

Fiskars Group
February 7, Helsinki, Finland

January–December 2017

FISKARS

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: (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.
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Key takeaways for Q1–Q4 2017

1

Growth in comparable net sales and comparable EBITA

2

The Functional business continued to improve, with net sales and comparable EBITA growth

3

The Scandinavian Living business exceeded our expectations

4

English & Crystal Living business faced challenges throughout the year

5

Change of organization structure in January, new CEO appointed in June



Q1–Q4 2017

Net sales
EUR million

1,185.5

-1.6%

Comparable
net sales* +1.5%

Comparable EBITA**
EUR million

119.0

+11%

Cash flow from operating
activities*** EUR million

130.5

Q1–Q4 2016: 120.7

Earnings per share
EUR

2.04

Q1–Q4 2016: 0.78

Operative earnings
per share EUR

0.81

Q1–Q4 2016: 0.56

*Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016)

**Items affecting comparability include items such as restructuring costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses

***Before financial items and taxes

Q4 2017

Net sales
EUR million

319.2

-4.4%

Comparable EBITA**
EUR million

35.4

-2%

Cash flow from operating
activities*** EUR million

103.5

Q4 2016: 77.5

Earnings per share
EUR

-0.56

Q4 2016: 0.51

Operative earnings
per share EUR

0.21

Q4 2016: 0.23

Comparable
net sales* -0.2%



* Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016)

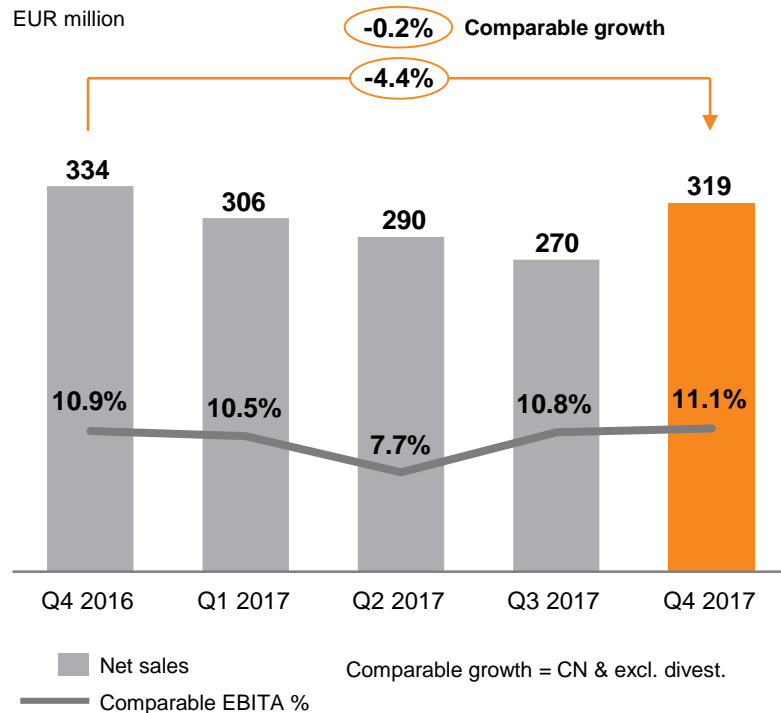
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Fiskars Group in Q4 2017

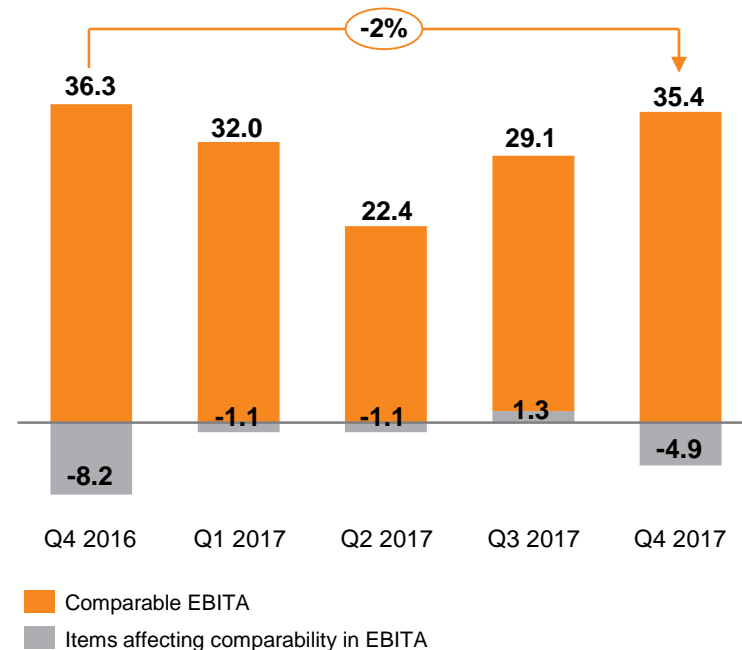
Net sales and comparable EBITA %

EUR million



Comparable EBITA

EUR million



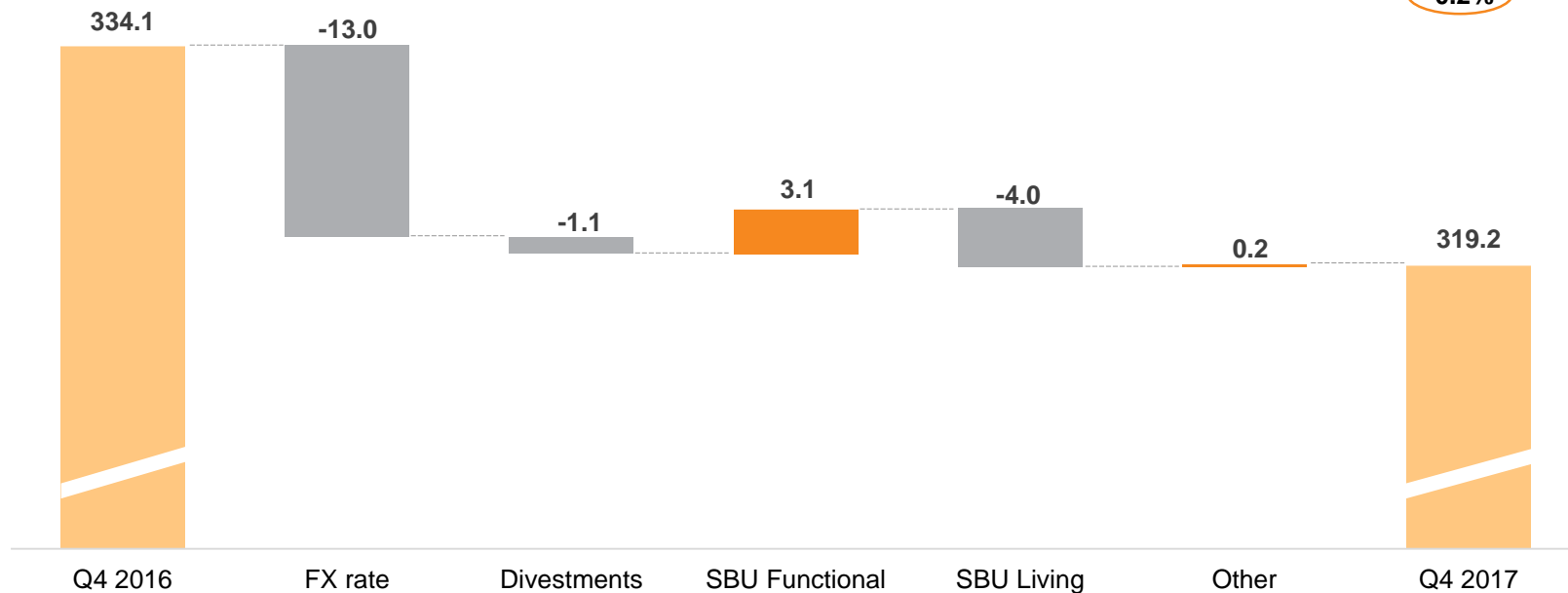
Net sales bridge Q4 2017

Net sales

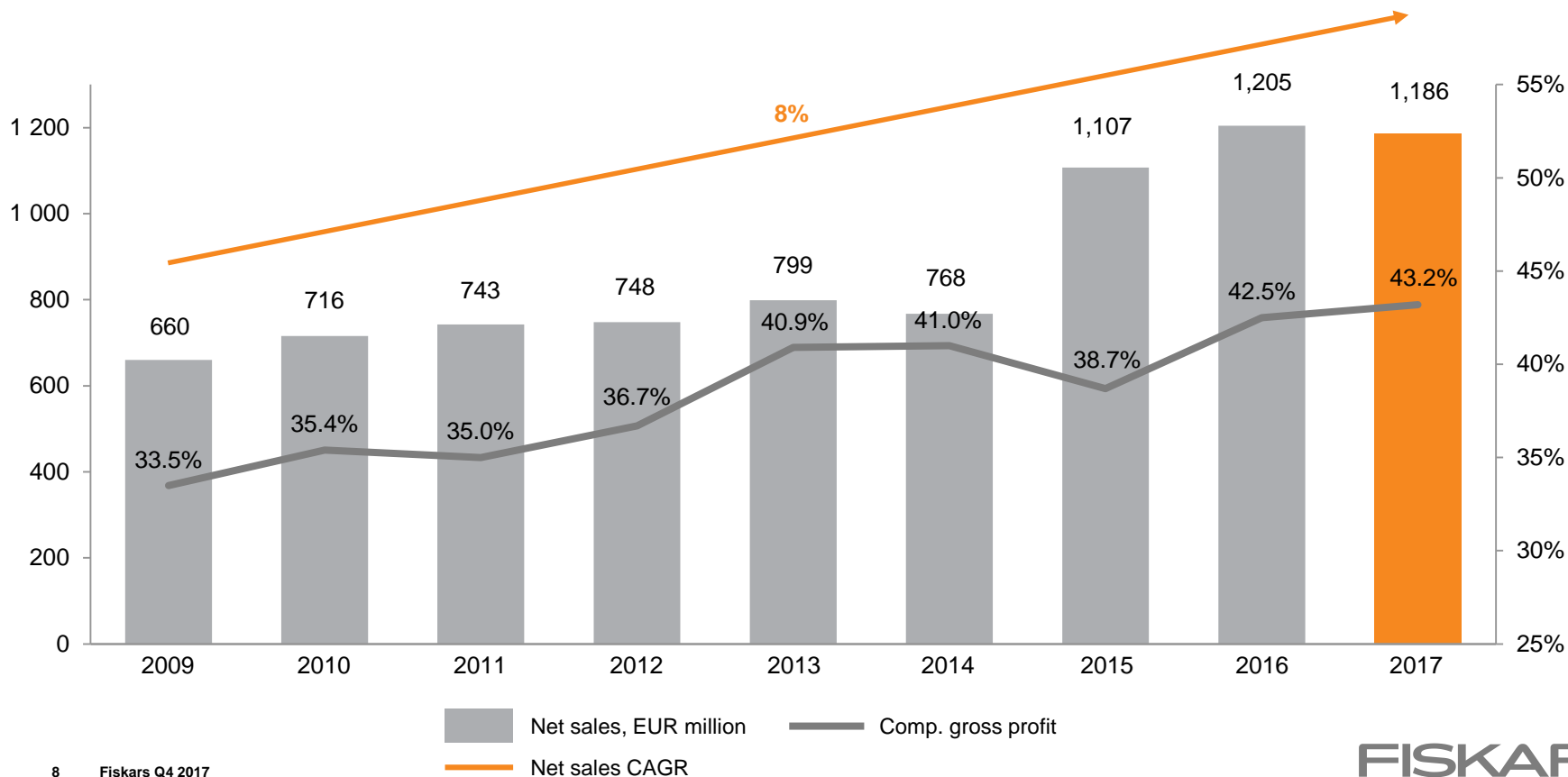
EUR million

Comparable
growth

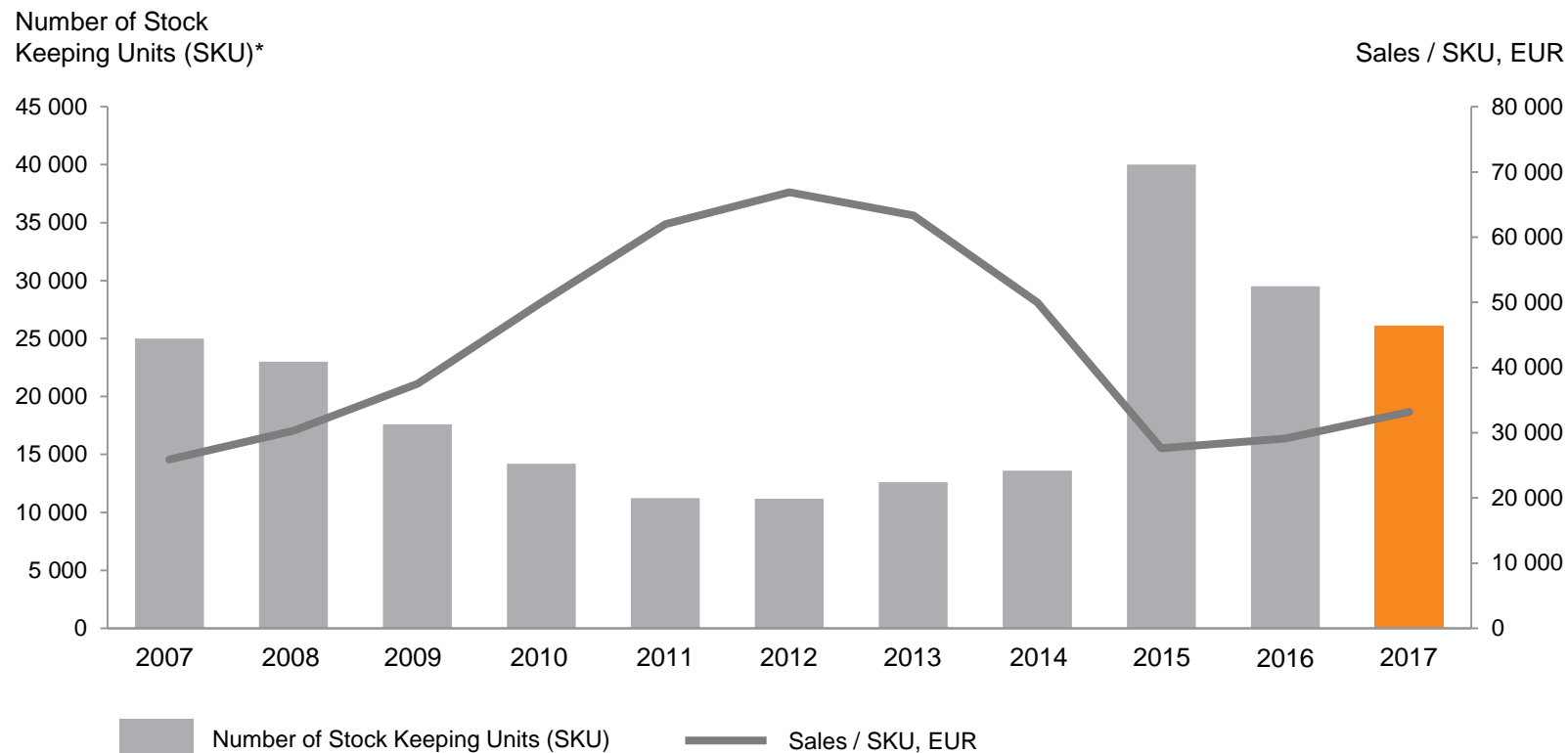
-0.2%



Net sales and profitability development



SKU efficiency supporting profitability



Living marketing Q4 highlights

- During the fourth quarter, Arabia introduced a new series of stackable tableware, Mainio Sarastus

The series is versatile, practical, light, and can be used for serving, preparing, and storing food. Mainio Sarastus is inspired by key trends of urbanization and small homes
- Iittala and Rörstrand brands opened their first joint flagship store in central Stockholm, Sweden
- Waterford celebrated the New Year's Eve on Times Square. For 19 years, the iconic Waterford Times Square New Year's Eve Ball has counted down to the New Year with revelers from all over the world



Functional marketing Q4 highlights

- Fiskars won 11 GOOD DESIGN® 2017 Awards, which emphasize quality design of the highest form, function, and aesthetic

The 2017 award-winning products included wide range of Fiskars and Gilmour branded products

- In the Nordics, Fiskars launched the Hard Face and Hard Face Steel cookware campaign

The campaign's in-store strategy was consistently implemented in all Nordic markets, for both specialized stores and mass channels, and supported by advertising



FISKARS

Events after the reporting period

Renewal of the group leadership

- On January 11, 2018, Fiskars renewed and expanded its group leadership team
- At the same time, Fiskars discontinued the Extended Leadership Team and the Corporate Office to simplify the leadership structure
- Ulla Lettijeffer (M.Sc.Tech) appointed as President, SBU Living
- CFO Sari Pohjonen appointed as the Deputy to the CEO
- A Chief Growth Officer (CGO) to be appointed
- Nina Ariluoma (CHRO) to leave by 31.3.2018, successor to be named
- Risto Gaggl (M.Sc.Tech), Päivi Timonen (LL.M.) and Maija Taimi (M.Sc.Econ) appointed to the new Fiskars Group Leadership Team

New LTI-plan for the Group's key employees

- On February 7, 2018, Fiskars announced a new share-based Long-term Incentive Plan for the Fiskars Group Leadership Team and other key employees
- The aim of the plan is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company
- Three performance periods of three calendar years each, starting in 2018
- For the first performance period, the targets for the Long-term Incentive Plan relate to the company's total shareholder return, group EBITA and net sales

Building a family of iconic lifestyle brands

Delivering on our strategic priorities



Fiskars Q4 2017

Living in Q4 2017

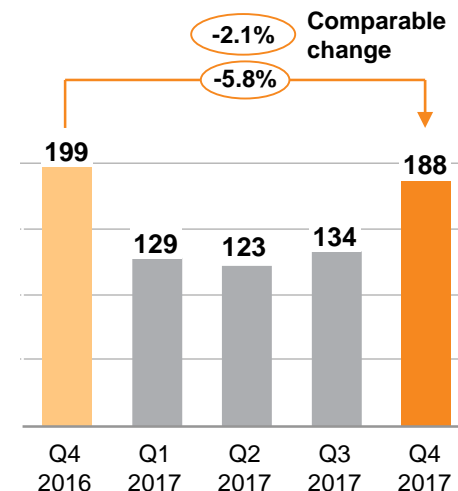
EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales	187.8	199.4	-5.8%	573.9	598.1	-4.0%
Comparable EBITA	38.3	39.4	-3%	70.7	59.4	19%
Capital expenditure	4.9	5.0	-2%	14.0	14.9	-6%

*Using comparable exchange rates and excluding the net sales of the divested Spring USA (September 2016), net sales in the Living segment decreased by 2.1% in Q4 2017 and by 0.4% in 2017

- Net sales in the Living segment decreased year-on-year and amounted to EUR 187.8 million (Q4 2016: 199.4). Comparable net sales decreased by 2.1%, impacted by the English & Crystal Living business. The trading challenges in the U.S. continued to constrain the quarter. In addition, the holiday season in the UK was impacted by low consumer confidence
- The net sales in the Scandinavian Living business increased driven by the Finland 100th anniversary products, Black Friday campaigns and the Iittala, Royal Copenhagen and Arabia brands
- Living net sales grew in the hospitality and own e-commerce channels
- Comparable EBITA for the Living segment decreased by 3%, and amounted to EUR 38.3 million (39.4). The comparable EBITA of the Scandinavian Living business increased, offset by the decline in the English & Crystal Living business

Net sales

EUR million



Functional in Q4 2017

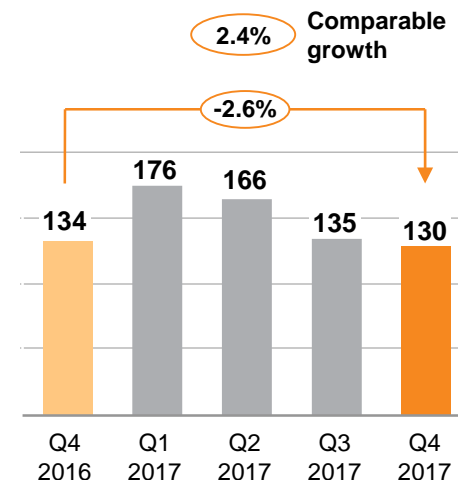
EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales	130.4	133.9	-2.6%	607.8	602.7	0.8%
Comparable EBITA	1.0	0.6	62%	59.7	57.1	5%
Capital expenditure	6.6	5.7	15%	19.4	21.8	-11%

*Using comparable exchange rates and excluding the net sales of the divested container gardening businesses in the U.S (in January 2016) and Europe (in December 2016), net sales in the Functional segment increased by 2.4% in Q4 2017 and by 3.4% in 2017

- Net sales in the Functional segment decreased by 2.6% to EUR 130.4 million (Q4 2016: 133.9). Comparable net sales increased by 2.4%, supported by increased sales to existing customers and successful Black Friday campaigns in Functional EMEA as well as growth in Functional Americas, while net sales remained flat in the Outdoor business.
- Comparable EBITA for the Functional segment increased during the fourth quarter and amounted to EUR 1.0 million (0.6), driven by the improvements in the Functional Americas business, offsetting the decline in the Outdoor business.

Net sales

EUR million



Net sales by geography in Q4 2017

EUR million	Q4 2017	Q4 2016	Change	Comparable change*	2017	2016	Change	Comparable change*
Europe	165.9	162.2	2.2%	3.2%	568.5	555.3	2.4%	5.7%
Americas	107.2	116.2	-7.7%	-0.7%	463.0	489.9	-5.5%	-2.3%
Asia-Pacific	46.4	53.0	-12.4%	-4.8%	152.8	153.3	-0.3%	1.6%
Unallocated**	-0.3	2.7			1.2	6.2	-80%	-79%

*Using comparable exchange rates, excluding the divested Spring USA (in September 2016), divested container gardening businesses in the U.S (in January 2016) and Europe (in December 2016)

**Geographically unallocated exchange rate differences

- Net sales in Europe increased by 2.2% and amounted to EUR 165.9 million (Q4 2016: 162.2). Comparable net sales increased by 3.2%, driven by the Scandinavian Living business, especially in the Nordic countries. The Iittala, Royal Copenhagen and Arabia brands increased their net sales during the quarter. The holiday season in the UK was impacted by low consumer confidence, negatively influencing the English & Crystal Living business
- Net sales in Americas decreased by 7.7% to EUR 107.2 million (116.2). Comparable net sales decreased by 0.7%. While the net sales increased in Functional Americas, the increase was offset by the decrease in the English & Crystal Living and Outdoor businesses, impacted by the continued trading challenges in the U.S. and the low demand in the knife category
- Net sales in Asia-Pacific decreased by 12.4% and amounted to EUR 46.4 million (53.0). Comparable net sales decreased by 4.8%, impacted mainly by the English & Crystal Living business in Australia



Other segment

- The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services
- Along with the rest of the Group's active investments, shares in Wärtsilä Corporation have been treated as financial assets at fair value through profit or loss, which has increased the volatility of Fiskars' net results. Based on the new IFRS standard that Fiskars will adopt from January 1, 2018 onwards, Fiskars Group will record the change in fair value of investments at fair value in other comprehensive income. Therefore Fiskars will not separately report the operative earnings per share going forward, which previously has excluded the net change in the fair value of the investment portfolio and dividends received
- At the end of the fourth quarter of 2017, Fiskars owned 10,881,781 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital
- The net change in the fair value of investments through profit or loss amounted to EUR -79.4 million (Q4 2016: -28.4) during the fourth quarter of 2017

Transformation process

Alignment program

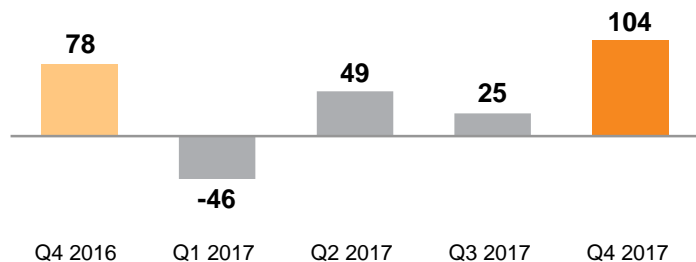
- In November 2016, Fiskars launched the Alignment program to proceed in the transformation
- The total costs of the program were estimated to be approximately EUR 15 million in 2016–2017, of which EUR 14.1 million had been recorded by the end of the fourth quarter of 2017. The targeted annual cost savings were approximately EUR 14 million
- The majority of the program activities were completed by the end of 2017. The rest of the changes will be finalized during 2018, however the remaining costs are not expected to be material. The targeted annual cost savings of EUR 14 million have been achieved, the majority already in 2017

Supply Chain 2017 program

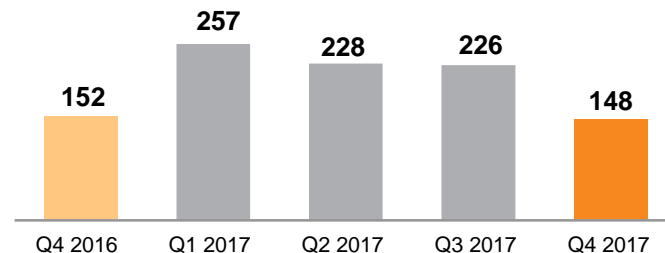
- During Q3/15, Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia
- The total costs of the program were estimated to be approximately EUR 20 million in 2015-2017. The targeted annual cost savings were approximately EUR 8 million
- The program was completed by the end of 2017. The total costs of the program were EUR 11.2 million, below the original estimate. The targeted annual cost savings of EUR 8 million have been achieved, the majority already in 2017

Cash flow and debt Q4 2017

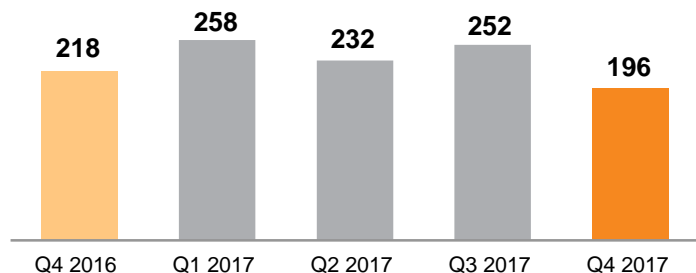
Cash flow from operating activities* EUR million



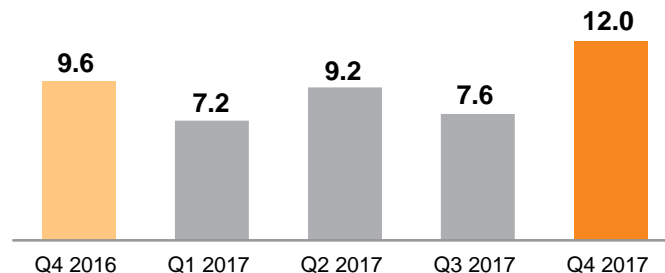
Net debt, EUR million



Working capital, EUR million

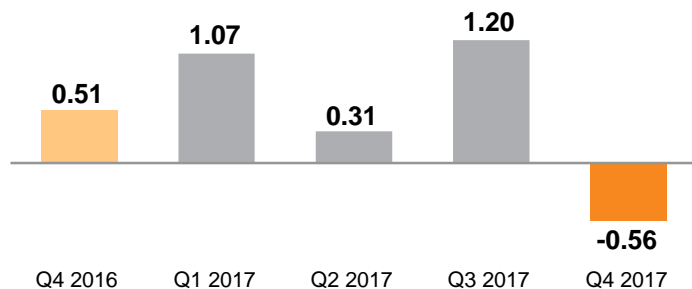


Capex, EUR million

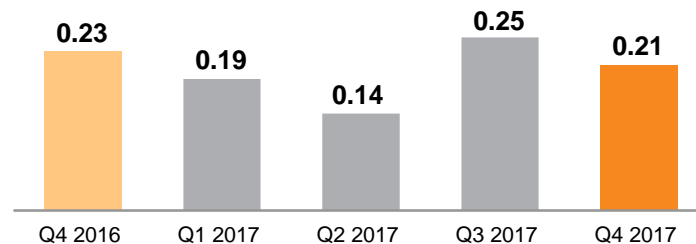


Key ratios Q4 2017

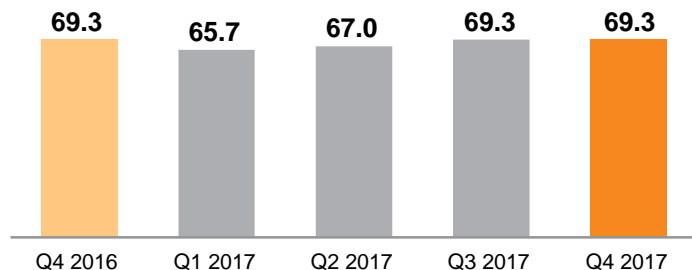
EPS, euro



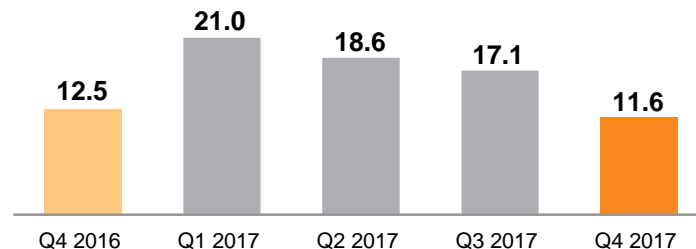
Operative EPS, euro



Equity ratio, %



Net gearing, %



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 exceed 10%



Capital structure:

Net gearing* below 100%



Dividend:

Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

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

Outlook 2018 issued

- In 2018, Fiskars expects the Group's comparable net sales and comparable EBITA to increase from 2017
- The comparable net sales excludes the impact of exchange rates, acquisitions and divestments
- Items affecting comparability in EBITA excludes restructuring costs, impairment or provision charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses

Impact of the US tax reform

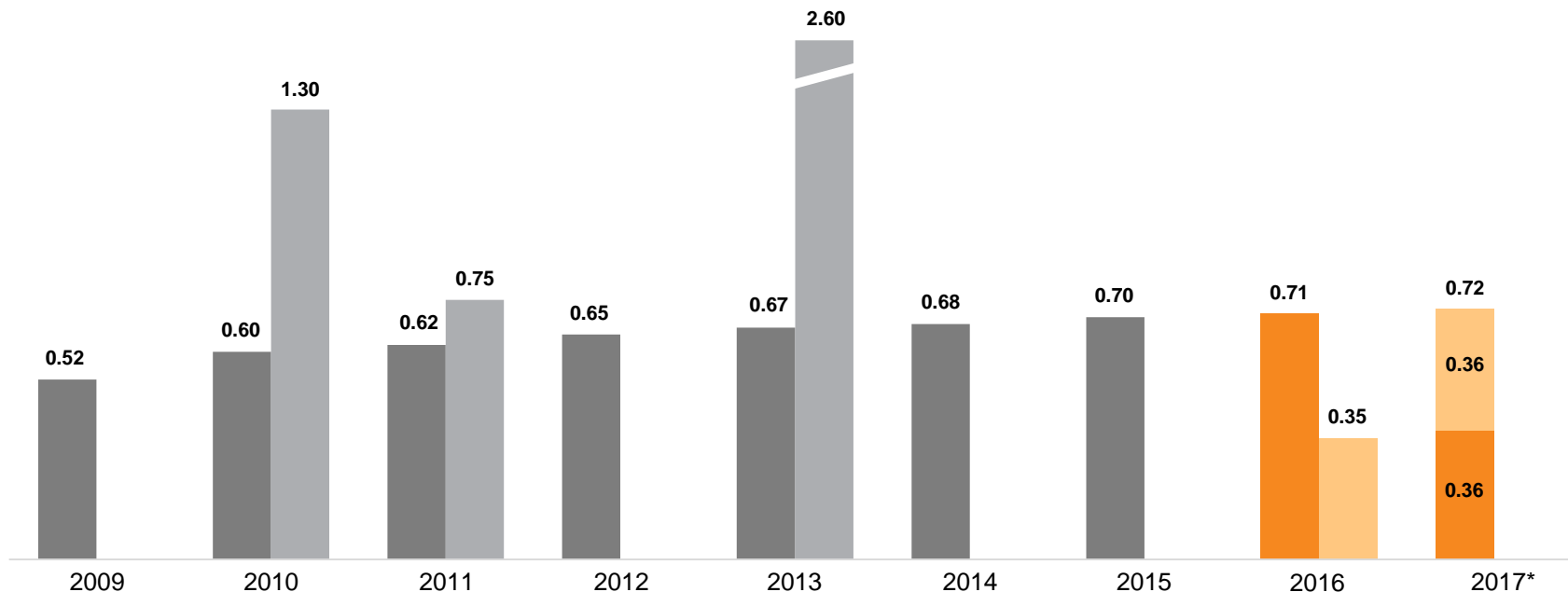
- In December 2017, the U.S. tax reform was signed into law. The legislation includes, among other things, a reduction in the U.S. federal corporate income tax rate from 35% to 21%
- The change is expected to have a slightly positive impact on Fiskars' net result from 2018 onwards
- In Q4 2017, the change reduced Fiskars' deferred tax asset by EUR 4.4 million, with a corresponding deferred tax expense in the income statement. The change in the deferred tax asset does not have any cash flow effect

Proposal for distribution of dividend

- Fiskars' aim is to distribute a stable, over time increasing dividend to be paid biannually
- Board of Directors proposes a dividend of total EUR 0.72 per share be paid
- The first instalment of EUR 0.36 per share will have an ex-dividend on March 15, 2018. The dividend shall be paid to the shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record day March 16, 2018. The payment day proposed by the Board for this instalment is March 23, 2018.
- The second instalment of EUR 0.36 per share shall be paid in September 2018. The second instalment shall be paid to shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Ltd. on the dividend record day, which, together with the payment day, shall be decided by the Board of Directors in its meeting scheduled for September 7, 2018.
- The ex-dividend date for the second instalment would be September 10, 2018, the dividend record date would be September 11, 2018 and the dividend payment date September 18, 2018, at the latest.

Nine years of base dividend growth

Dividend per share (DPS) history 2009–2017
EUR



*Proposal

Base Dividend
Extra Dividend

First dividend
Second dividend

Fiskars in 2017

GLOBALLY
RECOGNIZED BRANDS

FISKARS®

GERBER

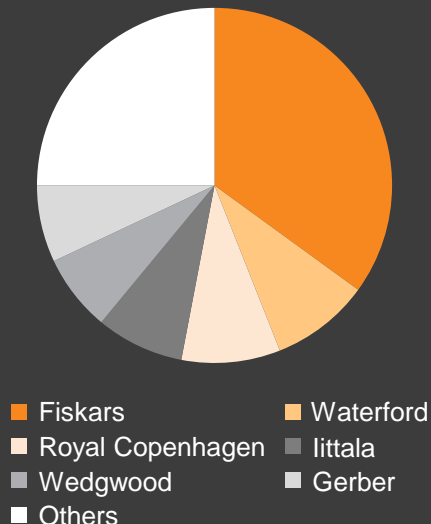
iittala

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

WATERFORD

WEDGWOOD
ENGLAND 1759

NET SALES BY BRAND



7,900 EMPLOYEES IN OVER
30 COUNTRIES



PRODUCTS IN MORE THAN **100** COUNTRIES

NET SALES IN 2017 **1,186** EUR MILLION

BY REGION

Americas
39%

Europe
48%

Asia-Pacific
13%

FISKARS



Making the everyday
extraordinary