

Investor presentation

December 2019

FISKARS
♦
GROUP



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

Fiskars Group in brief



Our purpose:

Making
the **everyday**
extraordinary

Established in Finland in **1649**

Globally recognized brands

Products in more than 100 countries

Approximately **350 own stores**

Net sales in 2018 EUR 1,119 million

7,600 employees in 30 countries

Key categories in 2018

FUNCTIONAL



Gardening



School, office
& craft



Outdoor



Watering



Cooking



Fixing

NET SALES BY SEGMENT

EUR 585.2
million

52%

EUR 529.6
million

48%

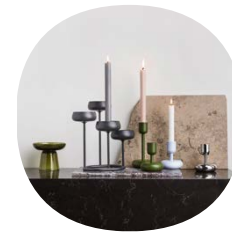
LIVING



Dinnerware



Drinkware



Interior

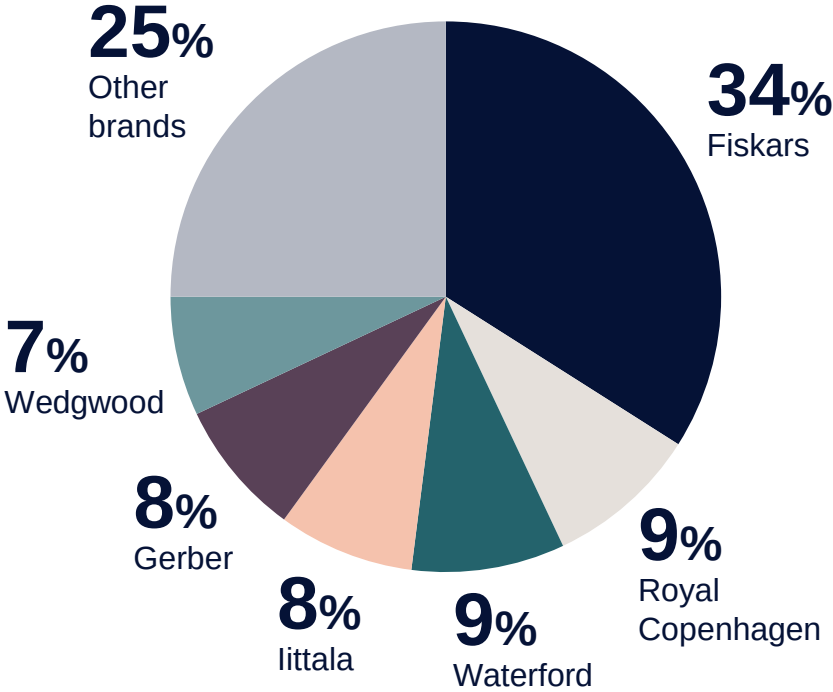


Other

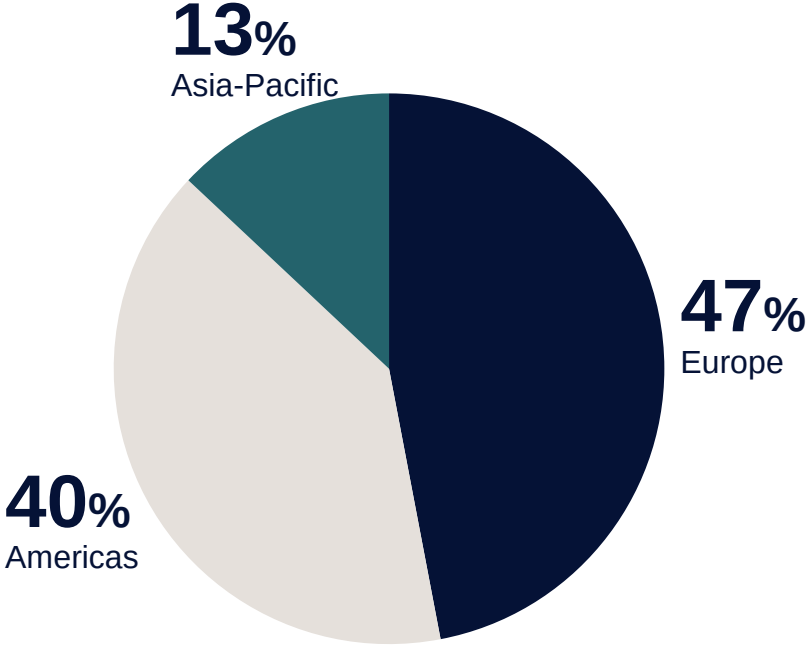


Net sales in 2018

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

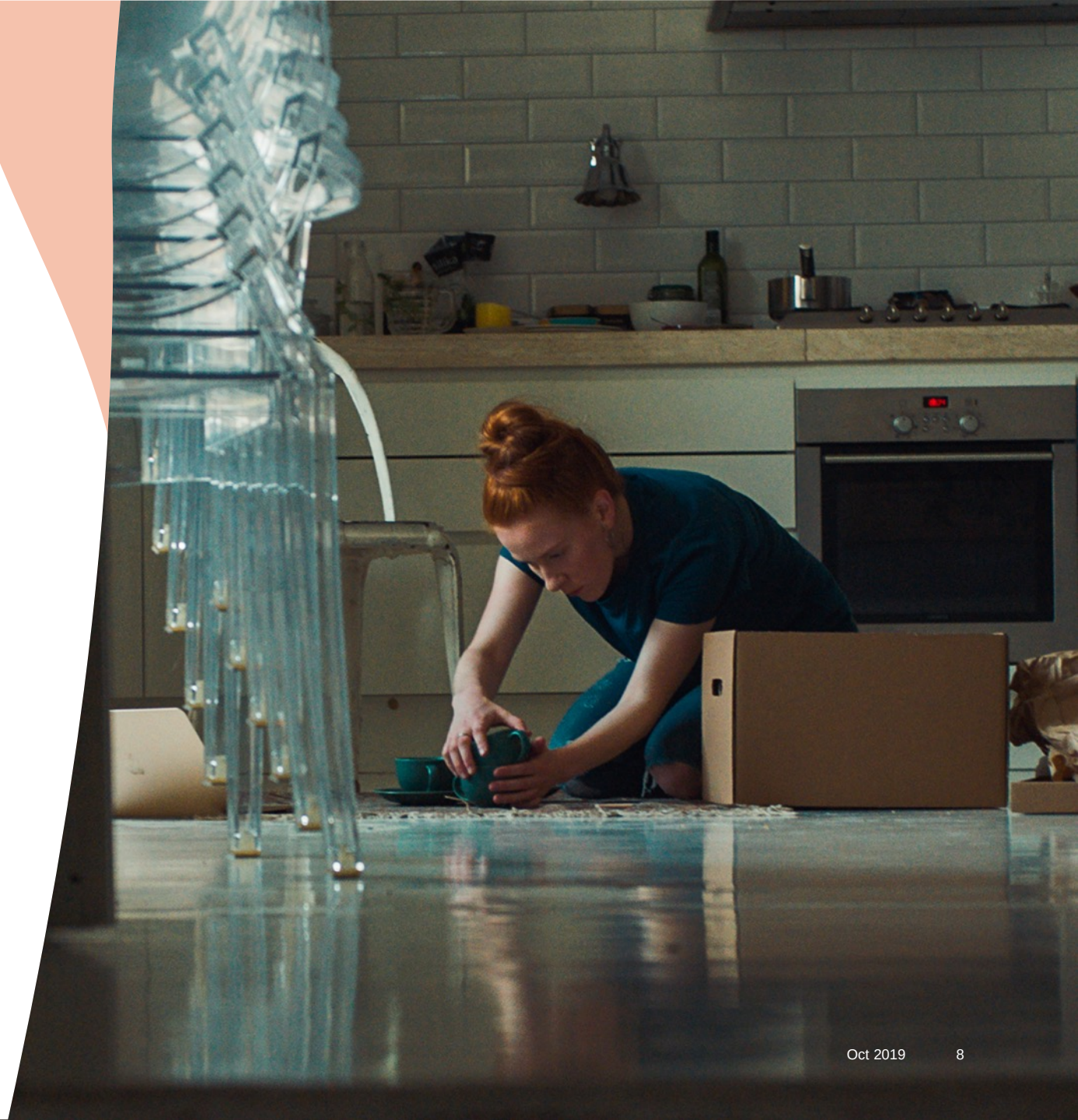
WATERFORD ♦ WEDGWOOD
ENGLAND 1759 ♦ ROYAL ALBERT
ENGLAND 1904 ♦ ROYAL DOULTON
LONDON



Main markets for the key international brands

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

Based on net sales split in 2018

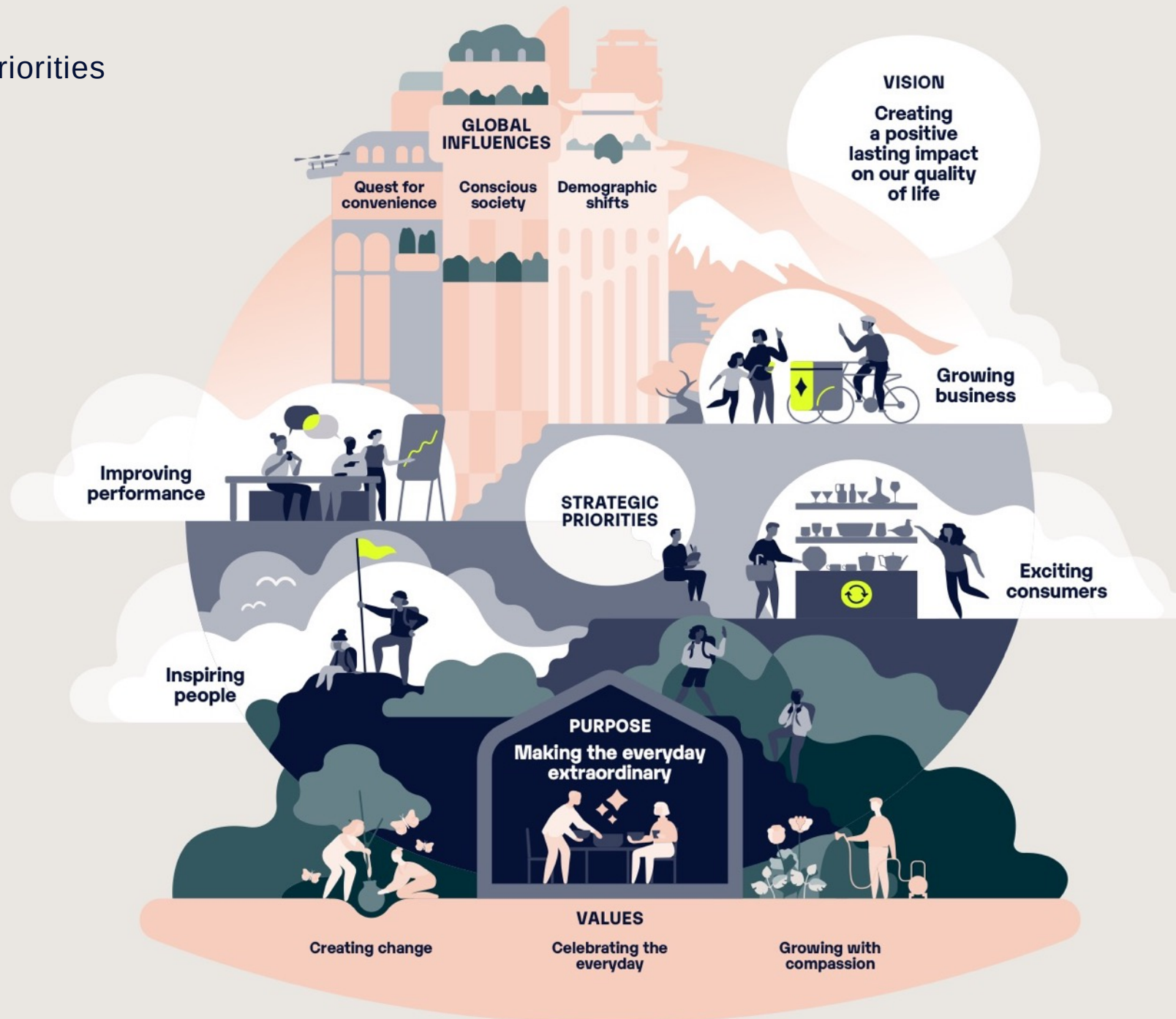


Our sites globally

Factories
& offices **67**
Employees **7,600**



Our strategic priorities



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.

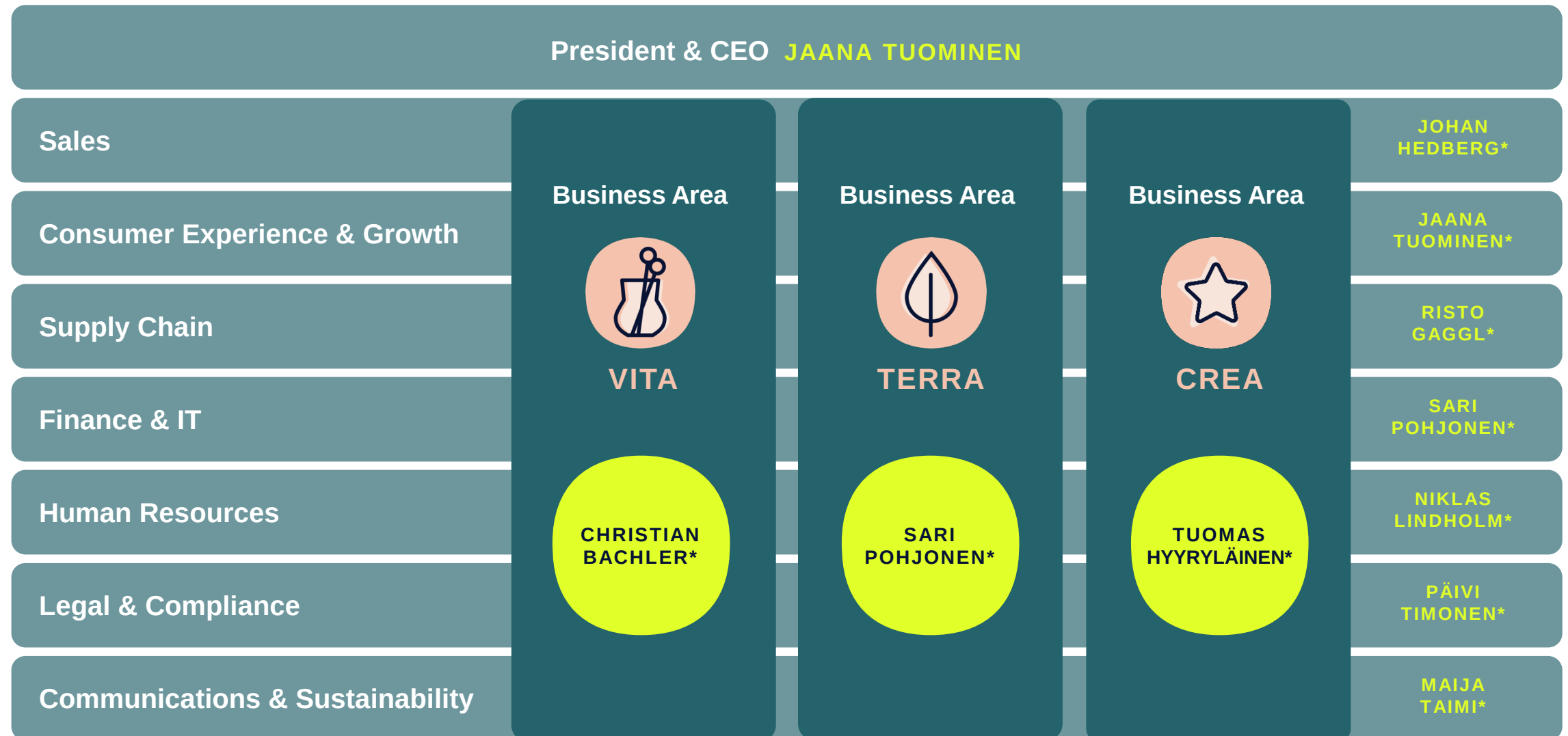
We see opportunities in embedding sustainability even deeper into our business strategy to provide people meaningful experiences and to make the everyday extraordinary.

Planned new organizational structure



Proposed organization structure

*** Planning leads for the respective business or function**



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, effective immediately



JAANA TUOMINEN

President & CEO



SARI POHJONEN

Chief Financial Officer &
Deputy to the President & CEO



TINA ANDERSSON

Chief Consumer Officer
(starting in May 2020
at the latest)



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



The Restructuring Program is aimed at reducing costs so that we can invest in growth



The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization, simplified processes and ways of working, and reduction of workforce

As part of the program, we will look for synergies and efficiencies in our selling and administrative spending

In addition, we will evaluate our entire supply and distribution network for efficiency improvements

The program will target annual net cost savings of approximately EUR 20 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results during the program, which is estimated to be completed by the end of 2021.

The total costs of the program are expected to be approximately EUR 30 million by the end of 2021. They will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues the investments in growth initiatives that are expected to add sustainable value in the long-term, e.g. in e-commerce and new business opportunities.

These planned changes are expected to result in a net reduction of employees globally. As the planning progresses, we will engage and work closely with our employees and employee representatives to ensure that people are fully informed and consulted about our proposals. Processes and timelines will vary from one country to another

Planned Reporting Structure (as of Q1/2020)

PRIMARY REPORTING SEGMENTS

VITA



TERRA



CREA



OTHER

SECONDARY REPORTING SEGMENTS

Americas

Europe

Asia-Pacific



SBU Functional



Functional – good position in key markets and categories

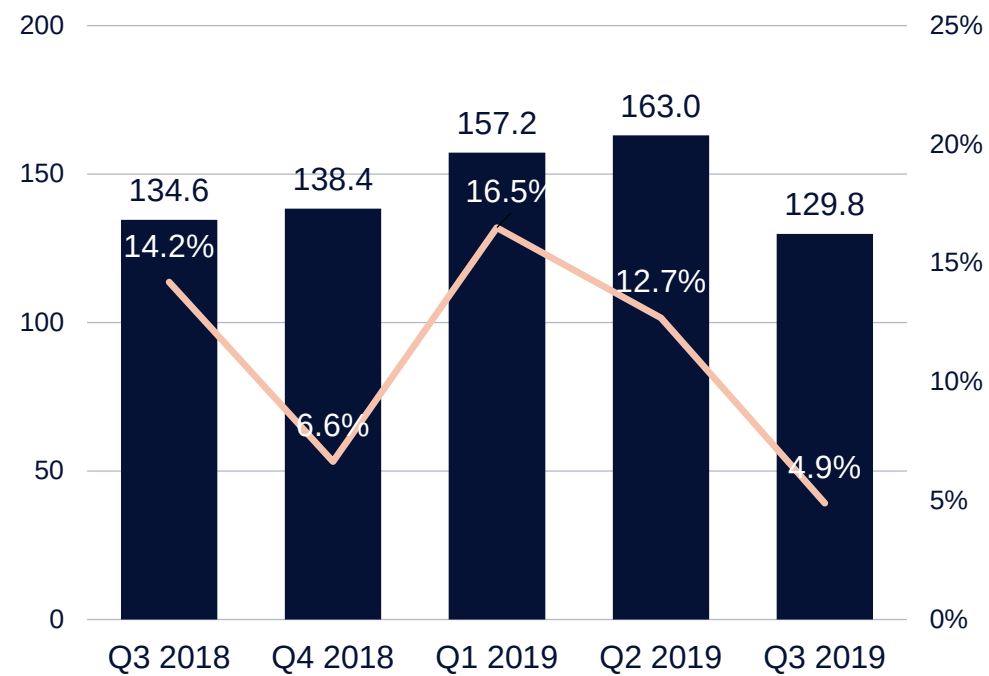
OUR BRANDS

FISKARS®

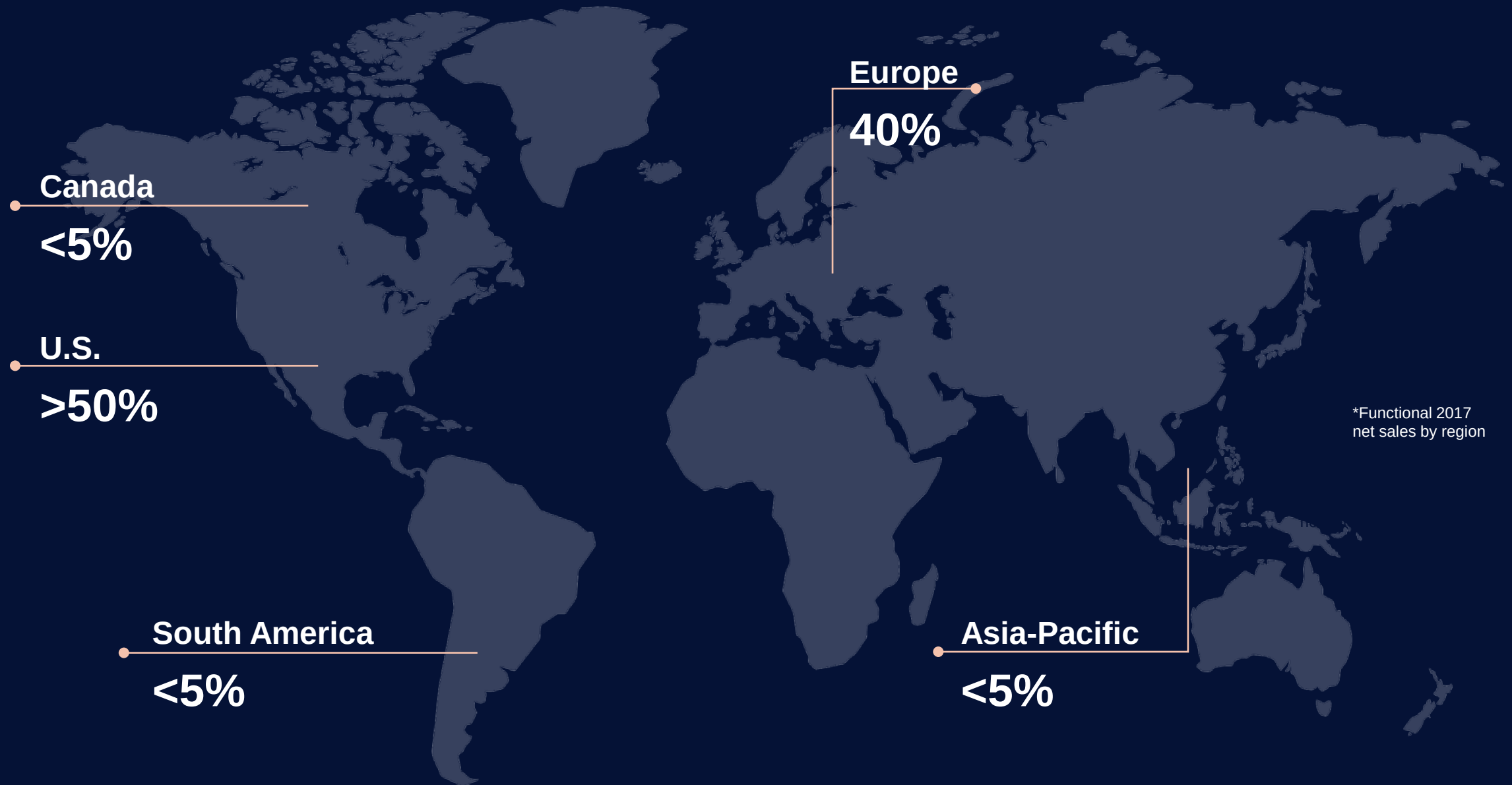
GERBER®

Gilmour

NET SALES, EUR MILLION COMPARABLE EBITA, %



Functional – U.S. market a key driver



Functional – 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

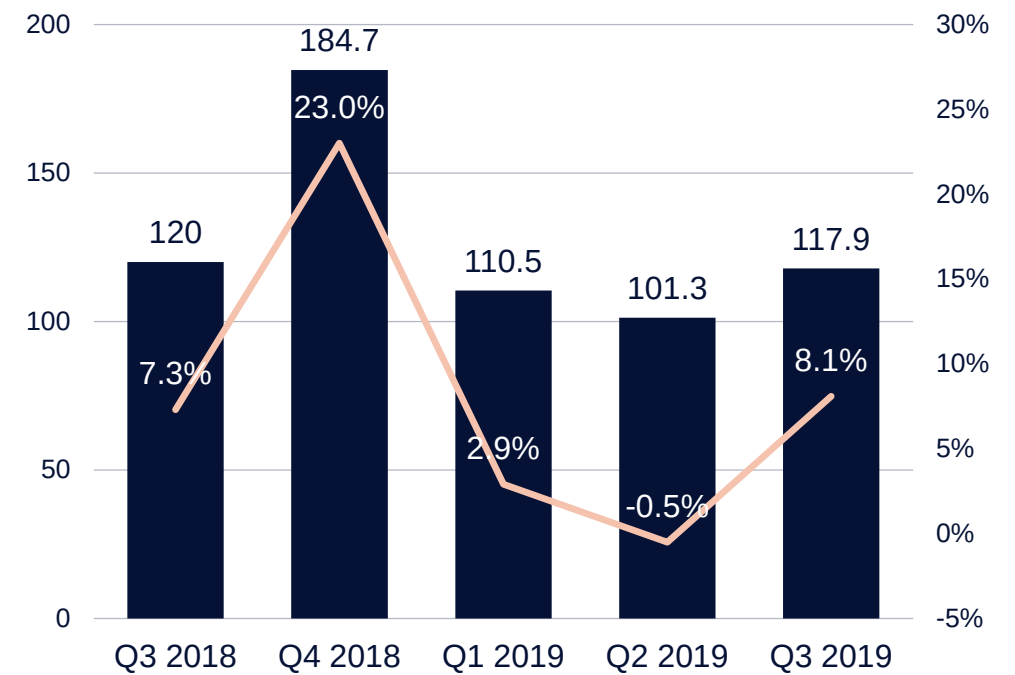
iittala

ARABIA
1873

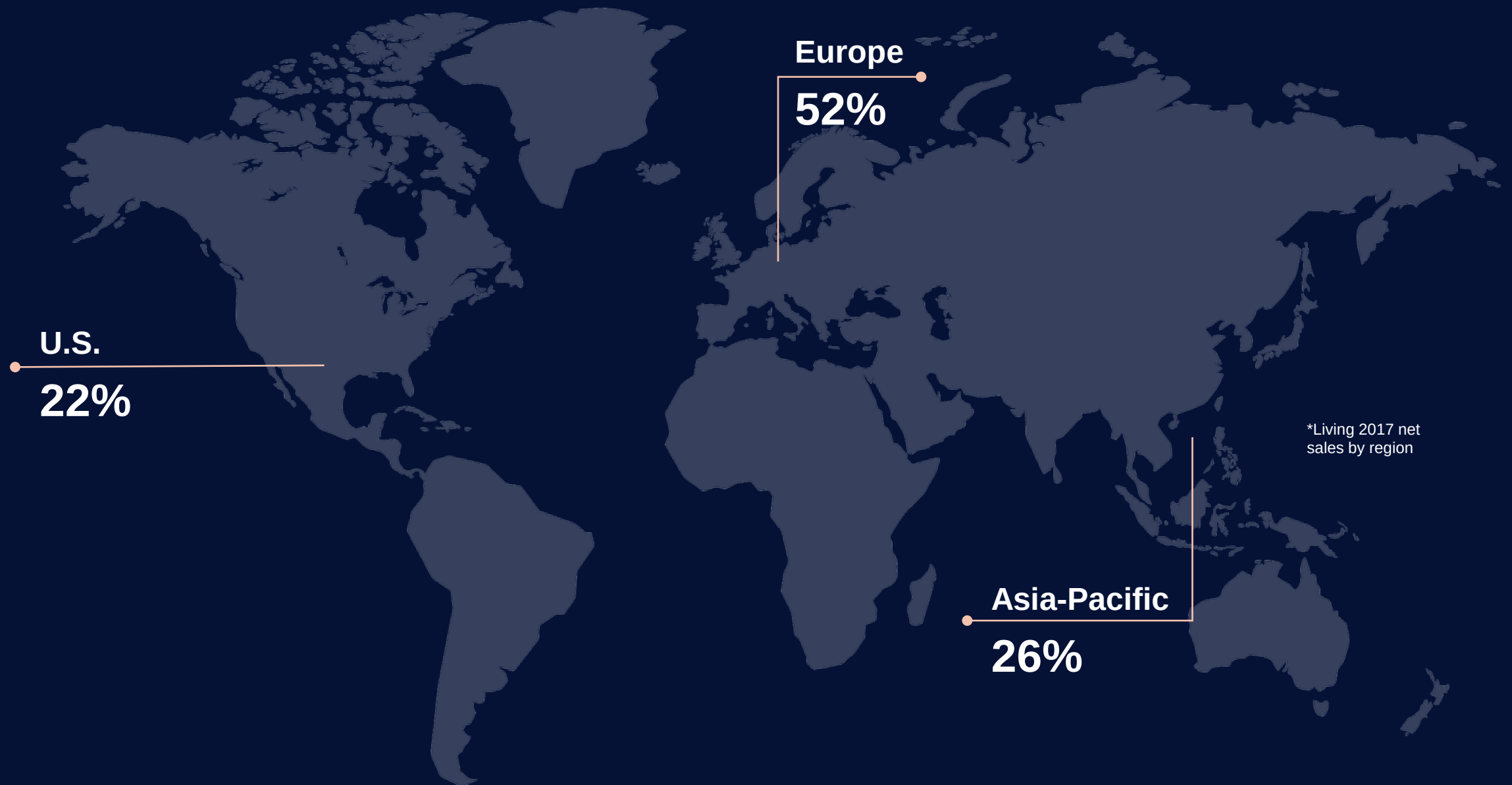

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK


Rörstrand

NET SALES, EUR MILLION COMPARABLE EBITA, %



Living – Well balanced footprint



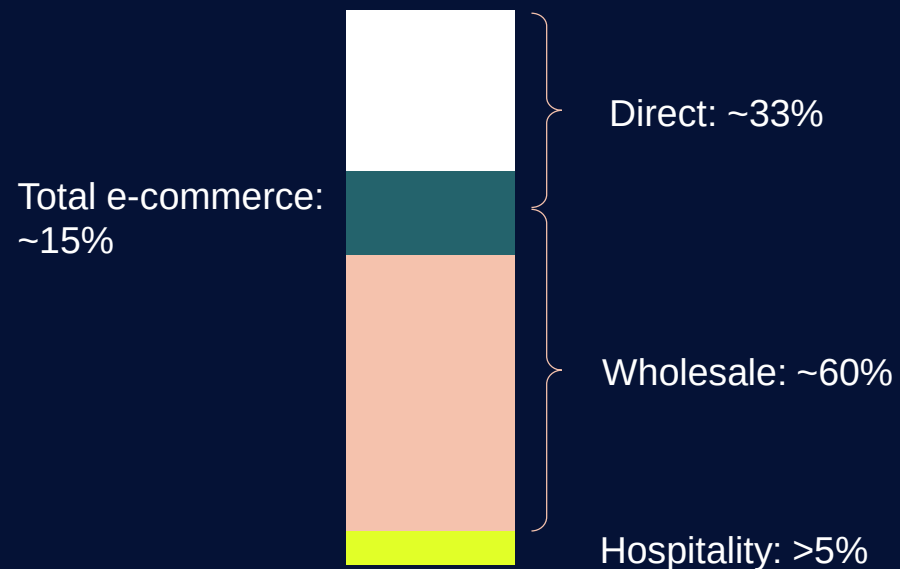
Living – Category split

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



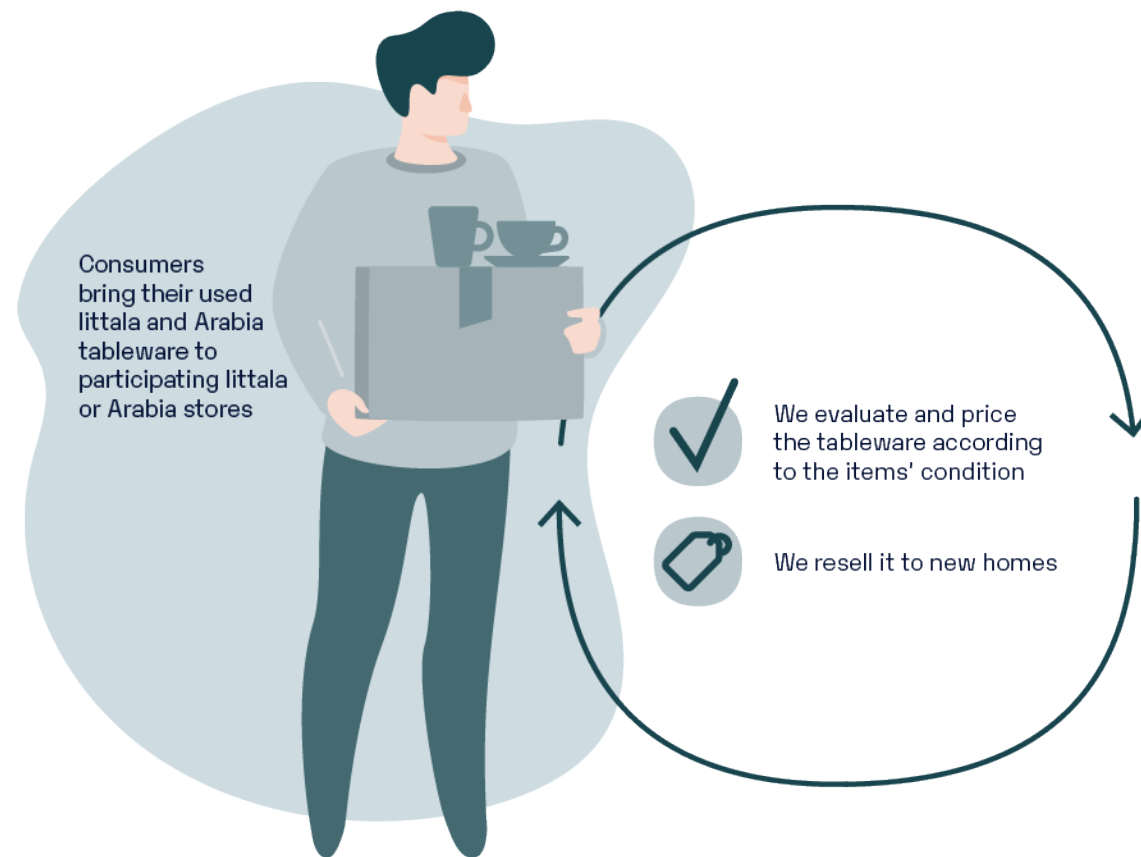
Direct channel includes our own:

- 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

New flagship store concepts to be rolled out, omnichannel focus

Stores as a platform for new services



Stores support implementation of services

vintage

**Rolled out in all own
iittala stores in Finland
in 2019**

**E-commerce extension
in piloting phase**

**Assessing expansion to
other countries**



Other service models under development

Responding to new consumer habits, such as sharing and renting

Arabia launched subscription service on November 18, 2019



Brands with own e-commerce

iittala®


ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

ROYAL DOULTON
LONDON

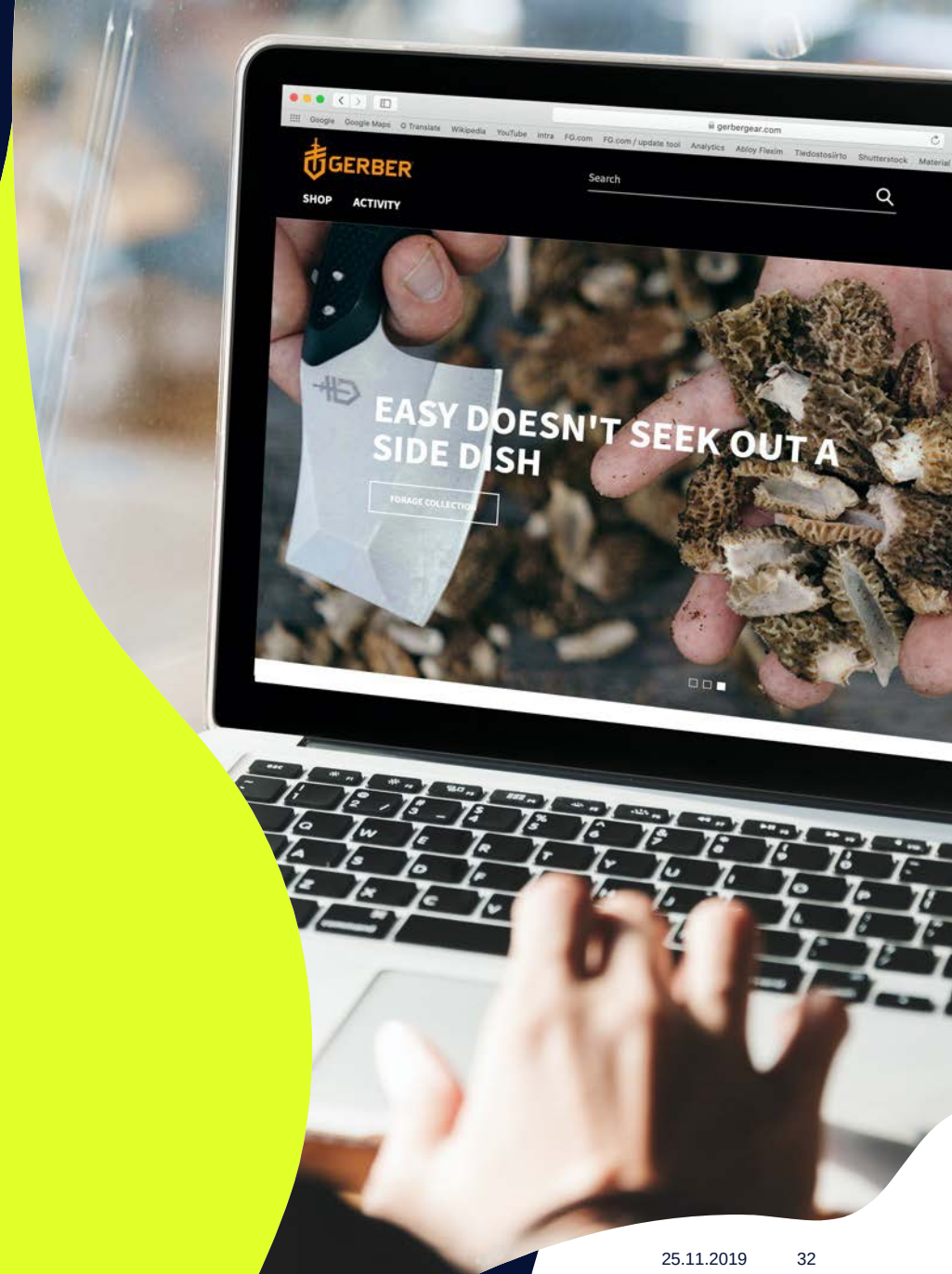
WATERFORD

WEDGWOOD
ENGLAND 1759

FISKARS®

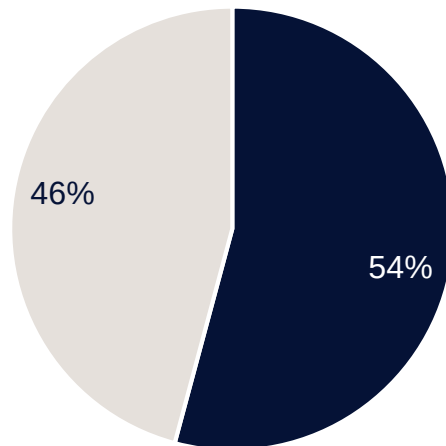
 **GERBER®**

Gilmour



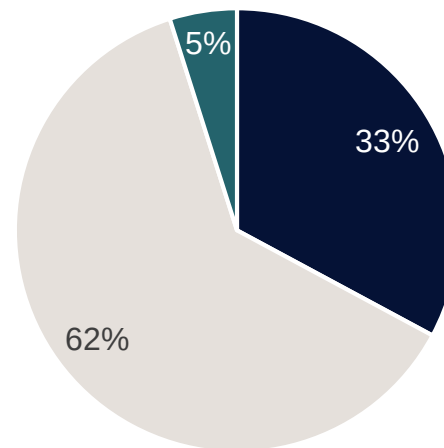
A total of 347 own stores at the end of 2018

BY BUSINESS



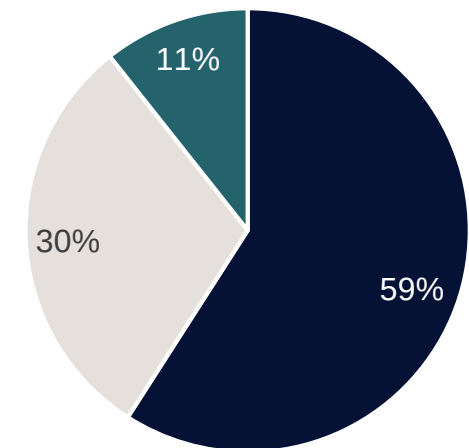
■ English & Crystal Living
■ Scandinavian Living

BY REGION



■ EMEA ■ APAC ■ Americas

BY TYPE



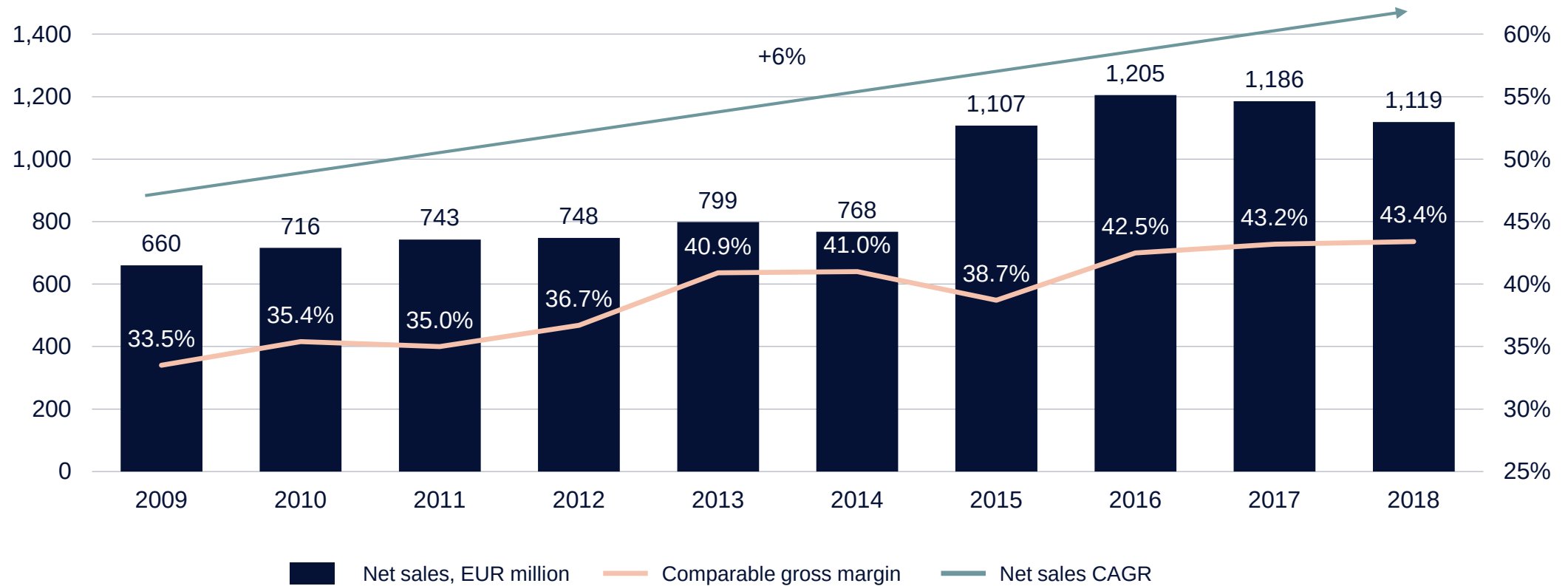
■ Concession ■ Outlet ■ Store



Financials



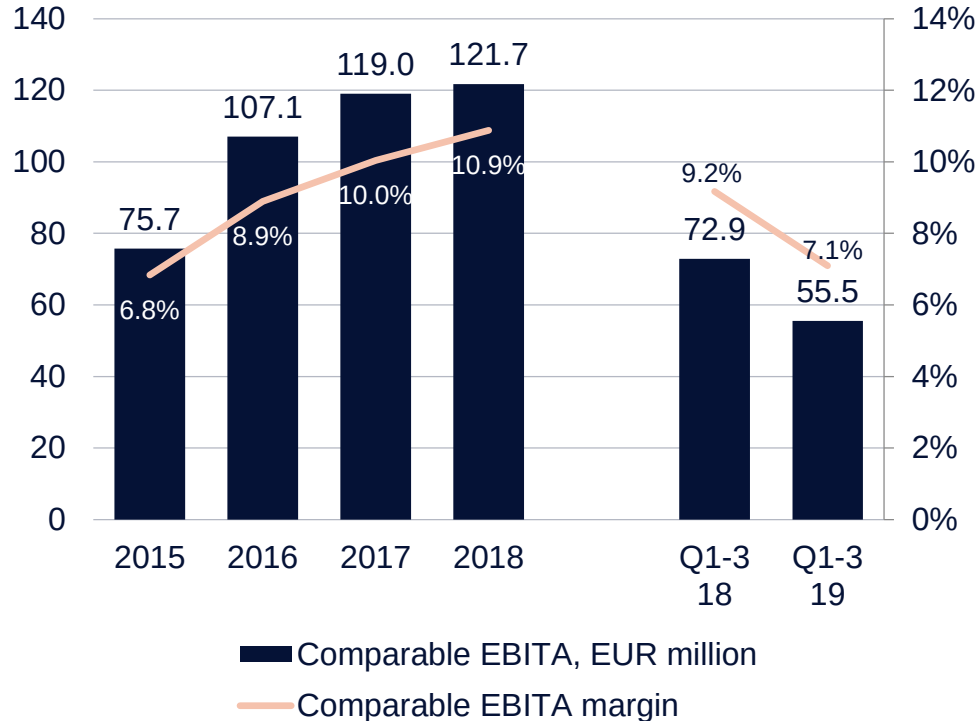
Group net sales and profitability development



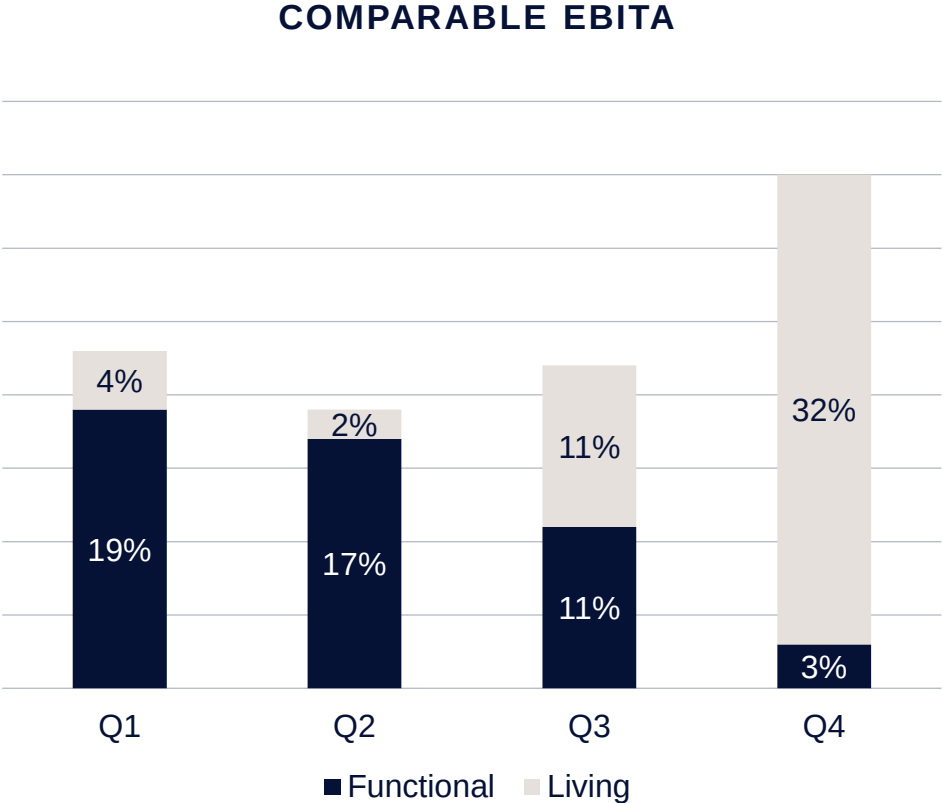
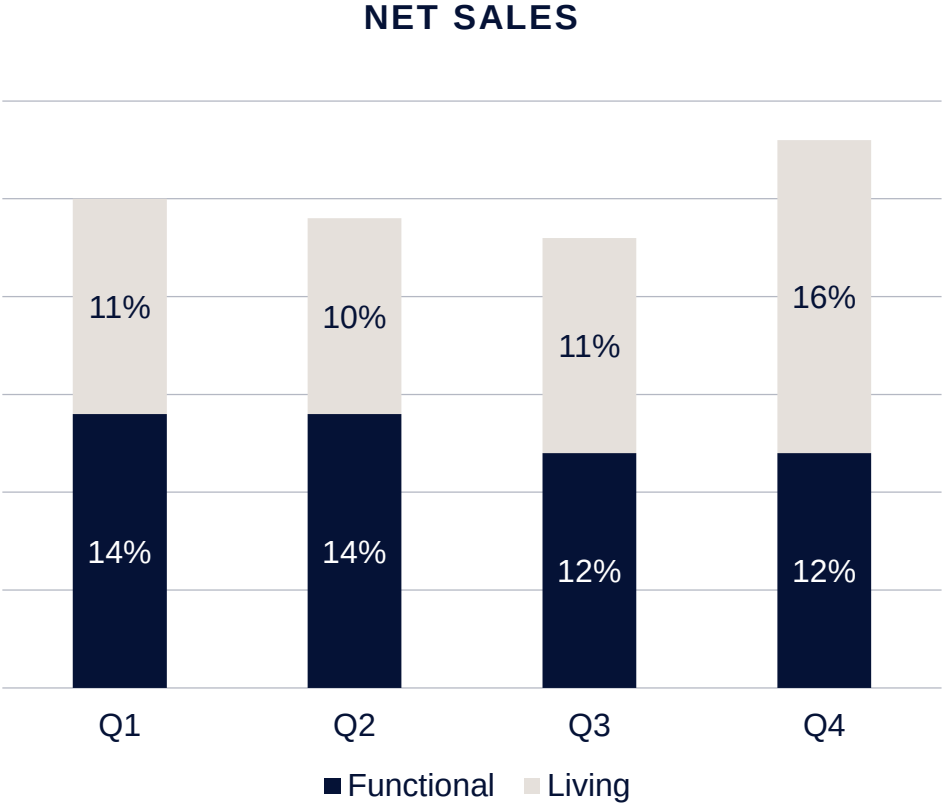


Long-term target to reach a reported EBITA margin of 12%

COMPARABLE EBITA



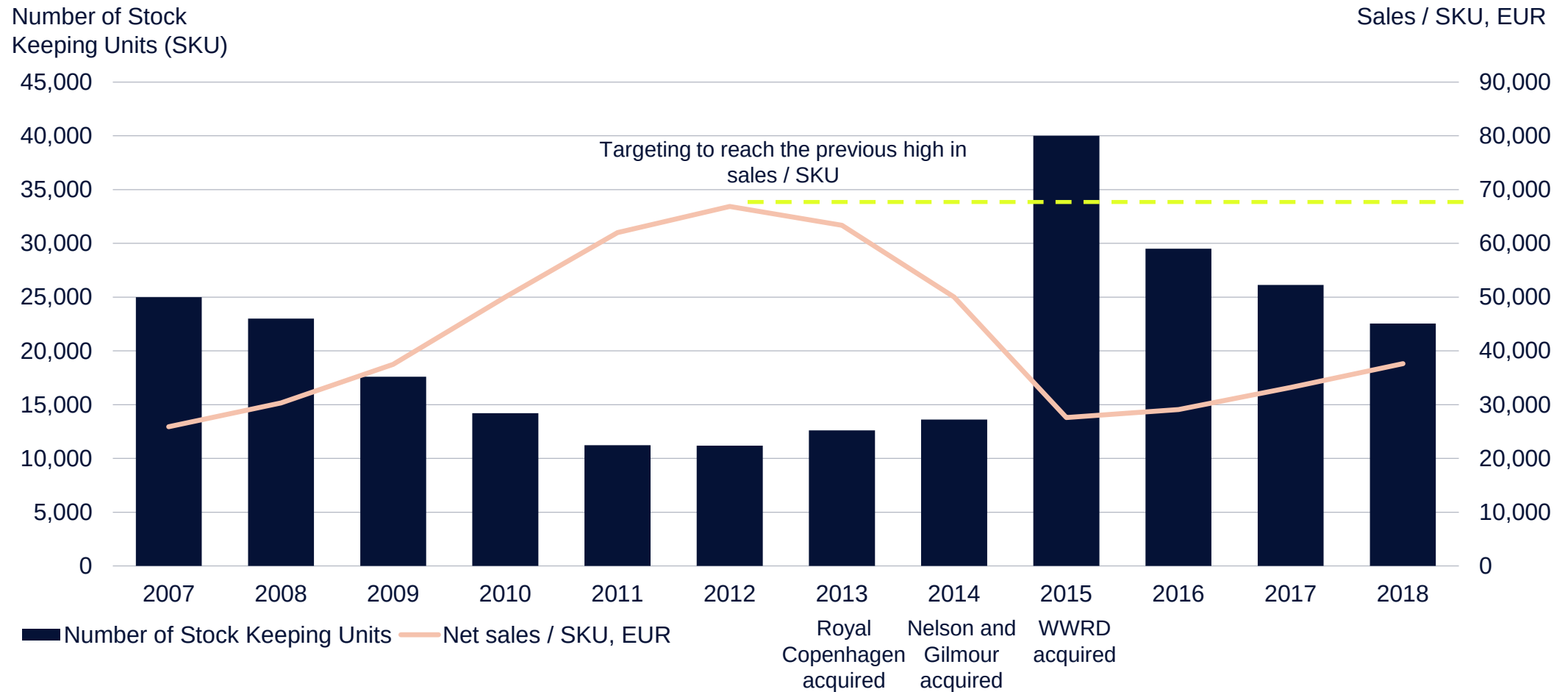
Seasonalities creating balanced income profile



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

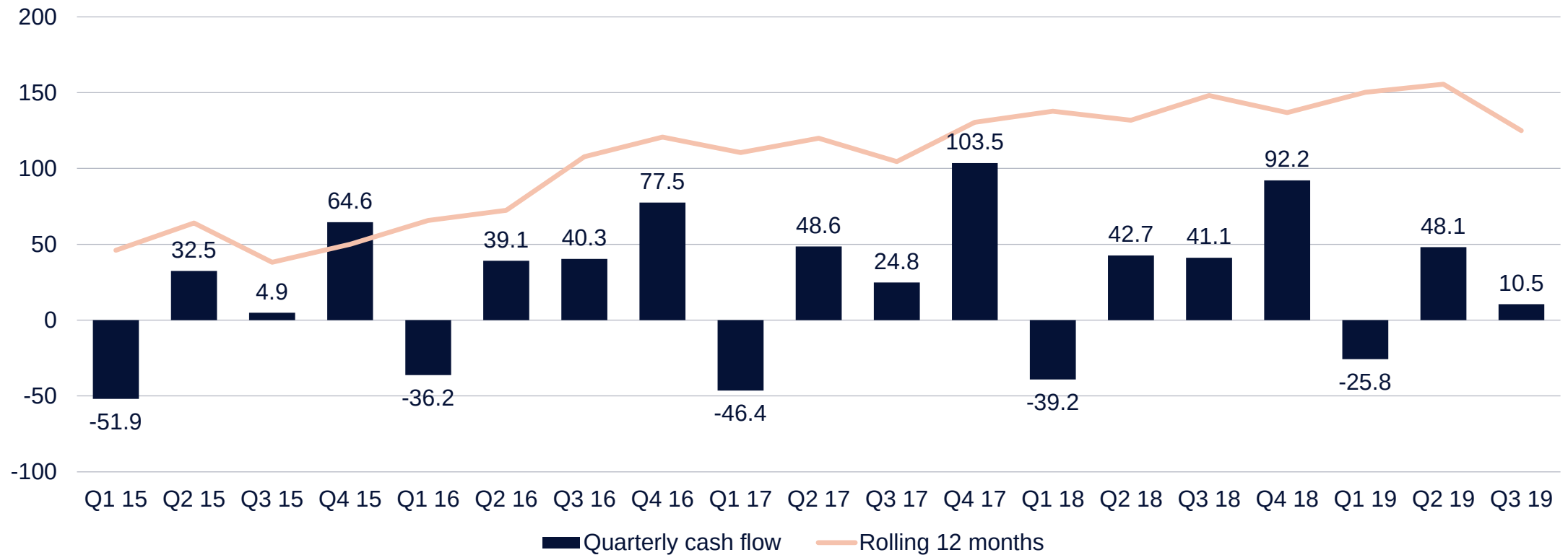


SKU reduction ongoing with potential remaining



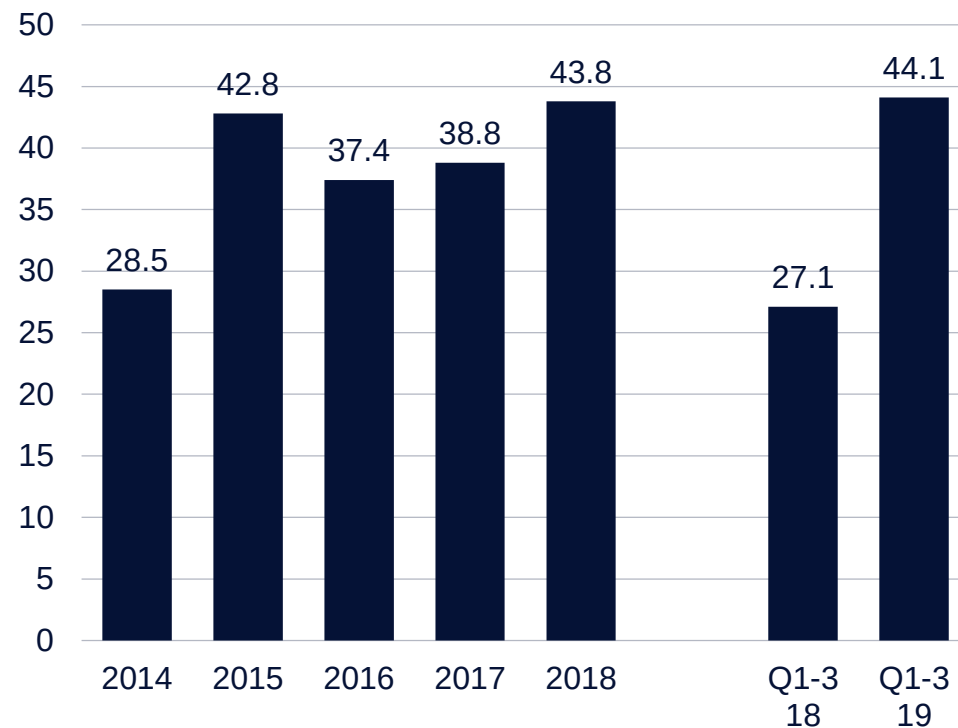
Cash flow has improved

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



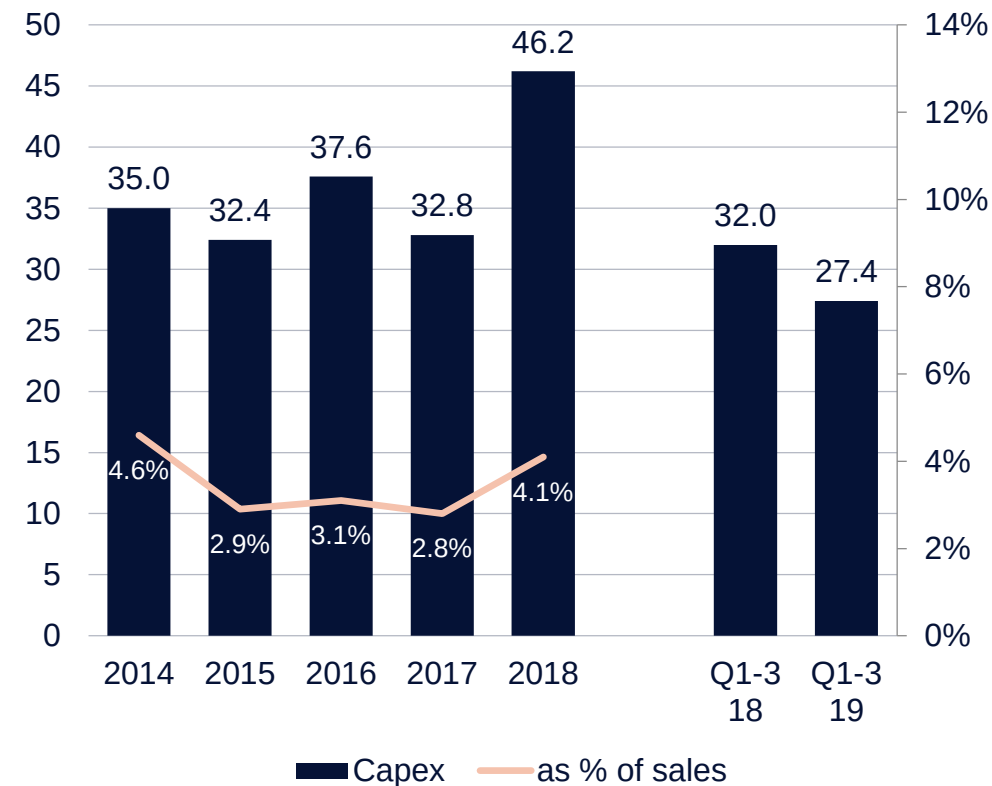
Capital expenditure increased in 2018 due to a factory expansion

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



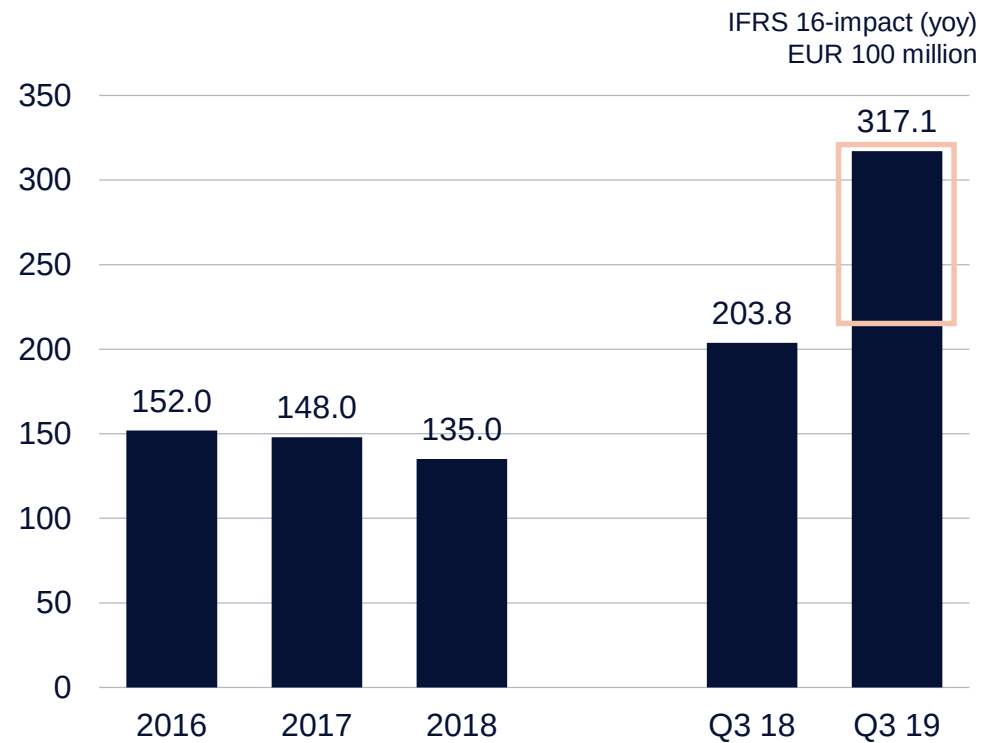
*Depreciation increased
as a result of IFRS 16*

CAPEX, EUR MILLION

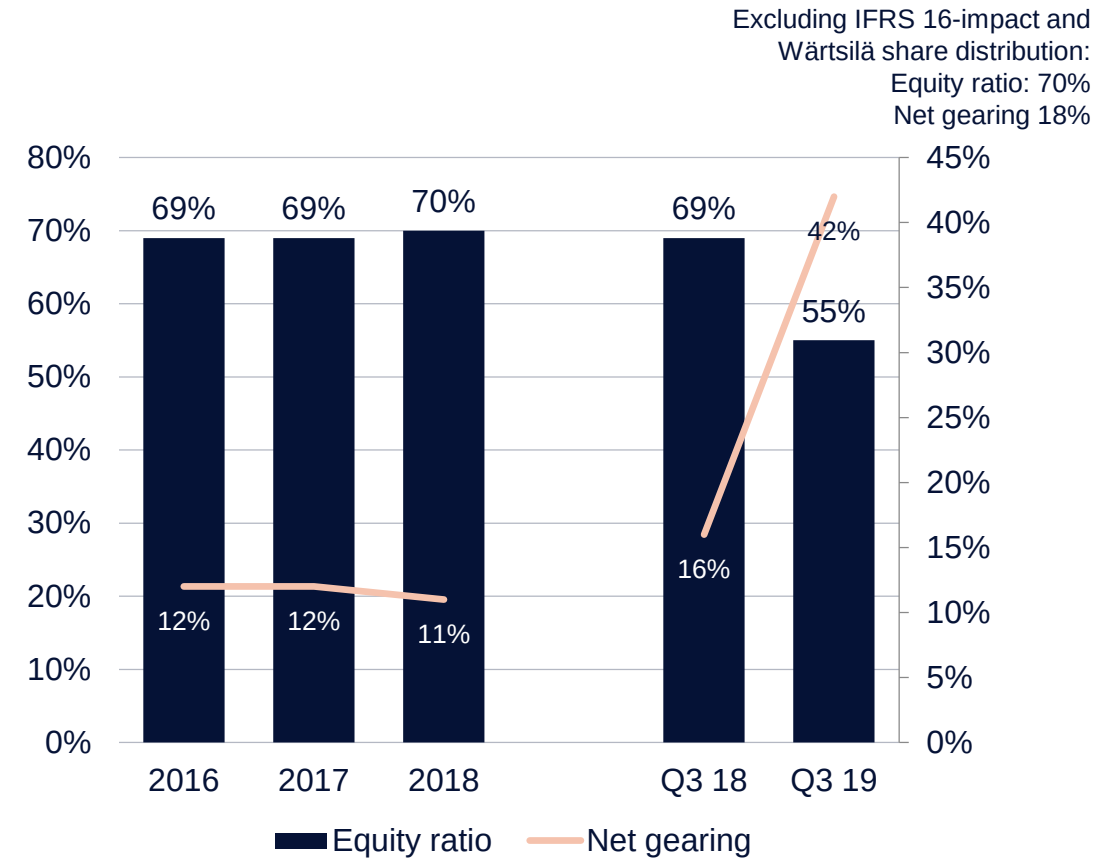


IFRS 16 impacting balance sheet

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

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



Outlook for 2019 (updated on October 16, 2019)

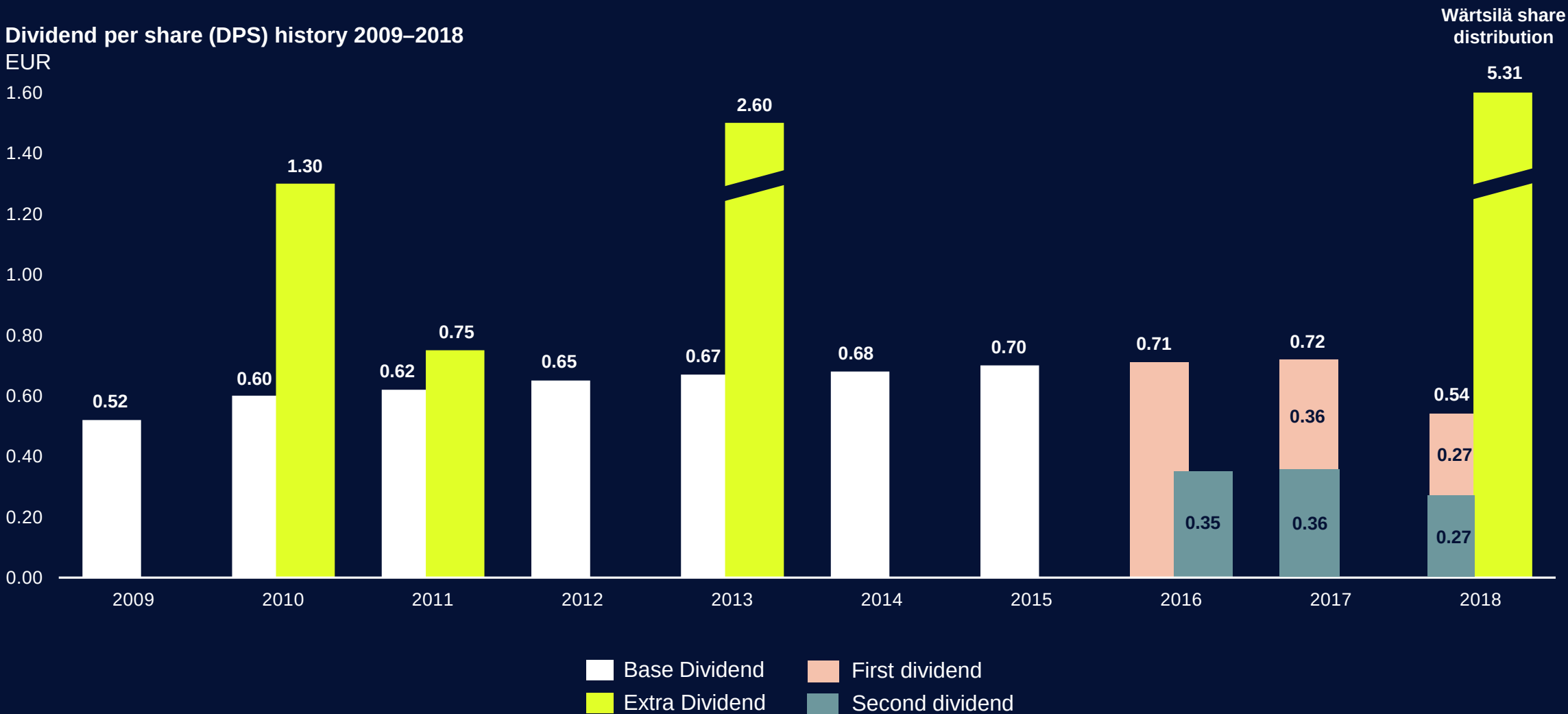
In 2019, Fiskars expects the comparable net sales and comparable EBITA to be below the previous year's level.

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



Appendices



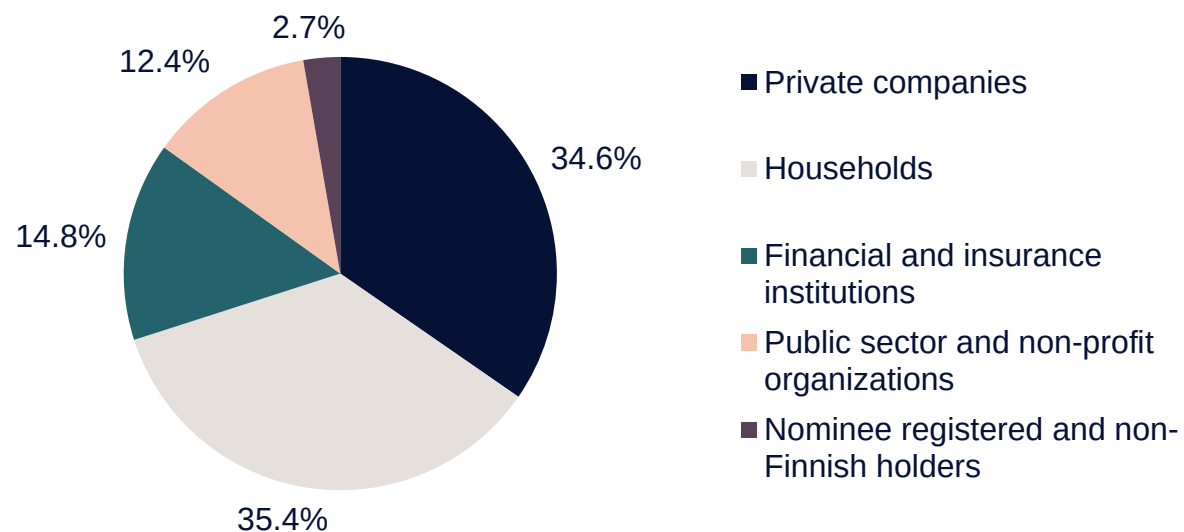
Largest shareholders as of November 30, 2019

#	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	Bergsrådninan 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 November 30, 2019



Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares and votes
Private companies	678	2.9%	28,359,960	34.6%
Households	22,466	95.4%	29,002,262	35.4%
Financial and insurance institutions	41	0.2%	12,156,956	14.8%
Public sector and non-profit organizations	236	1.0%	10,137,447	12.4%
Nominee registered and non-Finnish holders	124	0.5%	2, 248,617	2.7%
Total			81,905,242	100.00

Data supplied by Euroland



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