

Investor presentation

November-December 2021

FISKARS
♦
GROUP



Content



- **Fiskars Group in brief**
- **Strategy**
- **Business Areas**
- **Financials**
- **Appendices**



Our purpose:

Making the everyday extraordinary

Fiskars Group is a
global lifestyle company
with a unique portfolio of
much-loved brands



Strong brand portfolio

FISKARS®




ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK



iittala

 **GERBER®**



MOOMIN
by ARABIA



WEDGWOOD
ENGLAND 1759



WATERFORD
IRELAND 1783

ARABIA
1873



Gilmour



HACKMAN®




ROGASKA

ROYAL ALBERT
ENGLAND 1904



ROYAL DOULTON
LONDON 1815




Rörstrand



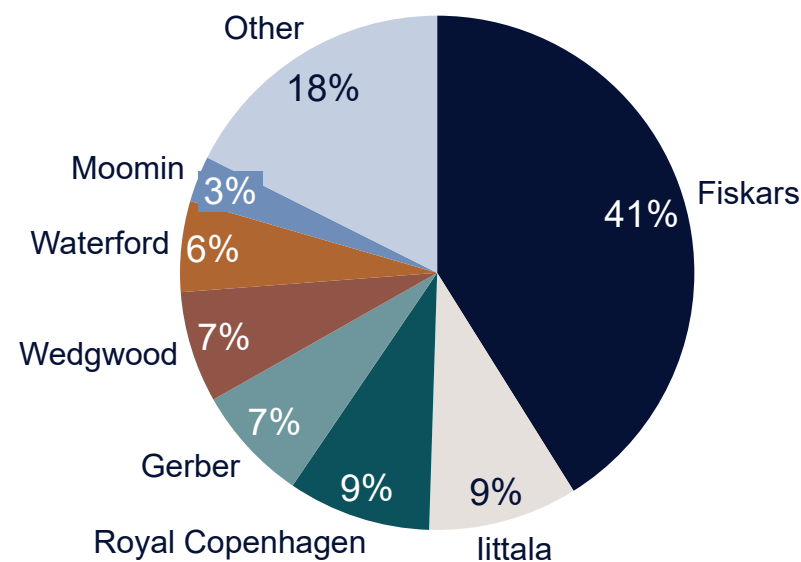
Business Areas and key categories

BUSINESS AREAS & KEY CATEGORIES	<div>VITA</div>  <div></div> <div>Tableware Drinkware Interior</div>	<div>TERRA</div>  <div></div> <div>Gardening Outdoor Watering</div>	<div>CREA</div>  <div></div> <div>Scissors & creating Cooking</div>
	<div> WATERFORD WEDGWOOD MOOMIN <small>by ARABIA</small></div>	<div> Gilmour.</div>	<div></div>
BA SHARE OF NET SALES	44%	43%	14%

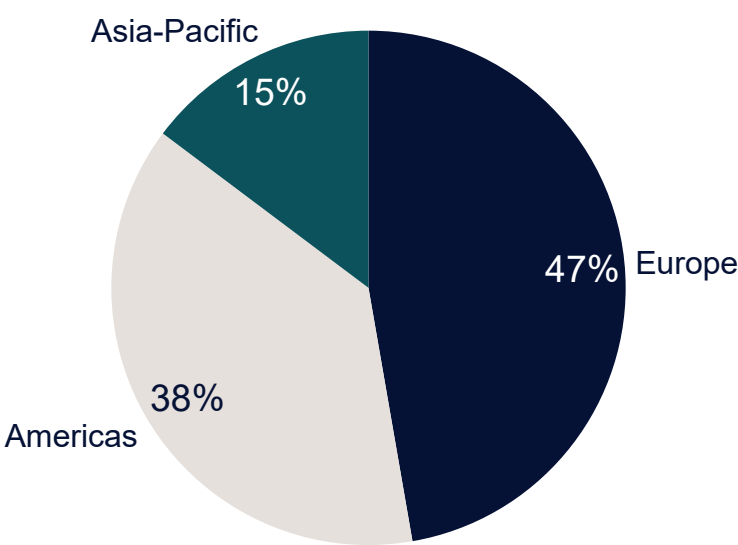


Fiskars the largest brand – LTM* sales splits

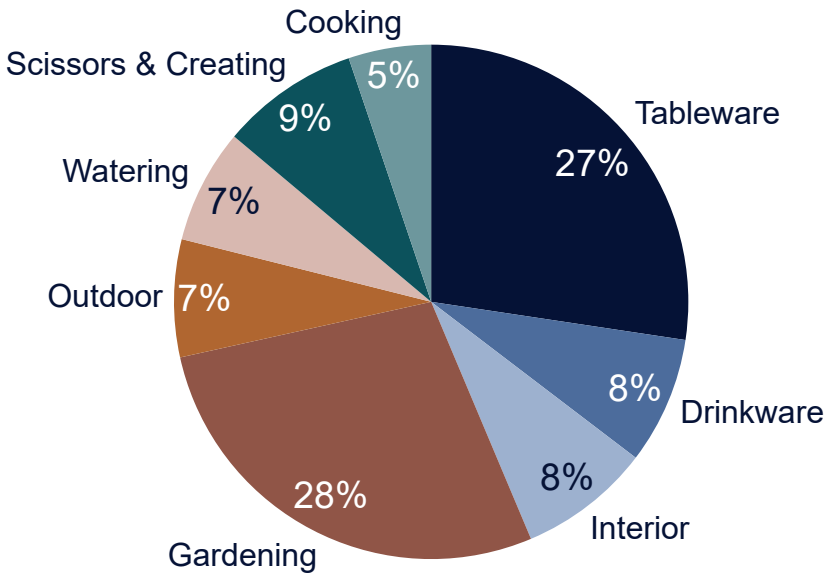
SALES SPLIT BY BRAND



SALES SPLIT BY GEOGRAPHY



SALES SPLIT BY CATEGORY



Our global presence

EMPLOYEES **>6,000**

PRESENCE IN **30** COUNTRIES

BRANDS AVAILABLE IN MORE
THAN **100** COUNTRIES

MORE THAN **360** STORES



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Value Creation - Growth strategy addresses all value creation levers



The Growth Strategy – clear strategic focus and transformation levers



We focus on winning brands, enabled through clear roles across our portfolio

WINNING
BRANDS

WINNING
BRANDS

FISKARS®


ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

 **iittala**

 **GERBER®**

MOOMIN
by ARABIA

TURNAROUND
BRANDS

WEDGWOOD
ENGLAND 1759

WATERFORD
SINCE 1783

ROYAL ALBERT
ENGLAND 1904

ROYAL DOULTON
LONDON 1815

Gilmour®



Driving Fiskars as our #1 brand

WINNING
BRANDS

- Global brand with strong recognition
- Strong historical performance
 - >40% of Fiskars Group net sales LTM
 - 7% comp. net sales CAGR 2017-LTM
- Further room to utilize brand stretch and surround the consumer
 - Product portfolio across key markets
 - Clothing range well received and visible globally
- Pioneering design, Red Dot awards, e.g. Team 2020



reddot winner
2018 2020 2021

**LTM referring to the period Q4 2020 – Q3 2021*



We are building winning brands through new ways of thinking

WINNING
BRANDS

Case Moomin

- Story telling translated into collectibles
- Currently net sales over EUR 30 million
- Fiskars Group minority shareholder in Rights & Brands since Sept '21
- Strategic partnership enables global growth beyond our Nordic stronghold



Strengthening our DTC to address the needs of the modern consumer

WINNING CHANNELS

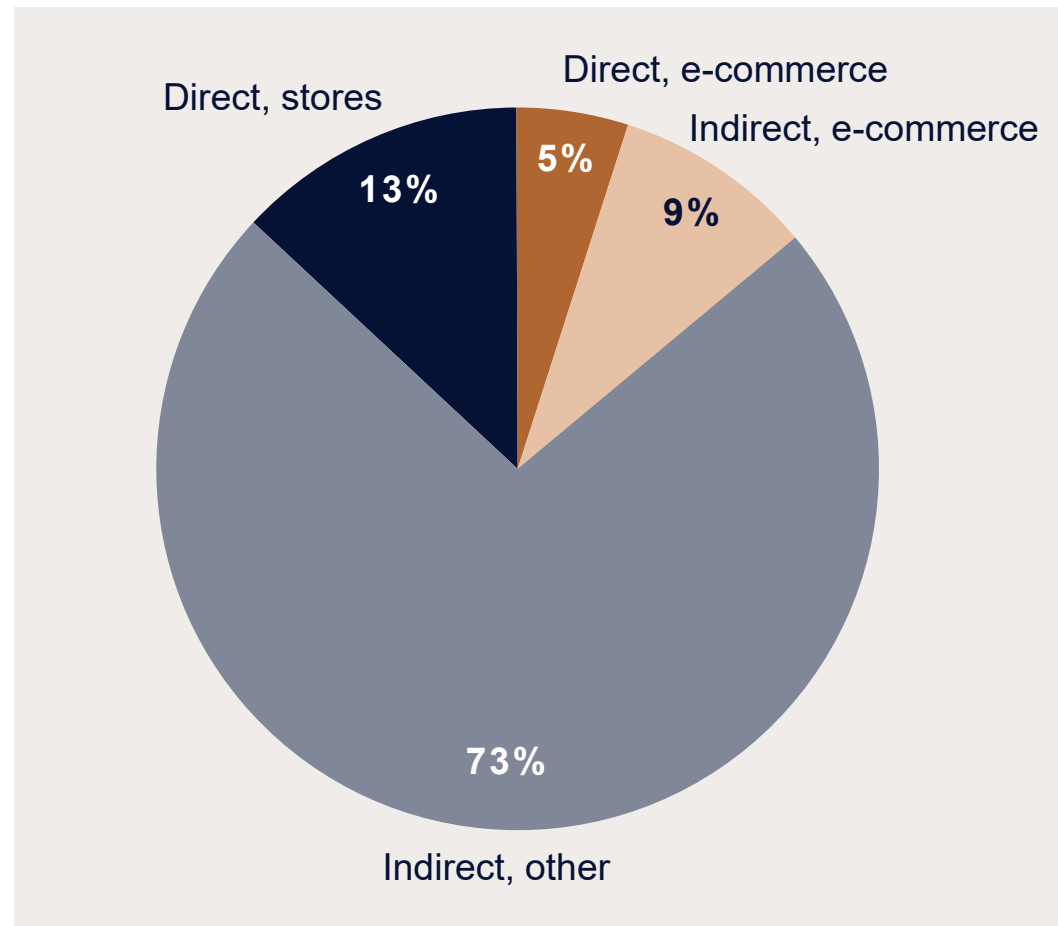
- Win in the channel shift; focus on growing in the direct channel, incl. eCom and own stores
- Invest significantly in digital organization and capabilities
- Optimize store presence, incl. new store openings in China



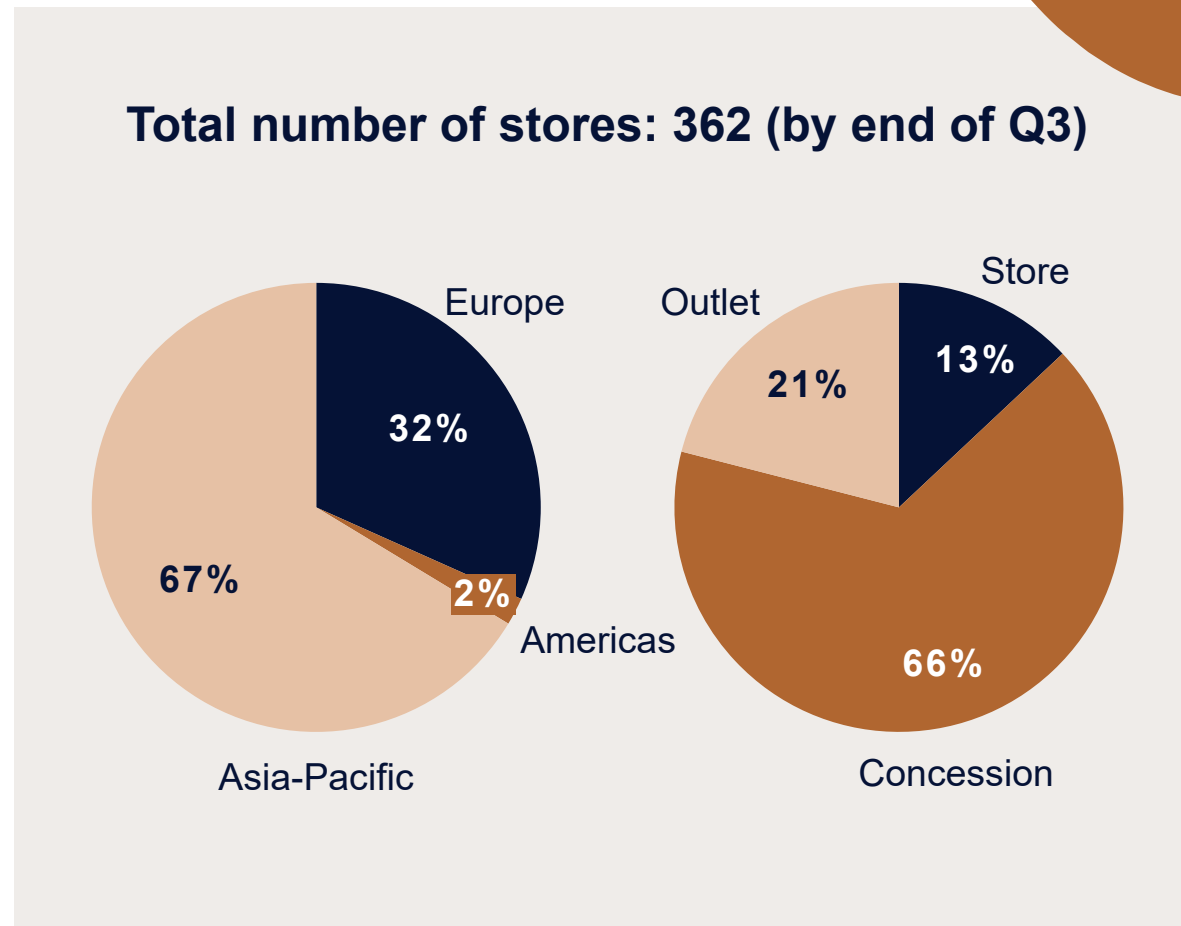
The direct channel (DTC) increasingly important

WINNING
CHANNELS

GROUP NET SALES BY CHANNEL (LTM*)



NUMBER OF STORES



Commercial excellence drives our performance improvement across all channels

WINNING
CHANNELS

Our Commercial Excellence, examples

- Win with the Winners
- Value-based pricing
- In-store and online excellence
- Distribution and product coverage



U.S. continues to deliver a majority of our growth

WINNING
COUNTRIES

- Favorable market dynamics
 - Demand driver for branded consumer products
- Strong platform with scale in place
 - Fiskars leading gardening brand
 - Strong presence at key big-box retailers and e-tailers
- Further improvement in sight
 - Fiskars product portfolio not fully utilized
 - Gerber with untapped potential
 - Vita turnaround well underway

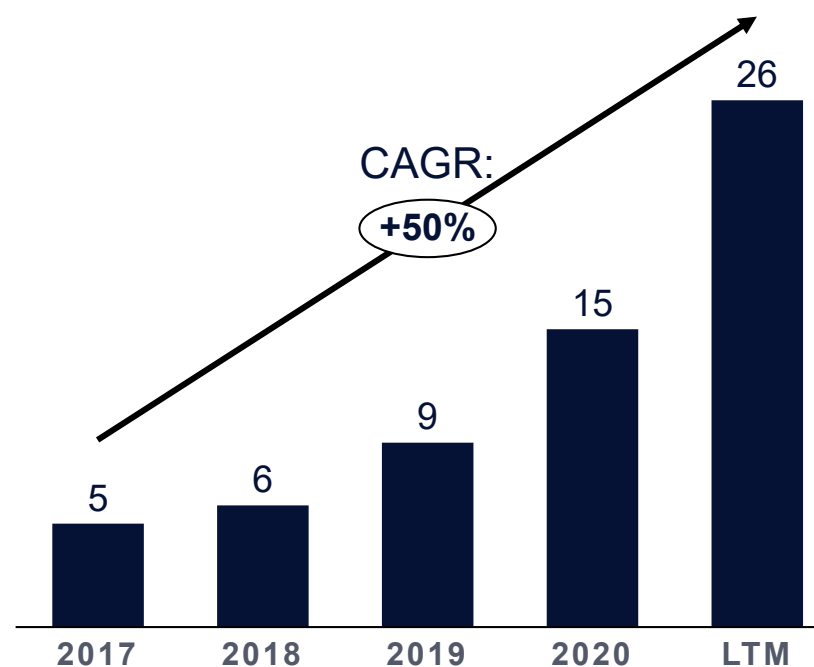


We have a strong start in China with significant growth opportunities ahead

WINNING
COUNTRIES

- Strong market demand
- Solid foundation, impressive track-record
 - Capable local team in place
 - 50% net sales CAGR during past 4 years
 - 40% of LTM* net sales through direct e-comm
 - Growth driven by Wedgwood, #1 in its category
- Strong net sales growth continues
 - Continued leadership with Wedgwood
 - Further opportunity from other brands in our portfolio (Royal Copenhagen leveraged only since 2021)

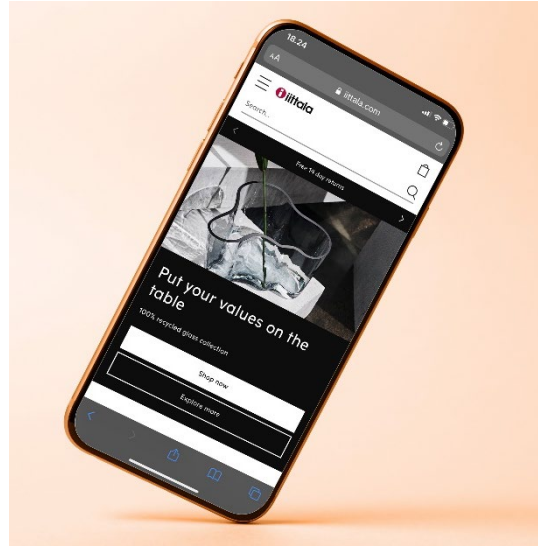
NET SALES IN CHINA (EURm)



Our enablers for the future



PEOPLE



DIGITAL



**INNOVATION
& DESIGN**



SUSTAINABILITY



We have clear sustainability priorities to drive real impact



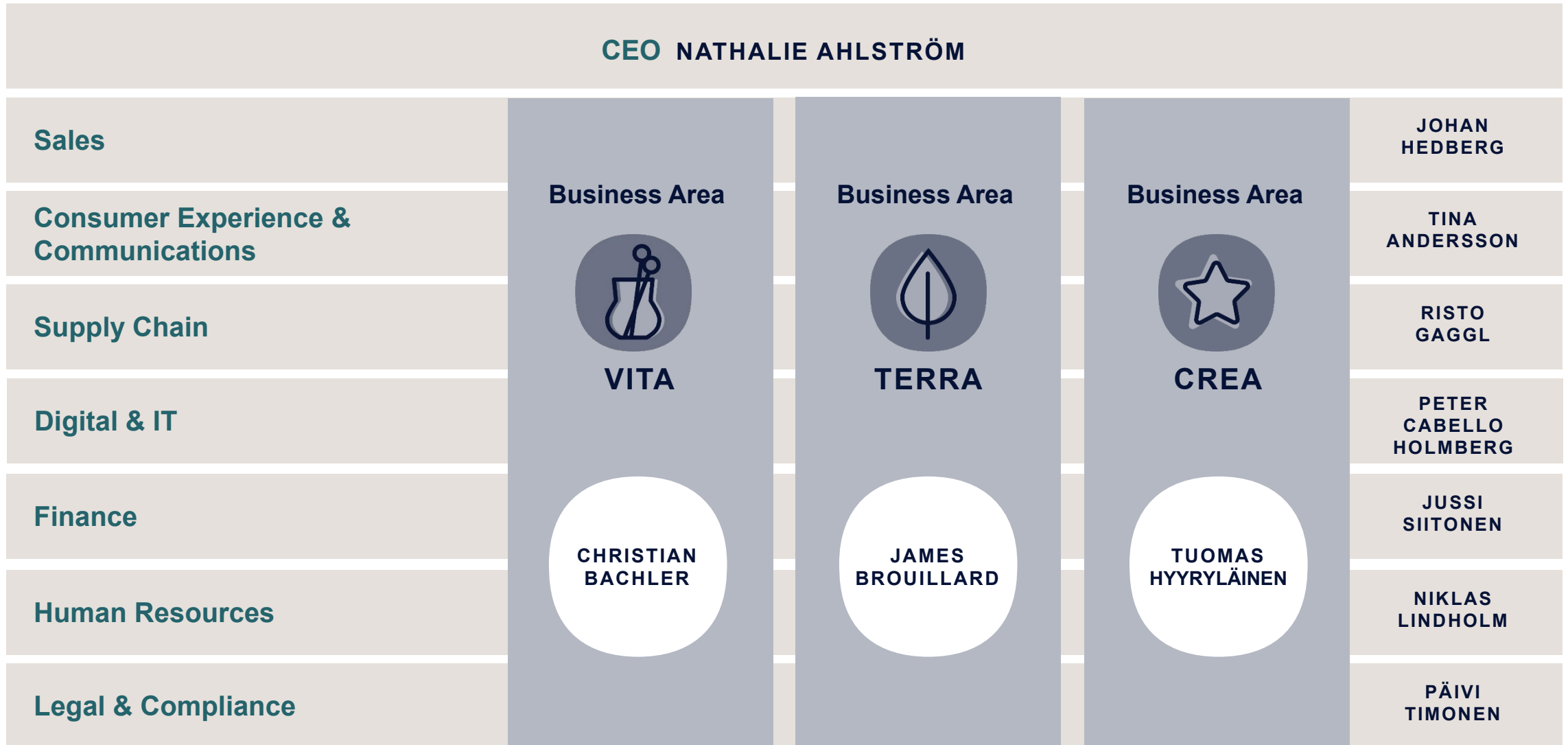
Fiskars Group commits to climate action by joining the UN Business Ambition for 1.5°C and setting science-based targets

Fiskars Group's science-based targets are:

1. Fiskars Group commits to reduce greenhouse gas emissions from own operations (scope 1 and 2) **60%** by 2030 from a 2017 base year.
2. Fiskars Group commits to reduce greenhouse gas emissions from upstream transportation and distribution (scope 3) **30%** by 2030 from a 2018 base year.
3. Fiskars Group commits that **60%** of its suppliers by spend covering purchased goods and services, will have science-based targets by 2024

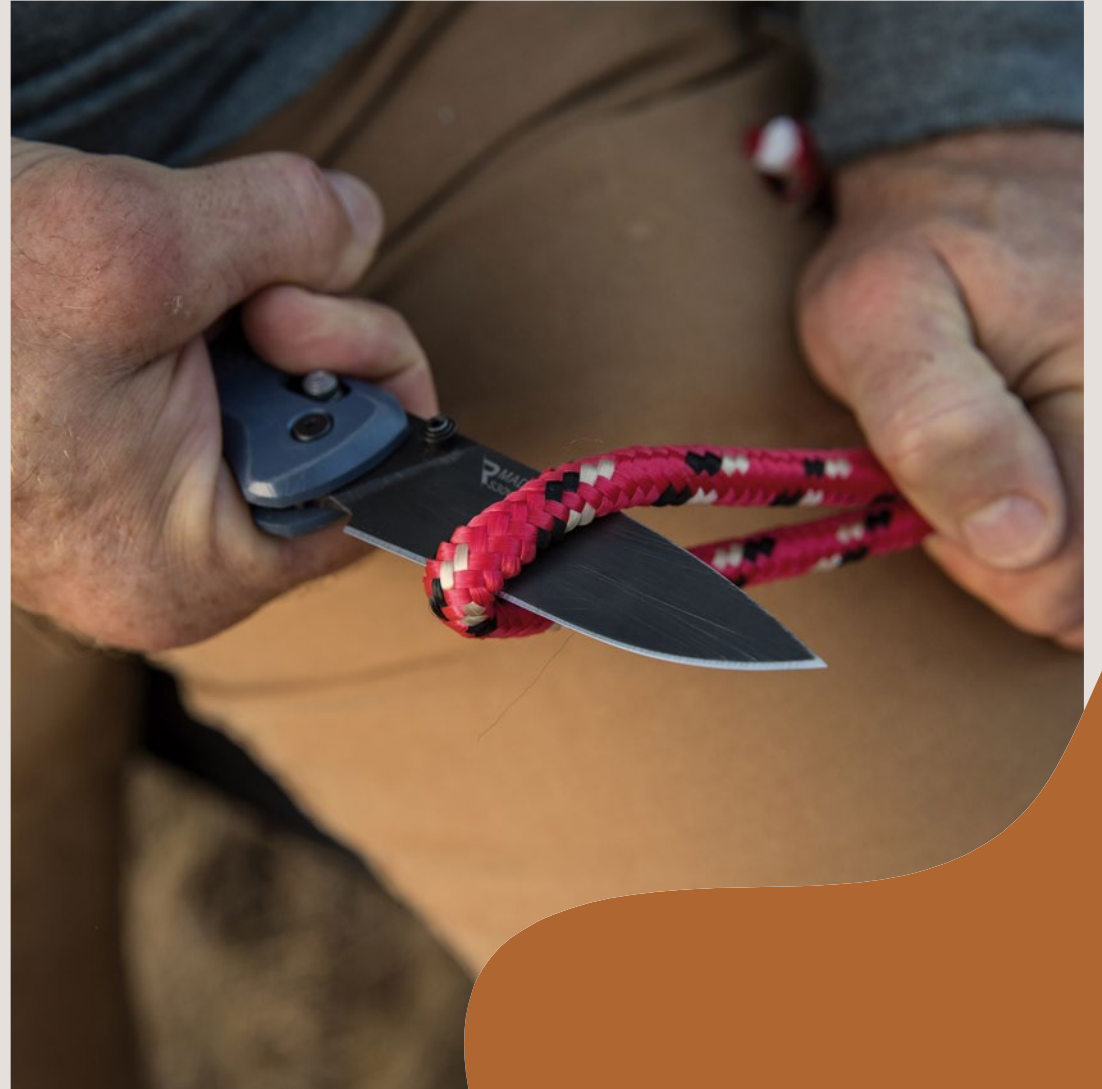


Organizational structure



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KEY CATEGORIES



Tableware



Drinkware



Interior

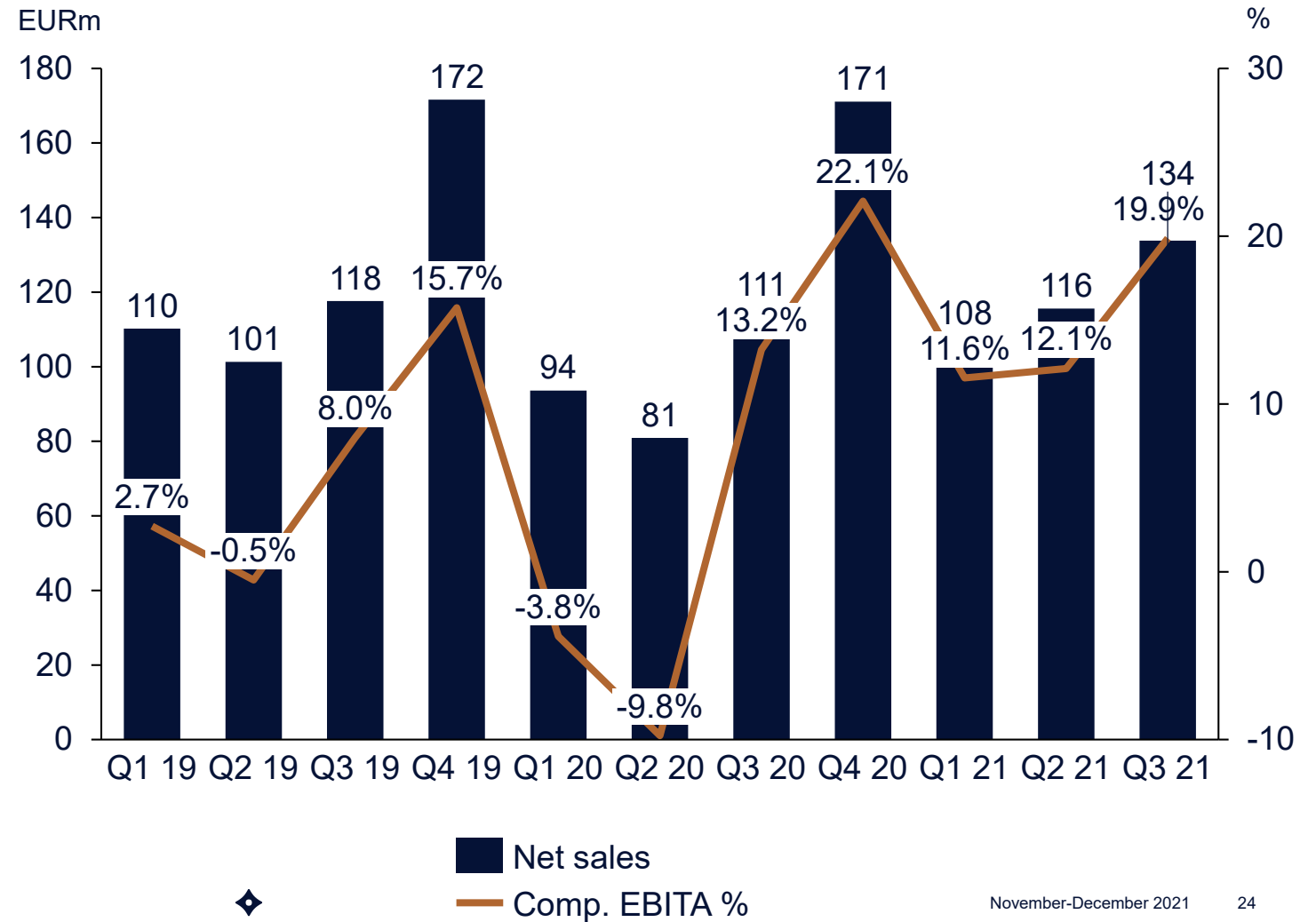
KEY BRANDS

iittala

ROYAL COPENHAGEN
PURVEYOR TO HER MAJESTY THE QUEEN OF DENMARK

WATERFORD **WEDGWOOD**
ENGLAND 1759

NET SALES AND COMPARABLE EBITA MARGIN





KEY MARKETS

- **Nordics**
- **UK**
- **U.S.**
- **China**
- **Japan**

DISTRIBUTION CHANNELS

**Retailers;
stores &
e-comm**

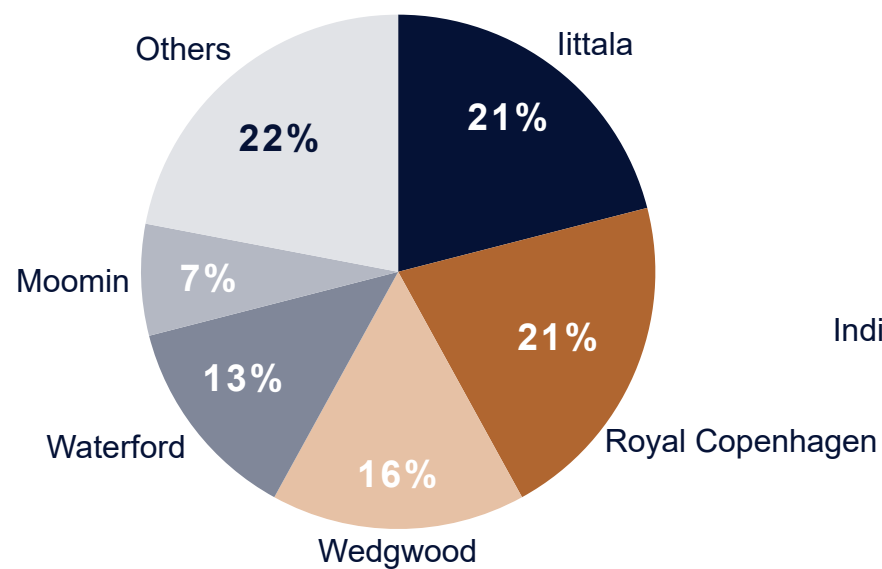
**Direct
consumer sales;
stores & e-comm**

BtoB

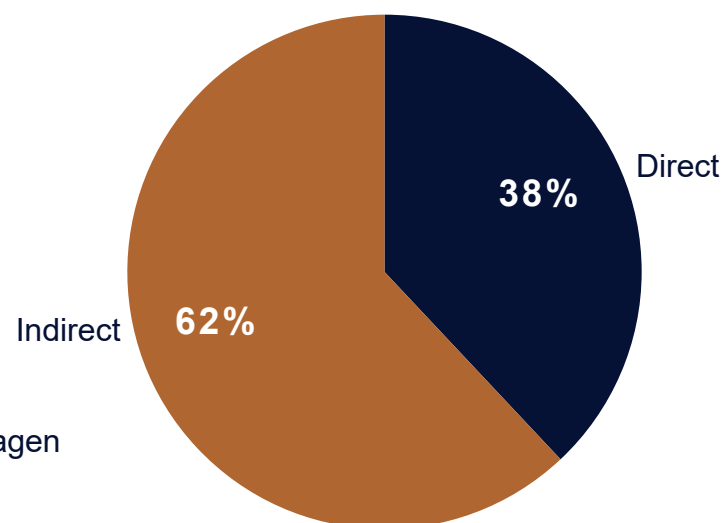




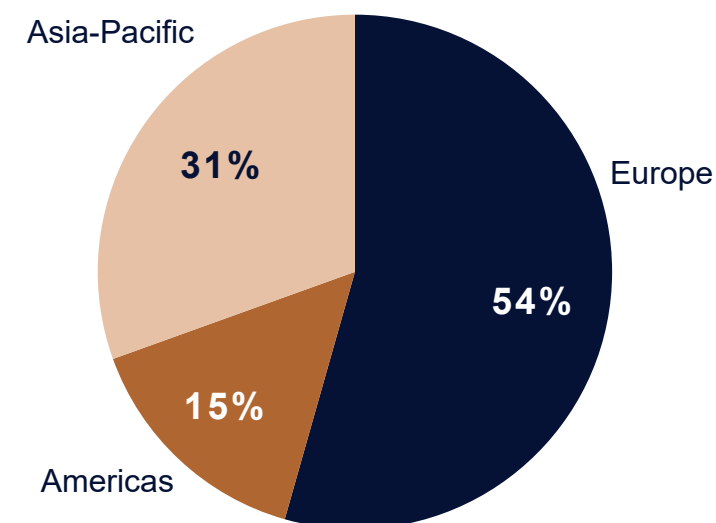
SALES SPLIT BY BRAND



SALES SPLIT BY CHANNEL



SALES SPLIT BY GEOGRAPHY





KEY CATEGORIES



Gardening



Outdoor



Watering

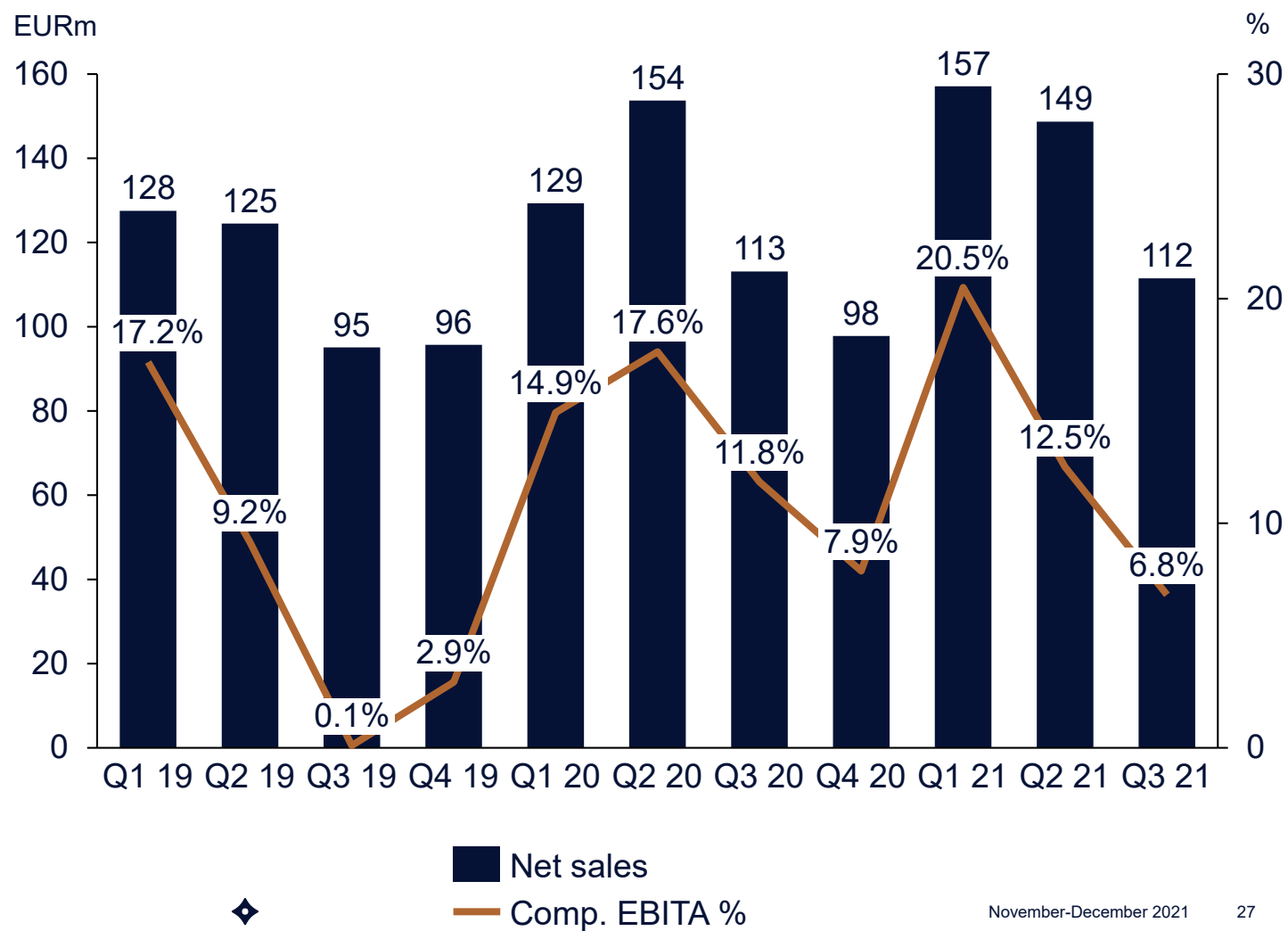
KEY BRANDS

FISKARS®

Gilmour.



NET SALES AND COMPARABLE EBITA MARGIN





KEY MARKETS

- **U.S.**
- **North & Central Europe**

DISTRIBUTION CHANNELS

**Retailers;
stores &
e-comm**

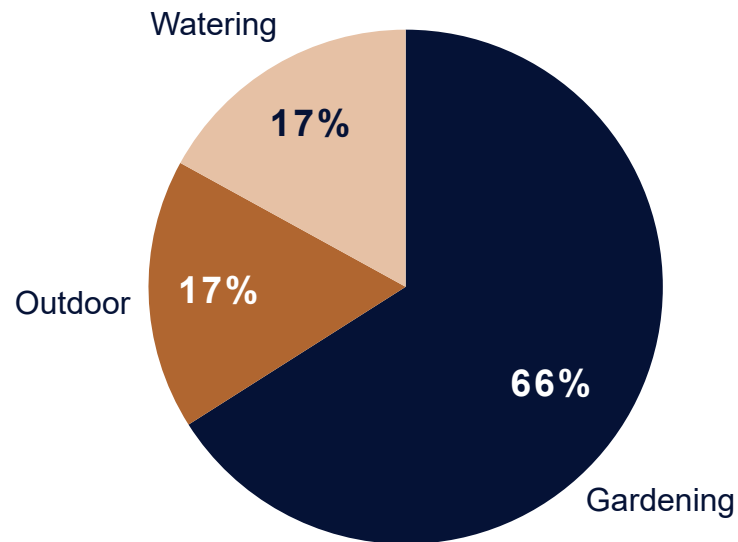
BtoB

**Direct
consumer sales;
stores & e-comm**

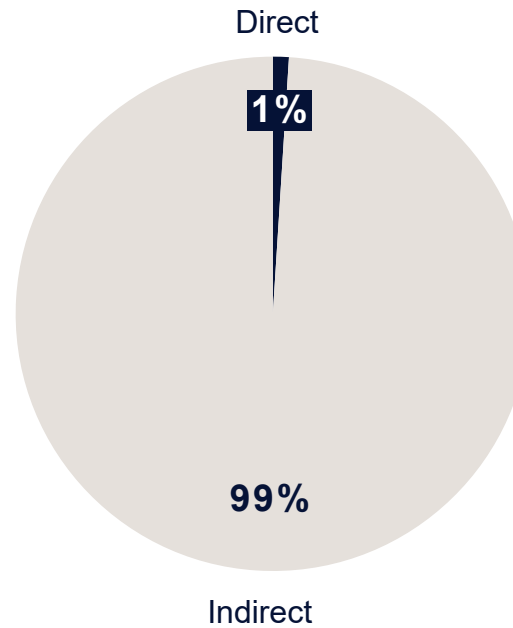




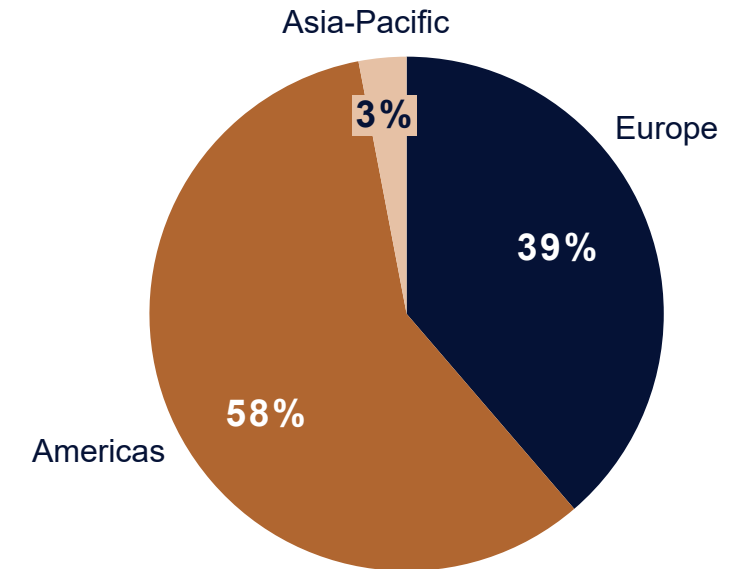
SALES SPLIT BY CATEGORY



SALES SPLIT BY CHANNEL



SALES SPLIT BY GEOGRAPHY





KEY CATEGORIES



Scissors
& creating

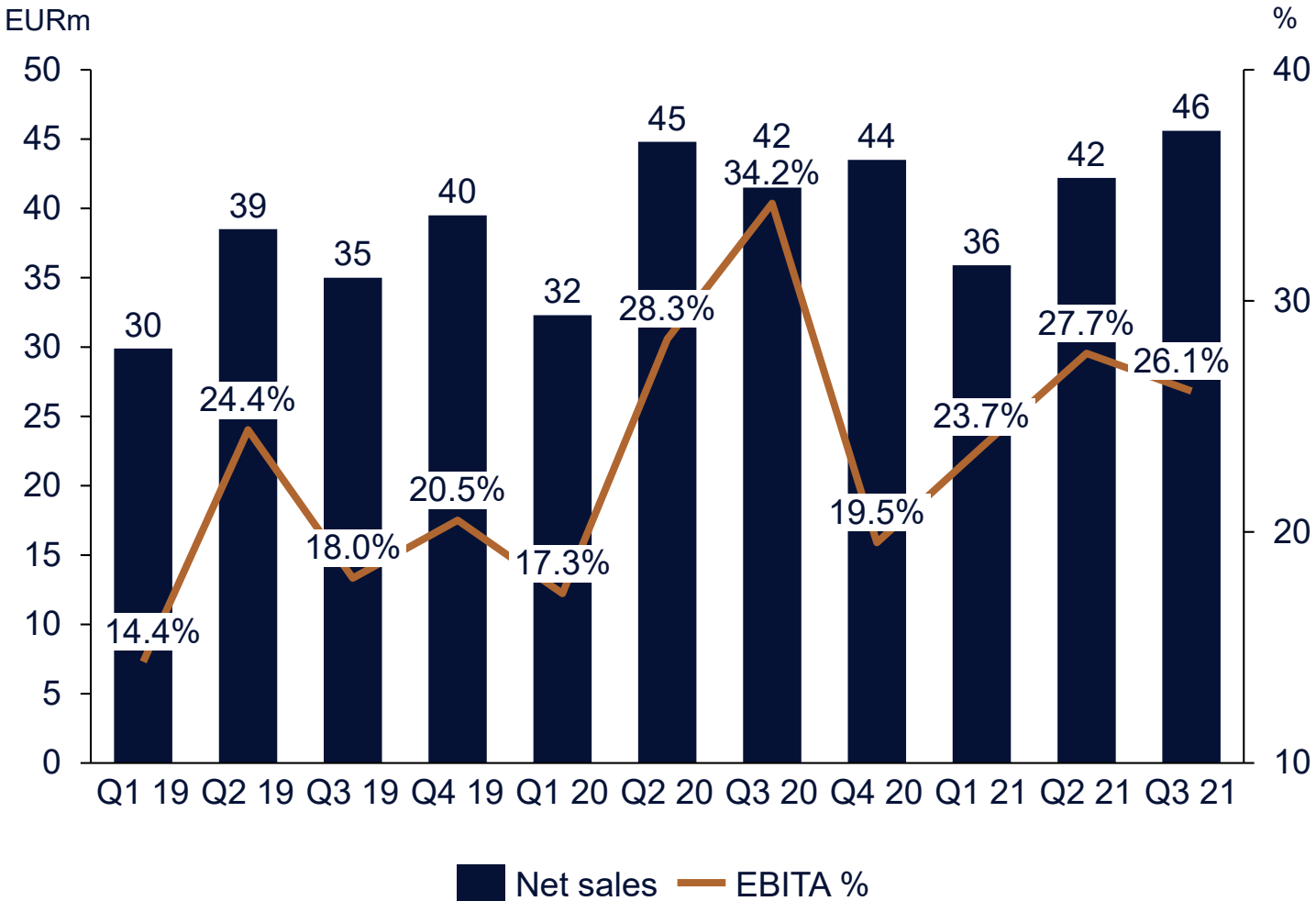


Cooking

KEY BRANDS

FISKARS®

NET SALES AND COMPARABLE EBITA MARGIN





KEY MARKETS

- **U.S.**
- **North & Central Europe**

DISTRIBUTION CHANNELS

**Retailers;
stores &
e-comm**

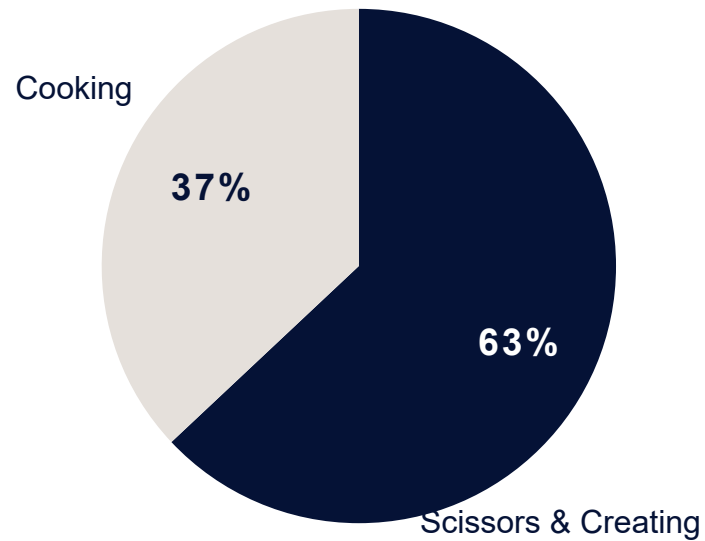
**Direct
consumer sales;
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BtoB

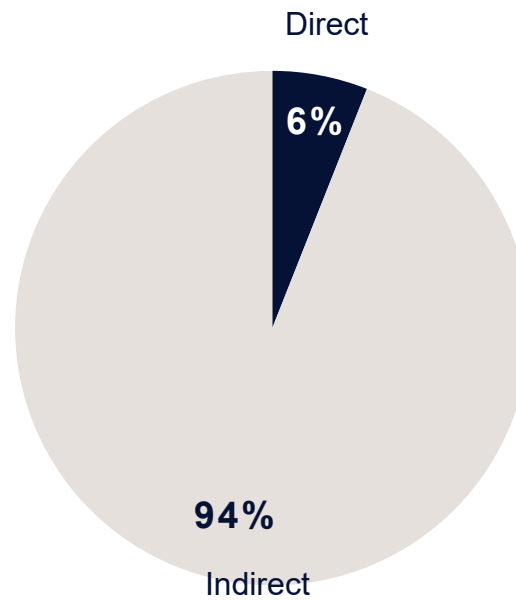




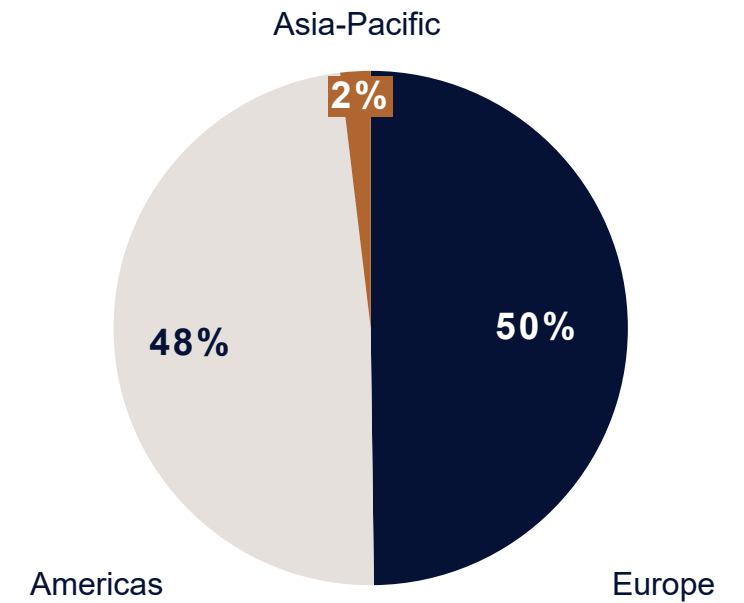
SALES SPLIT BY CATEGORY



SALES SPLIT BY CHANNEL



SALES SPLIT BY GEOGRAPHY



Content

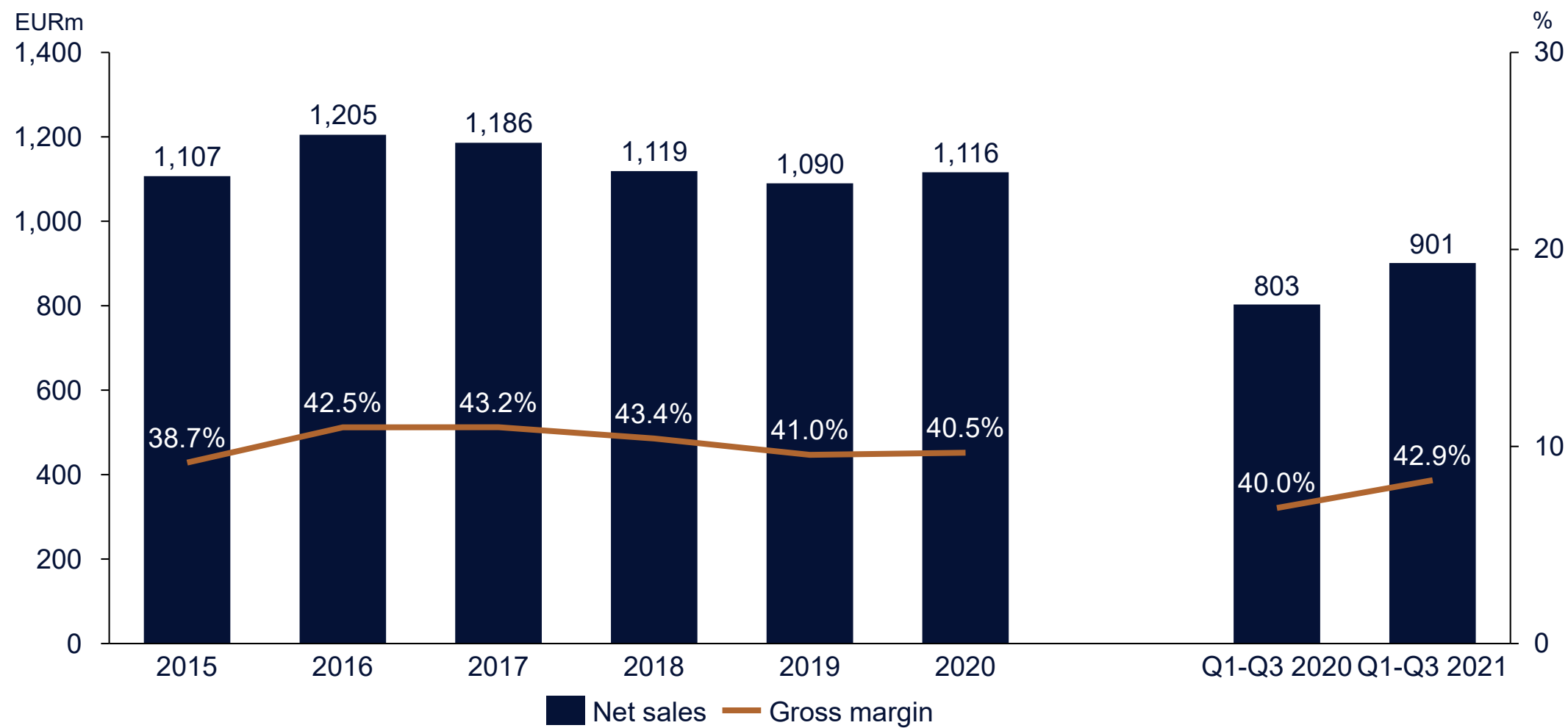
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Long-term financial targets – issued on Nov 8, 2021

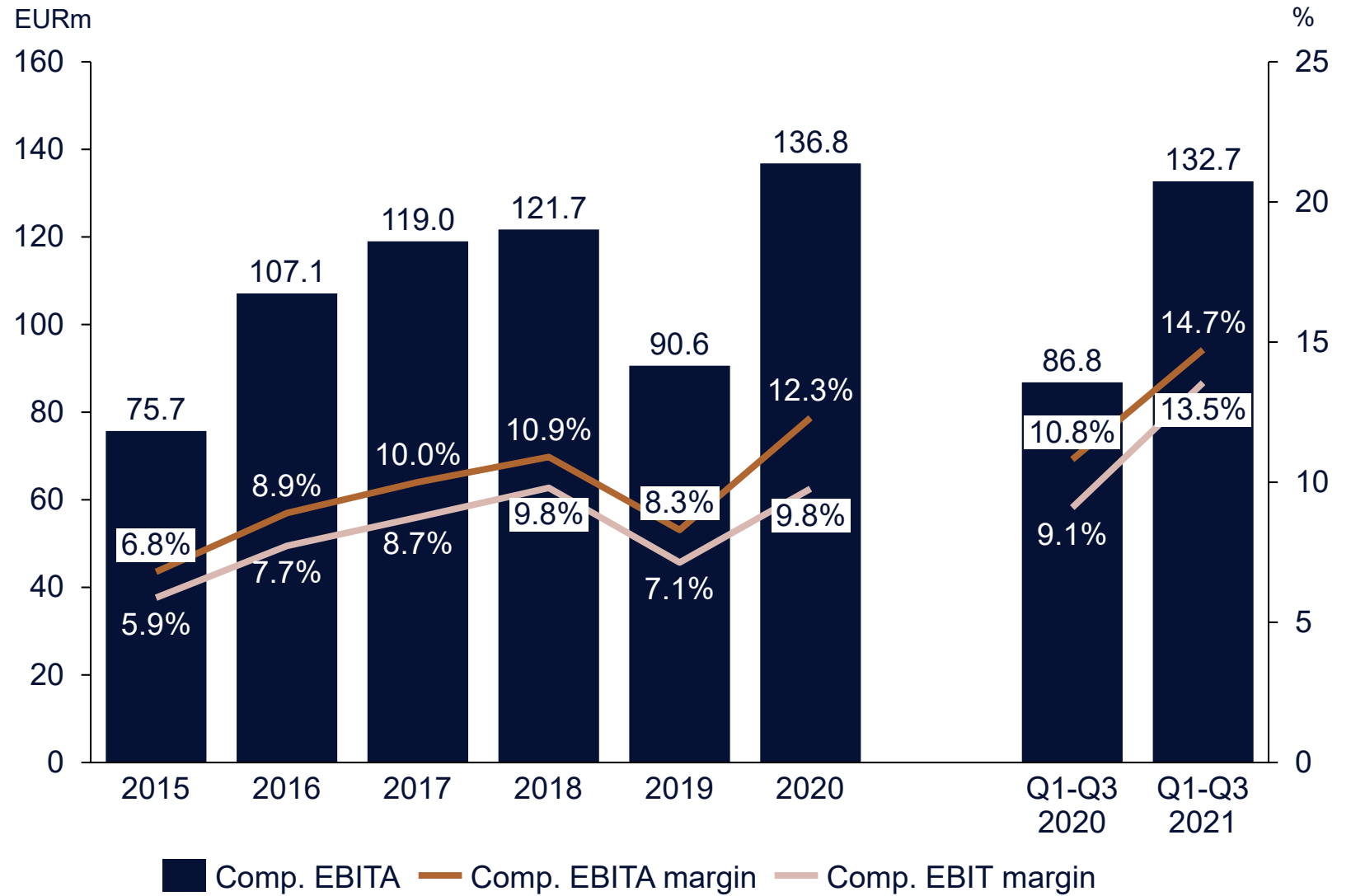
KPI	TARGET
NET SALES	Organic, FX neutral growth: approximately 5 % (mid-single digit)
PROFIT	EBIT margin (excl. IAC): approximately 15 % (mid-teen) by the end of 2025
CASH FLOW CONVERSION	Free Cash Flow / Net Profit \geq 80%
NET DEBT / EBITDA	Net Debt / LTM EBITDA \leq 2.5X
DIVIDEND (unchanged)	Aim to distribute a stable, over time increasing dividend, to be paid biannually

Group net sales and profitability development



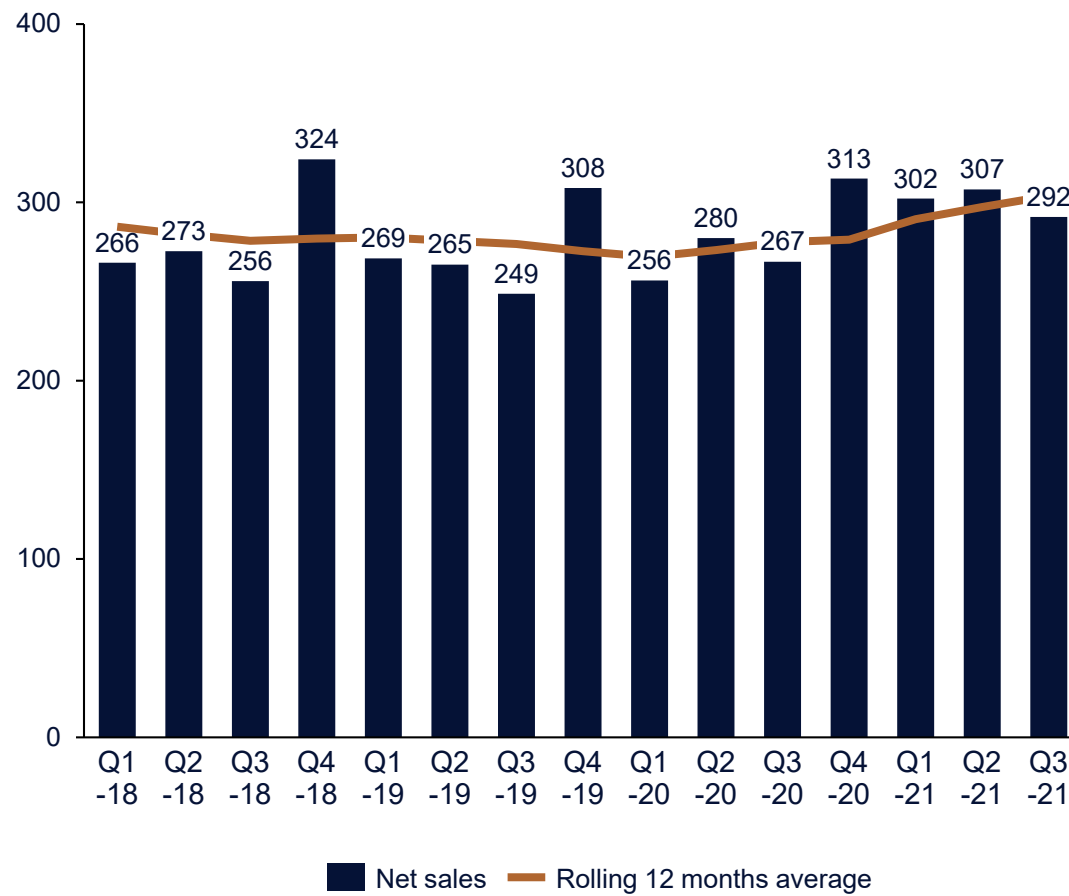


Profitability has improved

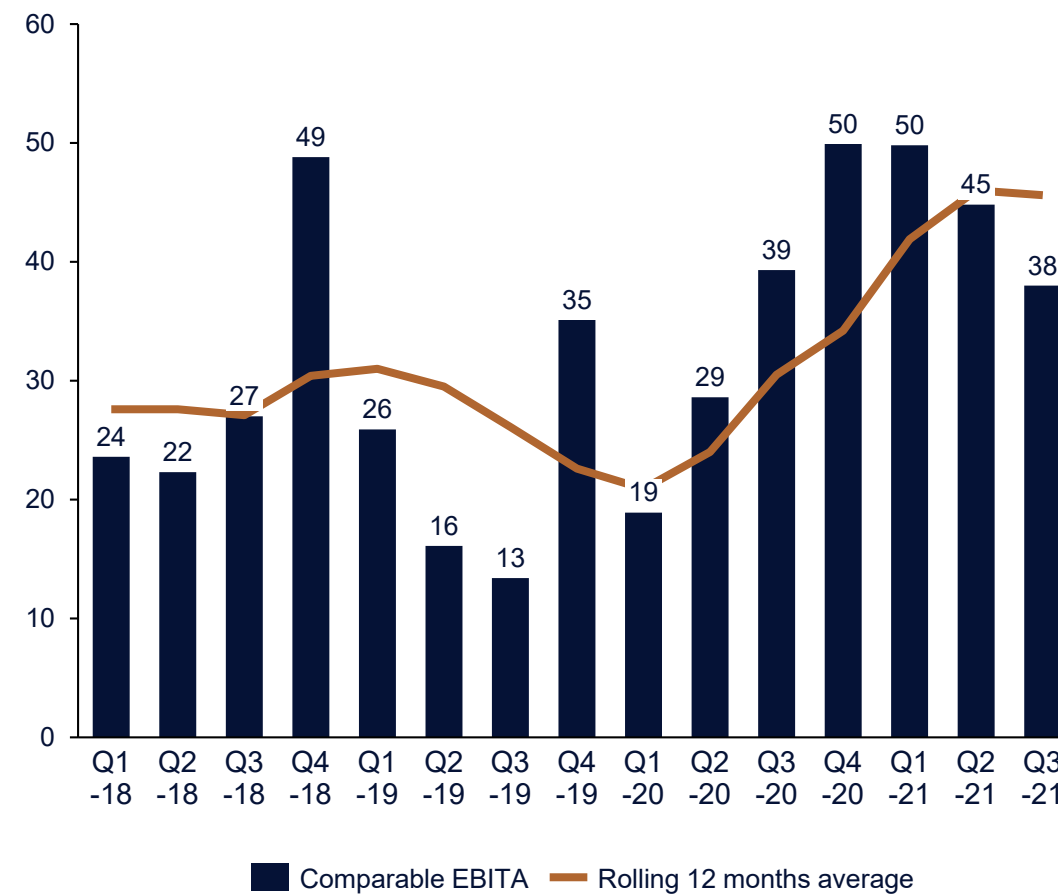


Quarterly development – last 3 years

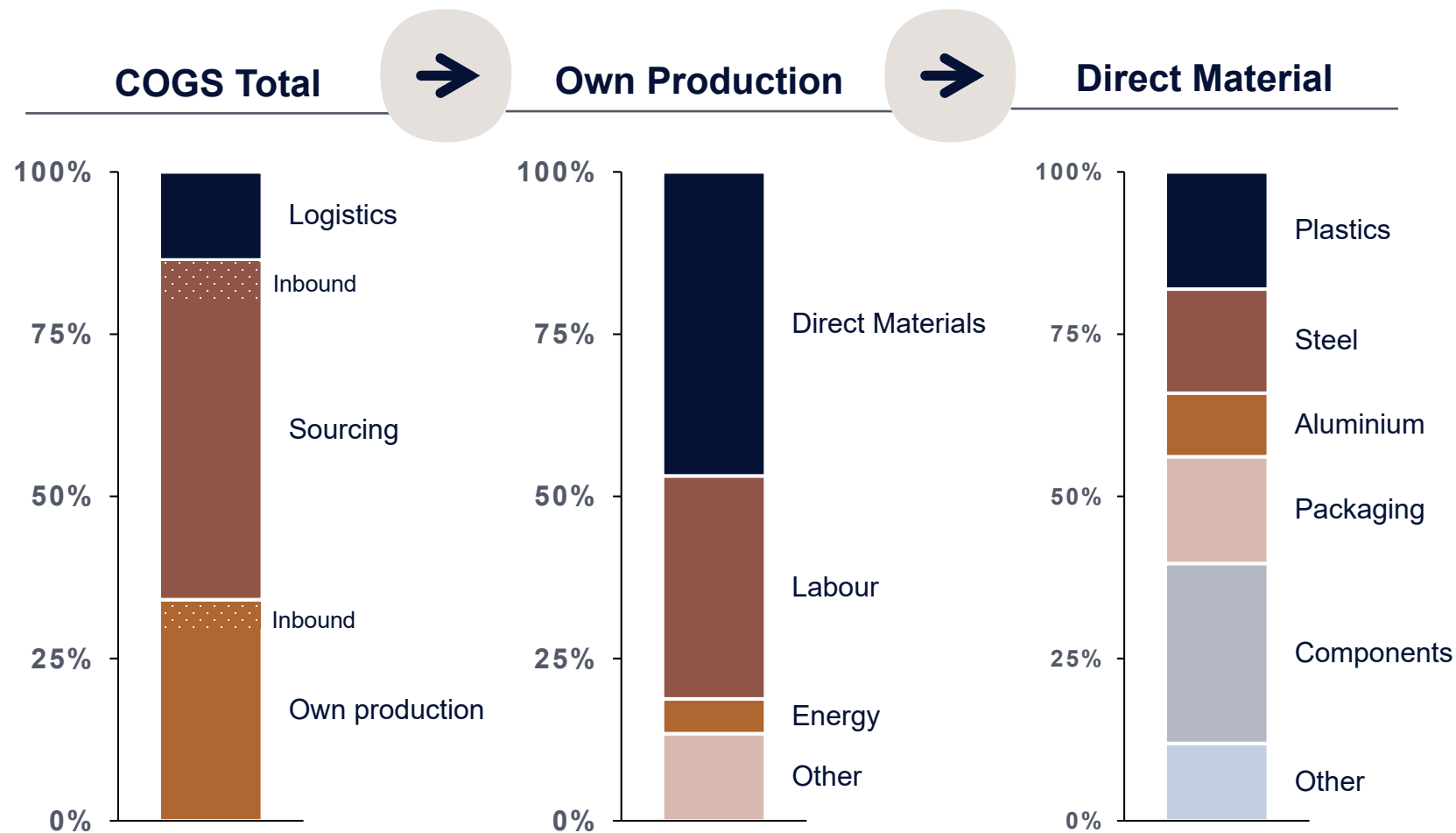
NET SALES, EUR MILLION



COMPARABLE EBITA, EUR MILLION



Cost of Goods Sold



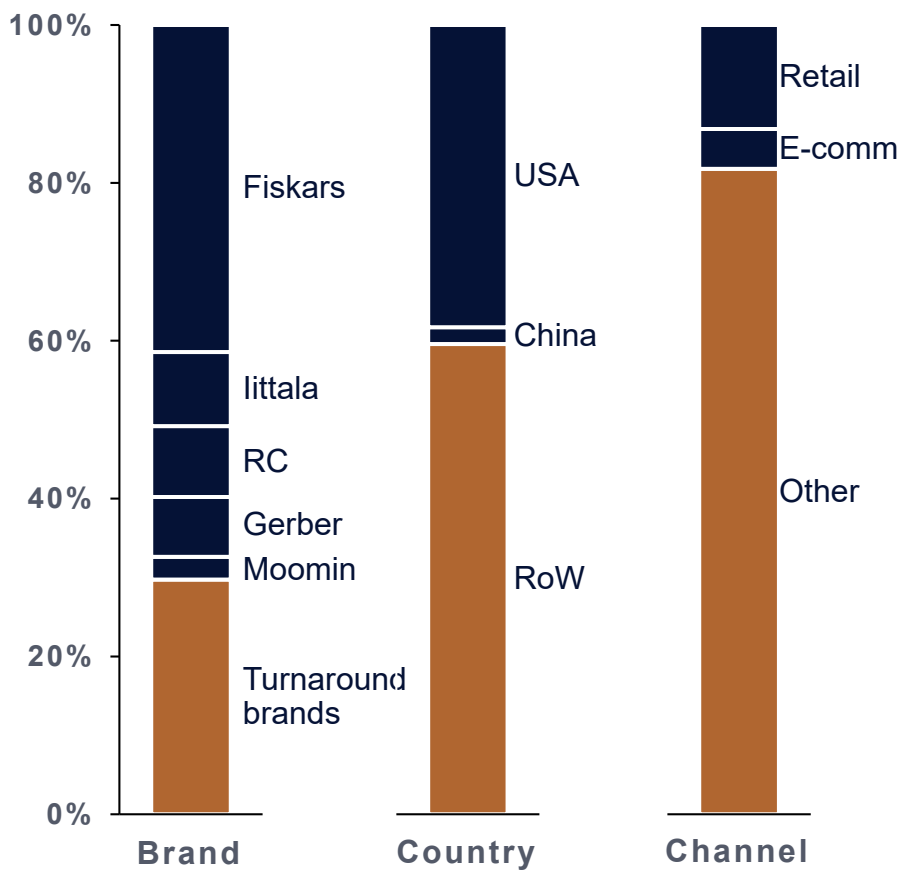
Key Takeaways

- Full year cost inflation expected to be approx. EUR 35m from inbound logistics (sea freights), raw materials and finished goods price increases.
- Negative Gross Margin impact mitigated thru price increases and internal efficiency improvements.
- Inflation pressure is expected to continue full year 2022. Actions in place to eliminate negative Gross Margin impacts.

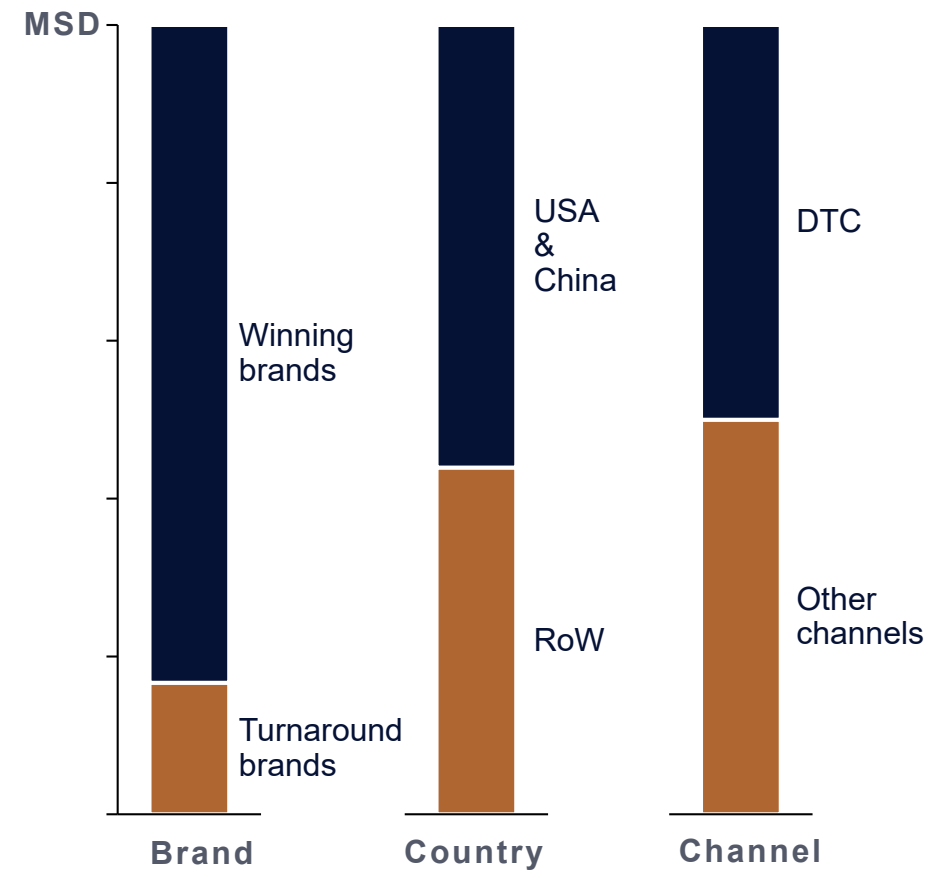


Net sales growth avenues





LTM* NET SALES BY WINNING BRANDS, COUNTRIES AND CHANNELS



AND THEIR CONTRIBUTION TO THE MSD GROWTH TARGET



Future P&L structure – emphasis on increasing Gross Margin

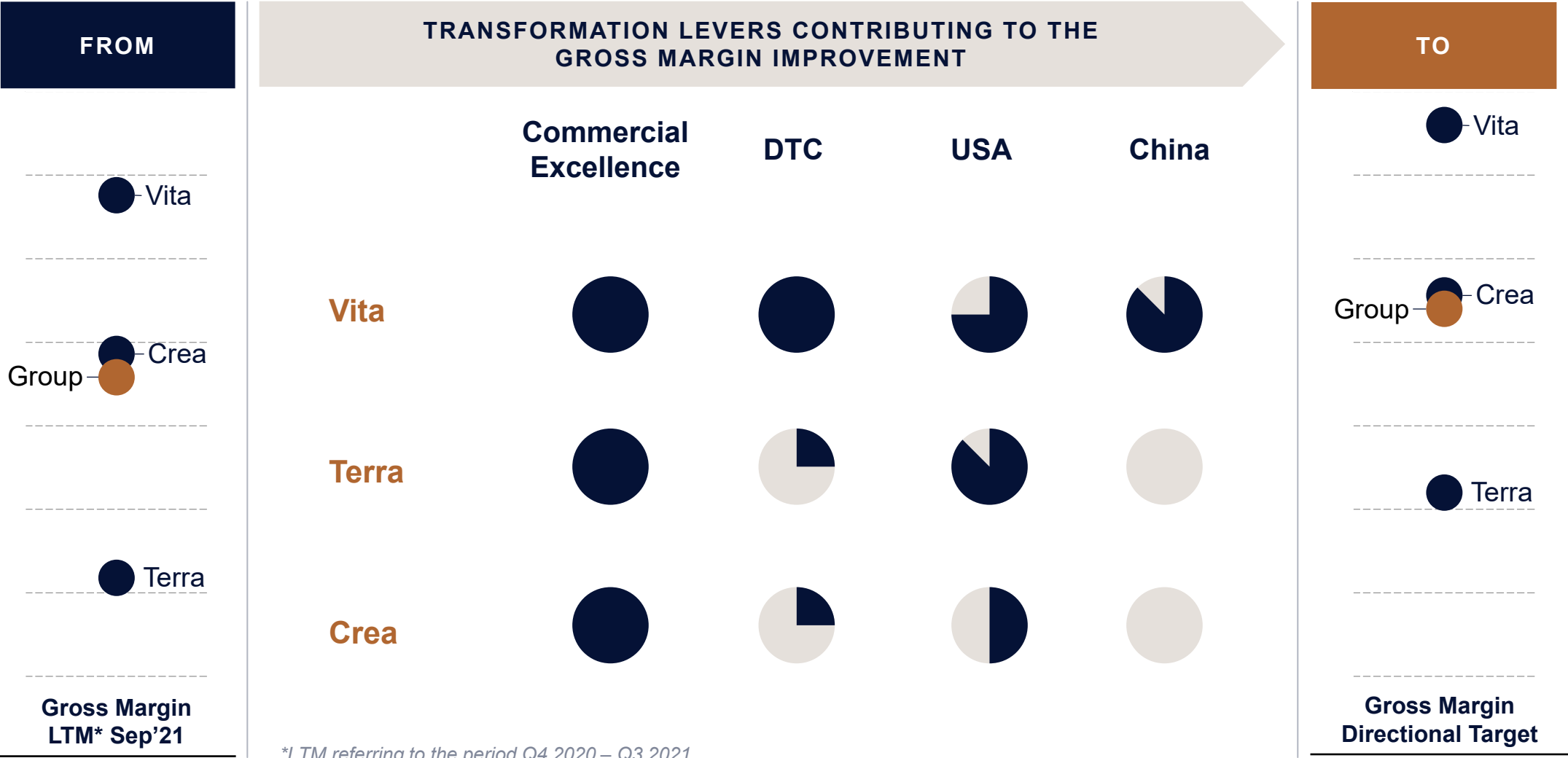
	AVERAGE 2016–19	FY 2020	LTM* SEP'21		2025 TARGET
GROSS MARGIN	42.9%	40.5%	42.8%		46–47%
MARKETING	4.4%	3.3%	3.6%		4–5%
SG&A	30.3%	27.3%	26.0%		27–28%
EBIT**	8.4%	9.8%	13.0%		Mid-teen

*LTM referring to the period Q4 2020 – Q3 2021

**Excl. Items Affecting Comparability

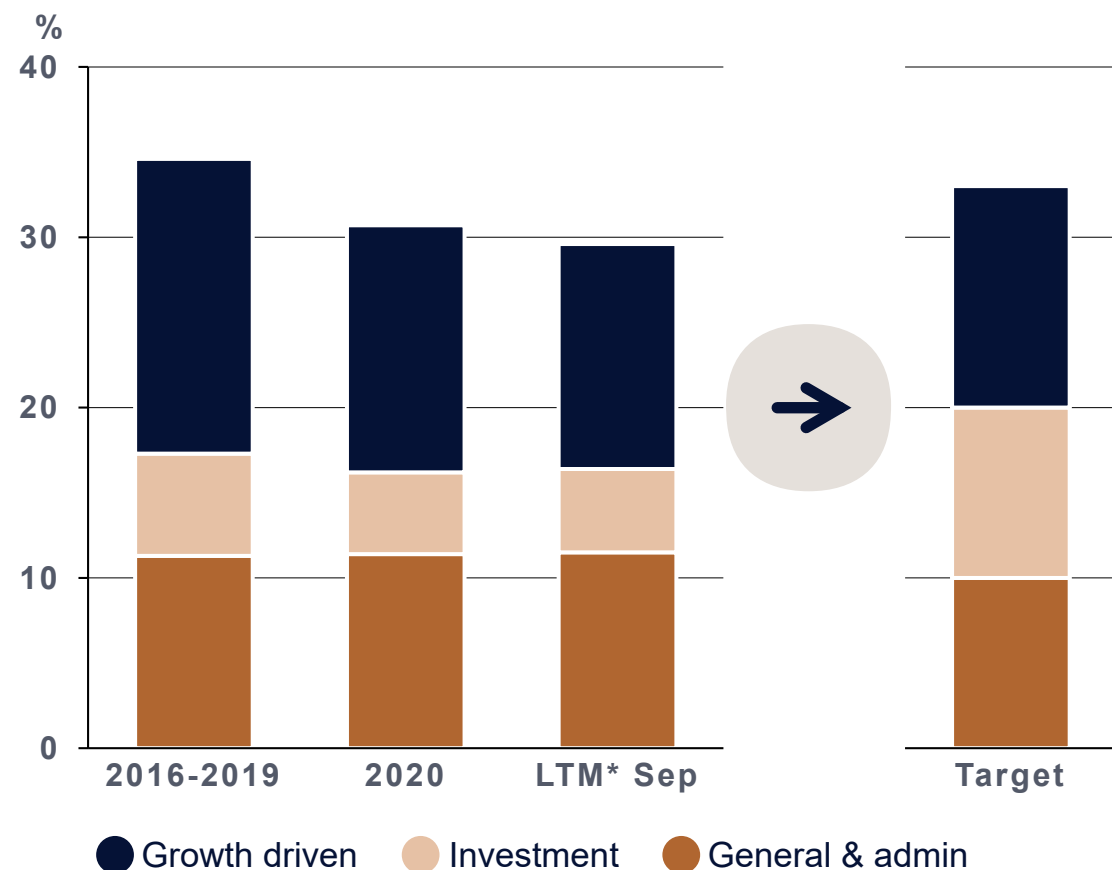


Transformation levers contributing to the Gross Margin improvement



Investments in growth building blocks are funded thru fluidity and Gross Profit improvement

OPEX COMPONENTS (% OF NET SALES)



OPEX LOGIC

Growth driven

- Sales expenses (incl. DTC)
- Expected to follow topline growth
- Sales expenses growth driven by DTC mitigated thru efficiency improvements in other channels

Investment

- Commercial excellence, product development, product marketing and e-comm/digital
- Expected to grow faster than topline, driven especially by Digital

General & admin

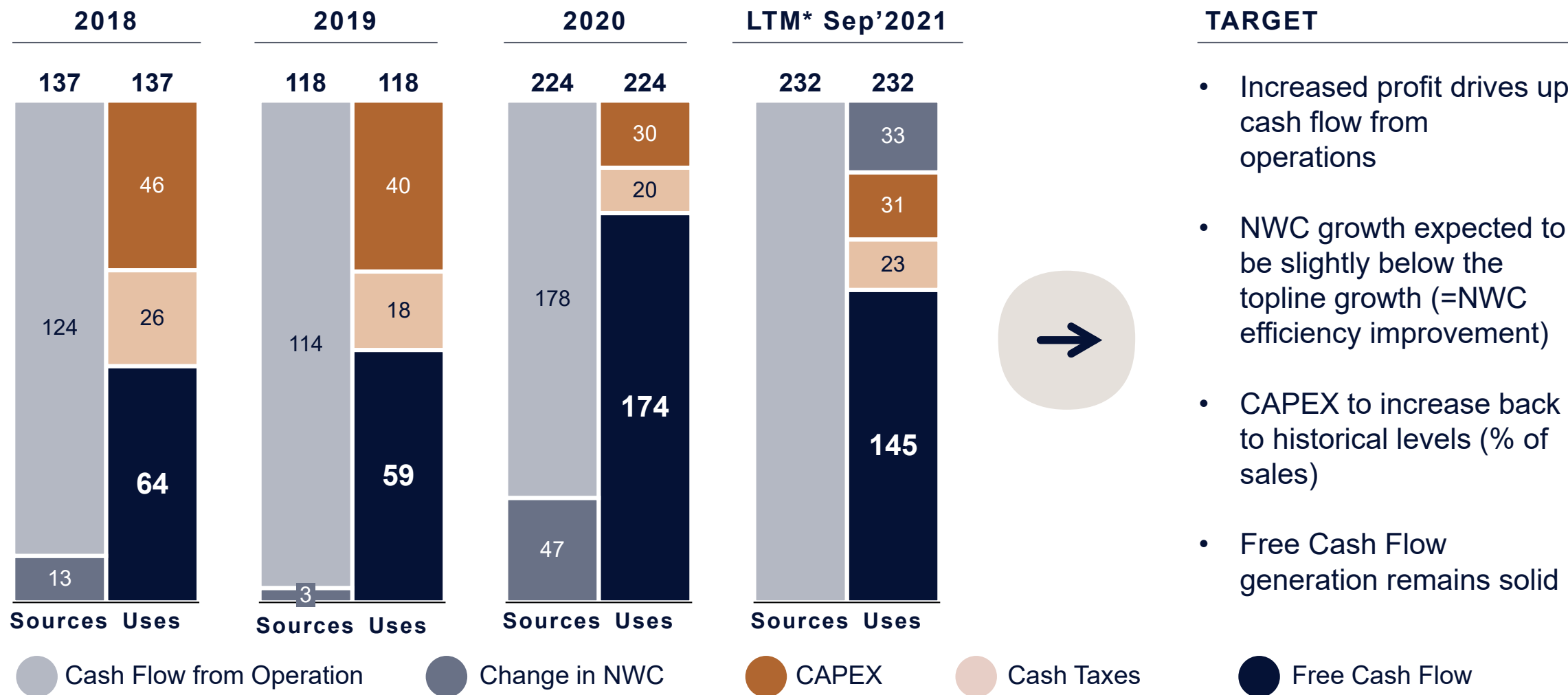
- Corporate functions
- Expected to grow slower than topline
- Managing growth thru fluidity

OPEX Investments - Enabling sustainable growth from 2022 onwards

			
TARGET	SUSTAINABLE, PROFITABLE GROWTH FROM Q1-22 ONWARDS	ACCELERATE GROWTH	ENABLE GROWTH, DRIVE EFFICIENCY
IMPACT	<ul style="list-style-type: none"> • Stable, sustainable Net Sales growth • Gross Margin improvement 	<ul style="list-style-type: none"> • Growth acceleration • Gross Margin improvement thru channel mix change 	<ul style="list-style-type: none"> • Enabling growth especially in DTC
INVESTMENT	<ul style="list-style-type: none"> • OPEX light: investments mainly in capabilities and in-store excellence improvements 	<ul style="list-style-type: none"> • OPEX investments in platforms to ensure repeatable growth model 	<ul style="list-style-type: none"> • OPEX investments in digital platforms and capabilities
TIMING	<ul style="list-style-type: none"> • Q4/2021 onwards 	<ul style="list-style-type: none"> • First building repeatable model, then driving scale and efficiency 	<ul style="list-style-type: none"> • Q4/2021 onwards



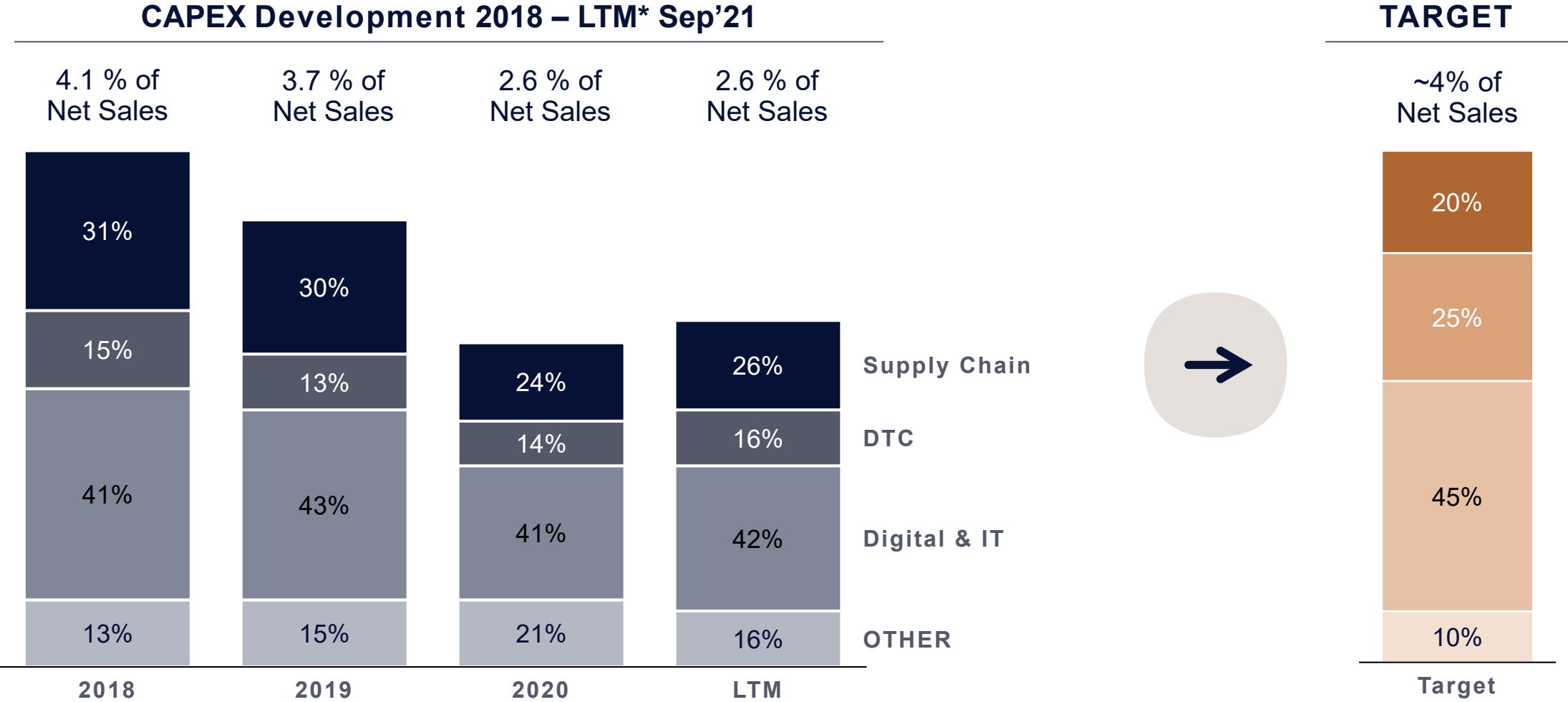
Free Cash Flow remains solid



*LTM referring to the period Q4 2020 – Q3 2021

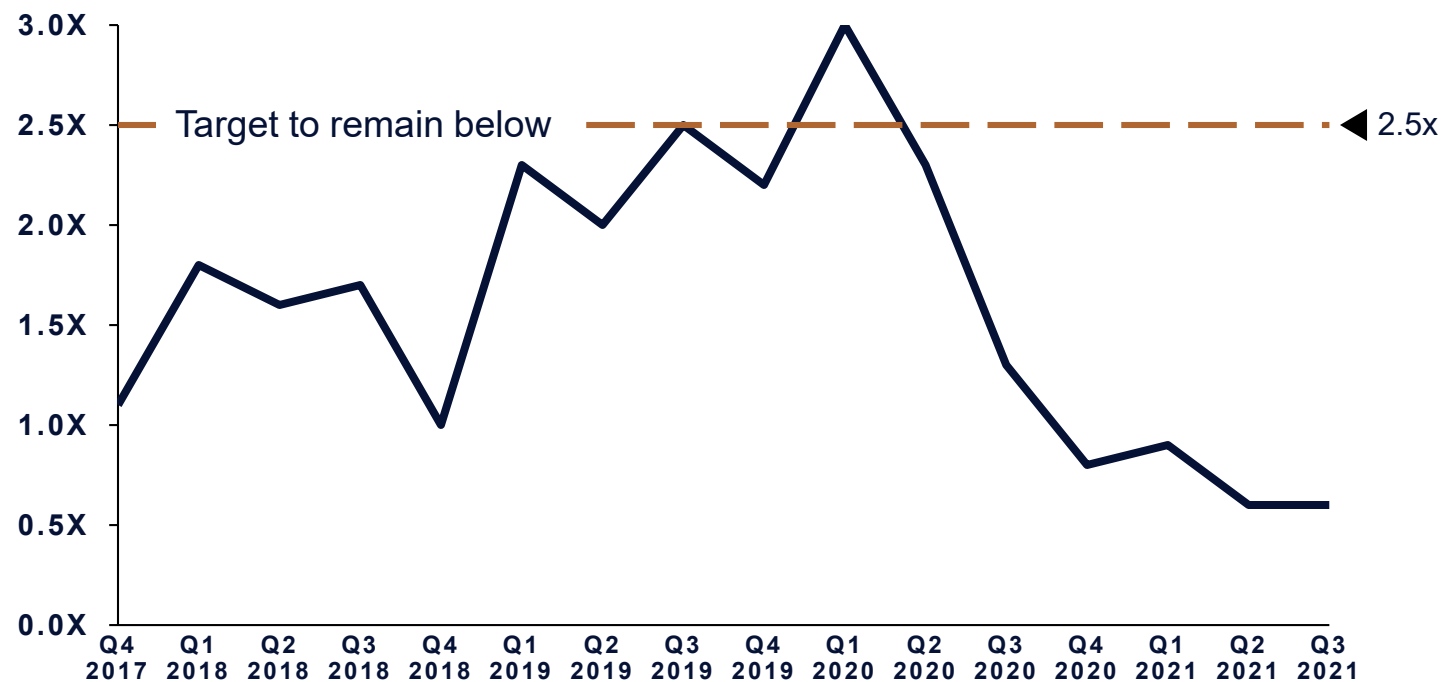


Fund allocation follows the strategic acceleration – DTC and Digital share of CAPEX to increase



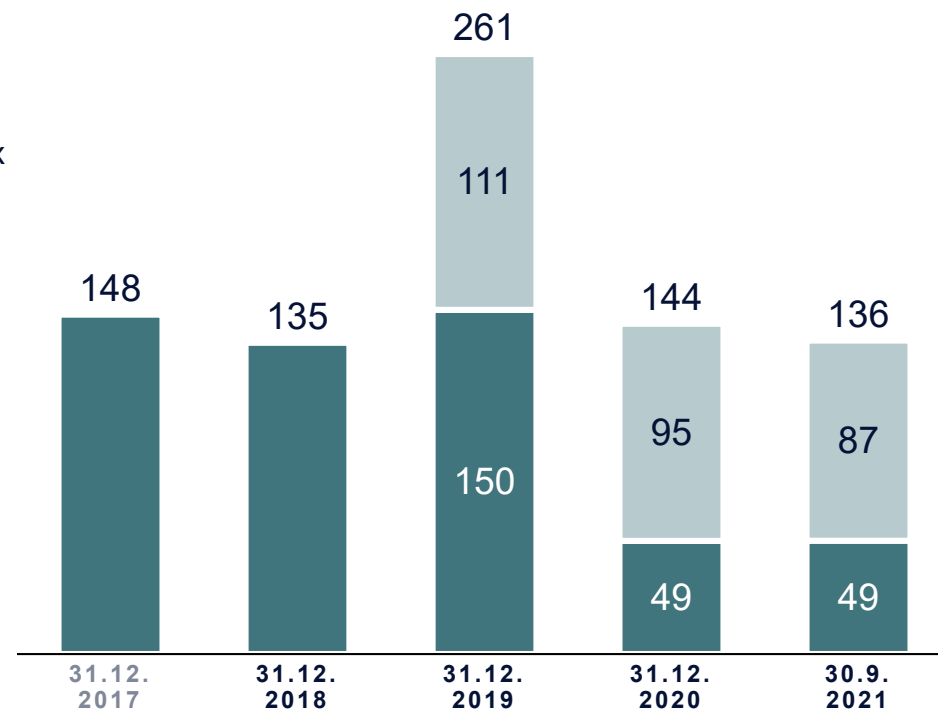
Strong balance sheet enables growth

NET DEBT / LTM* EBITDA Q4/2017 – Q3/2021



*LTM referring to the period Q4 2020 – Q3 2021

NET DEBT 31.12.2017 – 30.9.2021

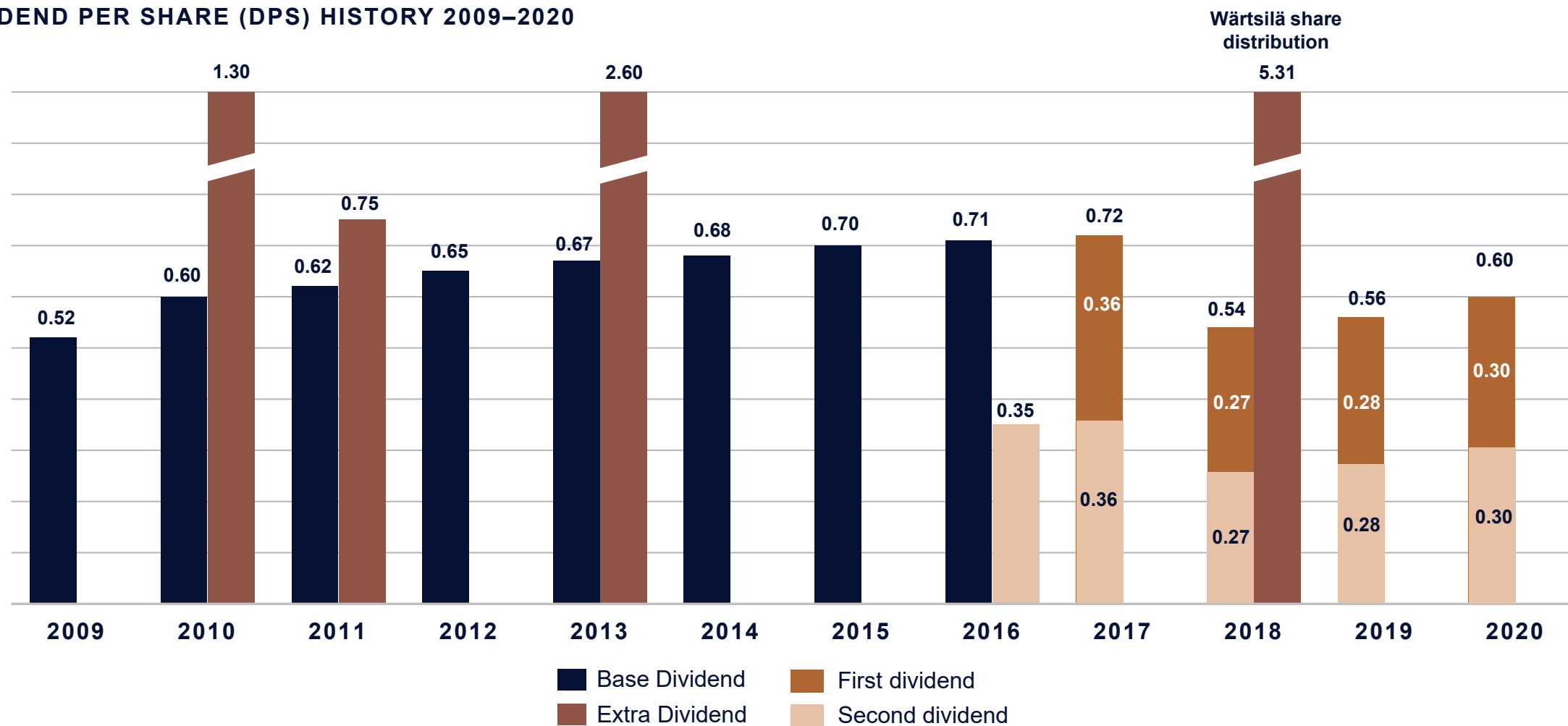


- Net Debt excl lease liabilities
- Lease liabilities

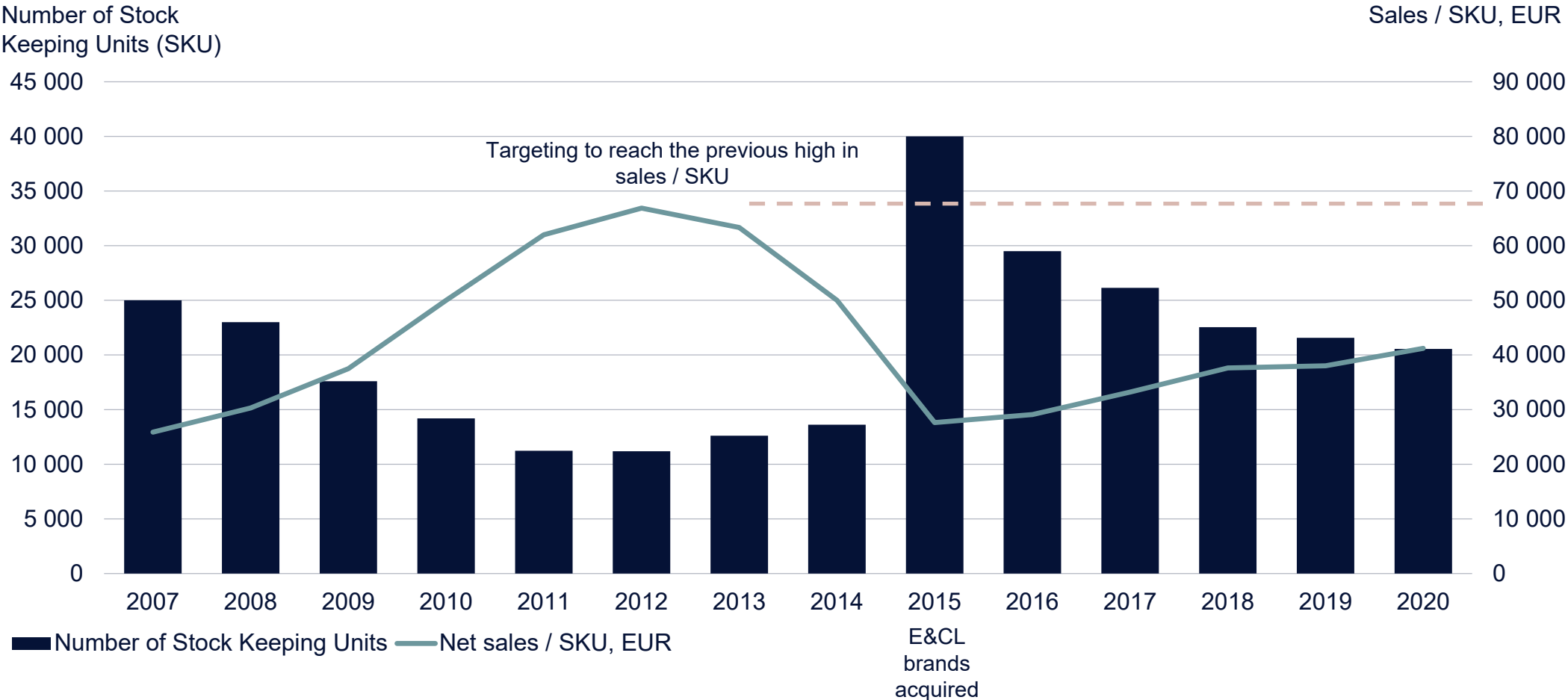


No changes to dividend policy – stable, over time increasing dividend, to be paid biannually

DIVIDEND PER SHARE (DPS) HISTORY 2009–2020 EUR



SKU reduction ongoing with potential remaining



The ongoing programs to be completed by the end of the year – expected savings to materialize with lower costs

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

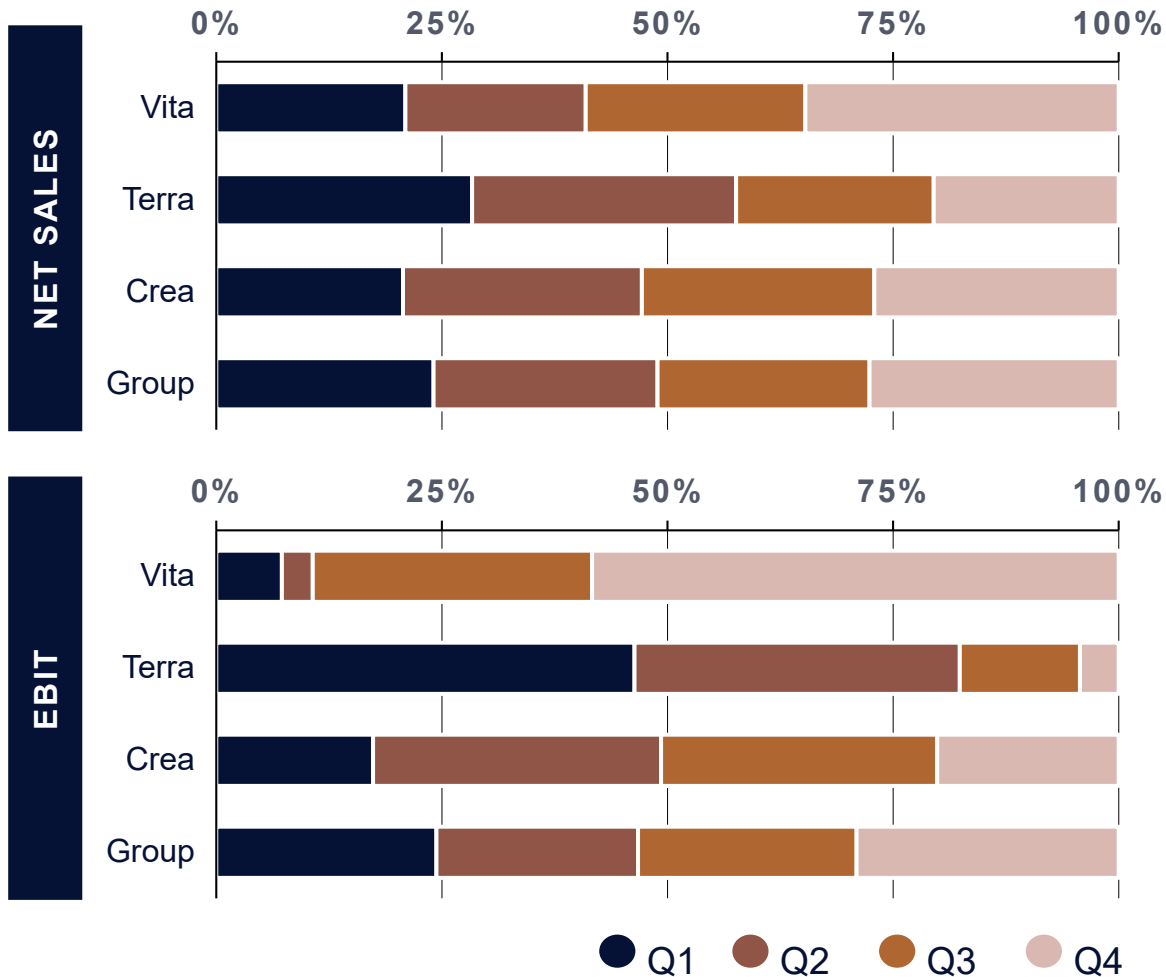
COSTS WILL BE SIGNIFICANTLY LOWER THAN ORIGINALLY ANTICIPATED

- 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



Group seasonality balanced by portfolio

NET SALES AND EBIT – QUARTERLY SPLIT



SEASONAL FEATURES BY BUSINESS AREA

Vita

- Highest season in year-end holiday period
- Seasonal pre-orders approx. one-third of the business; the rest from replenishment and DTC
- Order in-take some 2-3 months in advance

Terra

- Highest season in spring/summer
- Seasonal pre-orders approx. half of the business both in Europe and USA with replenishment making the rest.
- Order in-take 4-7 months in advance and shipping 1-2 months in advance in Europe; 3-5 months and 2-3 months in USA, respectively.

Crea

- Highest season in Back-to-School (BTS) and year-end holiday period (Cooking)
- Majority of BTS pre-ordered 2-3 quarters in advance
- Cooking order in-take some 2-3 months in advance, replenishments based on demand



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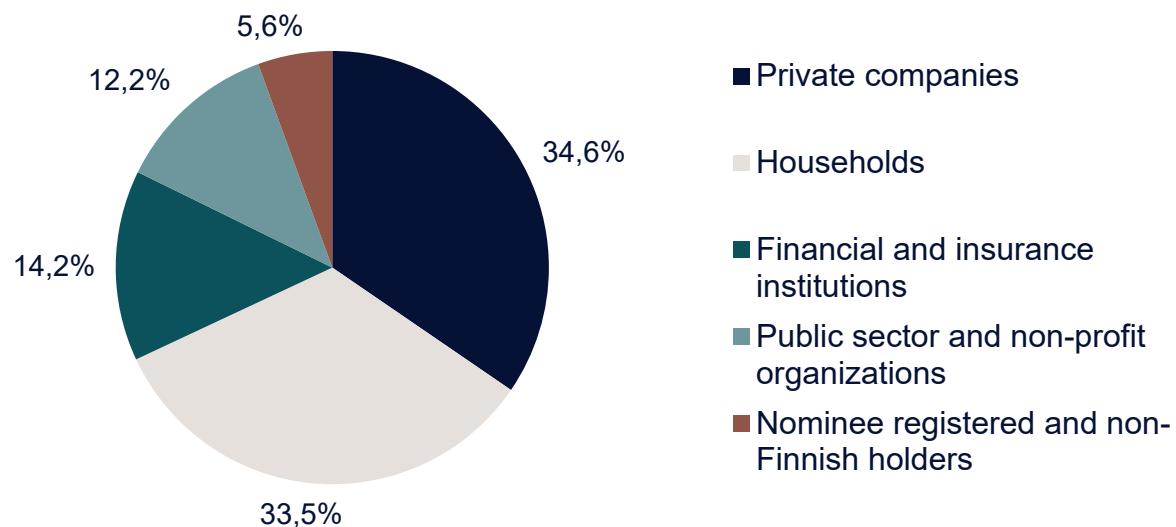
Largest shareholders as of October 31, 2021

#	Shareholder name	Number of shares	% of shares and votes
1	Virala Oy Ab	12,650,000	15.44
2	Turret Oy Ab	10,885,961	13.29
3	Holdix Oy Ab	10,165,537	12.41
4	Bergsrådinnan Sophie von Julins Foundation	2,556,000	3.12
5	Oy Julius Tallberg Ab	2,554,350	3.12
6	Gripenberg Gerda Margareta Lindsay Dödsbo	1,982,000	2.42
7	Ilmarinen Mutual Pension Insurance Company	1,741,223	2.13
8	Varma Mutual Pension Insurance Company	1,719,326	2.10
9	von Julin Sofia Margareta dödsbo	1,560,000	1.90
10	Ehrnrooth, Albert	855,372	1.04
10 largest shareholders, total		46,666,977	56.98
Other shareholders		35,235,473	43.02
Total		81,905,242	100.00

Data supplied by Euroland



Shareholder structure as of October 31, 2021



Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares and votes
Private companies	714	2.6 %	28,304,022	34.6 %
Households	27,617	99.4 %	27,420,131	33.5 %
Financial and insurance institutions	39	0.1 %	11,650,980	14.2 %
Public sector and non-profit organizations	225	0.8 %	9,979,571	12.2 %
Nominee registered and non-Finnish holders	169	0.6 %	4,550,538	5.6 %
Total			81,905,242	100.0

Data supplied by Euroland



Fiskars Group Leadership Team



NATHALIE AHLSTRÖM

President & CEO



JUSSI SIITONEN

Chief Financial Officer,
deputy to the CEO



TINA ANDERSSON

Chief Consumer Officer



CHRISTIAN BACHLER

Executive Vice President,
BA Vita



JAMES BROUILLARD

Executive Vice President,
BA Terra



RISTO GAGGL

Chief Supply Chain Officer



JOHAN HEDBERG

Chief Sales Officer



**PETER CABELLO
HOLMBERG**

Chief Digital Officer



TUOMAS HYYRYLÄINEN

Executive Vice President,
BA Crea



NIKLAS LINDHOLM

Chief People Officer



PÄIVI TIMONEN

Chief Legal Officer



Board of Directors



**PAUL
EHRNROOTH**

Chairman



**JYRI
LUOMAKOSKI**

Vice Chairman



**ALBERT
EHRNROOTH**



**LOUISE
FROMOND**



**INKA
MERO**



**FABIAN
MÅNSSON**



**PETER
SJÖLANDER**



**RITVA
SOTAMAA**



Calculation of financial indicators

INDICATOR	DEFINITION
EBITDA	EBIT + depreciation and amortization
Free Cash Flow	EBITDA + change in provisions + non-cash adjustments – capital expenditure +/- change in inventories, trade receivables and trade payables – cash taxes
Cash conversion	Free cash flow / net income for the period
Capital employed	Non-current assets + trade working capital + Other interest-free receivables and payables +/- net tax liabilities
Capital turnover	Net sales / Capital employed
ROCE	Capital turnover * EBIT margin



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:

(i) 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.



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