

FISKARS



GROUP

Half-year financial report

January–June 2019

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.



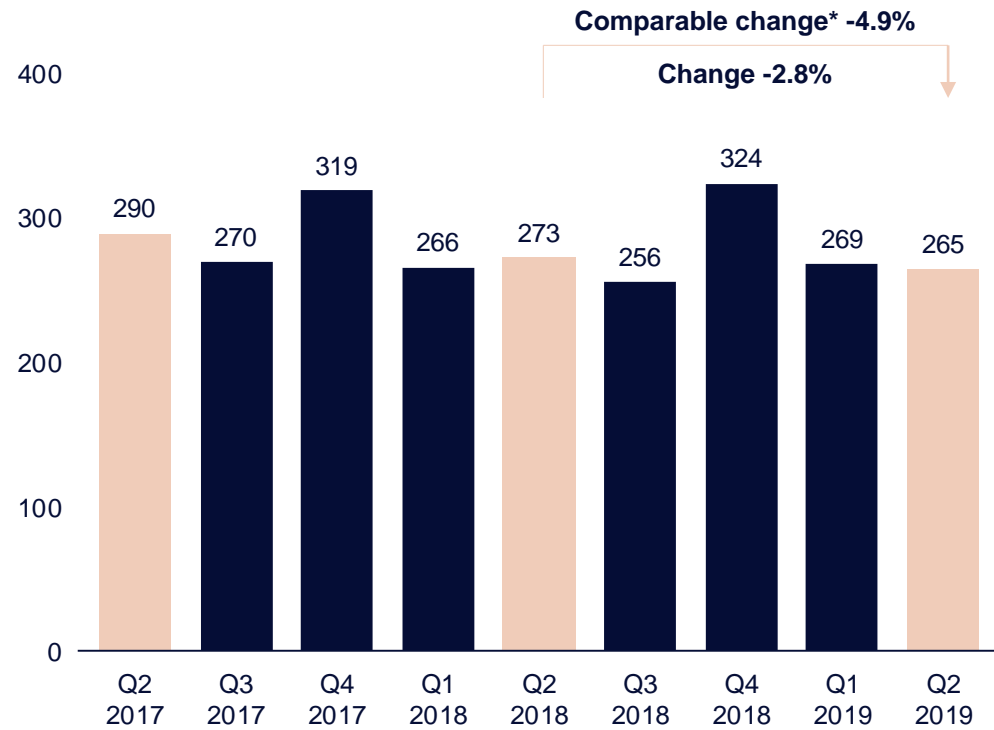
Key takeaways for Q2 2019

- Comparable EBITA and comparable net sales decreased
- Cash flow excluding IFRS 16-change at previous year's level
- Net sales in the direct e-commerce channel and the Functional business in Europe increased, wet weather in the Americas had a negative impact on watering category
- Challenging quarter for the English & Crystal Living business, implementation of Transformation program accelerated
- Full year guidance updated in May
- Extra share dividend distributed in June

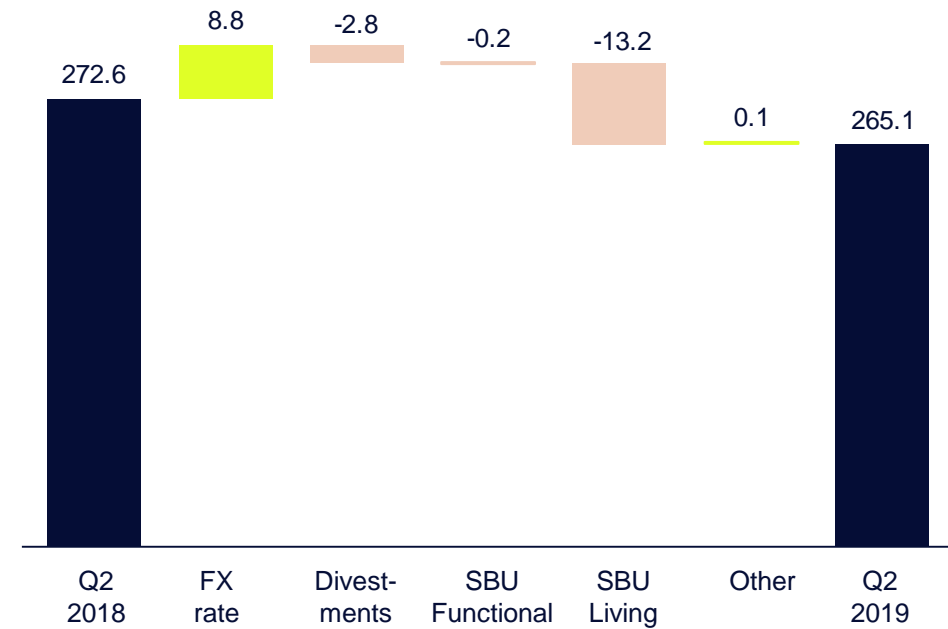


Fiskars Group comparable net sales in Q2 2019

Net sales, EUR million



Net sales bridge, EUR million

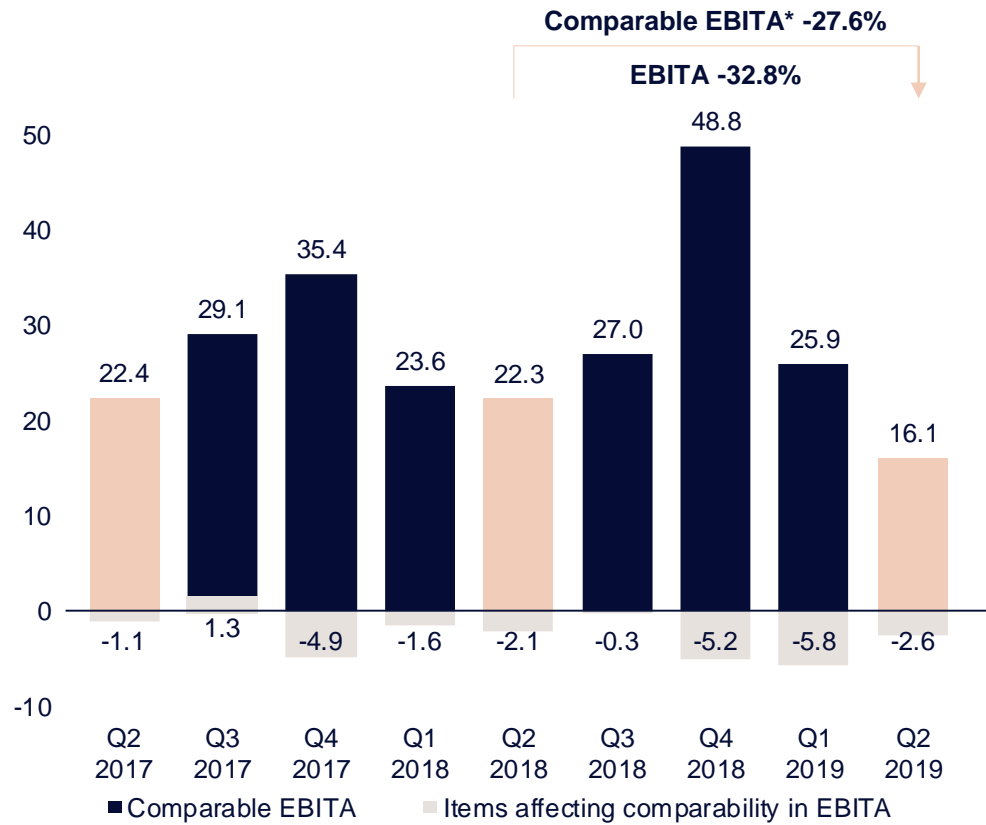


*Comparable change = currency neutral & excl. divestments



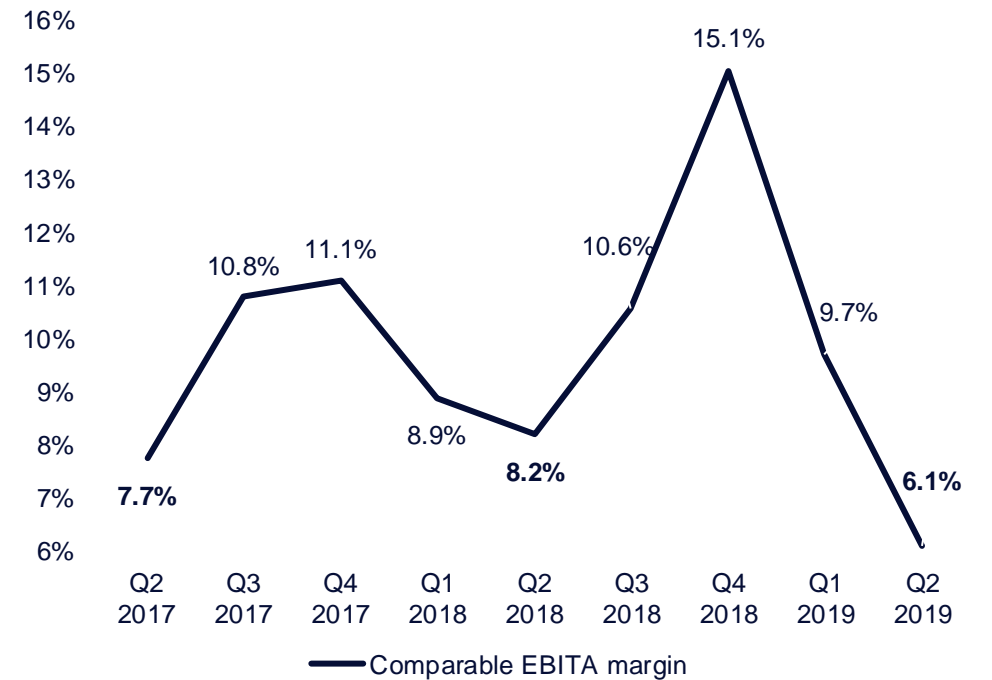
Fiskars Group comparable EBITA in Q2 2019

Comparable EBITA, EUR million



*Comparable change = currency neutral & excl. divestments

Comparable EBITA margin



Functional marketing highlights in Q2 2019

Fiskars has started a collaboration with the Finnish fashion and textile designer Maria Korkeila, to launch a limited-edition one-off capsule collection of modern gardening workwear

Fiskars DIY Home Décor Tools were recognized for design excellence in Core77's Design Awards

For the second consecutive year, Fiskars introduced the teacher grant program to support the back-to-school season in the U.S.

Gerber launched the new Jukebox clip folding knife, which extended the offering in the everyday carry -segment

Fiskars Hardface cookware was launched online in Australia



Living marketing highlights in Q2 2019

Finland's first Wedgwood, Waterford and Royal Doulton brand shop opened in the Fiskars Village at the beginning of June

Fiskars Group's sustainability efforts continued with the launch of Iittala's recycled glass products. The new Raami tableware series was extended with a limited-edition recycled glass tumbler made entirely of waste glass

Wedgwood celebrates its 260-year anniversary in 2019, and launched a re-design of one of its most loved items, the Wild Strawberry

Wedgwood had a successful e-commerce promotion campaign in China in connection with "618", which is the second large promotional event on e-commerce platforms



Growing business

- Growing the core
- Expanding in China and e-commerce
- Exploring services



Inspiring people

Exciting consumers



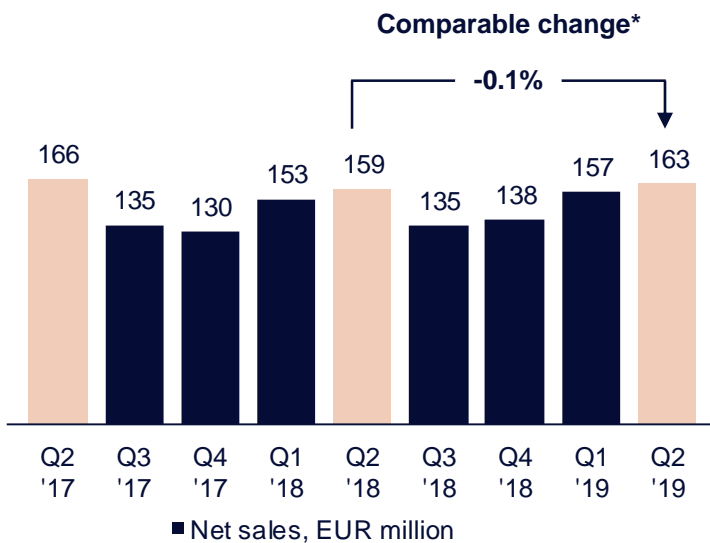
Improving performance



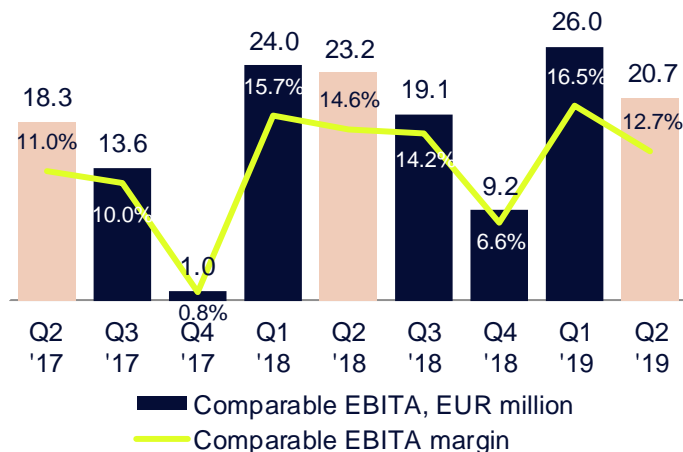
Q2 2019



Functional in Q2 2019



*Using comparable exchange rates and excluding the Leborgne divestment

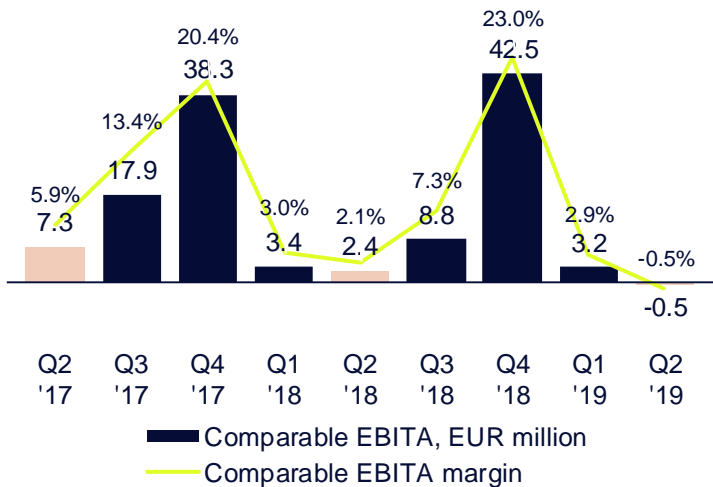
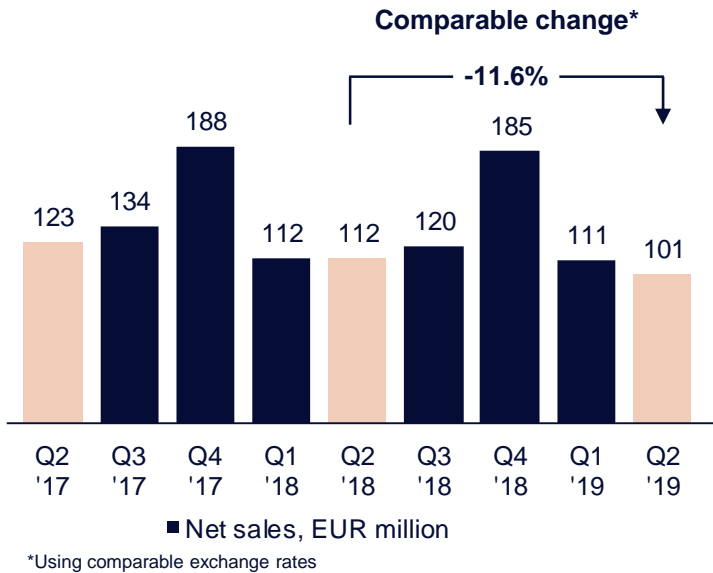


EUR million	Q2 2019	Q2 2018	Change	Q1-Q2 2019	Q1-Q2 2018	Change
Net sales	163.0	159.4	2.3%	320.2	312.2	2.6%
Comparable EBITA	20.7	23.2	-10.9%	46.7	47.3	-1.2%
Capital expenditure	4.0	3.9	2.9%	7.0	7.2	-1.7%

- Comparable net sales remained close to the previous year's level
 - Increased in EMEA:
 - Supported by development in Northern and Central Europe, despite challenges in Norway and the UK
 - The distribution network rationalization, started in 2018, has been completed, supporting the positive development in net sales
 - Increased in the Outdoor business:
 - Positive development in Europe
 - Flat in the Americas. Sales in the sporting goods and government channels in the Americas decreased, while net sales in the e-commerce channel increased
 - Decreased in the Americas:
 - Wet weather conditions in the Americas remained unfavorable, which adversely impacted the watering category
 - High inventory levels at some distributors had a negative impact
 - Net sales in the gardening category increased
- Comparable EBITA decreased during the second quarter
 - It decreased due to decreased volumes in the Americas and the U.S. tariffs



Living in Q2 2019



EUR million	Q2 2019	Q2 2018	Change	Q1-Q2 2019	Q1-Q2 2018	Change
Net sales	101.3	112.4	-9.9%	211.8	224.8	-5.8%
Comparable EBITA	-0.5	2.4		2.7	5.7	-52.4%
Capital expenditure	4.8	6.0	-19.5%	8.8	11.1	-20.6%

- Comparable net sales decreased by 11.6%
 - Increased in the Scandinavian Living business, fueled by the Nordics
 - Decreased in the English & Crystal Living business across the markets as result of:
 - The weak market conditions in the UK
 - The optimization of the retail network in the U.S.
 - Both unfavorable market conditions and retail network optimization in Australia
 - A decline in the hospitality channel and key partners' high inventory levels contributed to the decrease in demand
- The second half is typically more important for the full-year performance for the Living segment
- Comparable EBITA decreased during the second quarter
 - Increased in the Scandinavian Living business
 - In the English & Crystal Living business comparable EBITA decreased, as lower volumes impacted profitability. The impact from decreased net sales has been mitigated by efficiency measures



Update on the Transformation program in the Living business

The Transformation program focuses primarily on:

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

In March, Fiskars Group announced plans to reduce UK production capacity. Manufacturing operations in Barlaston will focus on hand crafted, high-end products that are core to the brand and production of some tableware products will be consolidated to other existing manufacturing sites

The aim is to protect and support the core of the Wedgwood business. Following the consultations, the number of jobs to be reduced in Barlaston is 103

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 Q2 2019, EUR 10.5 million of costs had been booked



Net sales by geography in Q2 2019

EUR million	Q2 2019	Q2 2018	Change	Comparable change*	Q1-Q2 2019	Q1-Q2 2018	Change	Comparable change*
Europe	120.8	123.9	-2.5%	-0.1%	250.9	249.7	0.5%	2.0%
Americas	116.2	118.0	-1.5%	-8.0%	220.6	228.2	-3.3%	-9.4%
Asia-Pacific	28.6	32.4	-11.7%	-13.7%	62.1	63.9	-2.8%	-4.7%
Unallocated**	-0.5	-1.7			0.1	-3.2		

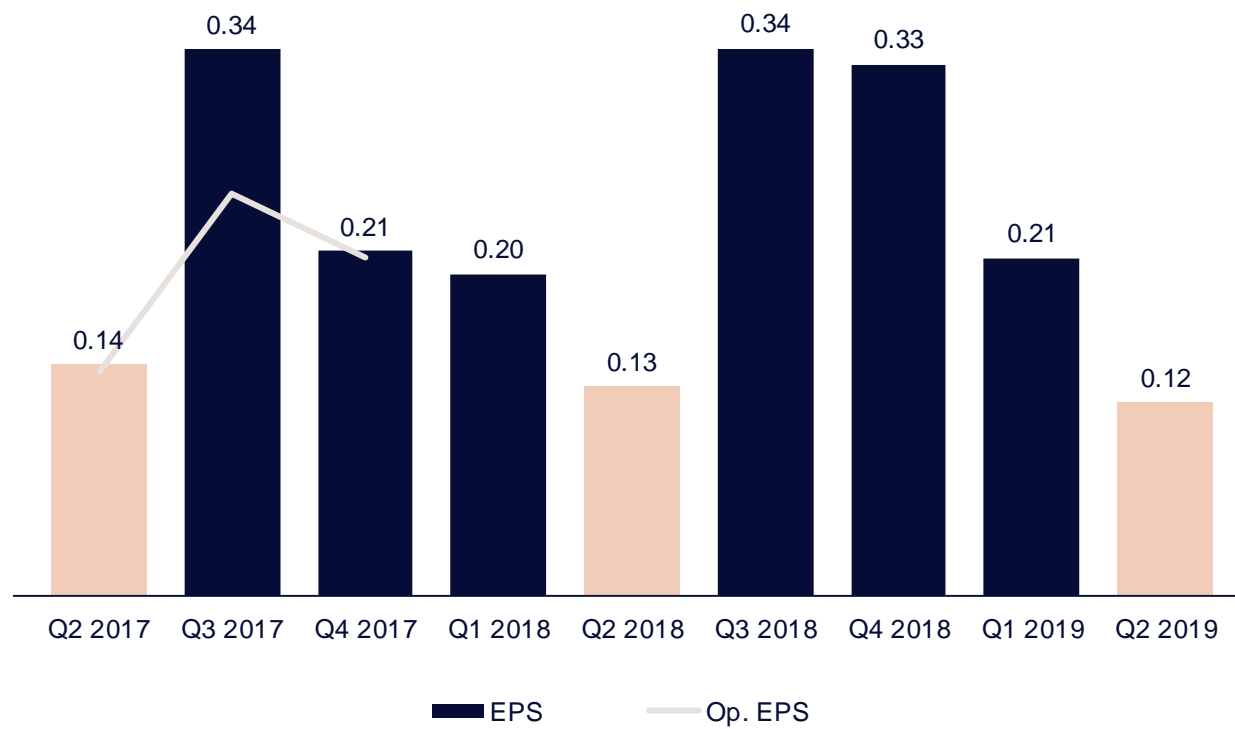
*Using comparable exchange rates and excluding the Leborgne divestment

**Geographically unallocated exchange rate differences

- Comparable net sales in Europe remained at the previous year's level
- Comparable net sales in the Americas decreased. The watering category in the Functional segment and the English & Crystal Living business both faced challenges
- Comparable net sales in Asia-Pacific decreased as a result of the challenges in the Living segment.



Earnings per share in Q2 2019



EPS (for Q2- Q4 2017 restated to current accounting practice)
Operative EPS (reported until Q4 2017)

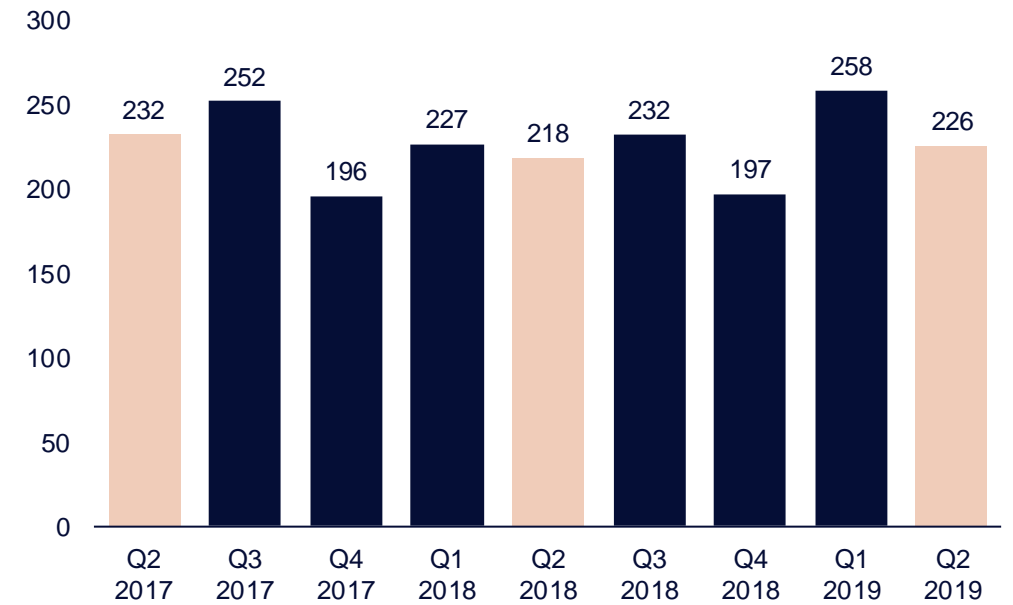


Cash flow at previous year's level excluding impact from IFRS 16

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

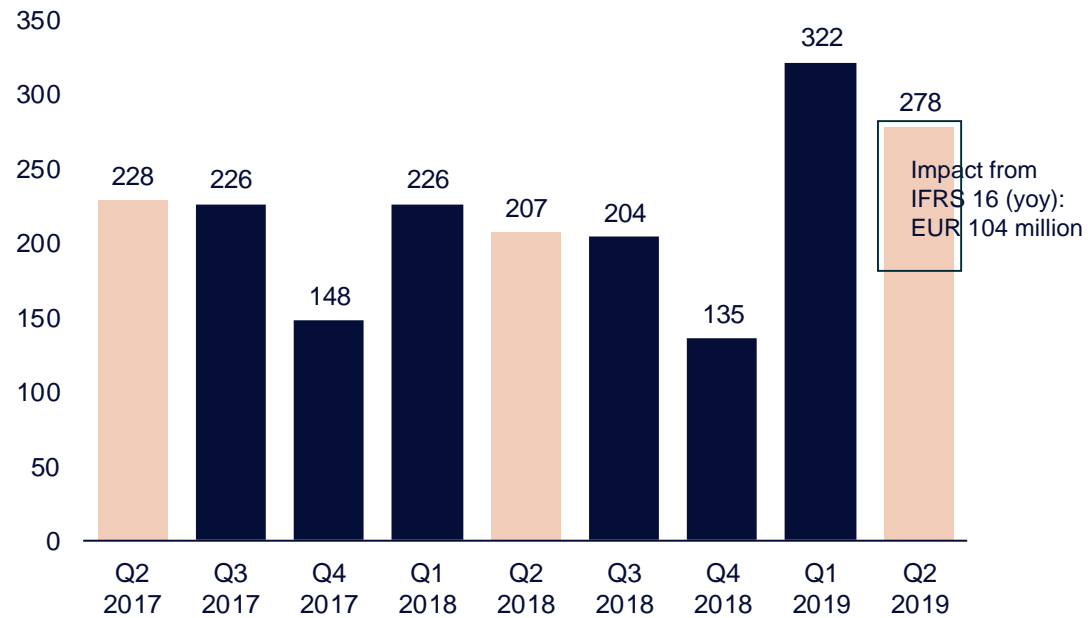


Working capital, EUR million

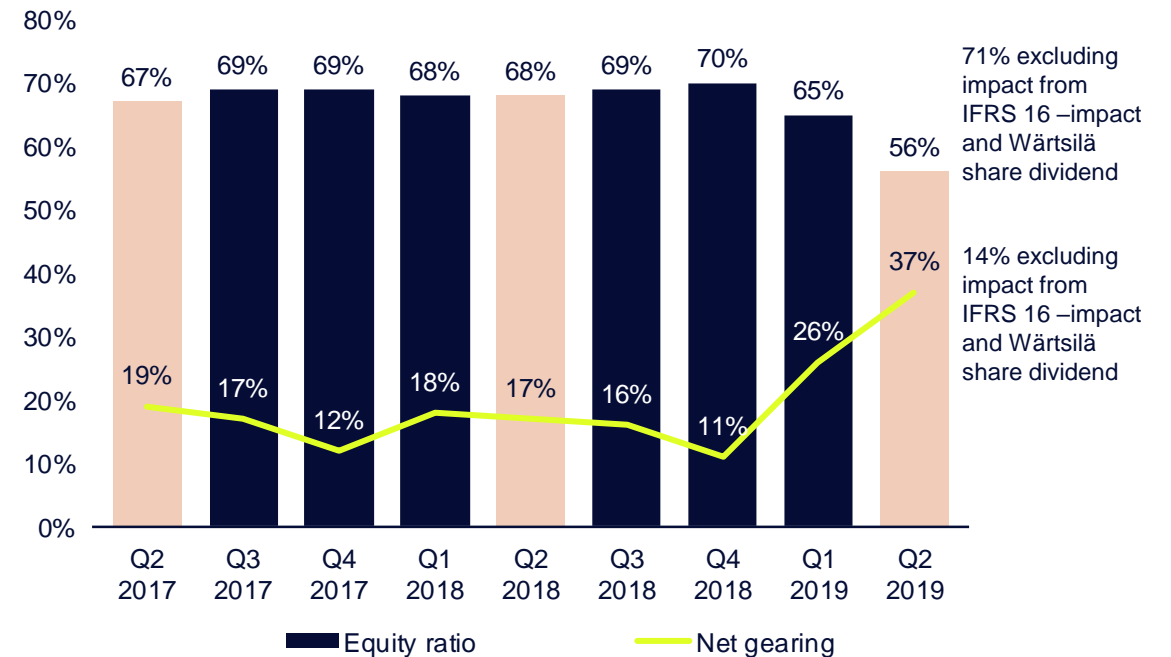


Net debt decreased excluding the impact from IFRS 16

Net debt, EUR million



Equity ratio and net gearing



Outlook for 2019 updated (May 17, 2019):

In 2019, Fiskars expects the Group's comparable net sales to be at the same level as in 2018 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.



Long-term financial targets unchanged



Growth

The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions



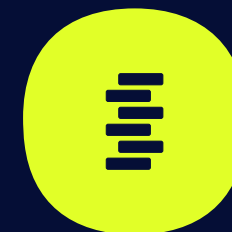
Profitability

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

Q1–Q2/19

-0.9% YoY
-3.3% YoY (comparable)

6.3%
7.9% (comparable)

37%

2018

-5.6% YoY
-2.4% YoY (comparable)

10.1%
10.9% (comparable)

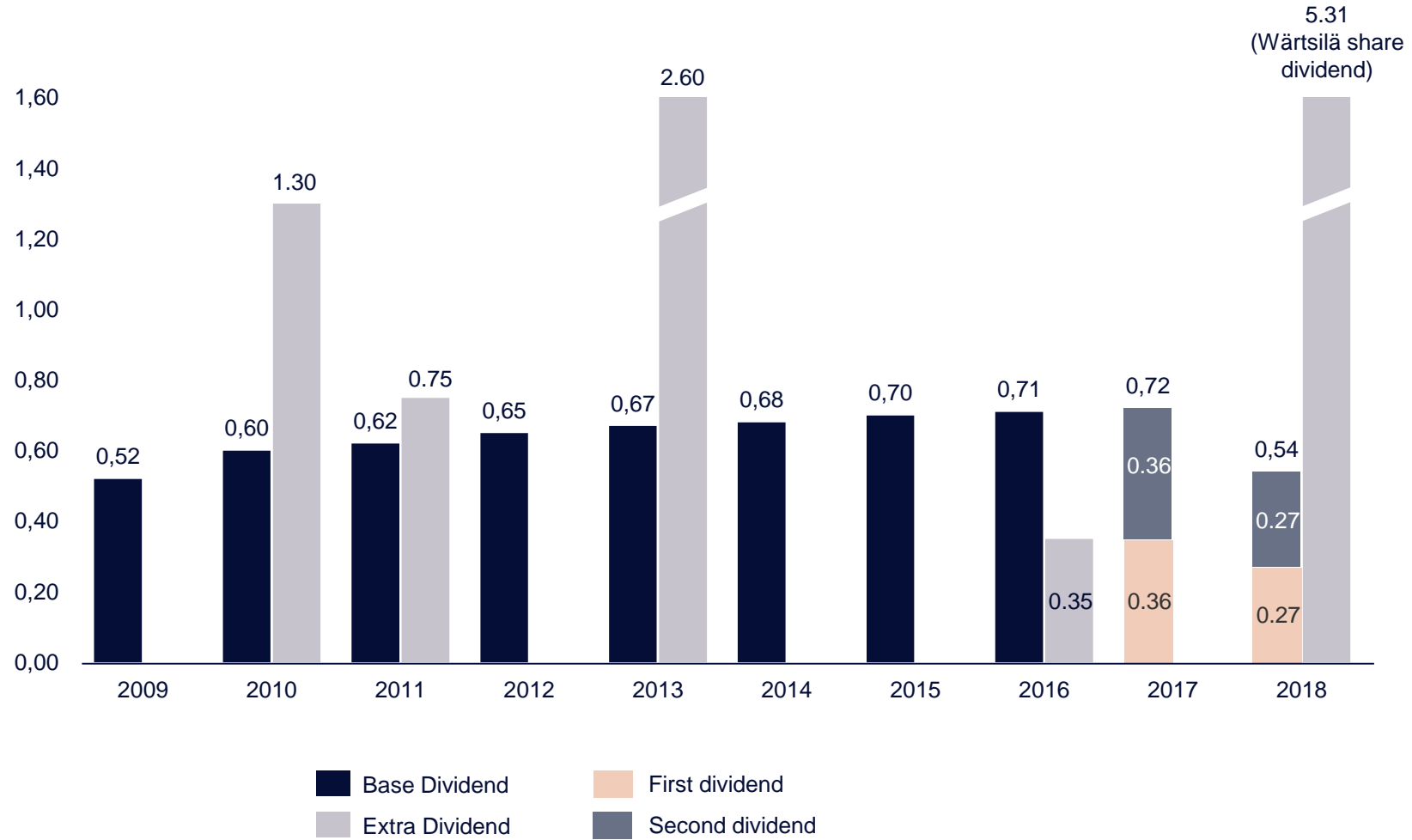
11%

A total of EUR 0.54 per share, paid in two installments of EUR 0.27 per share. Additionally, a distribution of Wärtsilä shares (EUR 5.31)

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



Dividend track



Making
the everyday
extraordinary

