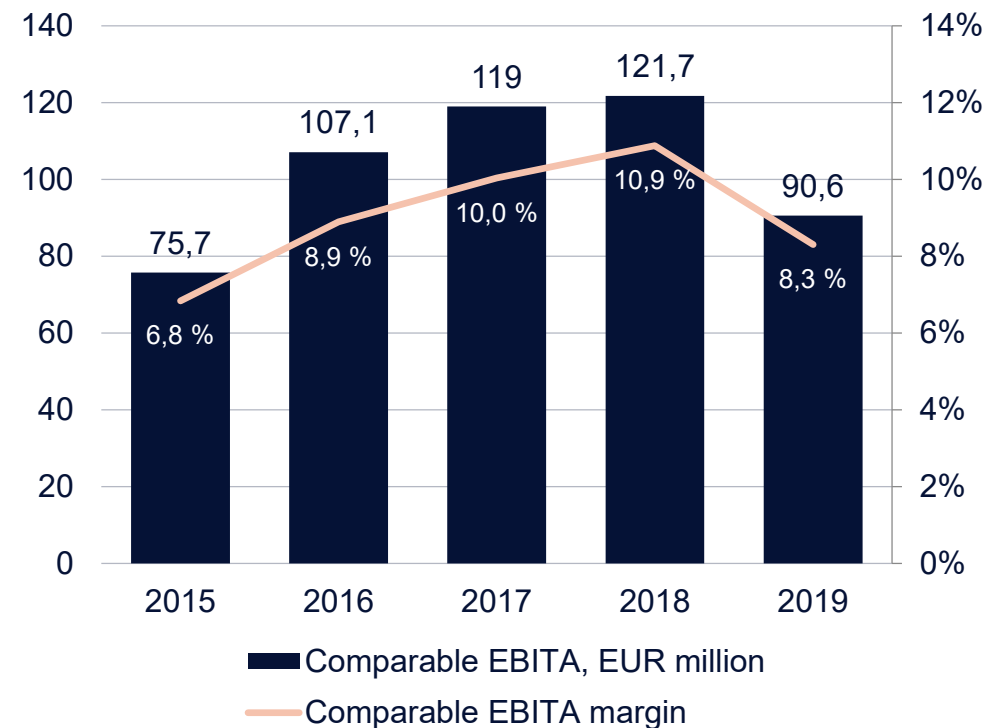
Group net sales and profitability development



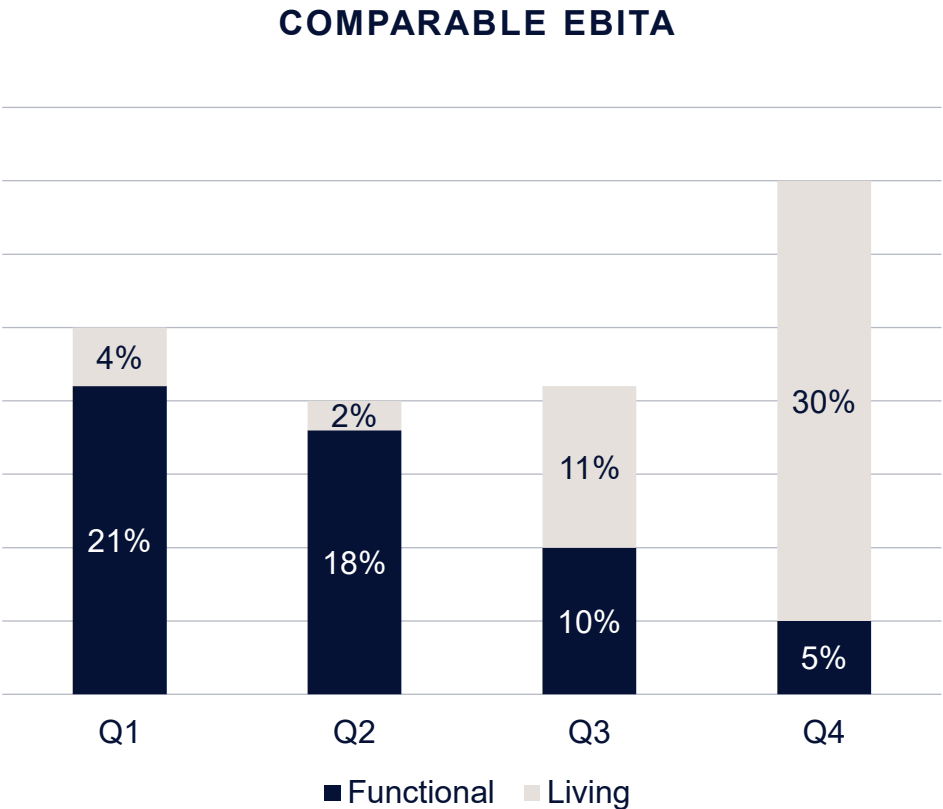
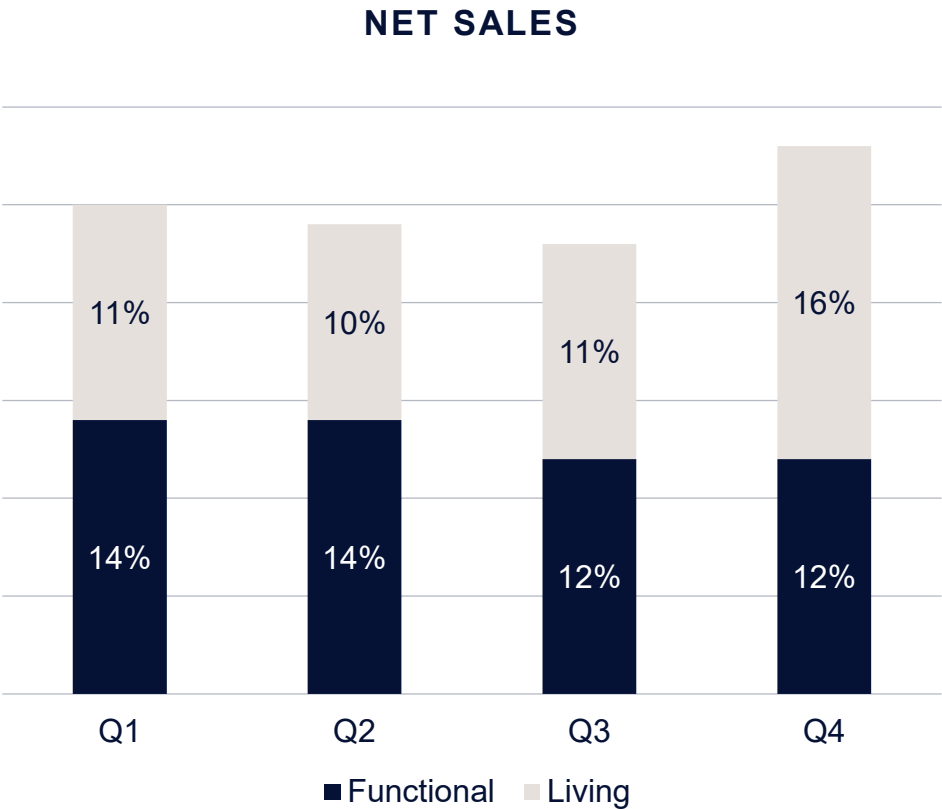


Long-term target to reach a reported EBITA margin of 12%

COMPARABLE EBITA



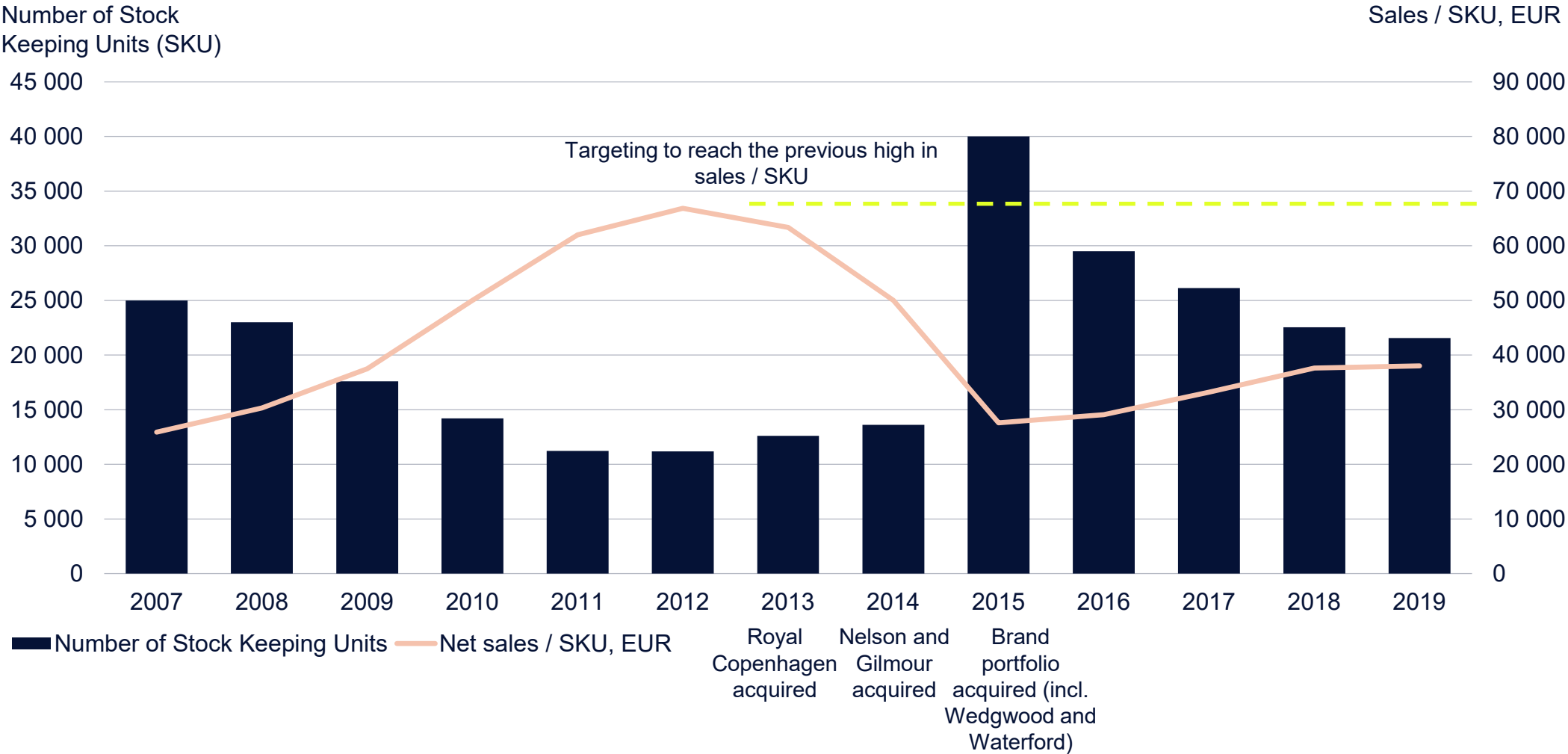
Seasonalities creating balanced income profile



Seasonal distribution by quarter and business (average 2016-19). Percentages as share of total full year group figures

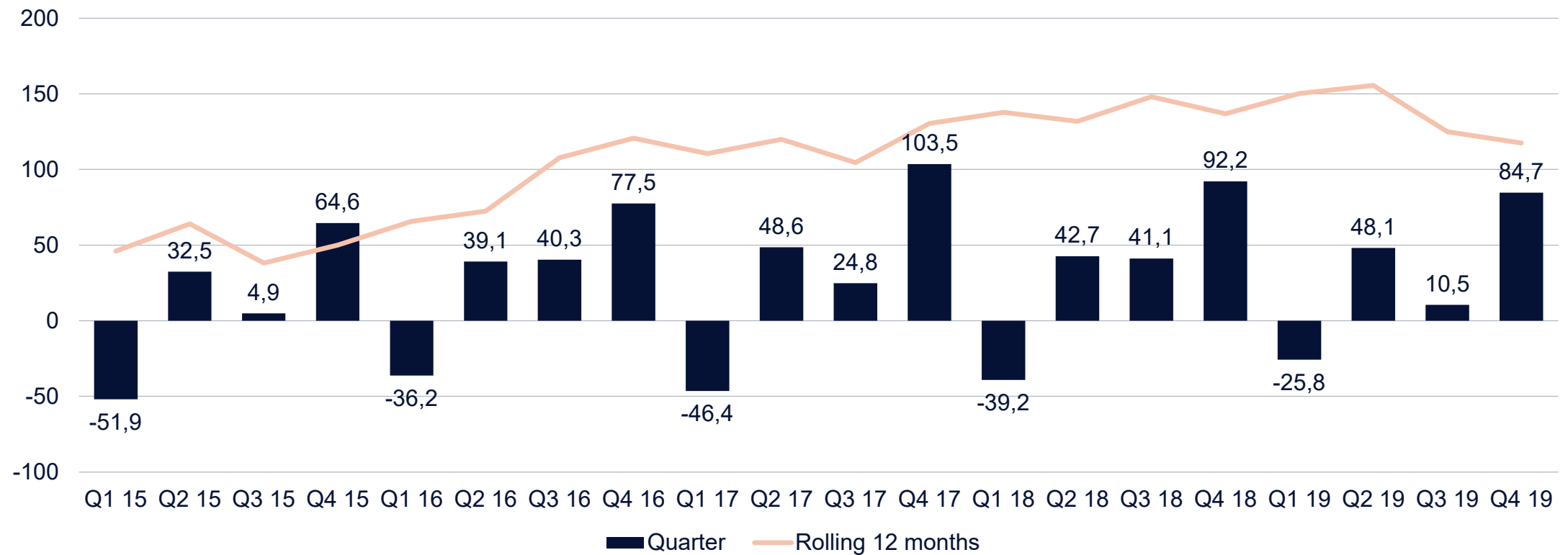


SKU reduction ongoing with potential remaining



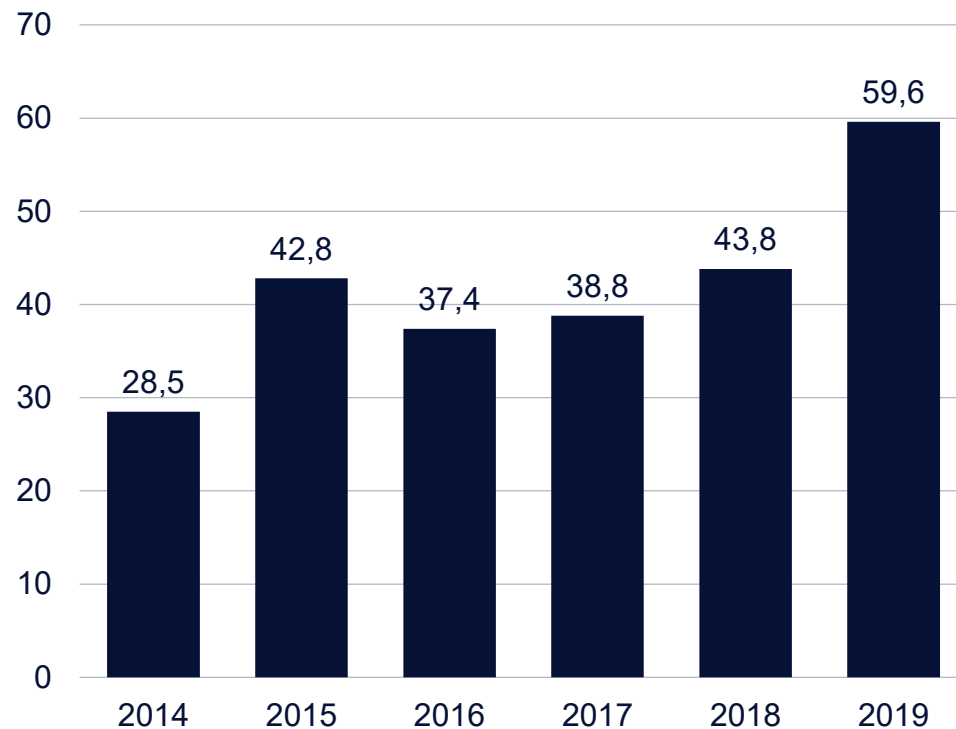
Cash flow has improved

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



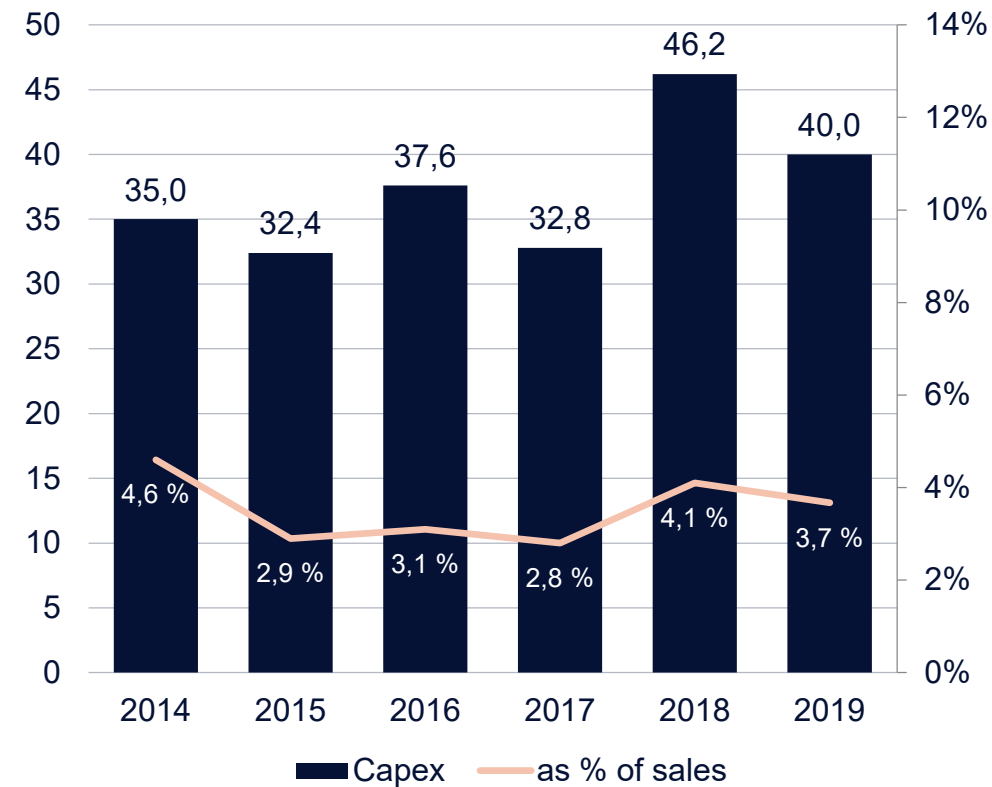
Capital expenditure

**DEPRECIATION, AMORTIZATION
AND IMPAIRMENT, EUR MILLION**



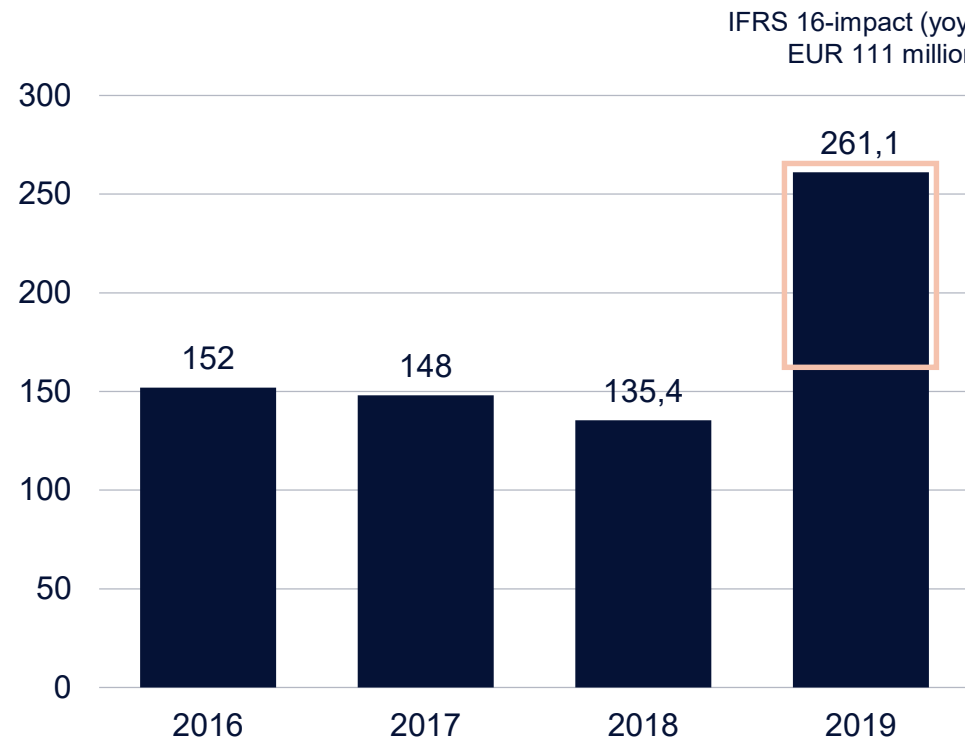
*Depreciation increased
as a result of IFRS 16*

CAPEX, EUR MILLION

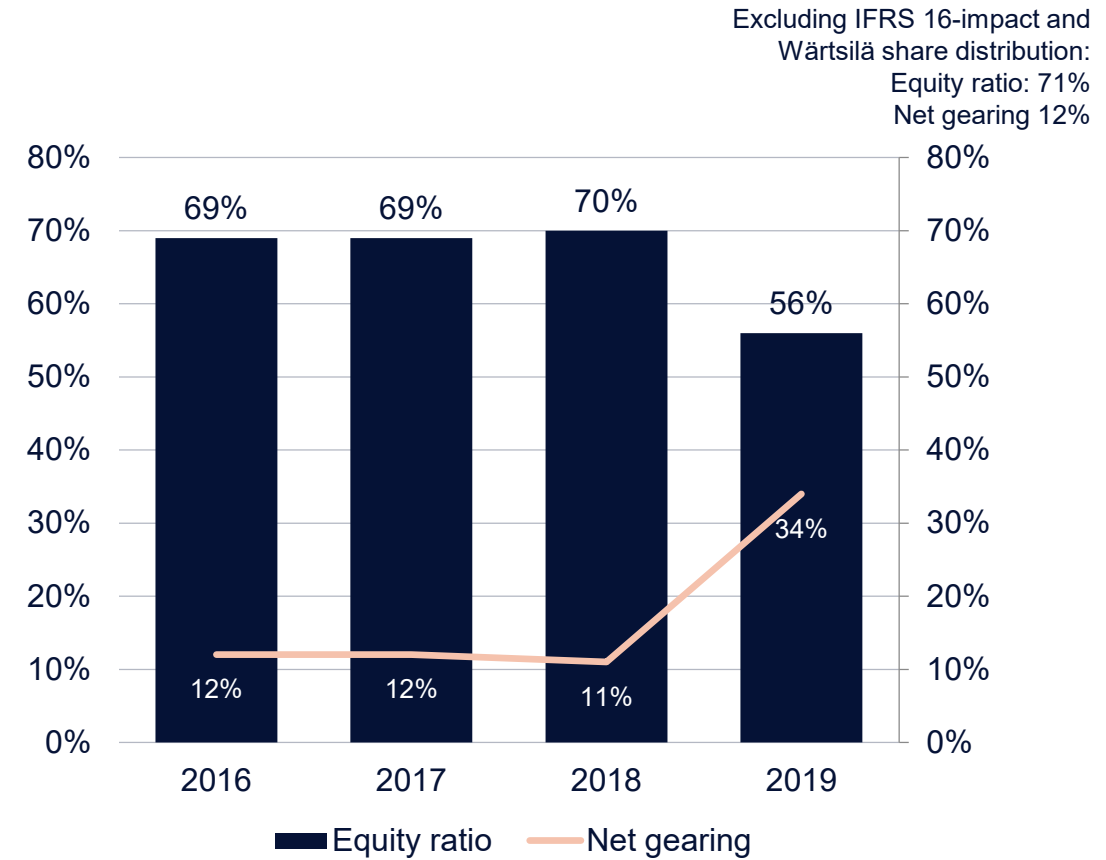


IFRS 16 impacting balance sheet

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



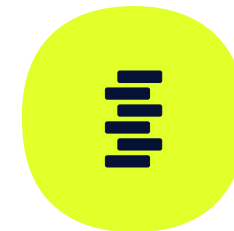
Profitability

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

2019

-2.5% YoY
-3.9% YoY (comparable)

6.7%
8.3% (comparable)

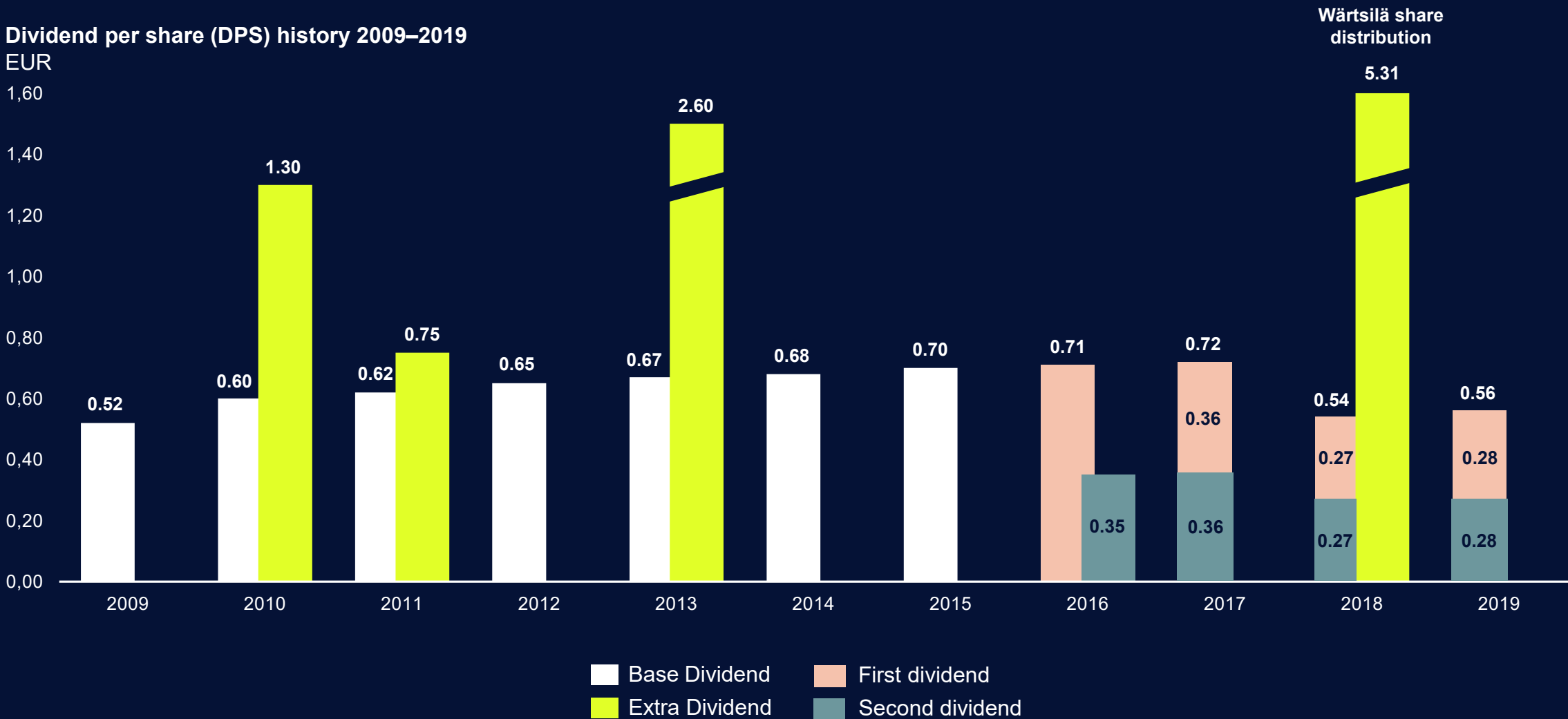
34%

Proposal: EUR 0.56 per share, paid in two installments of 0.28 each

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



Wärtsilä share distribution changed the baseline for dividend growth



Appendices



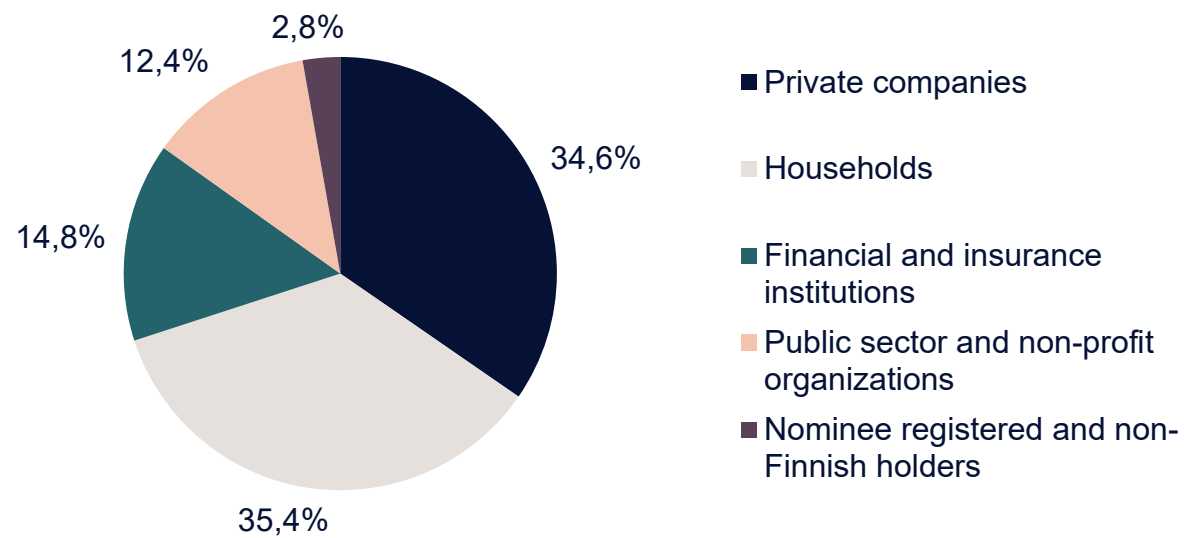
Largest shareholders as of February 29, 2020

#	Shareholder name	Number of shares	% of shares and votes
1	Virala Oy Ab	12,650,000	15.44
2	Turret Oy Ab	10,330,961	12.61
3	Holdix Oy Ab	10,165,537	12.41
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	1,981,000	2.42
8	von Julin Sofia Margareta dödsbo	1,560,000	1.90
9	Ehrnrooth Jakob	1,126,929	1.38
10	Ilmarinen Mutual Pension Insurance Company	1,105,442	1.35
10 largest shareholders, total		46,499,545	56.77
Other shareholders		35,405,697	43.23
Total		81,905,242	100.00

Data supplied by Euroland



Shareholder structure as of February 29, 2020



Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares and votes
Private companies	687	2.84 %	28354712	34.62 %
Households	23,110	95.49 %	28,976,201	35.38 %
Financial and insurance institutions	39	0.16 %	12161377	14.85 %
Public sector and non-profit organizations	237	0.97 %	10127563	12.37 %
Nominee registered and non-Finnish holders	129	0.54 %	2285389	2.79 %
Total			81,905,242	100.00

Data supplied by Euroland



Board of Directors



Paul Ehrnrooth
Chairman



Jyri Luomakoski
Vice Chairman



Nathalie Ahlström



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

