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# Fiskars Group

# Q3/2012

1.1. - 30.9.2012

Helsinki, November 1, 2012



**FISKARS**

# Agenda

Highlights

Business Review

Spotlight: New Sales Organization

Financials

Appendixes

## Q3: Good performance, driven by the Americas

Net sales  
168.0 MEUR, + 2 %

EBIT  
14.0 MEUR, + 106 %  
EBIT excl. NRI  
13.2 MEUR, +1 %

Americas  
Sales + 17%  
EBIT excl. NRI + 45 %

Garden and SOC  
performed well in the  
Americas

Operational efficiency  
improved in EMEA

Five-year investment  
program in EMEA  
progresses according  
to plan

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# Q3

## Business review



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# Operating environment in Q3

- Market conditions remained challenging in Europe, especially in Southern Europe
  - Stream of worrying financial news impacted consumer behavior and shopping was still value-driven
  - Trade remained cautious, keeping tight control on inventory levels
- In the Americas, consumer sentiment improved amid a string of encouraging signs from the economy
  - Retail sales increased compared both to the previous quarter and the previous year
  - Retailers still monitored their inventories carefully



# Home sales driven by good momentum in SOC

Q3/2012

- Net sales for Home products at 2011 levels
  - Export sales continued to develop well
  - Successful product launches boosted sales in Dining category
- Iittala's international expansion continued in Japan and France
- In the Americas, School, Office and Craft products (SOC) maintained good momentum
  - Expanded retail availability and robust sales for die-cutting novelty
  - Good back-to-school sales to key accounts



## HOME

Modern Scandinavian design products for the kitchen, table, living room and school, office and craft

**80.5** MEUR net sales +4%

**48 %** of total sales

**iittala FISKARS®**

**HACKMAN®**

**ARABIA  
FINLAND**

**HØYANG-POLARIS®**



**RAADVAD**

**gingher**  
*a tradition of quality*



**KAIMAN®**

**Kitchen  
Devils**

**Rörstrand**

## Strong Garden sales in the Americas

Q3/2012

- In the Americas, Garden business performed strongly
  - Positive development across main accounts
  - Growth driven by strong axe sales
  - Successful marketing programs drove incremental sales at key accounts
- Net sales in EMEA decreased during the quarter
  - Sale of snow tools behind previous year's exceptional levels
  - Rainy weather affected container gardening products
  - Core Garden & Yard Care categories developed well
- Ebert and Sankey brands consolidated into one container gardening offering under EbertSankey brand

Ergonomically designed tools for gardening and construction

56.5 MEUR net sales, -3 %

34 % of total sales

FISKARS®

leborgne

Zinck & Sankey

ebertsankey 





# Gerber sales boosted by international expansion

Q3/2012

- European distribution for Gerber progressing
- In Europe, growth in Gerber sales offset tough market conditions in boat business
- In the Americas, Sales of Outdoor products did not reach previous year's high levels due to decrease in institutional demand
- Sales grew in commercial segment also in the Americas



## OUTDOOR

Innovative, essential products for an active lifestyle and durable leisure boats

**30.1** MEUR net sales,  
+5%

**18%** of total sales



**Buster DRIVE**





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# Q3

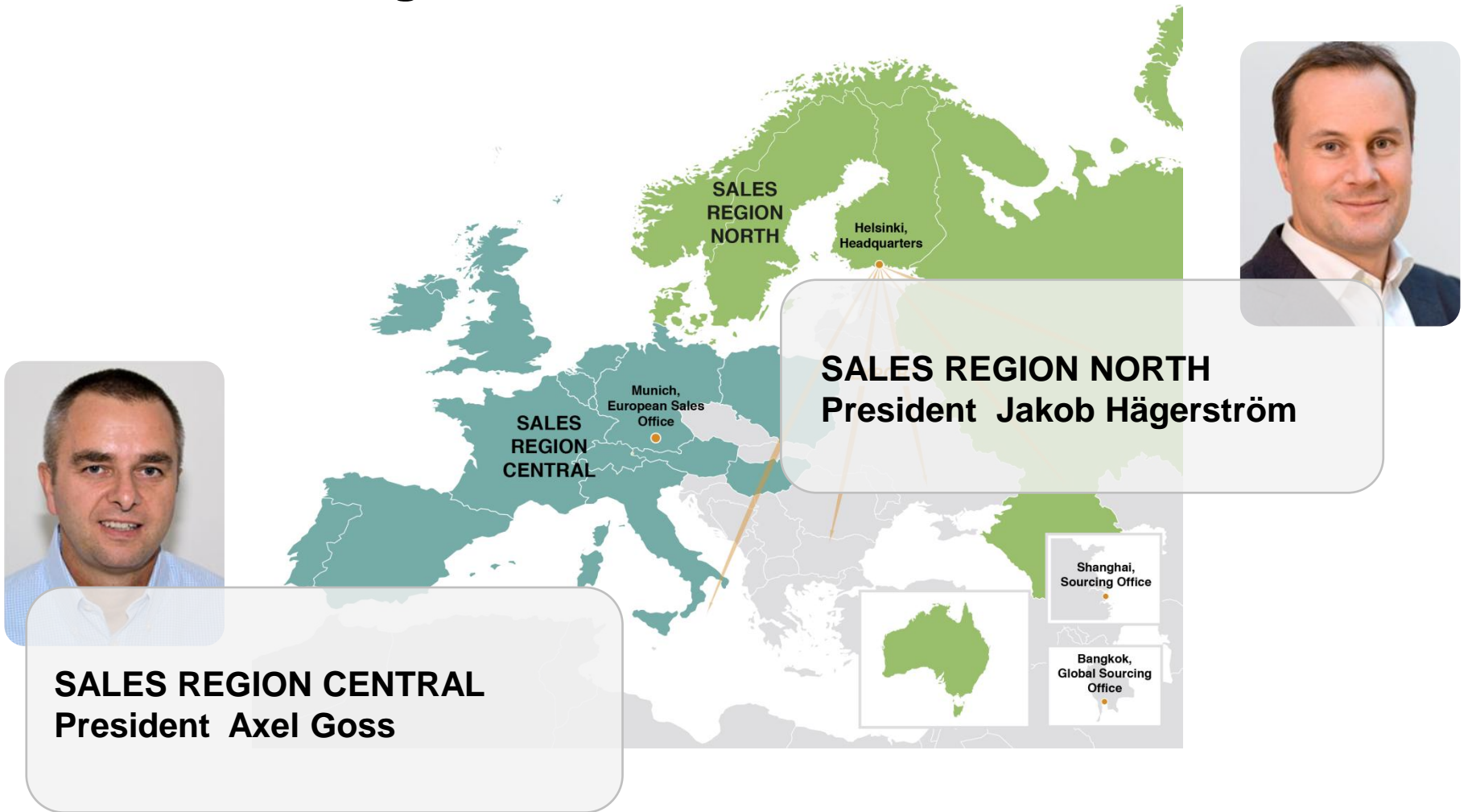
## Spotlight: New sales organization

FISKARS INTEGRATION  
360°

TOMORROW'S  
EMEA

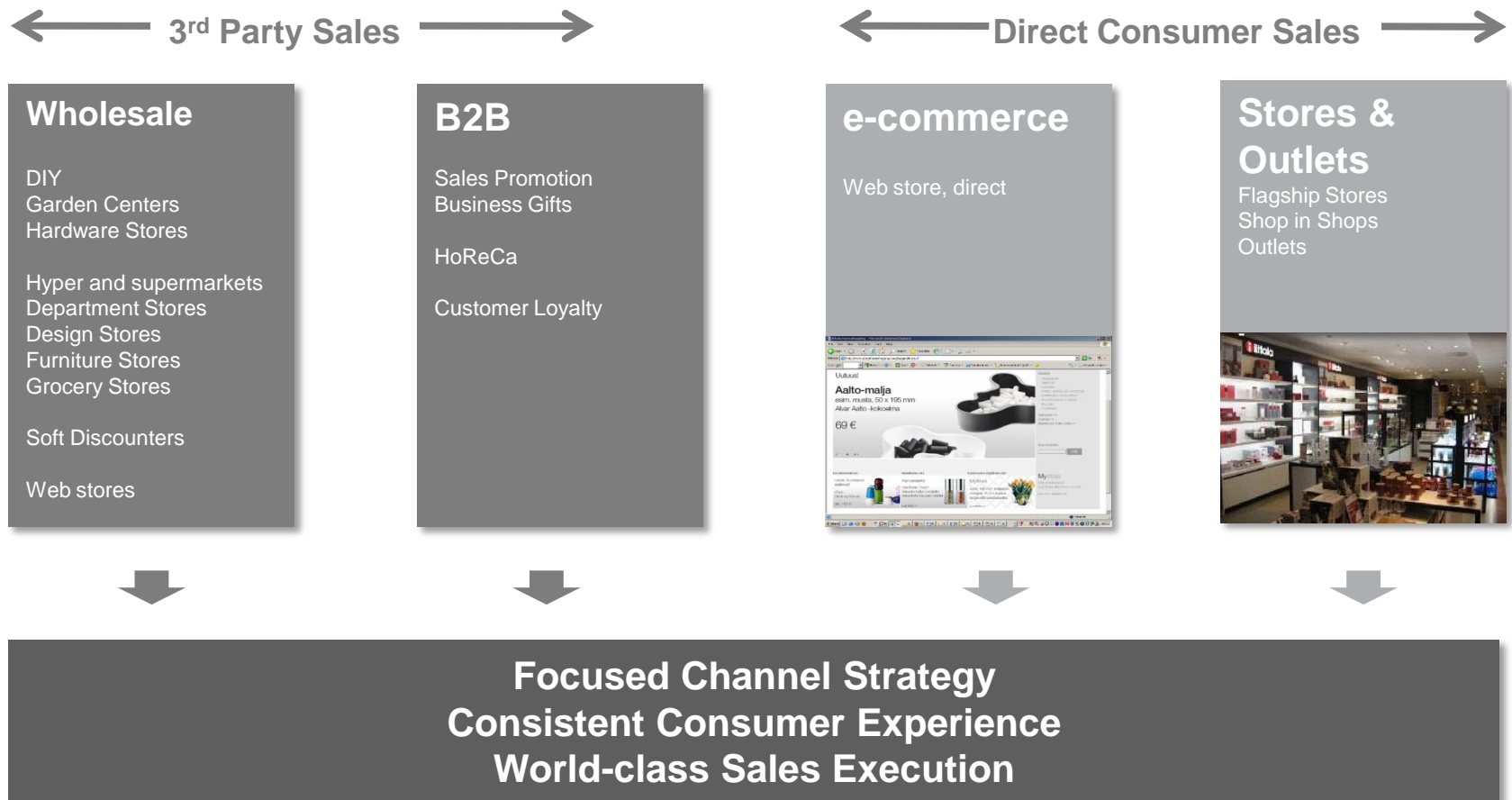
Design for  
Function  
and Growth

# Two Sales Regions in EMEA



# Fiskars products are sold in multiple channels

Focused strategy and execution across channels



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# The two regions differ from each other

## SALES REGION

# CENTRAL

- Focused investments for growth in selected key markets
- Well-established presence in Garden categories
- Access to a broad national and international customer base

### Opportunities

- Leverage on total brand offering
- Increase distribution
- Expand assortment and improve in-store execution at current customers
- Expand Outdoor business

## SALES REGION

# NORTH

- Strong position across categories
- High market shares in Home business
- Broad Nordic customer base
- Strong direct consumer sales

### Opportunities

- Grow Key International brands
- Invest in and enter new categories and channels
- Maximize launches and seasonalities
- Maximise return from regional and local brands
- Expand in Russia and Export countries

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# Q3

## Financials

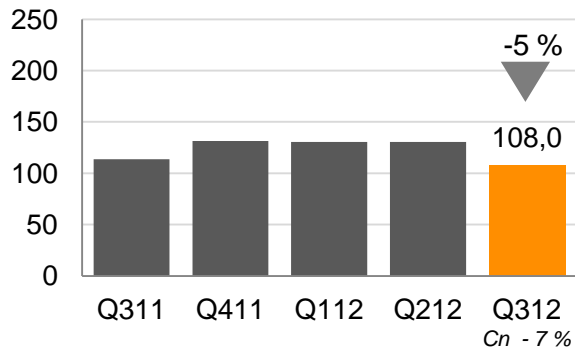


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# Net Sales in Q3 2012

by Segment

Net sales, MEUR

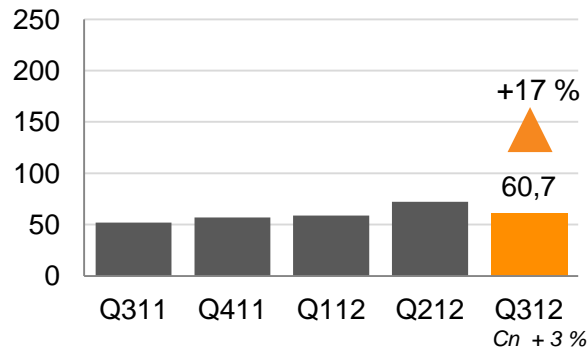


EMEA



64% of total sales

Net sales, MEUR

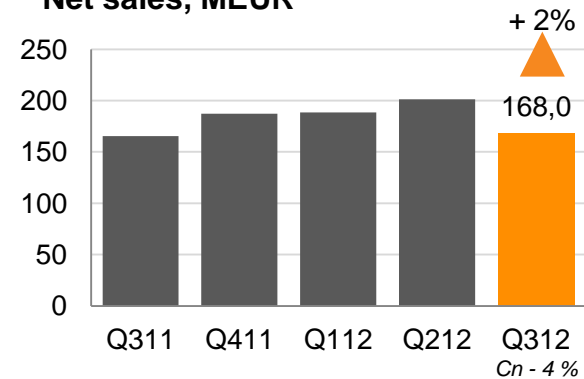


Americas



36% of total sales

Net sales, MEUR



Fiskars Total

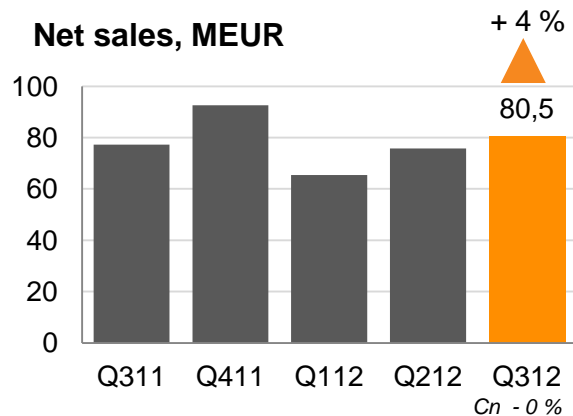


100% of total sales

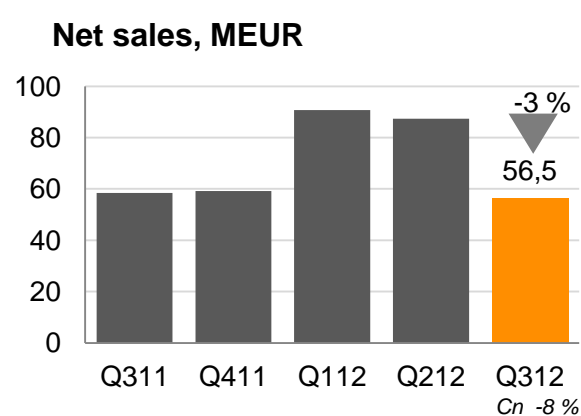
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# Net Sales in Q3 2012

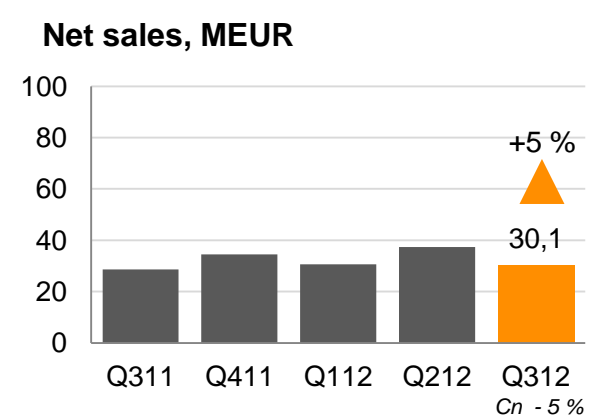
by Business Area



Home



Garden



Outdoor

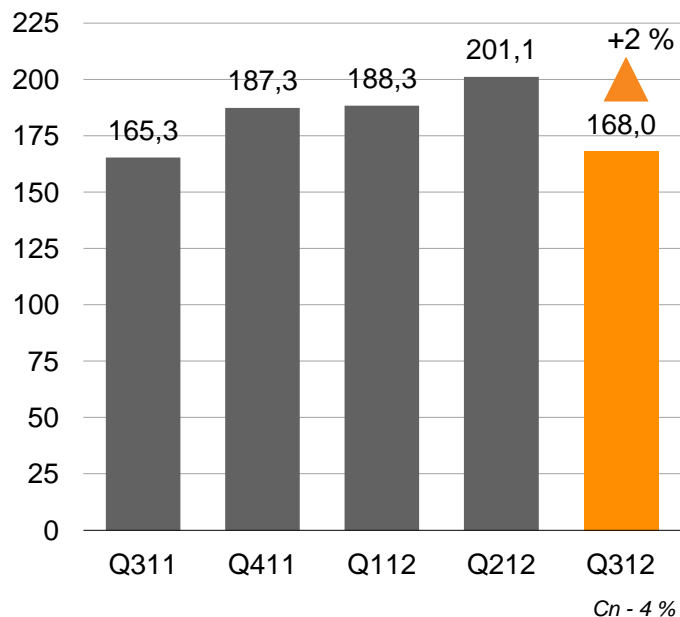




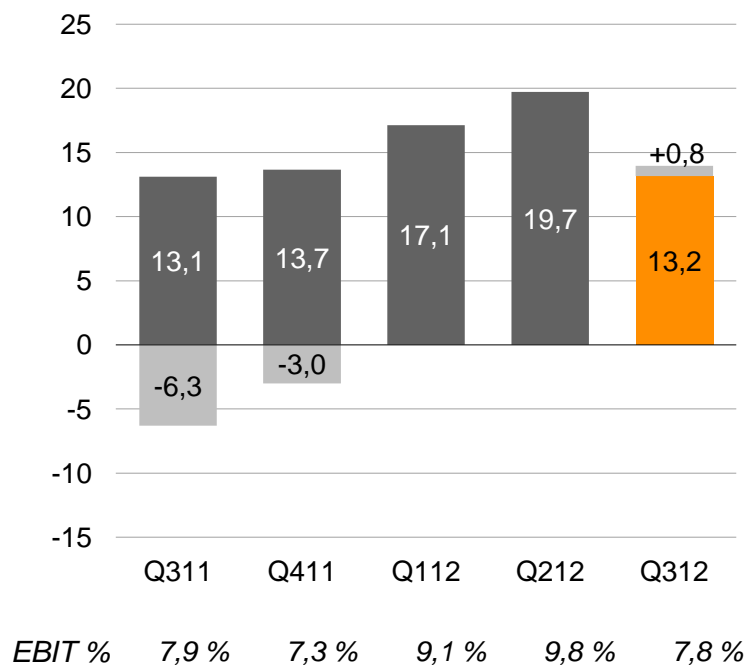
# Net Sales and EBIT in Q3 2012

Fiskars Group

## Net sales by quarter, MEUR



## EBIT by quarter, MEUR



■ EBIT excluding non-recurring items  
 ■ Non-recurring items

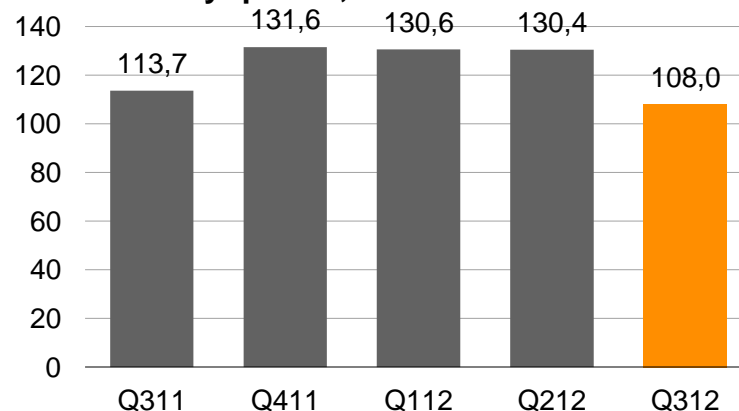
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# Net Sales and EBIT in Q3 2012

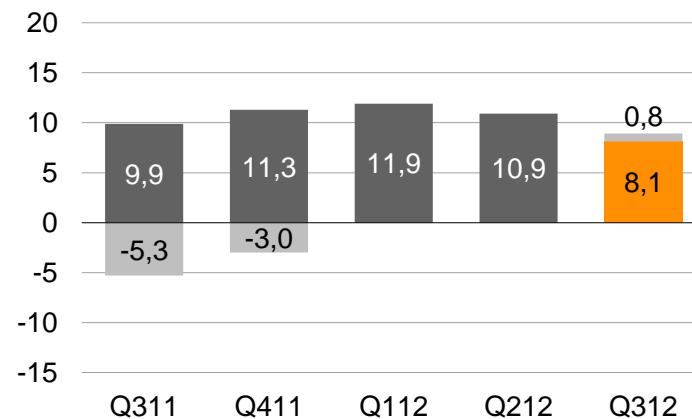
## EMEA segment

- Net sales -5% at EUR 108.0 million (113.7), as Garden sales did not reach previous year's levels
- Operational efficiency in EMEA continued to improve
- EBIT excl. NRI EUR 8.1 million (9.9), mainly reflecting the increase in costs related to the five-year platform investment program

Net sales by quarter, MEUR



EBIT by quarter, MEUR



EBIT % 8,7 % 8,6 % 9,1 % 8,4 % 7,5 %

■ EBIT excluding non-recurring items  
 ■ Non-recurring items

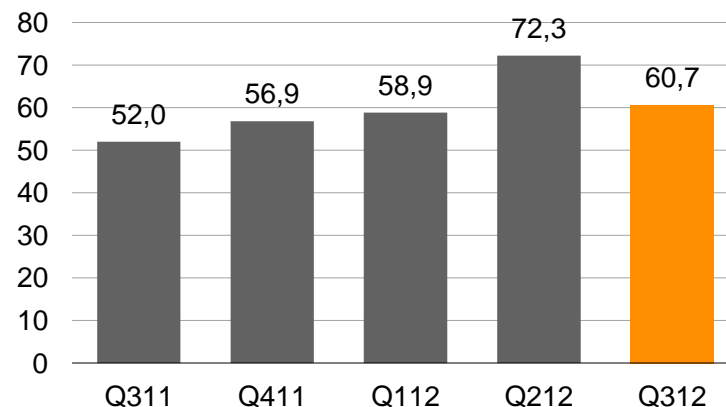
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# Net Sales and EBIT in Q3 2012

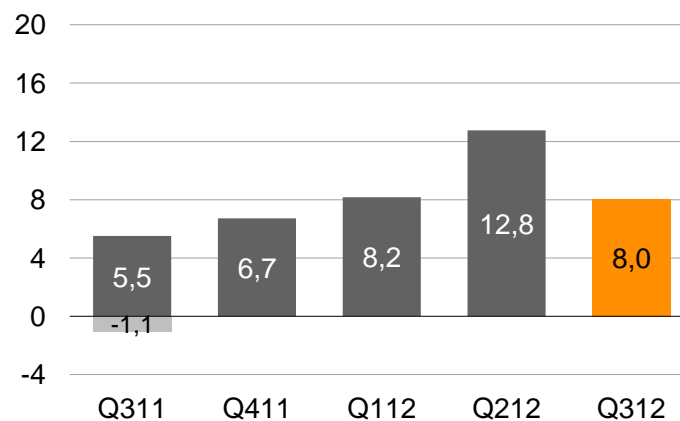
## Americas segment

- Net sales +17% to EUR 60.7 million (52.0), boosted by the strengthening of the US dollar and good development in Garden and SOC
- Using comparable currency rates, sales increased by 3%
- EBIT EUR 8.0 million (5.5, excluding a EUR 1.1 million non-recurring loss), boosted by volume increase and sales mix in Garden and SOC businesses

Net sales by quarter, MEUR



EBIT by quarter, MEUR



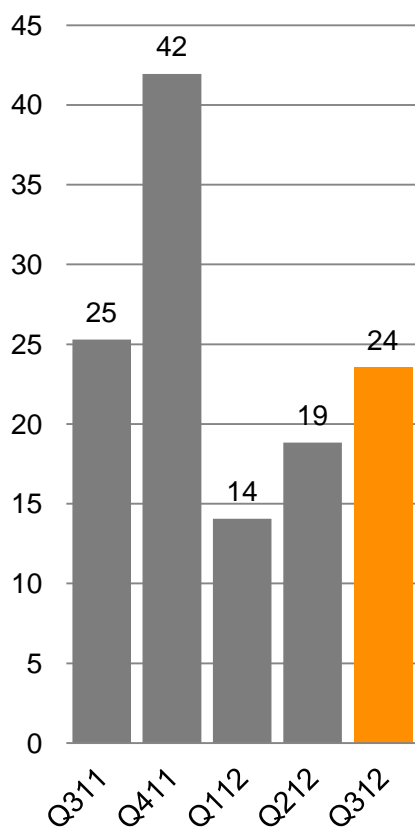
EBIT % 10,7 % 11,8 % 13,9 % 17,7 % 13,2 %

■ EBIT excluding non-recurring items  
■ Non-recurring items

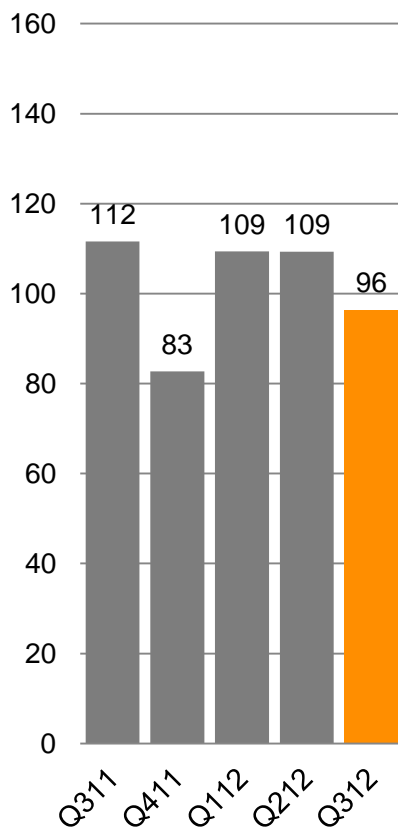
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# Cash flow and debt Q3 2012, MEUR

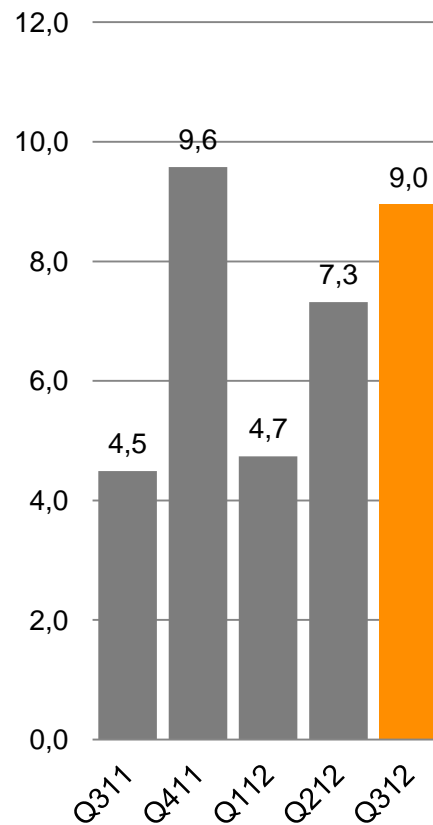
**CF from operating activities**



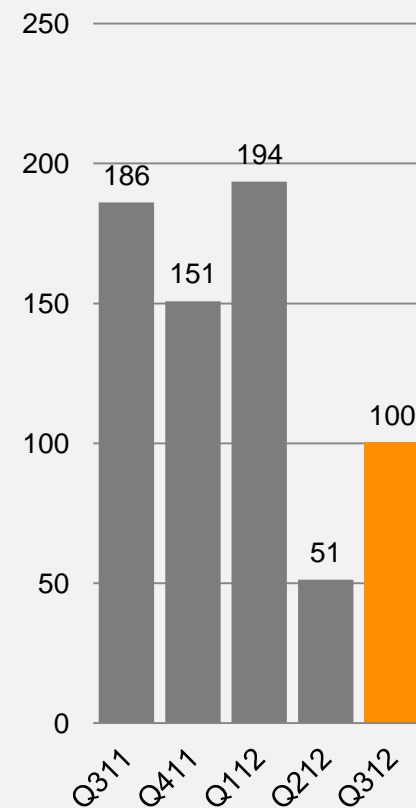
**Working Capital**



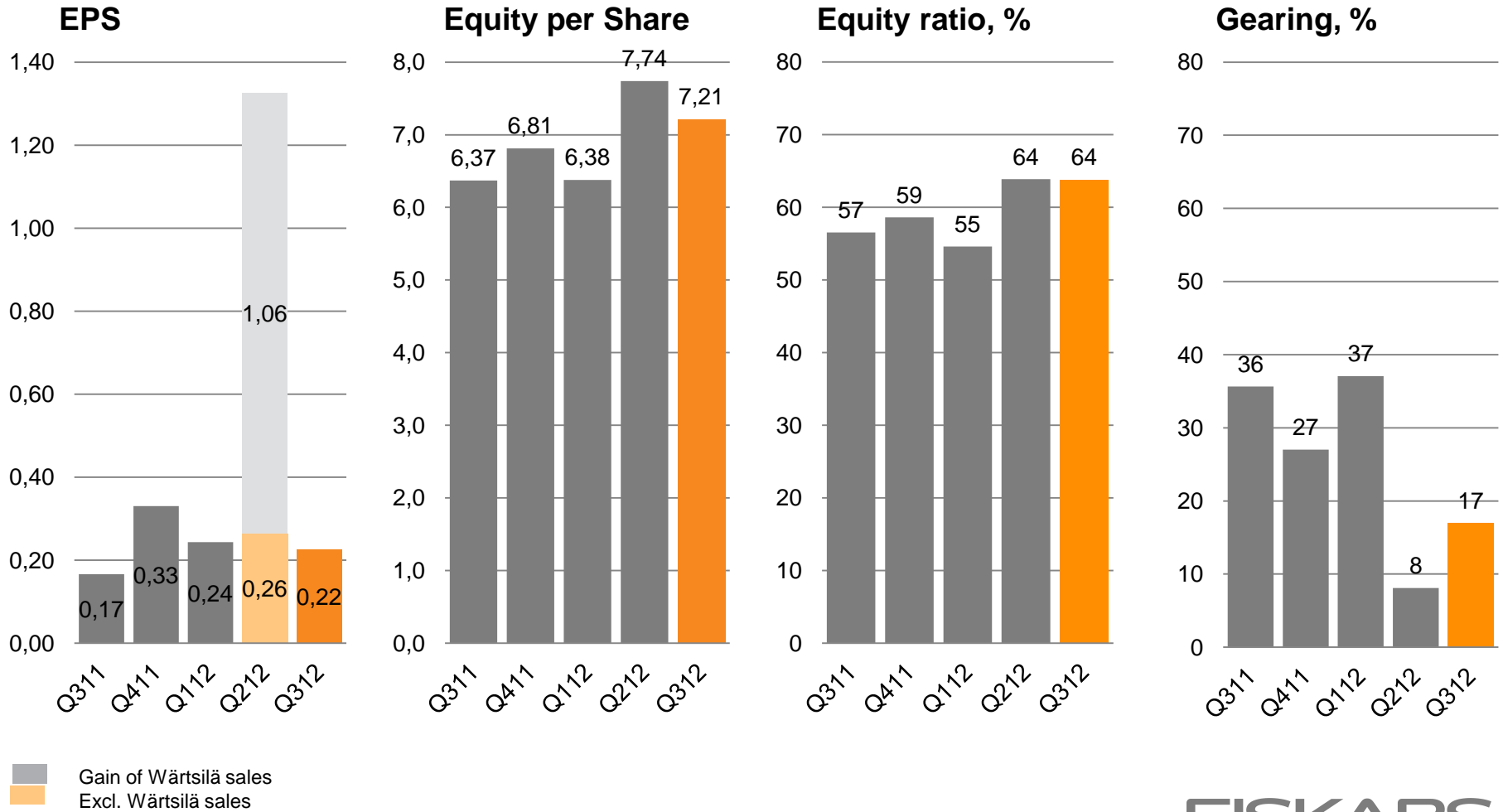
**Capital expenditure**



**Net debt**

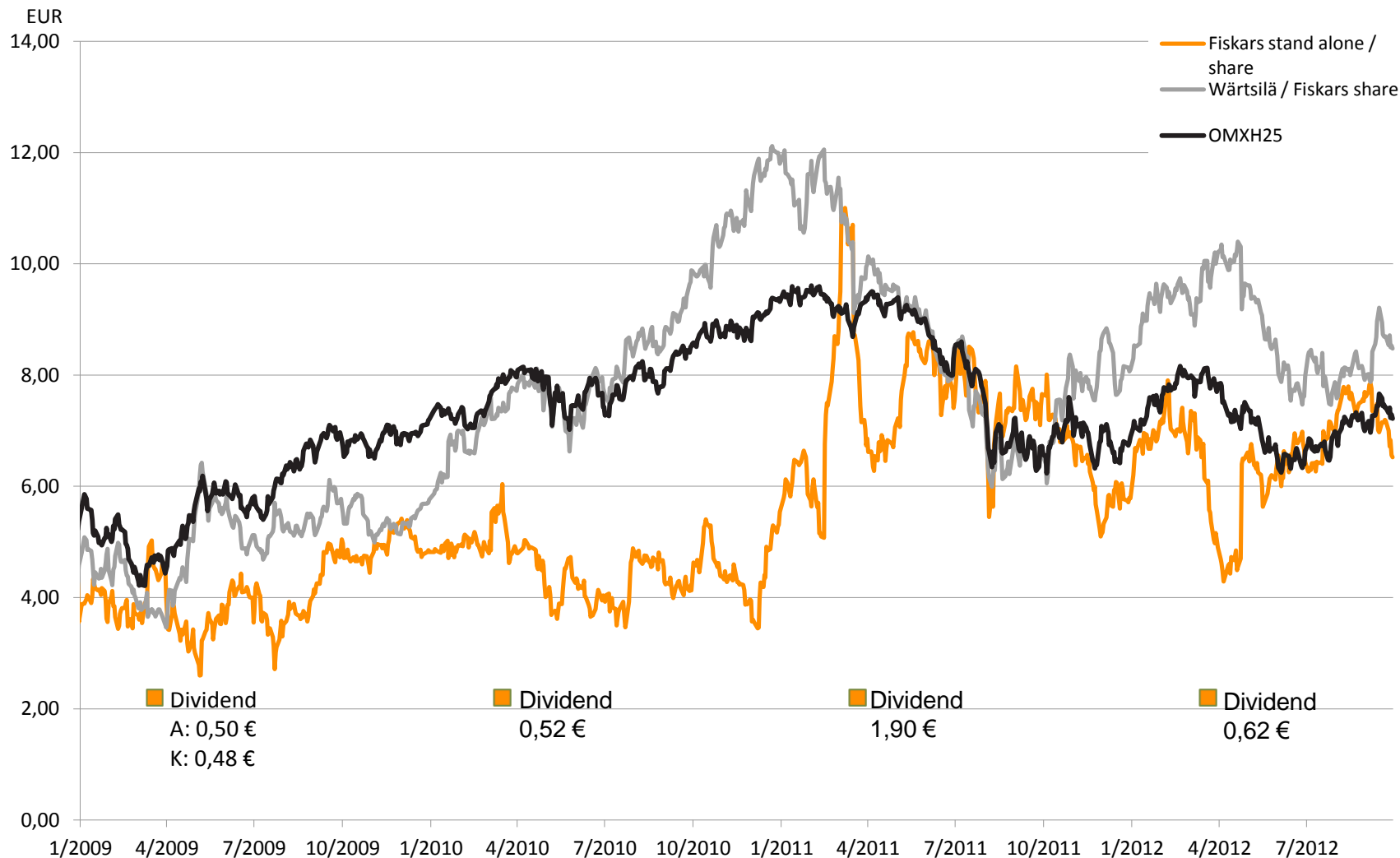


# Key ratios Q3 2012



# Fiskars share price development 2009 – Q3 2012

Valuation of Fiskars' own operations and the share of Wärtsilä shares



# Outlook for 2012 unchanged

- Fiskars' operating environment remained uncertain during the third quarter, and further instability could affect consumer and trade behavior adversely
  - Changes in demand, for Home products in particular, during the last quarter could affect the full-year results
  - In the Garden business, demand for snow tools has been exceptionally high over the last two winters
- Fiskars will continue implementing its integrated company strategy, the investment program in EMEA and investments in new product development and marketing
- We expect full-year 2012 net sales and operating profit excl. non-recurring items to amount to similar levels as in 2011
- The associated company, Wärtsilä, will continue to have a major impact on Fiskars' profit and cash flow in 2012





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# Q3

## Appendixes



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# Key figures Q3 2012

EUR million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change	2011
Net sales	168.0	165.3	2%	557.5	555.2	0%	742.5
Operating profit (EBIT)*	14.0	6.8	106%	50.8	42.1	21%	52.8
Operating profit excluding non-recurring items	13.2	13.1	1%	50.0	48.4	3%	62.1
Share of profit from associated company	9.8	7.5	29%	28.1	29.3	-4%	42.7
Change in the fair value of standing timber	0.7	-0.1		1.0	-0.9		-1.0
Profit before taxes**	22.8	14.8	54%	163.4	138.3	18%	161.8
Profit for the period**	18.4	13.6	35%	147.1	129.7	13%	156.3
Earnings per share, EUR***	0.22	0.17	35%	1.79	1.58	13%	1.91
Equity per share, EUR				7.21	6.37	13%	6.77
Cash flow from operating activities****	23.5	25.3	-7%	56.4	65.5	-14%	107.4
Equity ratio, %				64%	57%		59%
Net gearing, %				17%	36%		27%
Capital expenditure	8.8	4.6	90%	21.2	14.9	42%	24.7
Personnel (FTE), average	3,371	3,463	-3%	3,377	3,606	-6%	3,545

\*Incl. non-recurring items: in Q3 2012 income of EUR 0.8 million from the release of a provision related to the sale of Silva, in Q4 2011 a fine of EUR 3 million, in Q3 2011 losses of EUR 5.3 million from the sale of Silva and EUR 1.1 million from product recalls

\*\*Including non-recurring profit from the sale of Wärtsilä shares of EUR 87.0 million in Q2 2012 and EUR 69.8 million in Q1 2011

\*\*\*Including EUR 1.06 from the sale of Wärtsilä shares in Q2 2012 and EUR 0.85 in Q1 2011

\*\*\*\*Including a Wärtsilä dividend of EUR 26.8 million in Q1 2012 (40.9)

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# Fiskars IR Calendar and Contact Information

- Q1 Interim Report May 3, 2012
- Q2 Interim Report August 2, 2012
- Q3 Interim Report November 1, 2012
- EGM September 12, 2012
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## Analyst coverage

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