

Interim report

January–September 2020

Strong progress during the third quarter driven by exceptionally good demand in several categories as well as savings actions



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.



Highlights of the quarter



**GOOD
PROGRESS IN
THE QUARTER**



**STRONG DEMAND
IN TWO OUT OF
THREE BA'S**



**SHORT AND LONG-
TERM SAVINGS
DRIVING INCREASE
IN EBITA IN ALL
BA'S**



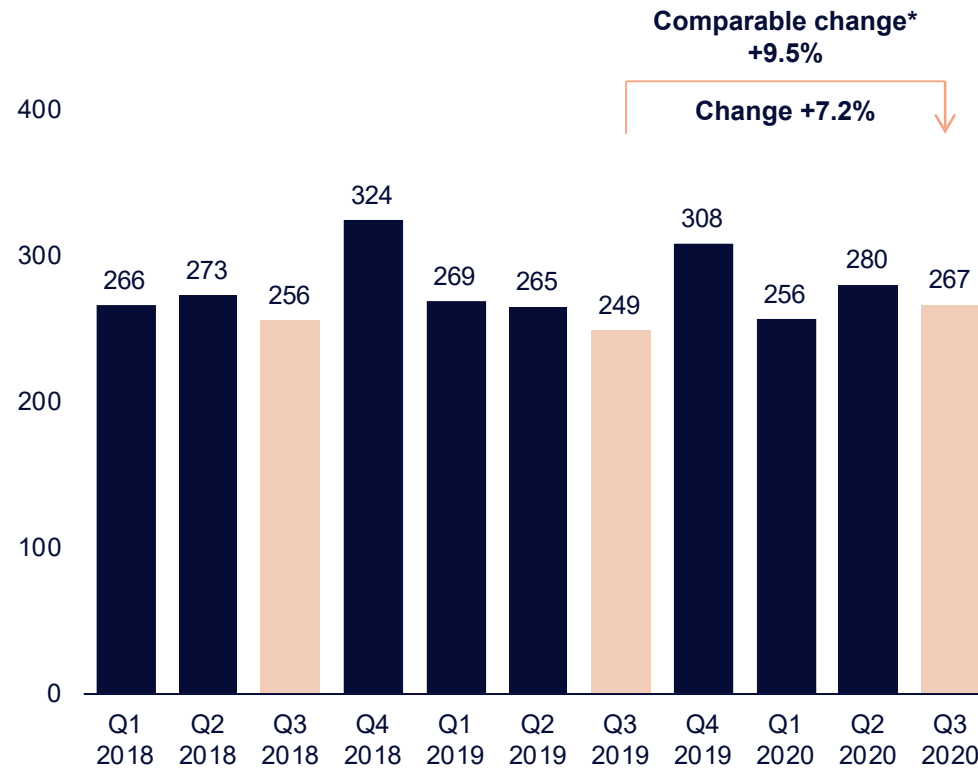
**STRONG CASH
FLOW, PARTLY
SUPPORTED
BY TIMING**



**OUTLOOK
REINSTATED ON
OCTOBER 13**

Fiskars Group comparable net sales in Q3 2020

NET SALES, EUR MILLION



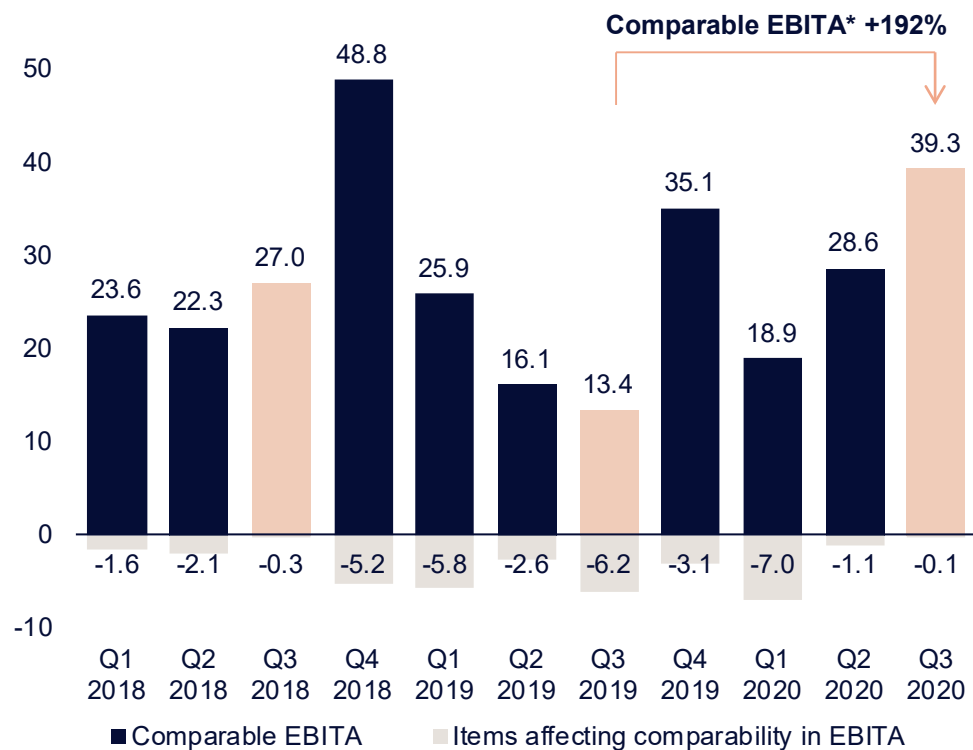
*Comparable change = currency neutral and excluding acquisitions & divestments

NET SALES BRIDGE, EUR MILLION



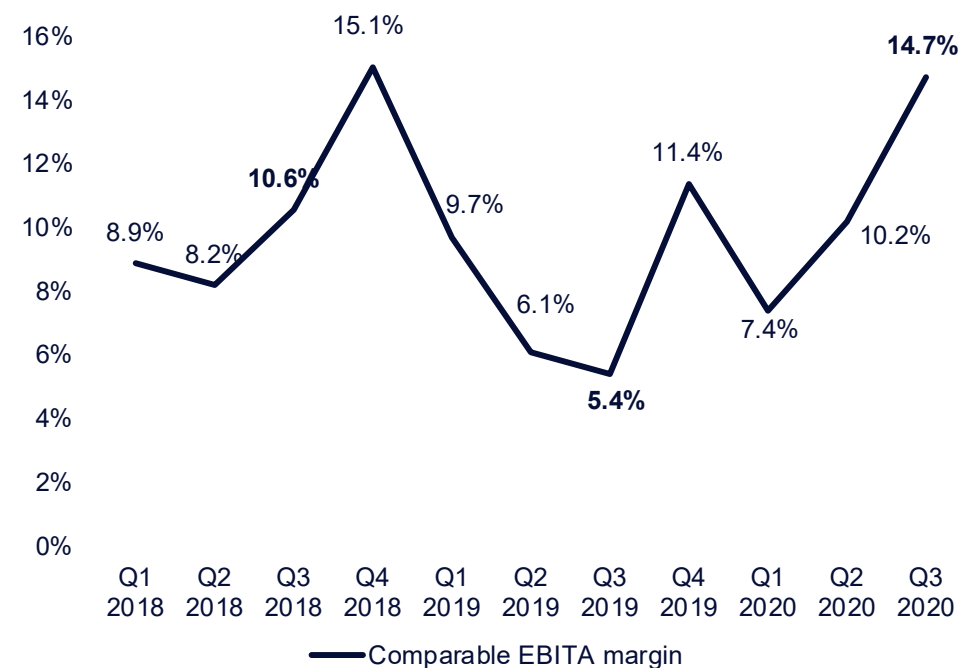
Fiskars Group comparable EBITA in Q3 2020

COMPARABLE EBITA, EUR MILLION



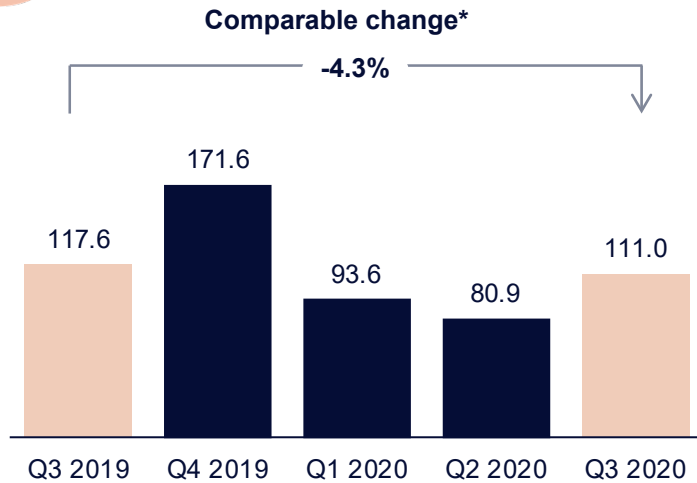
*Comparable change: includes items such as restructuring costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses

COMPARABLE EBITA MARGIN

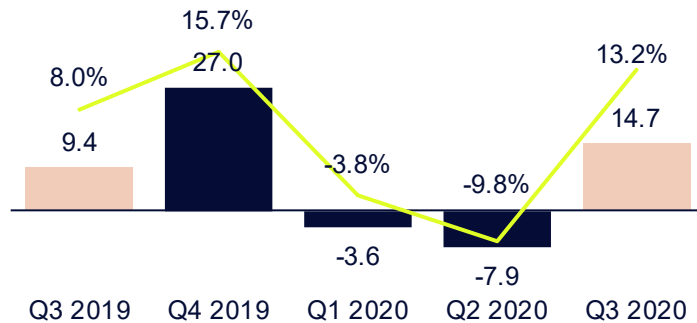




Vita in Q3 2020



■ Net sales, EUR million
*Using comparable exchange rates



■ Comparable EBITA, EUR million
— Comparable EBITA margin

EUR million	Q3 2020	Q3 2019	Change	Q1-3 2020	Q1-3 2019	Change	2019
Net sales	111.0	117.6	-5.6%	285.5	329.1	-13.3%	500.8
Comparable EBITA	14.7	9.4	56.7%	3.2	11.8	-72.9%	38.8
Capital expenditure	5.1	3.7	38.9%	10.7	12.5	-14.5%	18.3

Comparable net sales decreased

- COVID-19 pandemic continued to have an impact through a decrease in footfall to stores, retailers lowering their stocks and a decrease in gifting
- Increased in Scandinavia, Continental Europe and China
- Net sales in China more than doubled year-over-year
- Strong double digit growth in direct e-commerce continued
- Stores weighing on the direct channel
- The hospitality channel continued to be severely hit by the pandemic

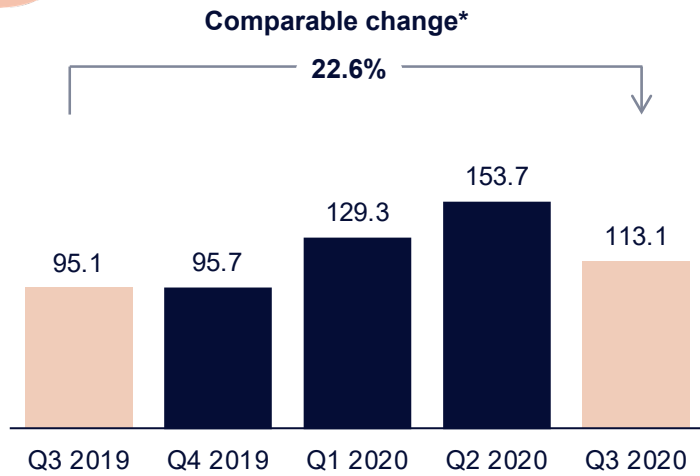
Comparable EBITA increased

- Supported by cost-cutting measures and a positive product mix
- Continued challenges in the Americas and the UK
- Pandemic-related challenges in Japan
- Decrease in sales volumes had a negative impact



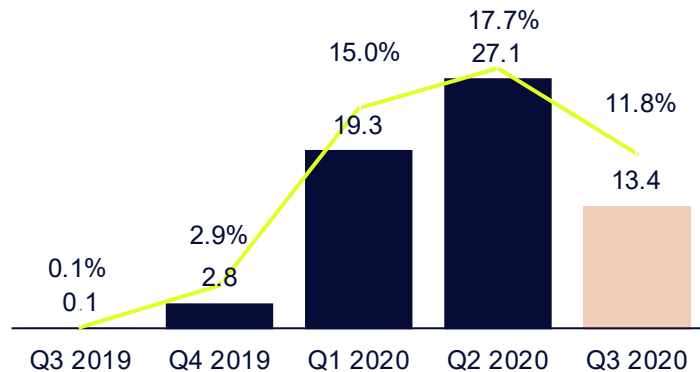


Terra in Q3 2020



■ Net sales, EUR million

*Using comparable exchange rates and excluding the Leborgne divestment



■ Comparable EBITA, EUR million

— Comparable EBITA margin

EUR million	Q3 2020	Q3 2019	Change	Q1-3 2020	Q1-3 2019	Change	2019
Net sales	113.1	95.1	18.9%	396.0	347.1	14.1%	442.9
Comparable EBITA	13.4	0.1		59.9	33.4	79.3%	36.2
Capital expenditure	2.7	4.3	-37.2%	7.0	11.1	-36.3%	16.6

Comparable net sales increased

- Growth in all categories and nearly all markets
- Key growth drivers: gardening and watering categories and the Americas region
- Overall strong demand, as:
 - people stayed at home
 - weather conditions were favorable
 - distribution increased
- Focus on Central Europe performing continued to deliver results
- Outdoor fueled by the Gerber Custom service

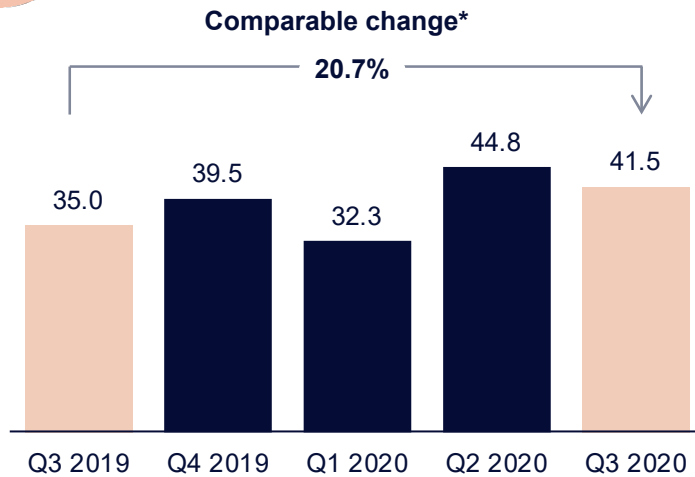
Comparable EBITA increased

- Sales volumes and cost-cutting measures supporting
- Partly offset by a weaker product mix



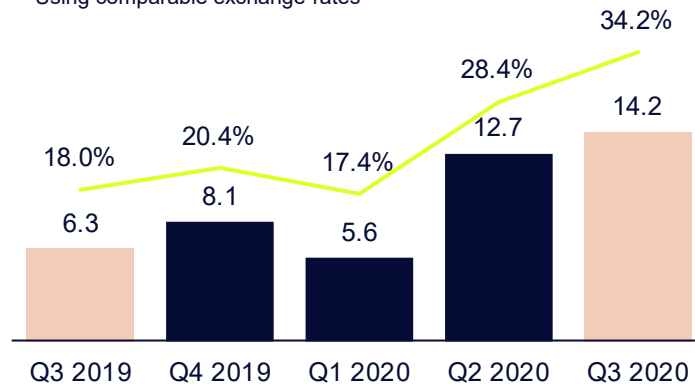


Crea in Q3 2020



■ Net sales, EUR million

*Using comparable exchange rates



■ Comparable EBITA, EUR million

— Comparable EBITA margin

EUR million	Q3 2020	Q3 2019	Change	Q1-3 2020	Q1-3 2019	Change	2019
Net sales	41.5	35.0	18.7%	118.5	103.4	14.7%	142.9
Comparable EBITA	14.2	6.3	125.4%	32.5	20.0	63.0%	28.0
Capital expenditure	0.3	0.4	-9.7%	1.1	0.7	60.7%	0.9

Comparable net sales increased

- All categories and key markets growing
- Net sales in the direct channel increased somewhat, with e-commerce offsetting the decrease in own stores
- Mask-making activities and the broader crafts trend continued to support demand
- Back-to-school season in the Americas prolonged by the pandemic, adversely impacted demand
- Distribution expanded in many markets, including Scandinavia (cooking), Germany and France

Comparable EBITA increased

- Increased sales volumes
- Supply chain efficiencies
- Cost-cutting measures



Net sales by geography in Q3 2020

Comparable net sales in Europe increased

- Driven by the Terra and Crea segments
- Increased particularly in Continental Europe and Sweden
- Challenges in the UK and Ireland

Comparable net sales in the Americas increased

- Driven by Terra and Crea
- Decreased in Vita

Comparable net sales in Asia-Pacific increased

- Driven by Vita's performance in China and Terra's in Australia and New Zealand
- Japan continued to be a challenging market, as the pandemic weighed on footfall to stores

EUR million	Q3 2020	Q3 2019	Change	Comparable change*	2019
Europe	121.3	114.3	6.1%	6.5%	518.9
Americas	112.9	100.4	12.5%	17.1%	427.5
Asia-Pacific	35.6	33.8	5.2%	7.5%	143.6
Unallocated**	-3.2	0.2			0.3

*Using comparable exchange rates and excluding the Leborgne divestment

**Geographically unallocated exchange rate differences



Fiskars Group commits to climate action by joining the UN Business Ambition for 1.5°C and setting science-based targets

Fiskars Group's science-based targets are:

1. Fiskars Group commits to reduce greenhouse gas emissions from own operations (scope 1 and 2) **60%** by 2030 from a 2017 base year.
 2. Fiskars Group commits to reduce greenhouse gas emissions from upstream transportation and distribution (scope 3) **30%** by 2030 from a 2018 base year.
 3. Fiskars Group commits that **60%** of its suppliers by spend covering purchased goods and services, will have science-based targets by 2024



Marketing highlights in Q3 2020

- Wedgwood opened a new concept store in a luxury mall in Shenzhen, China
- Royal Copenhagen's best-selling series Blue Fluted Mega series celebrates its 20th anniversary
- Gerber launched the Randy Newberg Signature Series of hunting knives
- With the Fiskars brand, focus was on leveraging e-commerce opportunities in the direct and indirect channels
- Fiskars and Unilever started a collaboration with a premium gifting concept



Consolidated income statement

EUR million	Q3 2020	Q3 2019	Change, %	2019
Net sales	266.7	248.7	7	1,090.4
Cost of goods sold	-157.1	-155.1	-1	-643.1
Gross profit	109.6	93.6	17	447.3
Gross profit margin	41.1%	37.6%		41.0%
Sales and marketing expenses	-51.4	-64.6	20	-284.3
Amortization	-3.6	-3.1	-15	-12.9
Other expenses	-19.0	-21.8	13	-102.9
Operating profit (EBIT)	35.6	4.1		60.1
Profit for the period	27.0	3.7		52.4
Items affecting comparability	0.1	6.2		17.7
Comparable EBITA	39.3	13.4		90.6
Comparable EBITA margin	14.7%	5.4%		8.3%

Gross profit margin increased

- Positive product mix in Vita

Cost-cutting visible in SG&A items

Items affecting comparability at low level this quarter, programs continue as planned



Transformation program, 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 Q3 2020:

- EUR 20.6 million of costs had been booked

Restructuring program, targeted annual cost savings app. EUR 20 million

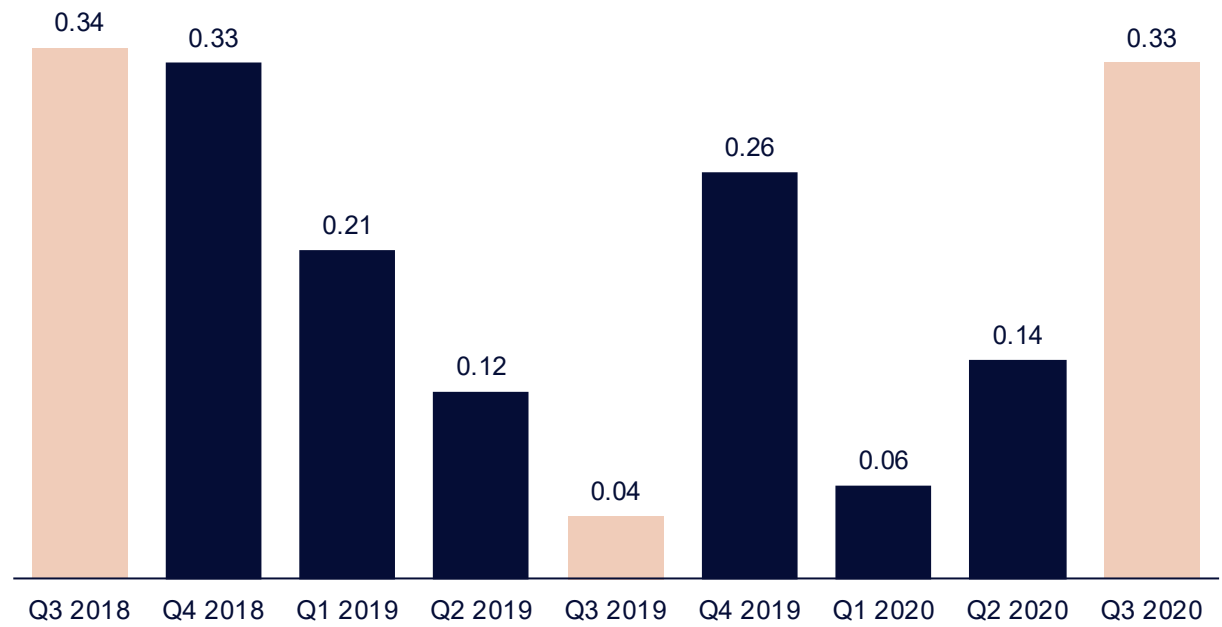
- Subject to the full implementation of the program
- Targeted cost savings would be achieved gradually, and the majority of the savings are expected to materialize after the program is completed (end of 2021)

Costs of the program app. EUR 30 million in 2019–2021. By the end of Q3 2020:

- EUR 7.9 million of costs had been booked



Earnings per share in Q3 2020 (EUR)

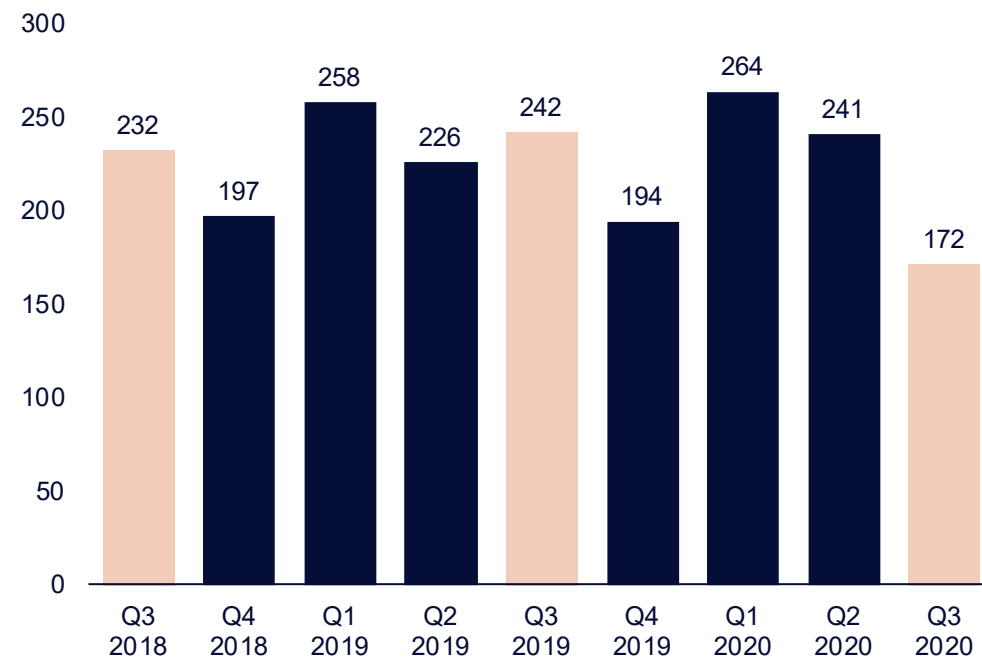


Cash flow increased from previous year's level

CASH FLOW FROM OPERATING ACTIVITIES BEFORE FINANCIAL ITEMS AND TAXES, EUR MILLION



WORKING CAPITAL, EUR MILLION



Balance sheet

EUR million	Q3 2020	Q3 2019	2019
Goodwill and other intangible assets	495.7	508.4	508.2
Other non-current assets	345.9	378.6	382.5
Inventories	205.3	246.5	232.1
Trade receivables	214.0	194.4	203.2
Other current assets	40.3	36.4	28.8
Cash and cash equivalents	165.4	9.1	9.4
Total assets	1,466.5	1,373.5	1,364.3
Equity	743.1	752.0	764.5
Total interest-bearing liabilities	285.0	226.6	160.1
Lease liabilities	95.1	100.6	111.3
Trade and other payables	275.0	226.3	267.7
Other current & non-current liabilities	68.4	68.0	60.7
Total equity and liabilities	1,466.5	1,373.5	1,364.3

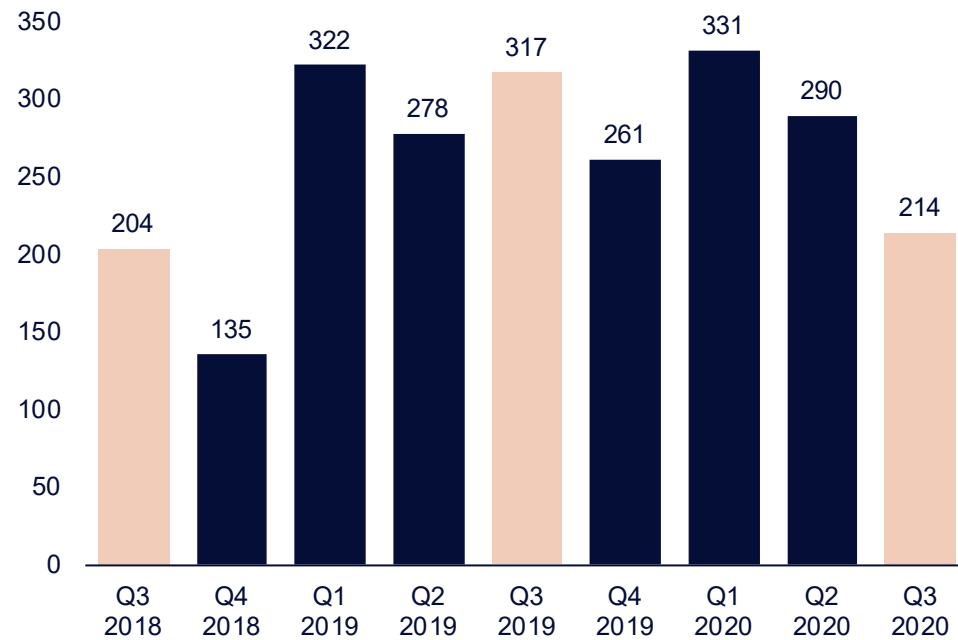
Significant year-over-year deviations in inventories and trade payables, stemming from the sales development

Cash maintained at an unusually high level



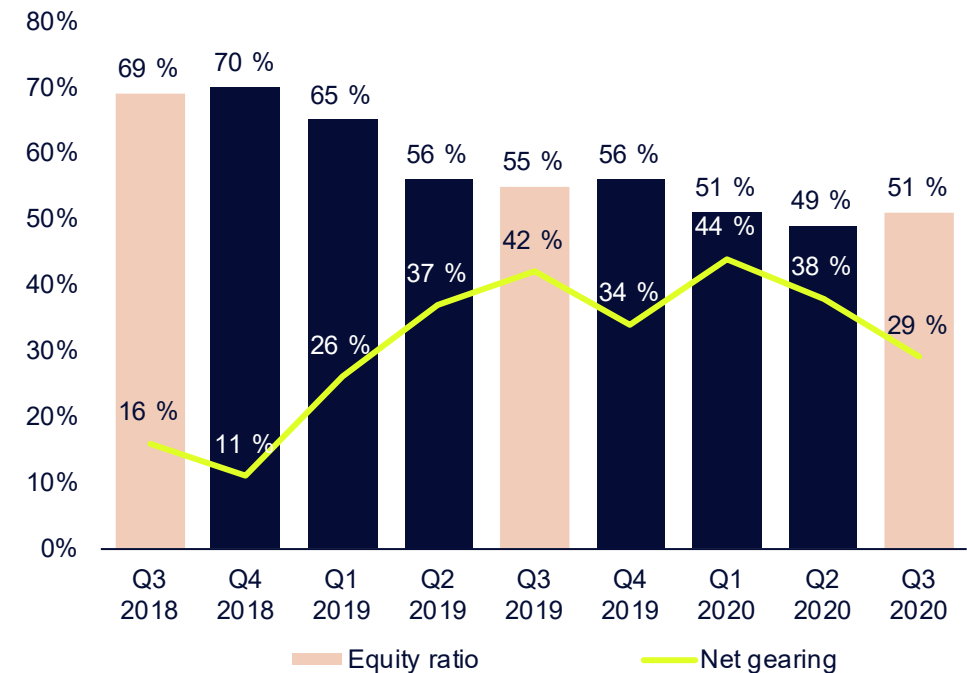
Net debt decreased clearly

NET DEBT, EUR MILLION



The implementation of IFRS 16 impacts net debt from Q1 2019 onwards

EQUITY RATIO AND NET GEARING



The key figures are impacted by the implementation of IFRS 16 from Q1 2019 onwards and by the Wärtsilä share dividend (distributed in Q2 2019)



Outlook reinstated on October 13

In 2020, Fiskars expects the comparable EBITA to increase from 2019.



Long-term financial targets unchanged



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%

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

**Q1-Q3
2020**

+2.6% YoY
+3.3% YoY (comparable)

9.8%
10.8% (comparable)

29%

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





Making
the everyday
extraordinary