

FISKARS
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GROUP

Interim report

January–September 2019



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.

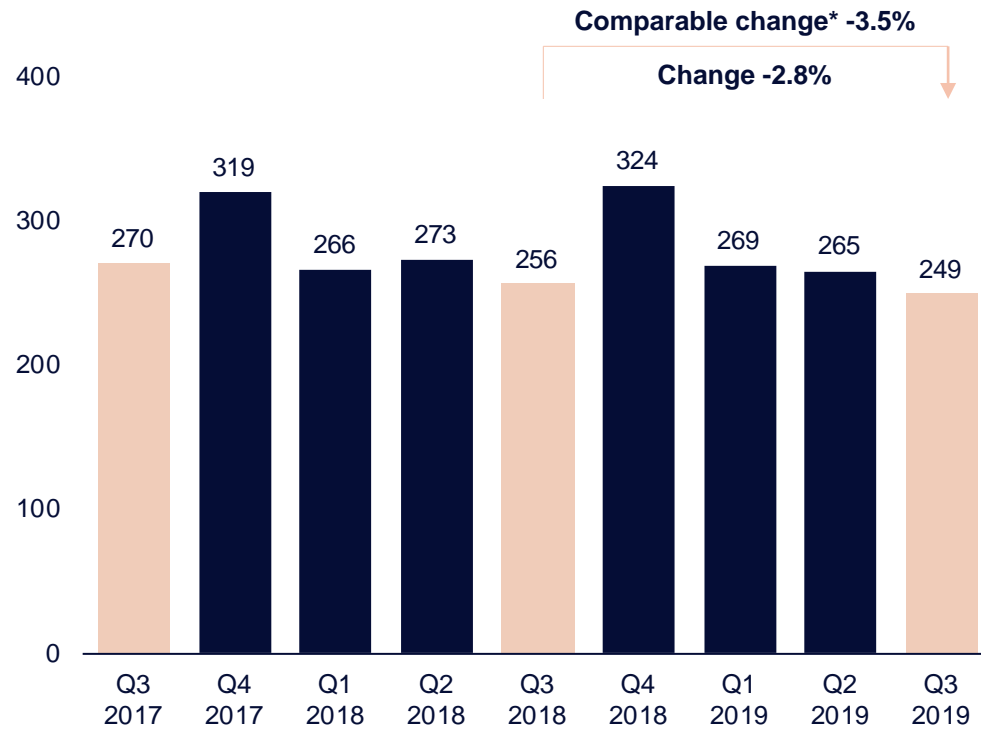
Key takeaways for Q3 2019

- **Challenging quarter with a decrease in comparable net sales, comparable EBITA and cash flow**
- **Good momentum in the Functional business in Europe continued, challenges in Americas**
- **Performance improved in the Living segment, driven by the English & Crystal Living business**
- **Full-year outlook regarding comparable net sales in 2019 lowered in mid-October**



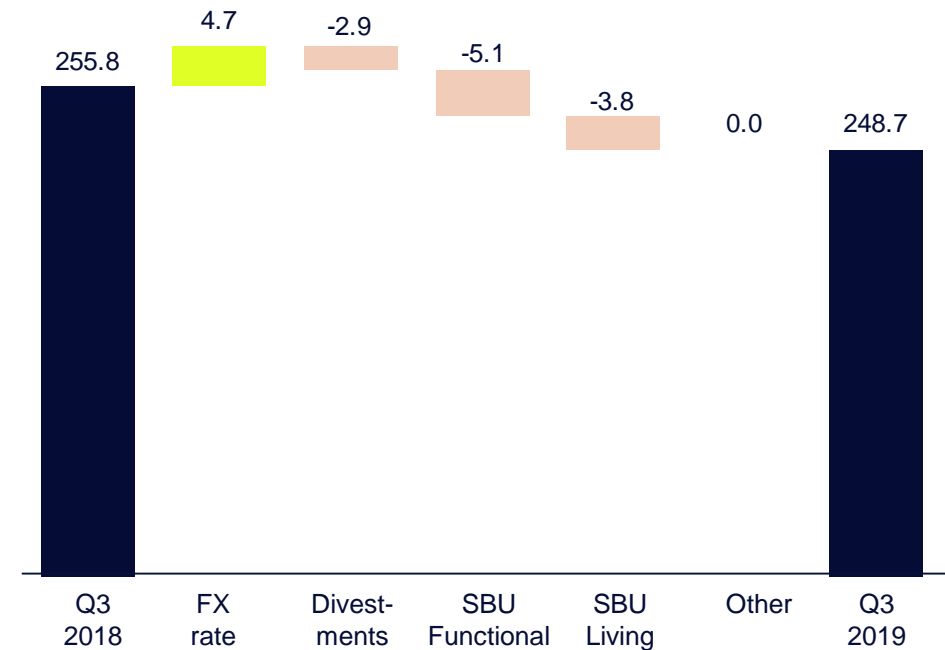
Fiskars Group comparable net sales in Q3 2019

Net sales, EUR million



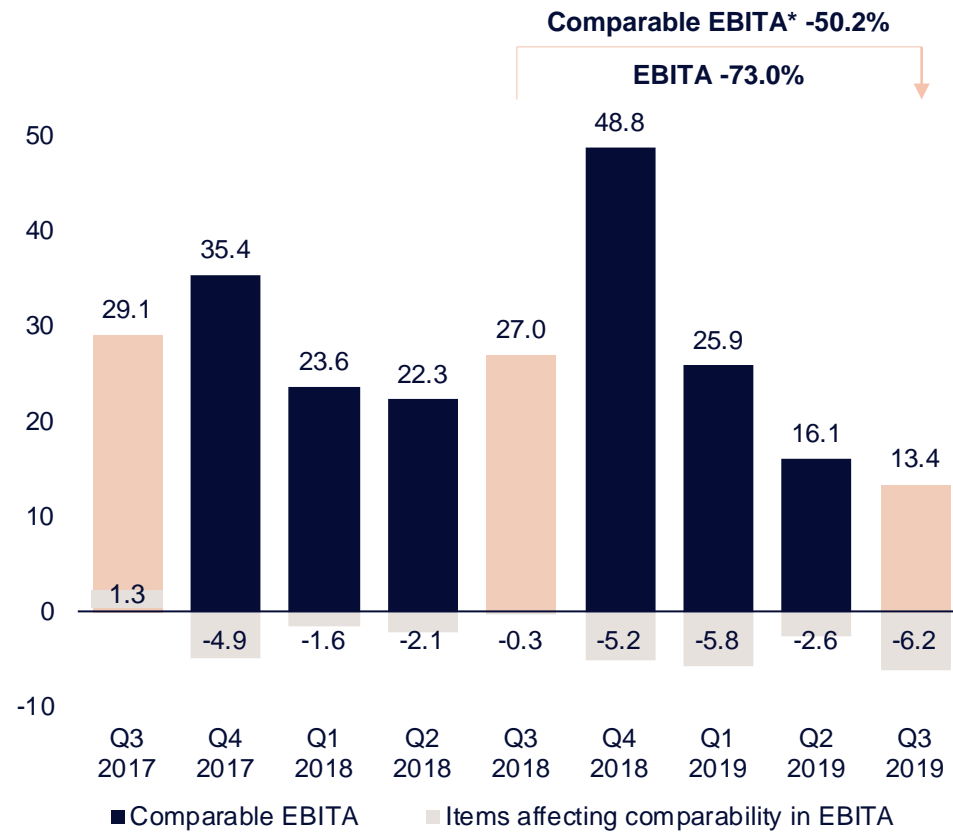
*Comparable change = currency neutral & excl. divestments

Net sales bridge, EUR million



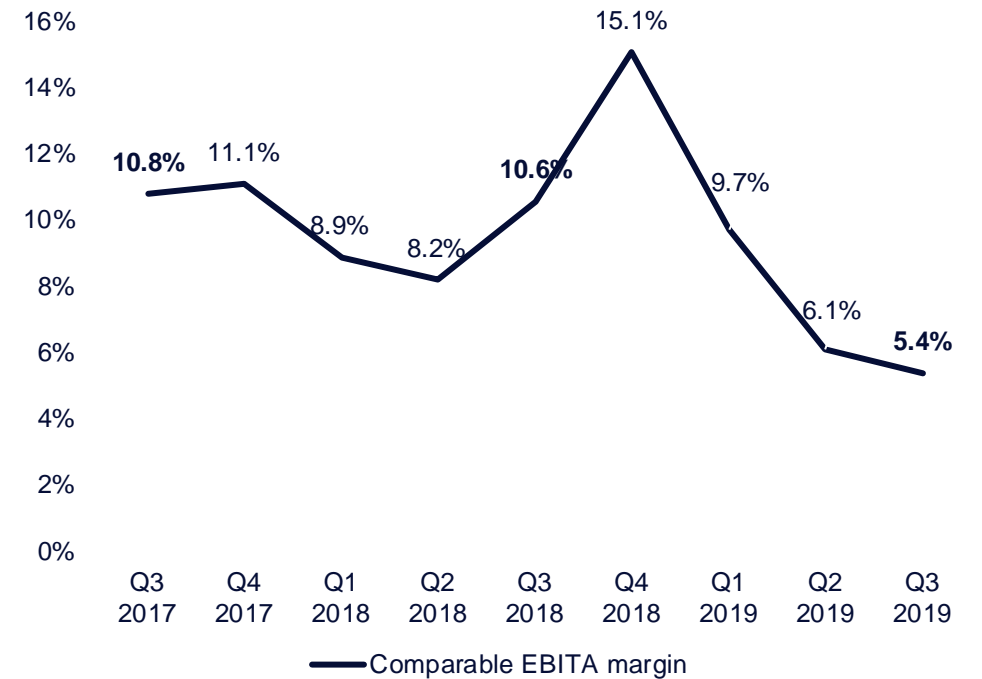
Fiskars Group comparable EBITA in Q3 2019

Comparable EBITA, EUR million



*Comparable change = currency neutral & excl. divestments

Comparable EBITA margin



Functional marketing highlights in Q3 2019

The Fiskars brand took steps forward in growing the direct retail channel. During the quarter, the brand opened its first cooking shop-in-shop in Oslo.

Fiskars continued to build its direct consumer contact by attending several crafting events in the U.S. The Fiskars brand's new e-commerce site in the U.S. was recently launched, providing an upgraded direct channel in this important market.

In Germany, Fiskars launched the watering concept at the Spoga trade show in Cologne. The watering products will be available on the German market from next spring.

Gerber launched five new products extending the line of fishing products. The new products supplement the previous series of fishing-related tools that are optimized for use in saltwater environments



Living marketing highlights in Q3 2019

Royal Copenhagen launched a new tableware collection called HAV, available exclusively in Royal Copenhagen stores and online.

Wedgwood presented an exclusive gift to Her Majesty Queen Elizabeth II. The hand-painted bowl was presented in conjunction with a cricket match.

Wedgwood started to collaborate with one of the top key opinion leaders in China. These kind of collaborations are part of growing business in China, with the aim to build brand awareness and increase store traffic and sales.

The expansion of the Vintage service was announced in July. Since October, the service has been available in all Iittala stores in Finland. Business models based on circular economy provide Fiskars Group with new opportunities to create value and grow.



Growing business

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



Inspiring people

Exciting consumers



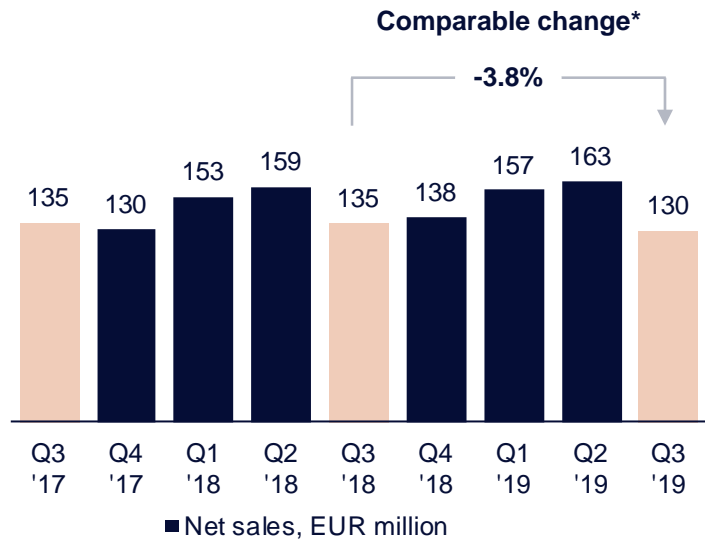
Improving performance



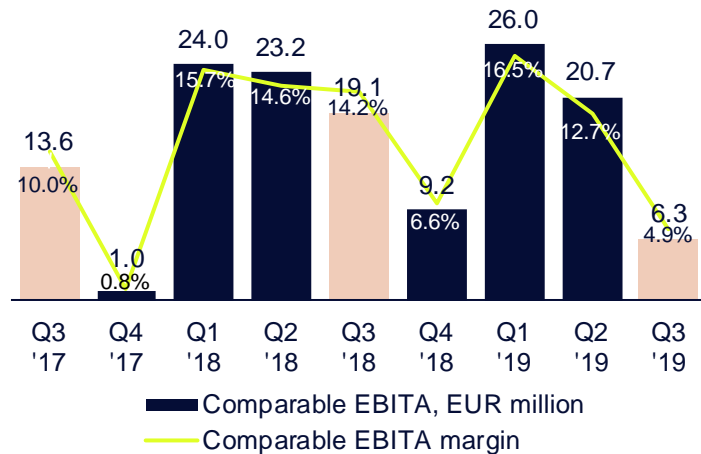
Q3 2019



Functional in Q3 2019



*Using comparable exchange rates and excluding the Leborgne divestment

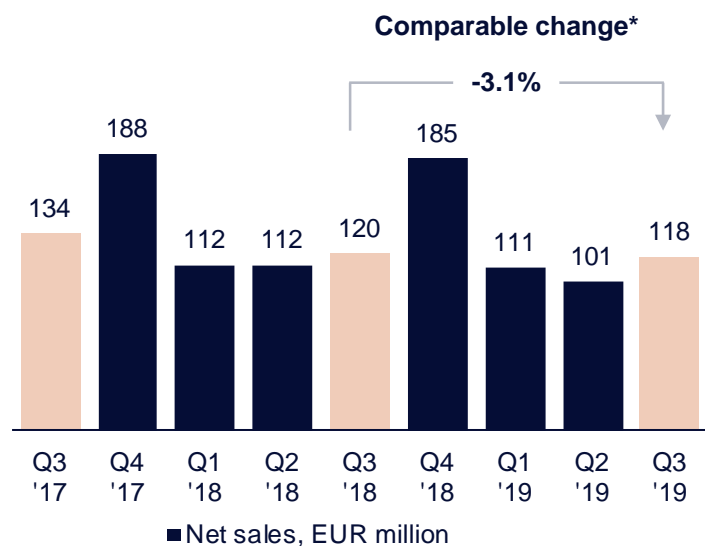


EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change
Net sales	129.8	134.6	-3.6%	449.9	446.8	0.7%
Comparable EBITA	6.3	19.1	-67.0%	53.0	66.4	-20.2%
Capital expenditure	4.7	6.1	-22.1%	11.8	13.2	-11.0%

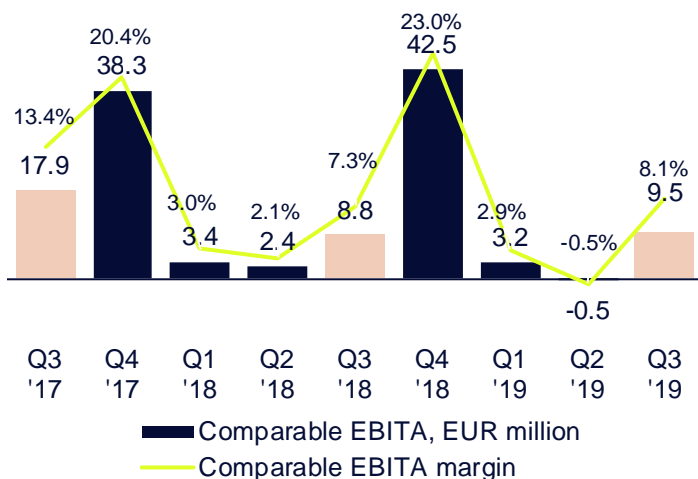
- Comparable net sales decreased
 - Increased in Europe:
 - Gardening and cooking categories driving growth
 - The indirect e-commerce channel continued to grow
 - Decreased in the Outdoor business:
 - Decreased government orders & timing of campaigns
 - Decreased in the Americas:
 - Decreased in the school, office and craft category in the Americas, particularly due to weak sales during the back-to-school –season
 - Watering category did not recover from weak first half of the year
 - Positive development in the gardening category and in the indirect e-commerce channel
- Comparable EBITA decreased
 - Decreased volumes
 - U.S. tariff costs
 - Costs related to increased inventories
 - Increased logistics costs



Living in Q3 2019



*Using comparable exchange rates



EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change
Net sales	117.9	120.0	-1.8%	329.7	344.9	-4.4%
Comparable EBITA	9.5	8.8	7.7%	12.2	14.5	-16.0%
Capital expenditure	3.7	5.4	-31.4%	12.5	16.5	-24.1%

- Comparable net sales decreased
 - Decreased in the Scandinavian Living business
 - Net sales in Finland decreased as a result of the timing of campaigns
 - Increased in Japan, driven by the Iittala brand
 - Decreased in the English & Crystal Living business
 - Decrease driven by Australia and Americas (where outlet network rationalization continued)
 - Growth driven by China and Japan
- Comparable EBITA increased during the third quarter
 - Remained at the previous year's level in the Scandinavian Living business
 - Increased in the English & Crystal Living business, as a result of 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 Q3 2019, EUR 17.0 million of costs had been booked



Net sales by geography in Q3 2019

EUR million	Q3 2019	Q3 2018	Change	Comparable change*	Q1-Q3 2019	Q1-Q3 2018	Change	Comparable change*
Europe	114.3	119.4	-4.2%	-1.4%	365.2	369.1	-1.1%	0.9%
Americas	100.4	104.1	-3.6%	-7.6%	321.0	332.4	-3.4%	-8.9%
Asia-Pacific	33.8	29.1	16.0%	12.8%	95.9	93.0	3.1%	0.8%
Unallocated**	0.2	3.2			0.3	0.0		

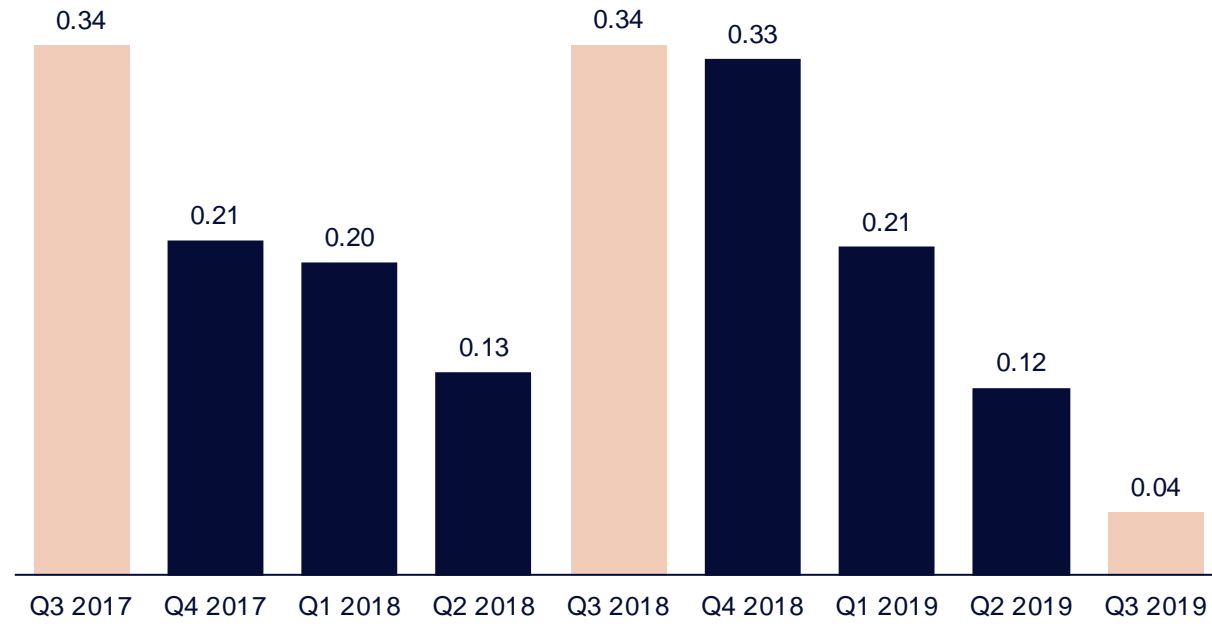
*Using comparable exchange rates and excluding the Leborgne divestment

**Geographically unallocated exchange rate differences

- Comparable net sales in Europe decreased, as a result of the challenges in the Living segment.
- Comparable net sales in the Americas decreased. Both the Functional and Living segments weighed on net sales.
- Comparable net sales in Asia-Pacific increased, driven by the Living segment.

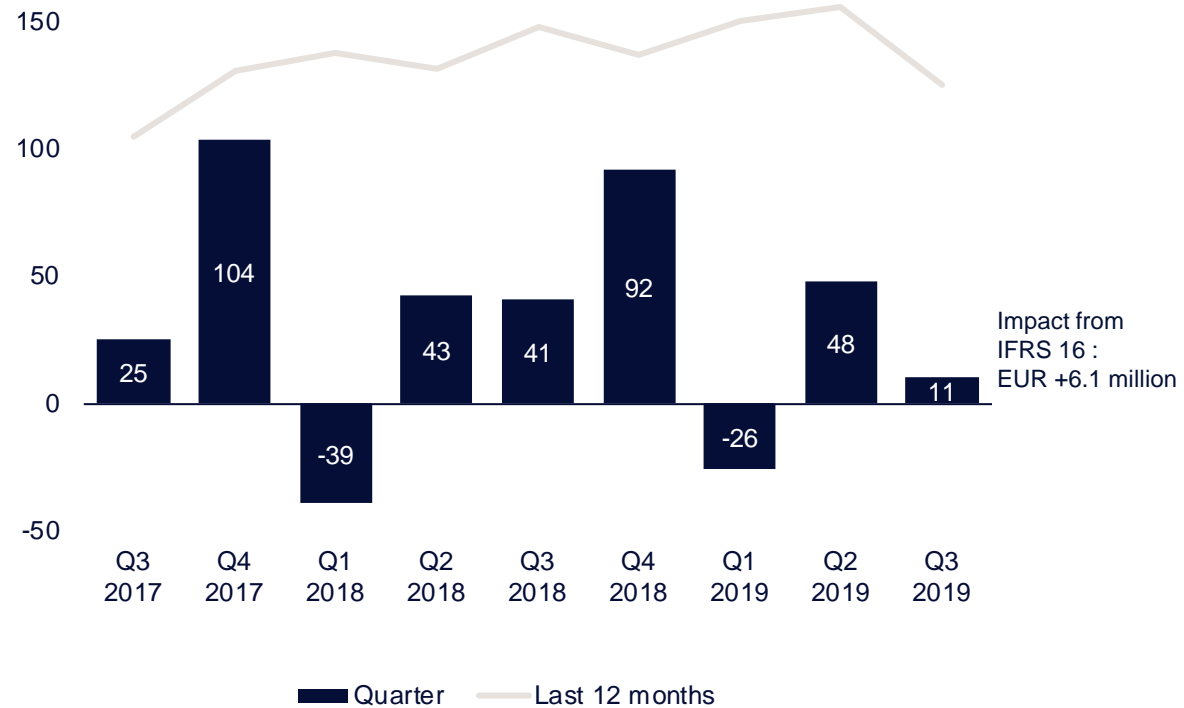


Earnings per share in Q3 2019

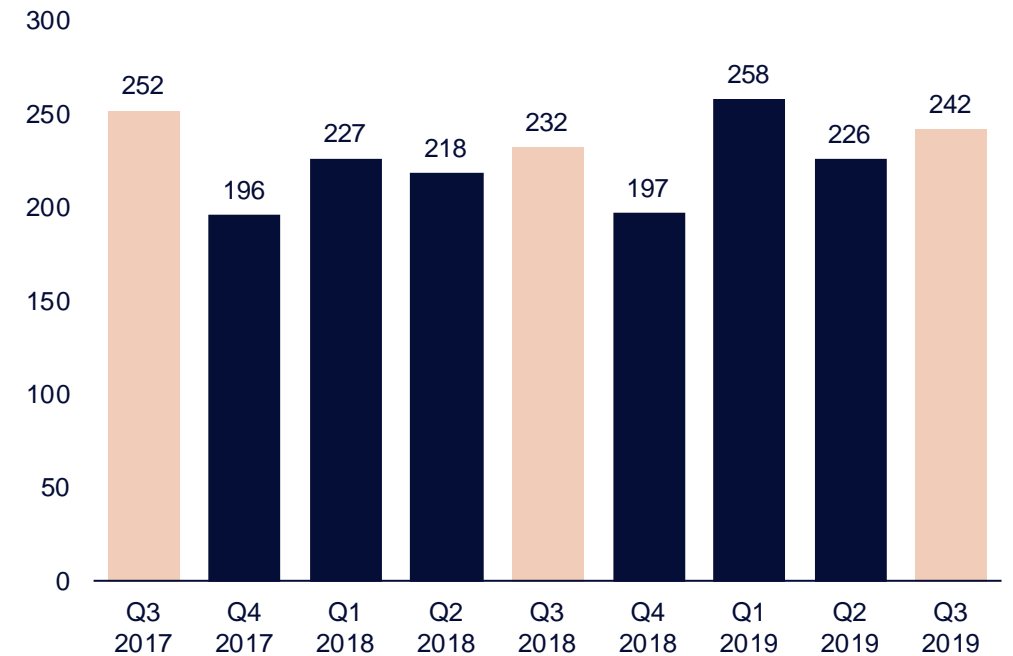


Cash flow decreased from previous year's level

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

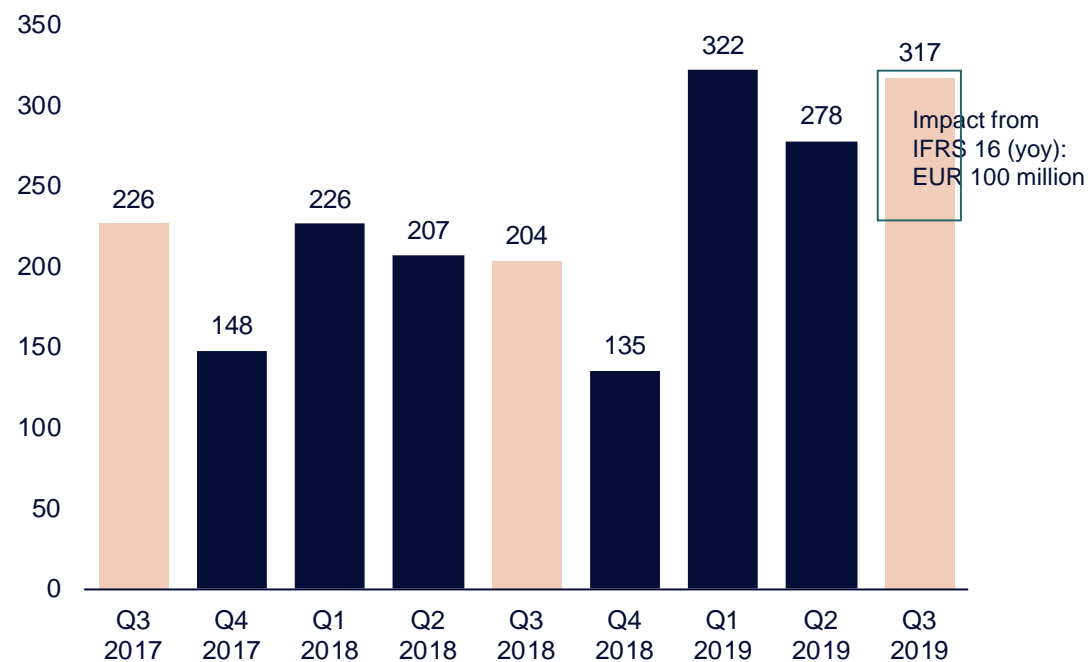


Working capital, EUR million

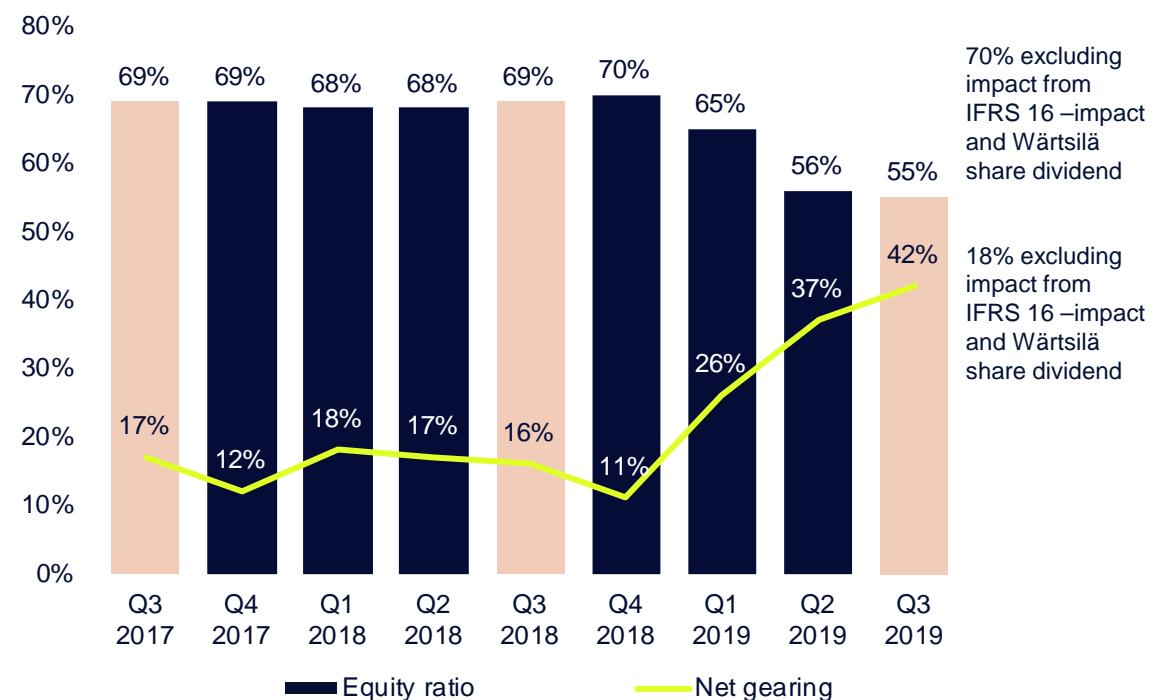


Net debt excluding the impact from IFRS 16 close to previous year's level

Net debt, EUR million



Equity ratio and net gearing



Outlook for 2019 updated (October 16, 2019):

In 2019, Fiskars expects the Group's 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.



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–Q3/19

-1.5% YoY
-3.3% YoY (comparable)

5.2%
7.1% (comparable)

42%

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





Making
the everyday
extraordinary