

January–September 2021

# Interim Report

Sixth consecutive quarter of net sales growth, with Business Area Vita as the main driver in Q3



## 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 quarter



**SIXTH CONSEQUITIVE  
QUARTER OF NET  
SALES GROWTH**



**SUPPLY CHAIN  
CHALLENGES  
SUCCESSFULLY  
MITIGATED**



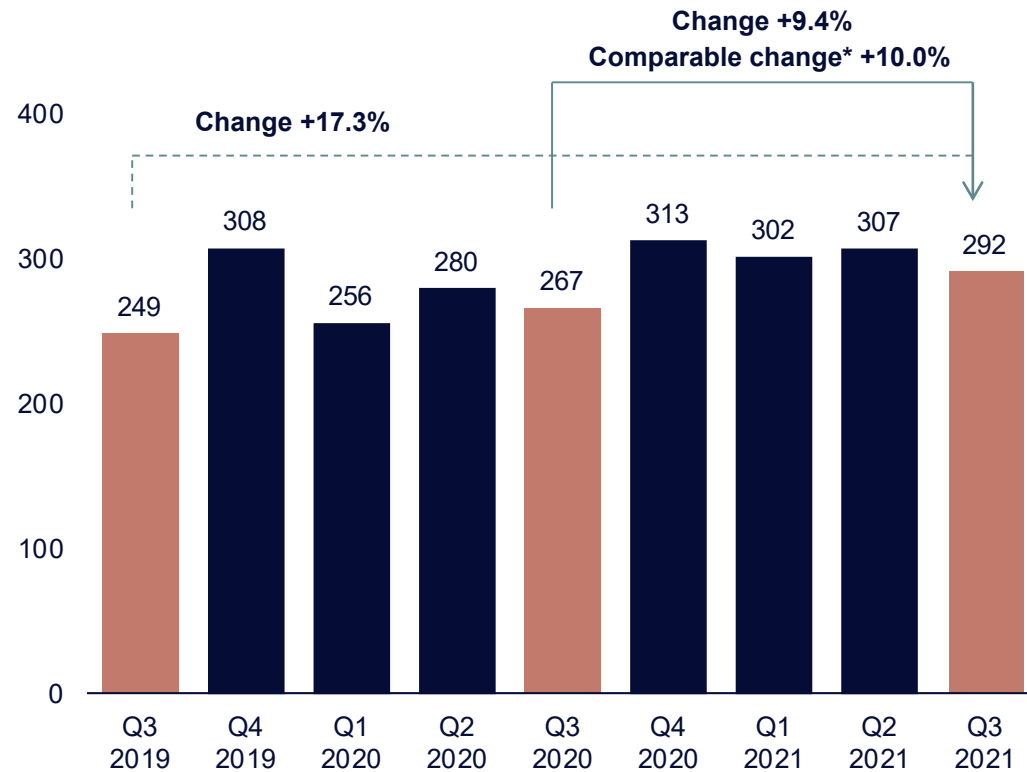
**OUTLOOK  
UPGRADED ON  
OCTOBER 13**



**UPDATE TO  
ONGOING  
PROGRAMS  
PROVIDED**

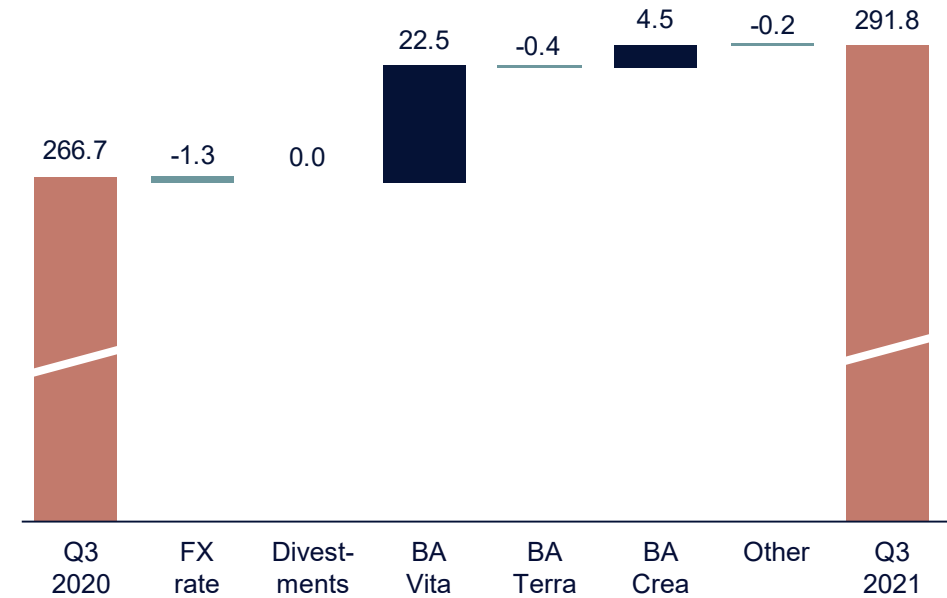
# Fiskars Group comparable net sales in Q3 2021

## NET SALES, EURm



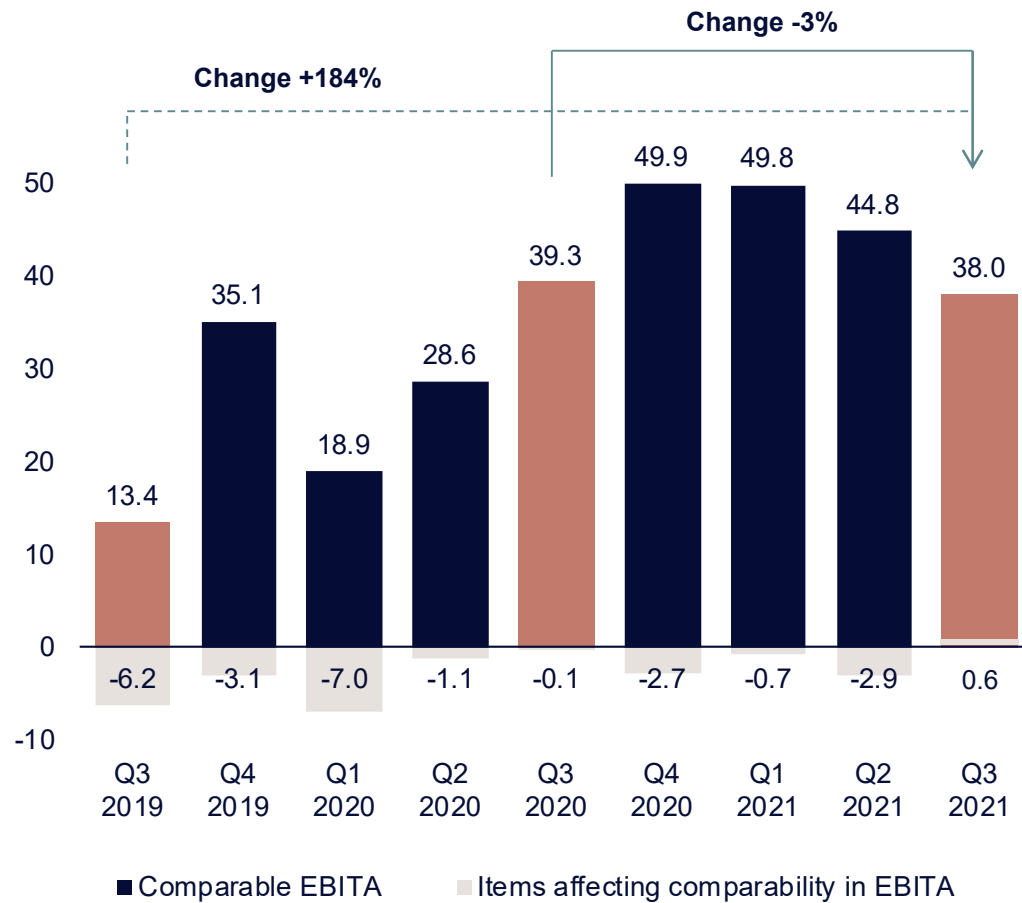
\*Comparable change = currency neutral & excl. divestments

## NET SALES BRIDGE, EURm



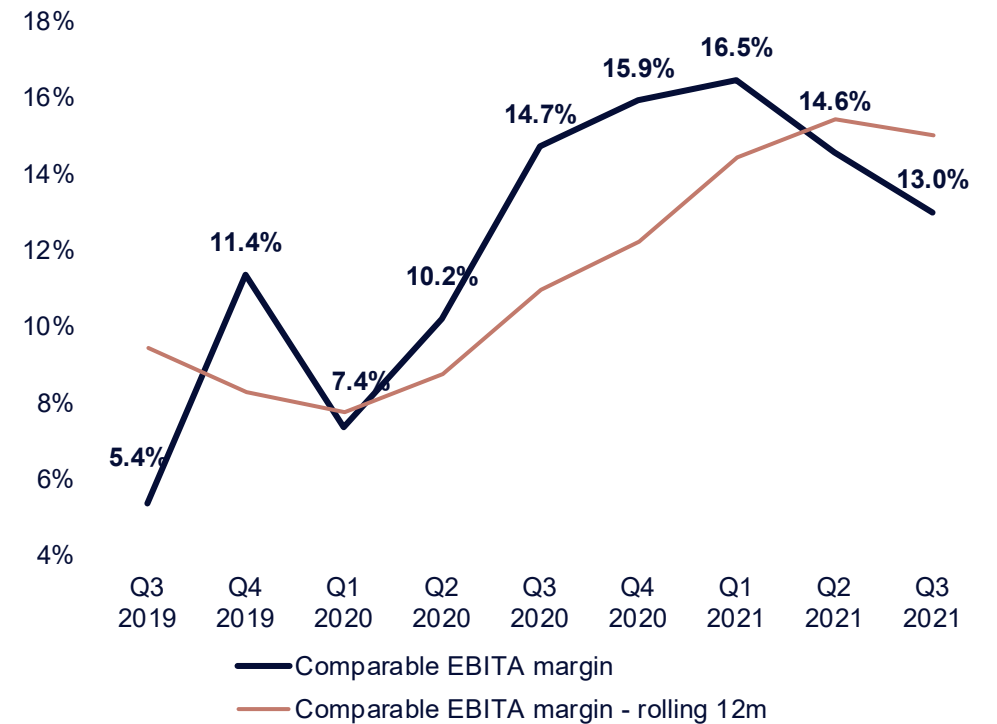
# Fiskars Group comparable EBITA in Q3 2021

## COMPARABLE EBITA, EURm



\*Items affecting comparability in EBITA 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



**The company expects the comparable EBITA for 2021 to be in the range of EUR 160–170 million.**

**The seasonality of both trade and consumer demand may continue to differ from a typical year**

**Challenges in global supply chains. Higher prices of raw materials, energy and logistics**



## Investing in growth



**Appr. 50 new positions to support  
our Digital growth initiative**

**Consumer experience**

**Update on The Growth strategy to  
be provided at Capital Markets Day  
on November 9, 2021**





Moomin partnership

Moomin Day



Collaboration with U.S. crafts retailer JOANN Fabrics to roll out a “Fiskars Tool Shop”





### Reduced waste to landfill

2030 target: to have all waste from our own manufacturing units and distribution centers recovered or recycled with zero waste going to landfill.

During the first three quarters of 2021, Fiskars Group has reduced **waste to landfill by 42% compared to 2020** and by 90% compared to the base year 2017.

### Products from recycled materials

2030 target: the majority of our net sales will come from circular products and services.

For example, Iittala has a product range made from 100% recycled glass, and the collection was expanded with seven new products in the autumn of 2021.

In addition, earlier this year the Fiskars brand introduced a version of its iconic scissors, made from recycled and 100% recyclable materials.

**Sales of the recycled products have grown 112% compared to 2020.**



# Q3 2021



## Consolidated income statement

EURm	Q3 2021	Q3 2020	Change	2020
Net sales	291.8	266.7	9	1,116.2
Cost of goods sold	-169.2	-157.1	-8	-664.1
<b>Gross profit</b>	<b>122.6</b>	<b>109.6</b>	<b>12</b>	<b>452.0</b>
Gross profit margin	42.0%	41.1%		40.5%
Sales and marketing expenses	-58.9	-51.4	-15	-241.5
Other expenses	-29.0	-22.6	-28	-112.6
<b>Operating profit (EBIT)</b>	<b>34.7</b>	<b>35.6</b>	<b>-2</b>	<b>98.0</b>
Profit for the period	29.8	27.0	10	68.5
Items affecting comparability	-0.6	0.1		-11.0
<b>Comparable EBITA</b>	<b>38.0</b>	<b>39.3</b>		<b>136.8</b>
Comparable EBITA margin	13.0%	14.7%		12.3%

### Gross profit margin increased

- Improved mix (Vita)
- Increased cost of raw materials, energy and logistics mostly offset by price increases

### Sales, marketing and other expenses increased

- To support investments in growth
- Last year's temporary cost savings not repeated



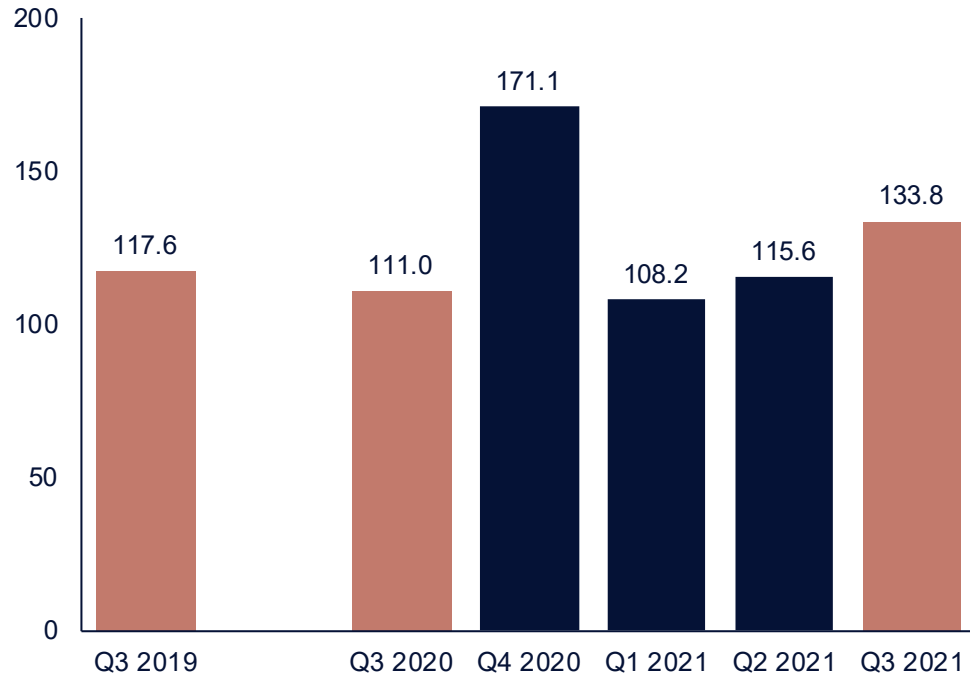


# Vita in Q3 2021

## Net sales, EURm

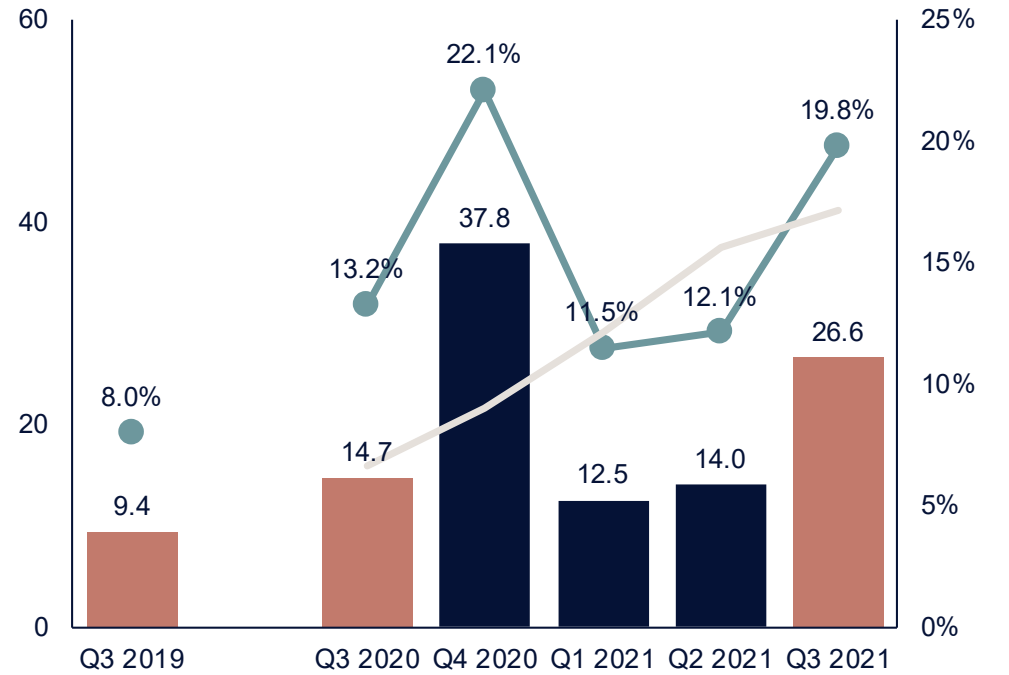
Change vs. Q3 19: +14%

Comparable change\* +20.2%



■ Net sales, EUR million

## Comparable EBITA, EURm



■ Comparable EBITA, EUR million

● Comparable EBITA margin

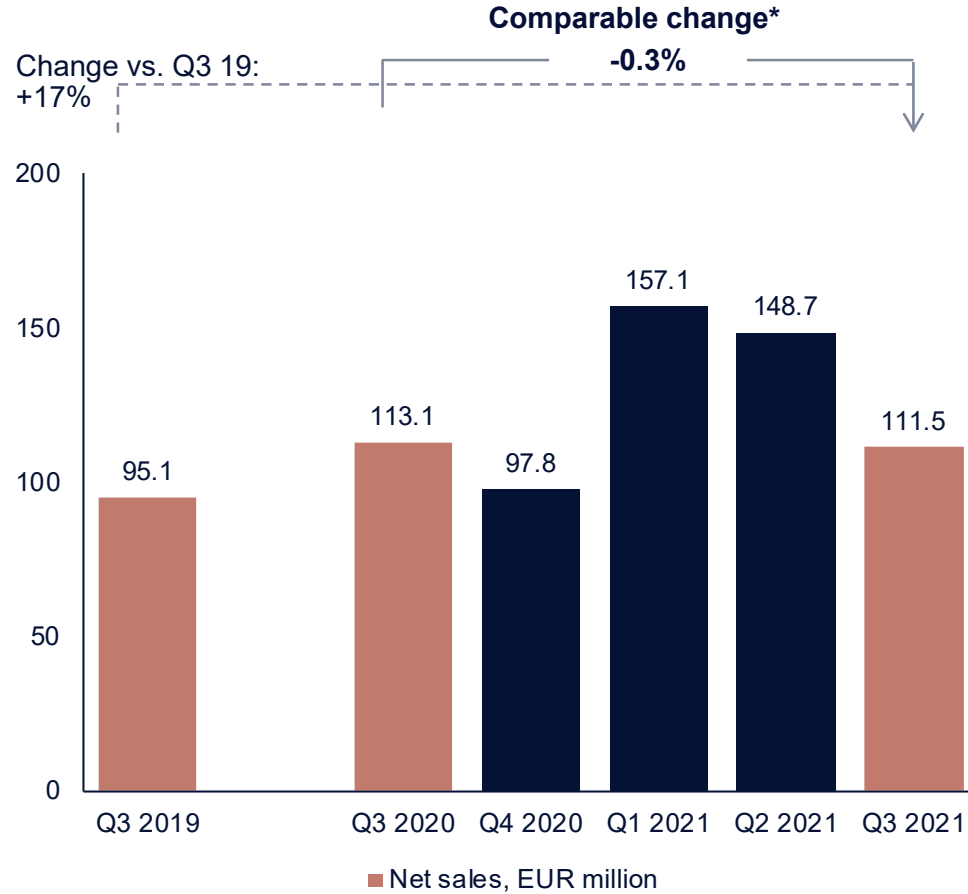
— Comparable EBITA margin - rolling 12 months



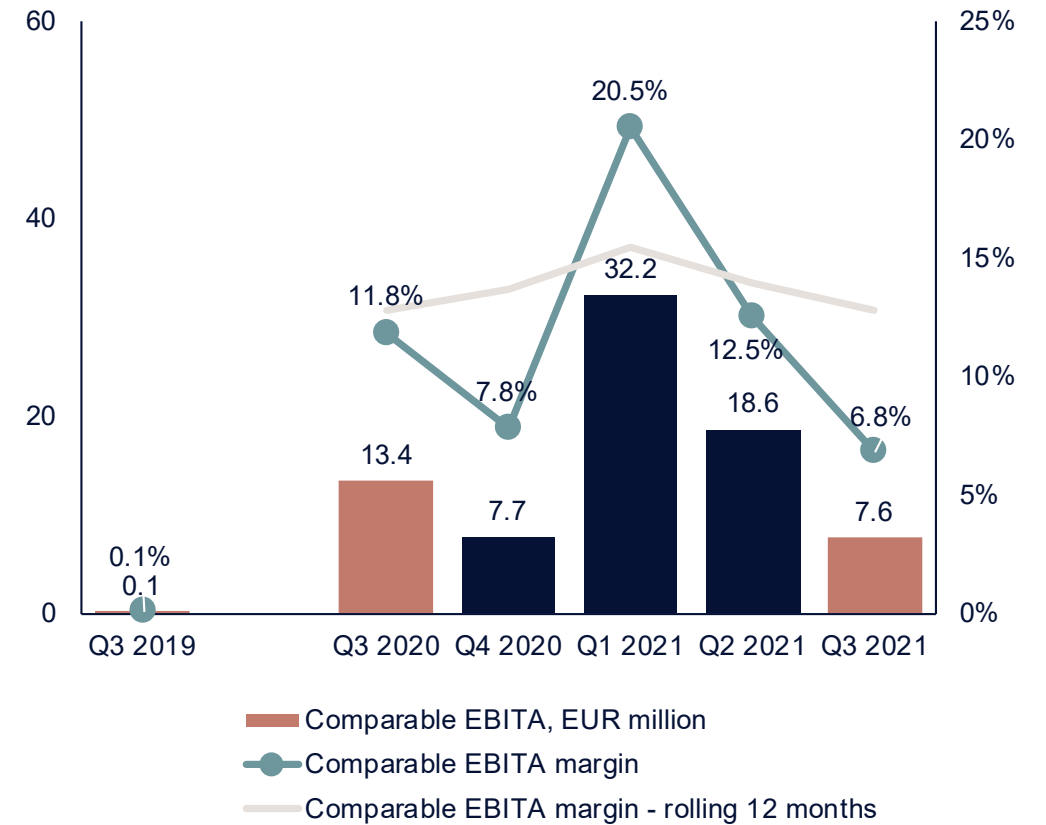


# Terra in Q3 2021

## Net sales, EURm



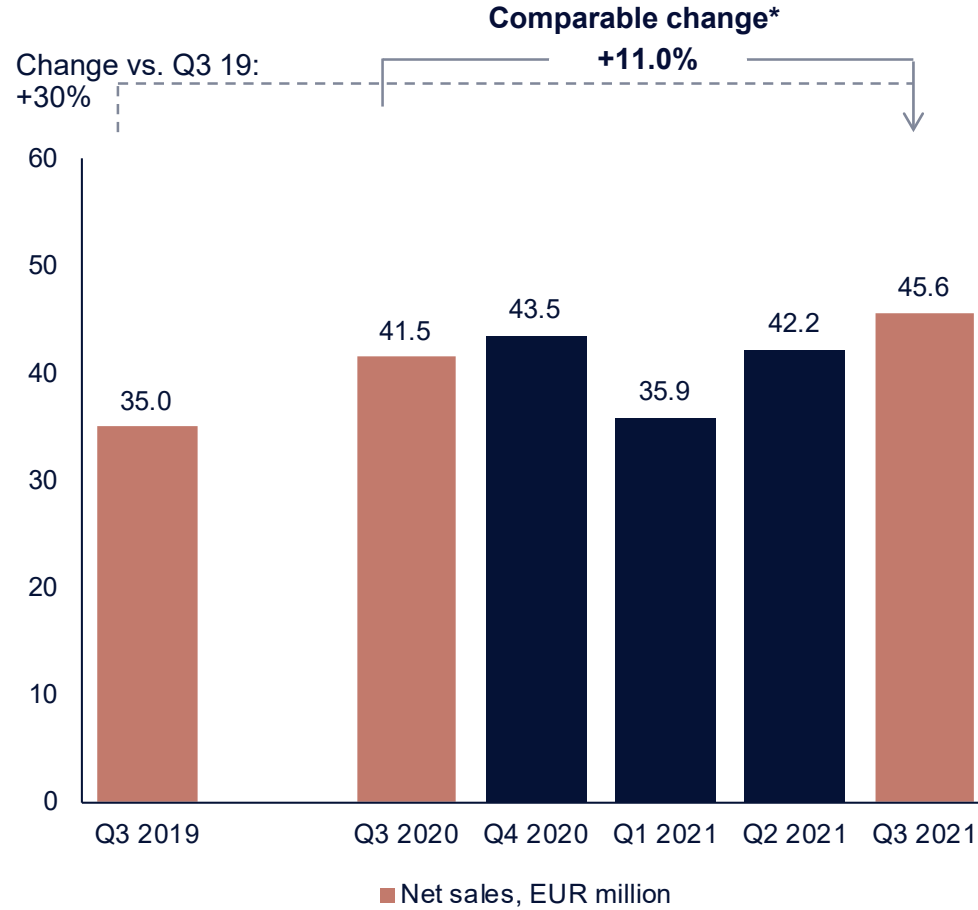
## Comparable EBITA, EURm



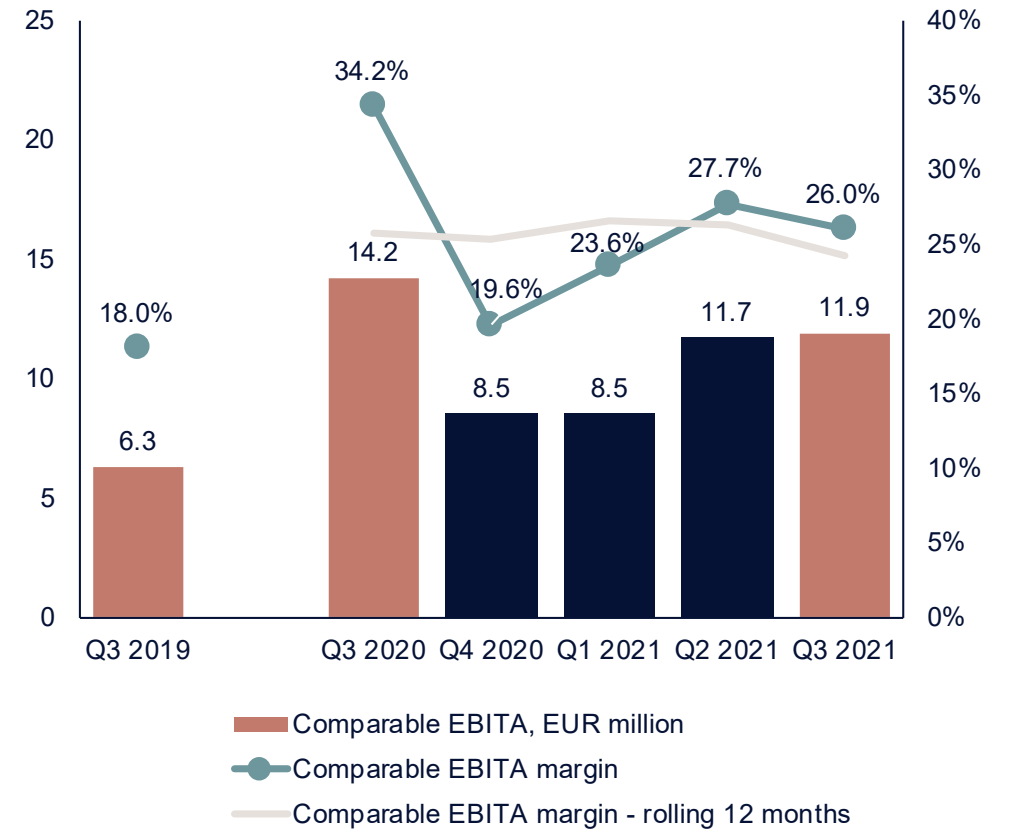


# Crea in Q3 2021

## Net sales, EURm



## Comparable EBITA, EURm



## Net sales by geography in Q3 2021

EURm	Q3 2021	Q3 2020	Change	Comparable change*
Europe	143.8	121.3	18.6%	17.8%
Americas	106.0	112.9	-6.1%	-4.5%
Asia-Pacific	42.0	35.6	18.1%	18.7%
Unallocated**	-0.1	-3.2		

\*Excluding the impact of exchange rates, acquisitions and divestments

\*\*Geographically unallocated exchange rate differences

### Comparable net sales in Europe increased

- Overall strong performance in all markets.

### Comparable net sales in the Americas decreased

- Weighed down by Terra and Crea, supported by Vita

### Comparable net sales in Asia-Pacific increased

- Driven by most countries, China and Japan in particular
- Decreased in Australia as a result of store closures due to the pandemic



**Cash Flow I** Q3 Free Cash Flow 39.5 EURm, down 59 EURm vs. LY due to inventory driven NWC growth. Total liquidity remained solid.

#### DISTRIBUTABLE CASH FLOW (EURm)

	Q3		
	2021	2020	vs. LY
<b>EBITDA</b>	<b>51.0</b>	<b>50.6</b>	0.4
Change in provisions	9.5	-2.2	11.7
Non-cash adjustments	-0.3	-0.1	- 0.2
<b>Cash Flow from operations</b>	<b>60.2</b>	<b>48.3</b>	<b>11.9</b>
Change in inventories	-35.1	7.1	- 42.2
Change in current int.free assets	20.9	26.0	- 5.1
Change in current int.free liabilities	6.0	34.2	- 28.2
<b>Change in NWC</b>	<b>-8.2</b>	<b>67.3</b>	<b>- 75.5</b>
Capital Expenditure	-7.3	-8.8	1.5
<b>Operating Cash Flow</b>	<b>44.7</b>	<b>106.8</b>	<b>- 62.1</b>
Taxes paid	-5.2	-8.0	2.8
<b>Free Cash Flow</b>	<b>39.5</b>	<b>98.8</b>	<b>- 59.3</b>
Paid interest, net	-0.3	-2.5	2.2
<b>Distributable Cash Flow</b>	<b>39.2</b>	<b>96.3</b>	<b>- 57.1</b>

#### CHANGE IN LIQUIDITY (EURm)

	Q3		
	2021	2020	vs. LY
<b>Cash Balance, period opening</b>	<b>26.0</b>	<b>177.4</b>	<b>- 151.4</b>
Translation difference	-	-0.8	0.8
Distributable Cash Flow	39.2	96.3	- 57.1
Dividends/ share buy-backs	-24.4	-22.8	- 1.6
Change in L-T debt	-0.1	-	- 0.1
Payments of lease liabilities	-6.1	-6.0	- 0.1
Change in other S-T debt	-7.7	-77.9	70.2
Other non-operational changes	-2.5	-0.8	- 1.7
<b>Cash Balance, period closing</b>	<b>24.4</b>	<b>165.4</b>	<b>- 141.0</b>
<b>Total Liquidity</b>	<b>2021</b>	<b>2020</b>	<b>vs. LY</b>
Cash Balance	24.4	165.4	- 141.0
Unutilised Credit Facilities	343.0	347.0	- 4.0
<b>Total Liquidity, period closing</b>	<b>367.4</b>	<b>512.4</b>	<b>- 145.0</b>





**Balance Sheet I** Trade working capital up 62 EURm vs. LY.  
Balance sheet continued strengthening – net debt down 78 EURm vs. LY

**CAPITAL EMPLOYED (EURm)**

	<u>Sep 2021</u>	<u>Sep 2020</u>	<u>Change</u>	<u>Dec 2020</u>
GW and other intangible	486.3	495.7	- 9.4	481.9
PPE and biological assets	204.6	207.5	- 2.9	205.4
Capitalised leases (ROU)	82.4	90.9	- 8.5	90.2
<b>Non-Current Assets</b>	<b>773.3</b>	<b>794.1</b>	<b>- 20.8</b>	<b>777.5</b>
Inventories	277.9	205.3	72.6	207.4
Trade receivables	201.9	184.4	17.5	183.7
Trade payables	- 107.2	- 79.3	- 27.9	- 100.2
<b>Trade Working Capital</b>	<b>372.6</b>	<b>310.4</b>	<b>62.2</b>	<b>290.9</b>
Other int-free receivables	25.4	29.6	- 4.2	30.1
Other int-free payables	- 255.4	- 221.1	- 34.3	- 236.8
<b>Operating Capital</b>	<b>915.9</b>	<b>913.0</b>	<b>2.9</b>	<b>861.7</b>
Net tax liabilities	- 18.3	20.1	- 38.4	19.9
<b>Capital Employed</b>	<b>897.6</b>	<b>933.1</b>	<b>- 35.5</b>	<b>881.6</b>

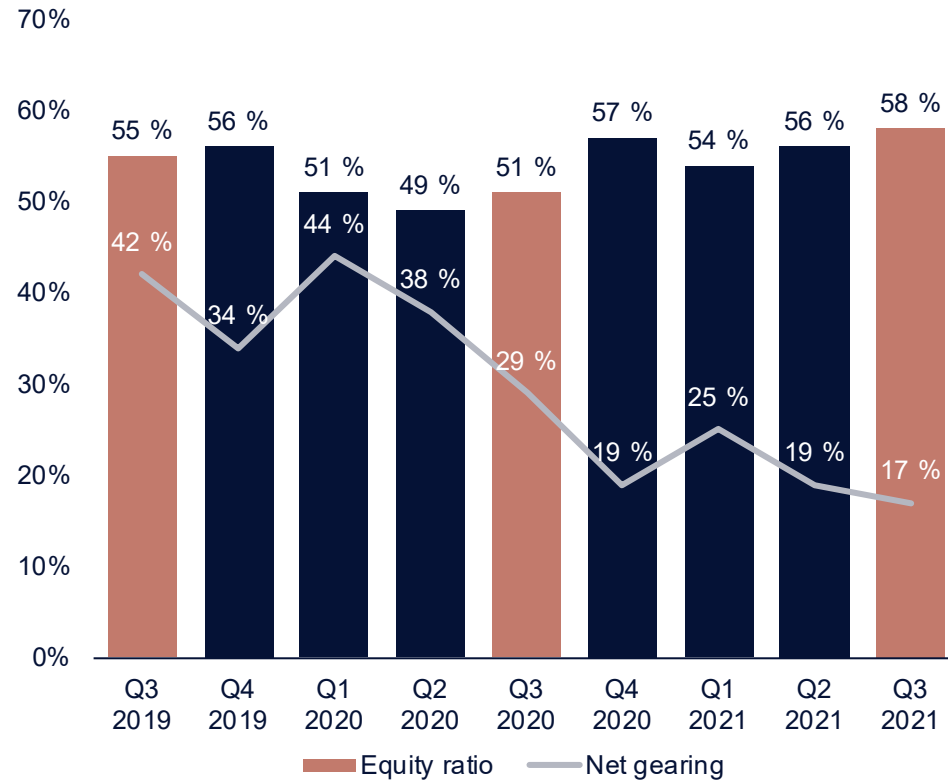
**FINANCING (EURm)**

	<u>Sep 2021</u>	<u>Sep 2020</u>	<u>Change</u>	<u>Dec 2020</u>
Equity	792.7	743.1	49.6	761.6
Interest-bearing debt	74.3	284.9	- 210.6	112.4
Lease liabilities	87.1	95.1	- 8.0	94.5
Cash	- 24.4	- 165.4	141.0	- 62.5
<b>Net Debt</b>	<b>137.0</b>	<b>214.6</b>	<b>- 77.6</b>	<b>144.4</b>
Financial assets	- 32.1	- 24.6	- 7.5	- 24.4
<b>Financial Total</b>	<b>897.6</b>	<b>933.1</b>	<b>- 35.5</b>	<b>881.6</b>

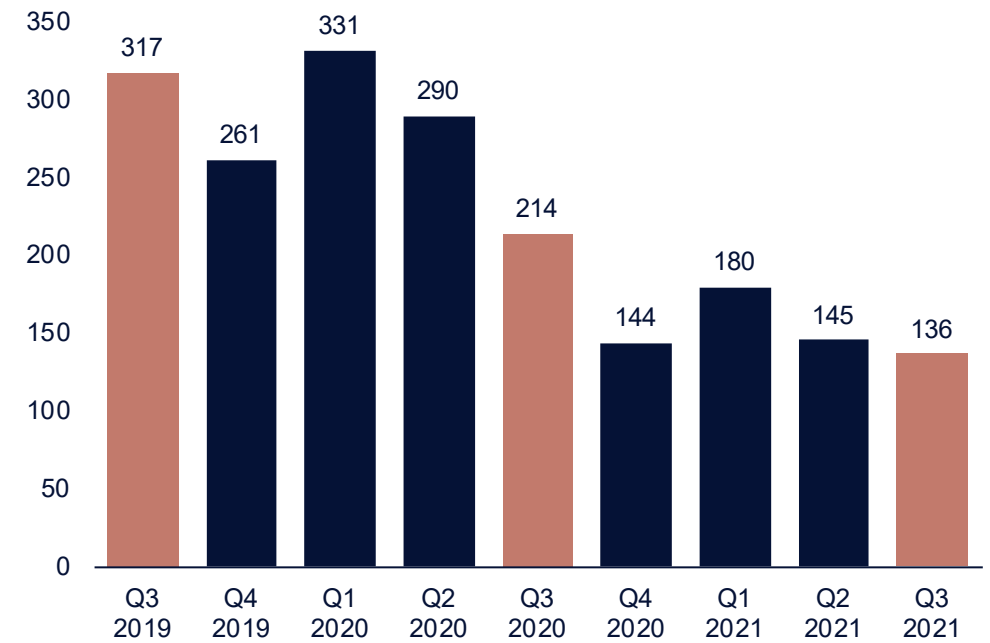


# Net debt decreased significantly from the previous year's level

## EQUITY RATIO AND NET GEARING



## NET DEBT (EURm)



## Targeted cost savings will be realized

- Transformation program app. EUR 17 million
- Restructuring program app. EUR 20 million
- The majority of the benefits are already being visible by the end of 2021

## Costs will be significantly lower than originally anticipated

- **Originally anticipated to be a total of EUR 70 million**
  - Transformation program app. EUR 40 million (lowered by EUR 5 million in the Q2 2021 report)
  - Restructuring program app. EUR 30 million
- **Total costs for both programs now expected to be app. EUR 45 million**
- EUR 34.2 million in costs recorded by the end of Q3 2021





Making  
the **everyday**  
**extraordinary**