

# Interim report Q1 2022

STRONG START TO THE YEAR WITH SOLID  
MOMENTUM IN OUR MAIN MARKETS



JANUARY–MARCH 2022

# 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 rates 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 the quarter



EIGHTH  
CONSECUTIVE  
QUARTER OF NET  
SALES GROWTH



PROFITABILITY  
IMPROVEMENT  
DRIVEN BY HIGHER  
VOLUMES



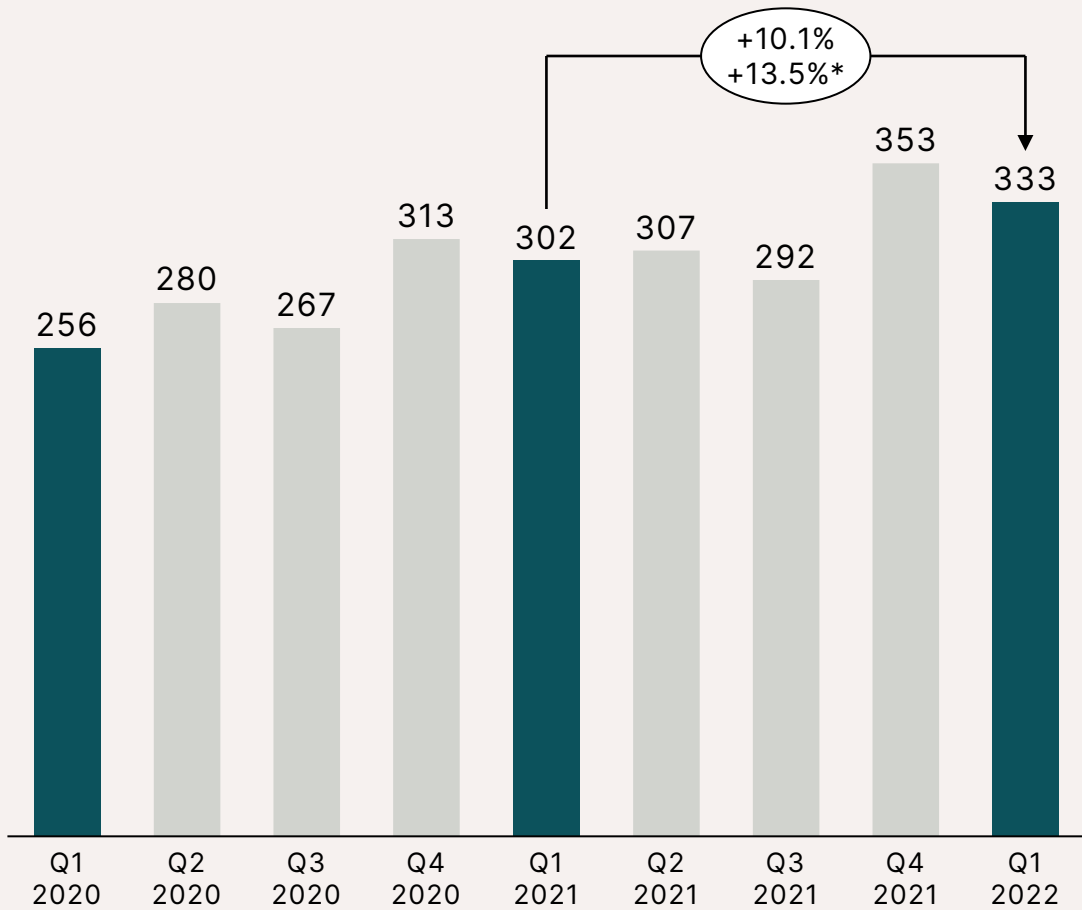
ALL FOUR  
TRANSFORMATION  
LEVERS  
DELIVERING  
RESULTS



FY OUTLOOK  
UNCHANGED:  
COMPARABLE EBIT  
TO INCREASE  
FROM 2021

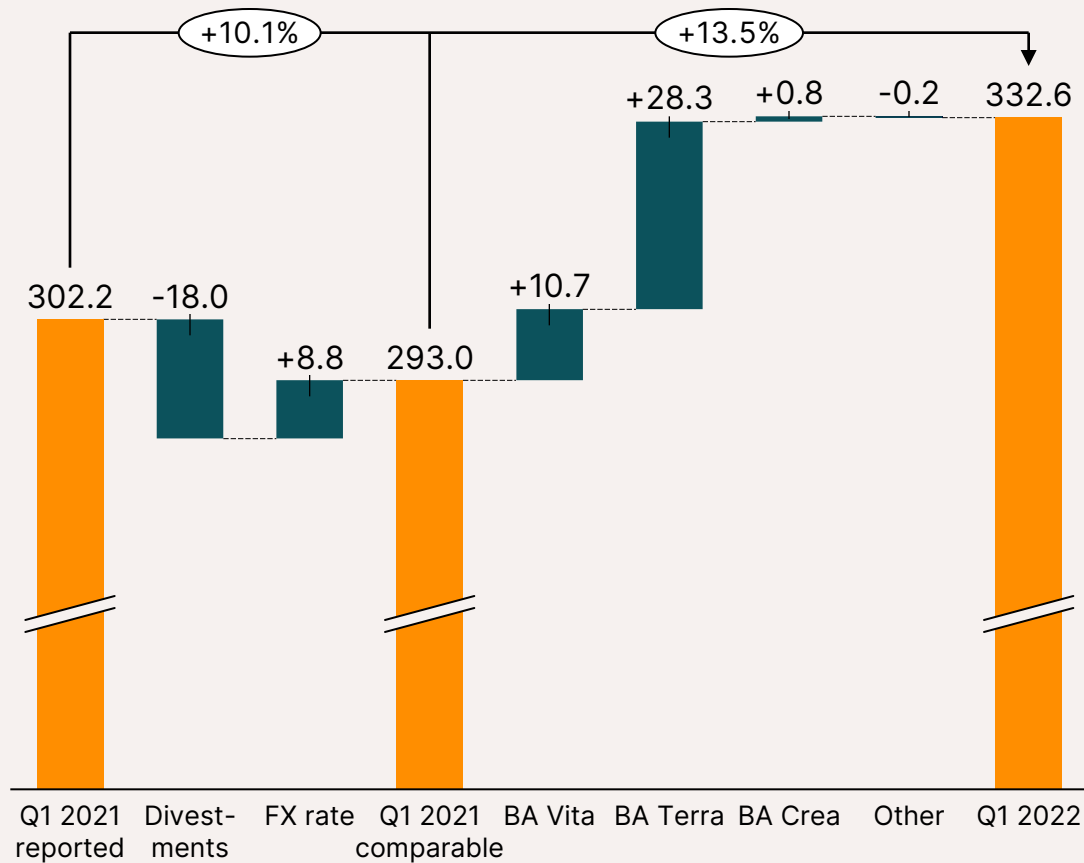
# Fiskars Group Comparable Net Sales in Q1 2022

NET SALES, EUR MILLION



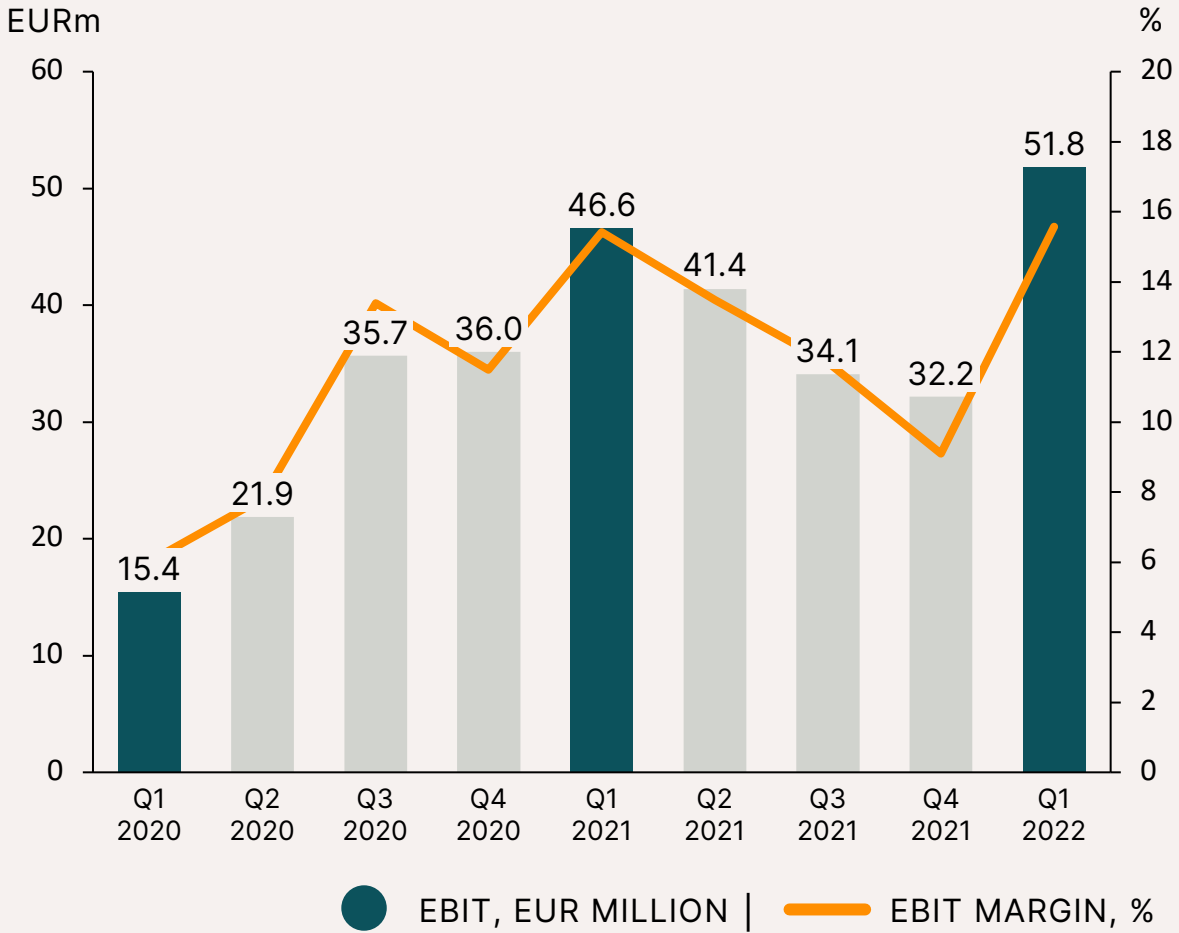
\*Comparable change = currency neutral & excl. divestments

NET SALES BRIDGE, EUR MILLION

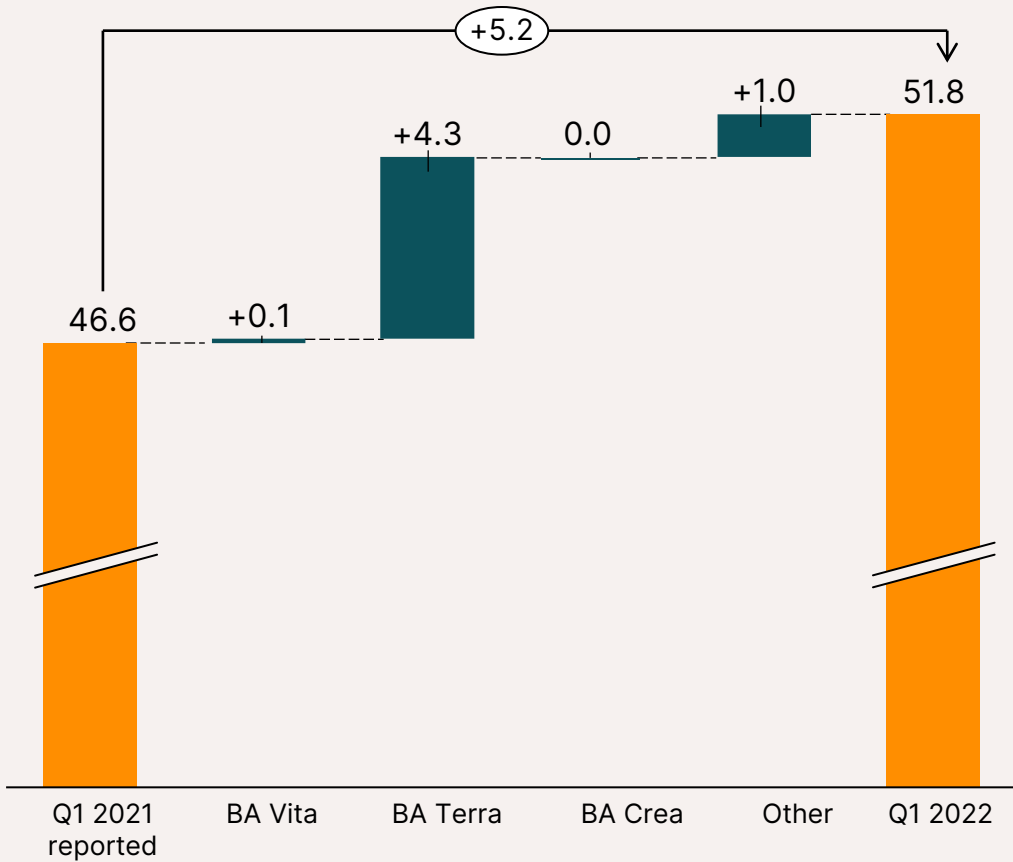


# Fiskars Group Comparable EBIT in Q1 2022

COMPARABLE EBIT (EUR MILLION) AND EBIT MARGIN (%)

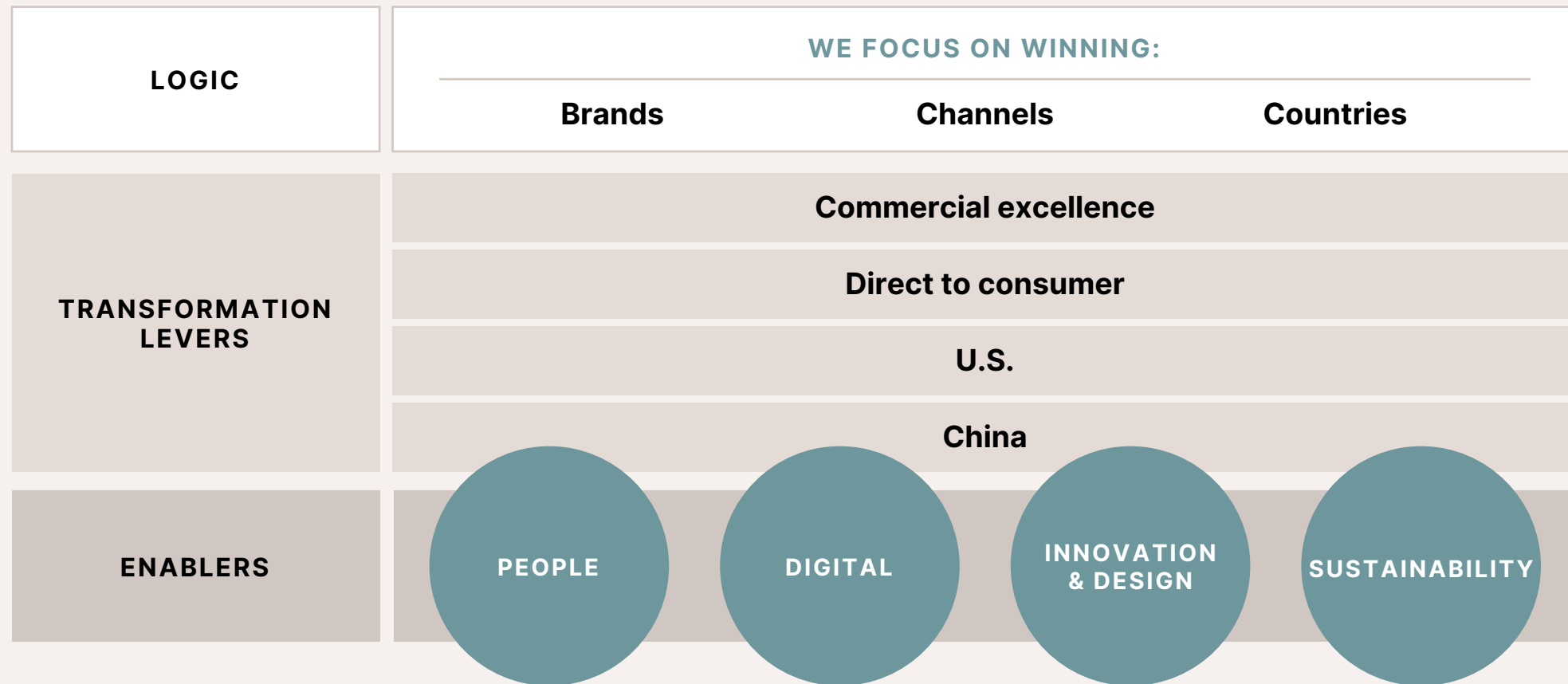


COMPARABLE EBIT BRIDGE, EUR MILLION



# The Growth Strategy

– clear strategic focus and transformation levers



# Progress in transformation levers

## Commercial excellence

- Power of brands: ability to mitigate the negative impacts of cost inflation in 2022
  - Improved gross margin in Q1
- 

## Direct to consumer

- Direct channel growth 14% in Q1; DTC 16% of Q1 net sales
  - E-commerce growth 7%; retail growth 17%
- 

## U.S.

- Strong growth, net sales up 16%
  - Global consumer demand growth engine, e.g. wedding season
- 

## China

- Strong growth continued in Q1, net sales up 1.5X
- Covid-19 related disruptions mainly impacting our own retail in Shanghai





# Significant events in Q1

- Changes in our Fiskars Group leadership: Charlene Patten Zappa appointed EVP, BA Terra, and Anna Mindelöf Chief People Officer.
- Merging of the Consumer Experience and Communications function into the Business Areas and other functions.
- Completion of the divestment of our North American Watering Business.
- Decision to withdraw completely from the Russian market due to Russia's attack on Ukraine.
- Launch of the new Fiskars Group identity, including our updated purpose, **pioneering design to make the everyday extraordinary.**







# Full Year Outlook unchanged:

**In 2022, Fiskars expects the comparable EBIT to increase from 2021 (2021: EUR 154.2 million).**



Although the business environment is getting more unpredictable and volatile, and not all impacts on our business can be foreseen, we continue to execute our growth strategy with confidence.

# Progress in sustainability

## **GREENHOUSE GAS EMISSIONS REDUCTIONS**

In Q1 2022, Scope 1 and 2 greenhouse gas emissions decreased by 5% vs. 2021 and by 43% vs. the 2017 base year.

## **PRODUCTS FROM RECYCLED MATERIALS**

2030 target: over 50% of our net sales will come from circular products and services.

In Q1 2022, 5% of our net sales were generated from product ranges made from recycled materials.

## **SEVERAL SUSTAINABILITY RECOGNITIONS**

Fiskars Group listed on CDP's 2021 Supplier Engagement Leaderboard.

Fiskars Group achieved platinum level sustainability rating from EcoVadis. We are among the top 1 per cent of companies assessed within our industry.

The Fiskars brand was recognized by consumers in the Sustainable Brand Index 2022 as the most sustainable brand within the hobby and leisure category, and the 4th most sustainable brand overall in Finland.





♦ Q1 2022



# Financial Targets Tracking

WE ARE ON TRACK WITH THE FINANCIAL TARGETS

KPI	TARGET	FY 2020	FY 2021	LTM MARCH
NET SALES	Organic, FX neutral Mid-Single-Digit growth	≈ 3.4%	✓ 14.2%	✓ 10.6%
EBIT	Mid-teen EBIT margin (excl. IAC) by end of 2025	✗ 9.8%	✓ 12.3%	≈ 12.4%
CASH FLOW	Free Cash Flow / Net Profit ≥ 80%	✓ 255%	✓ 109%	✗ 26%
BALANCE SHEET	Net Debt / LTM EBITDA ≤ 2.5X	✓ 0.8X	✓ 0.7X	✓ 1.0X





# Consolidated Q1 income statement

EURm	Q1 2022	Q1 2021	Q1 2020
<b>Net sales</b>	<b>332.6</b>	<b>302.1</b>	<b>256.2</b>
<b>Comparable gross profit</b>	<b>151.6</b>	<b>132.0</b>	<b>106.1</b>
Sales and marketing	-63.8	-59.1	-55.0
Research and development	-5.0	-3.7	-4.5
Administration	-30.6	-23.5	-31.5
Other expenses, net	-0.4	0.8	0.4
<b>Comparable EBIT</b>	<b>51.8</b>	<b>46.6</b>	<b>15.4</b>
Items affecting comparability	-10.3	-0.7	-7.0
<b>EBIT</b>	<b>41.4</b>	<b>45.9</b>	<b>8.4</b>
Profit for the period	31.4	8.1	5.1
Comparable Gross Margin	45.6%	43.7%	41.4%
Comparable EBIT Margin	15.6%	15.4%	6.0%

## KEY TAKEAWAYS

### Gross margin up 190bps vs. 2021

- Structural changes 150bps of the improvement vs. 2021
- Q1 input cost inflation impact on cost of goods was double digit EUR vs. LY

### Operational expenses up EUR 14.3m vs. 2021

- Sales and marketing expenses up EUR 4.7m vs. LY driven by DTC acceleration
- Administration expenses up EUR 7.1m vs. LY; approx. half due to investments in digital capabilities

### Comparable EBIT up EUR 5.2m vs. 2021

- EBIT improvement vs. LY driven by higher sales volumes

### Items Affecting Comparability EUR -10.3m

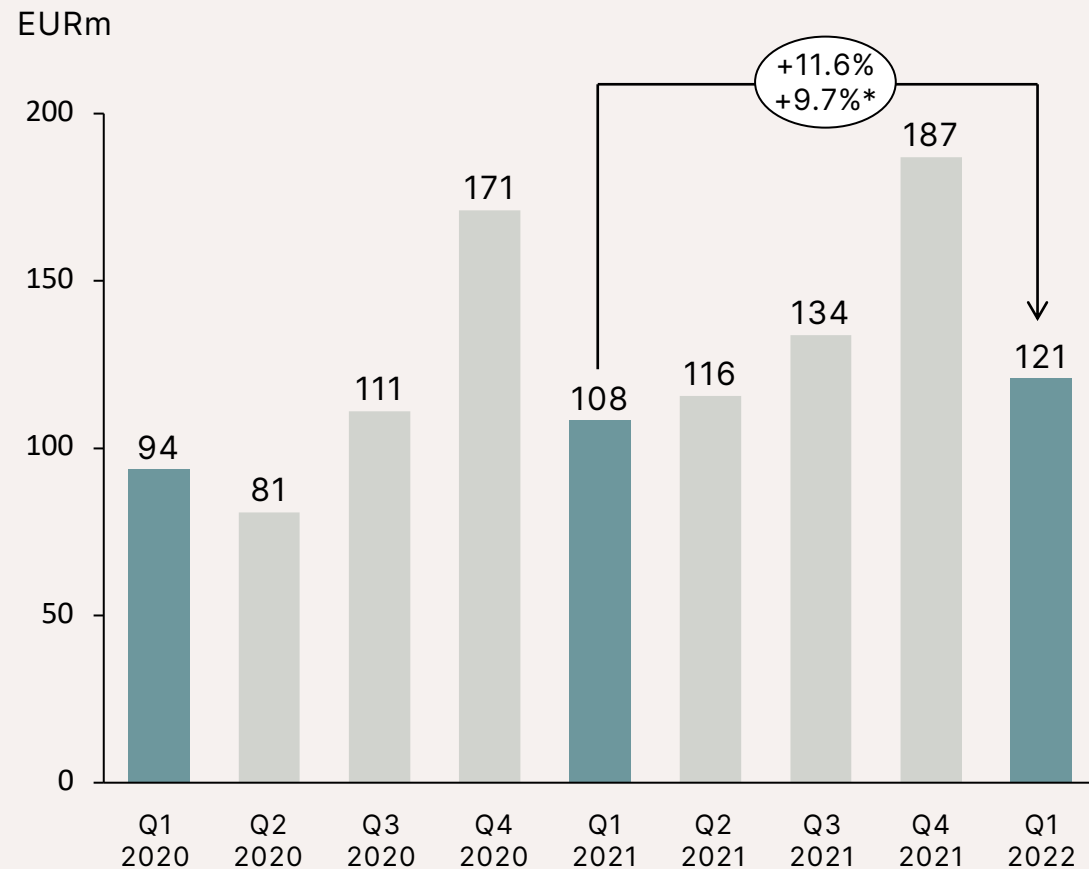
- Asset write-down due to exit from Russia EUR -10.8m
- Capital gain from the divestment of North American Watering business EUR +1.6m
- Changes in Group leadership team EUR -1.1m



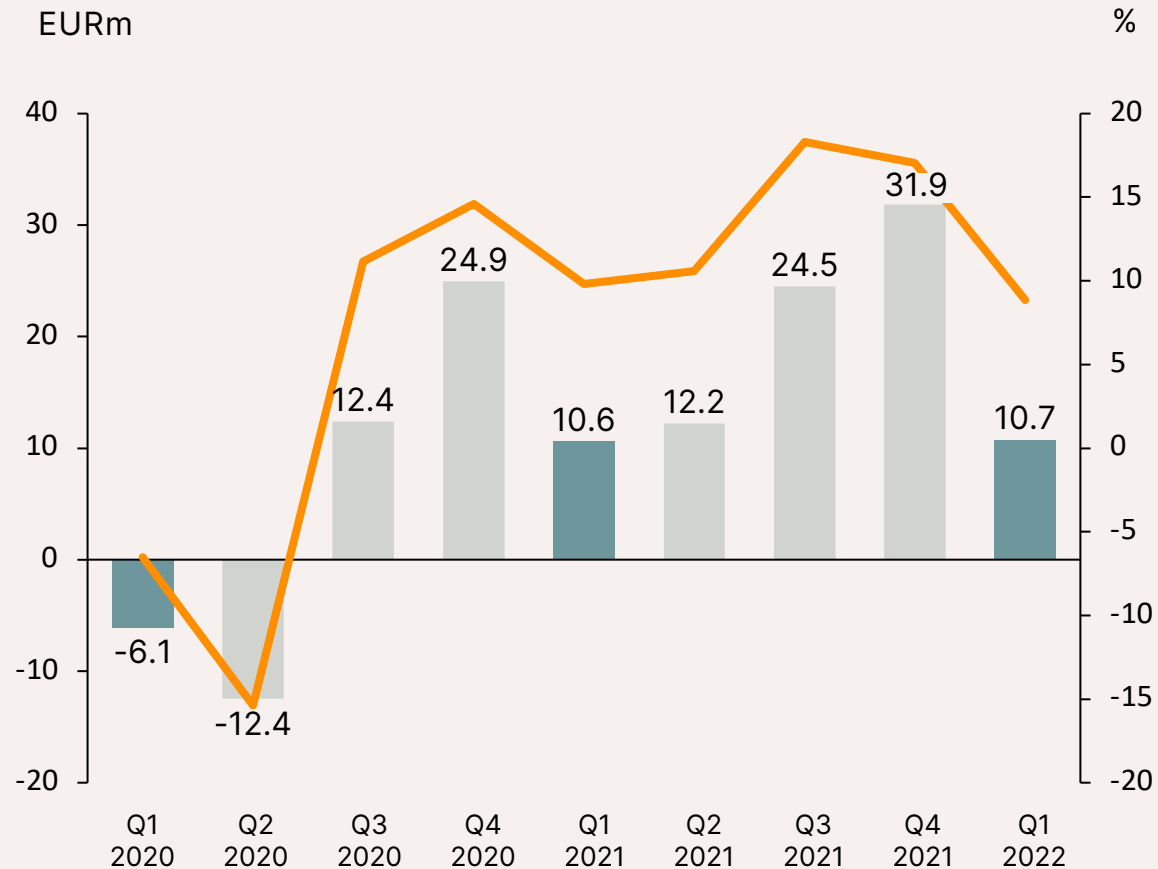


# Vita in Q1 2022

## NET SALES, EUR MILLION



## COMPARABLE EBIT (EUR MILLION) AND EBIT MARGIN (%)



EBIT, EUR MILLION

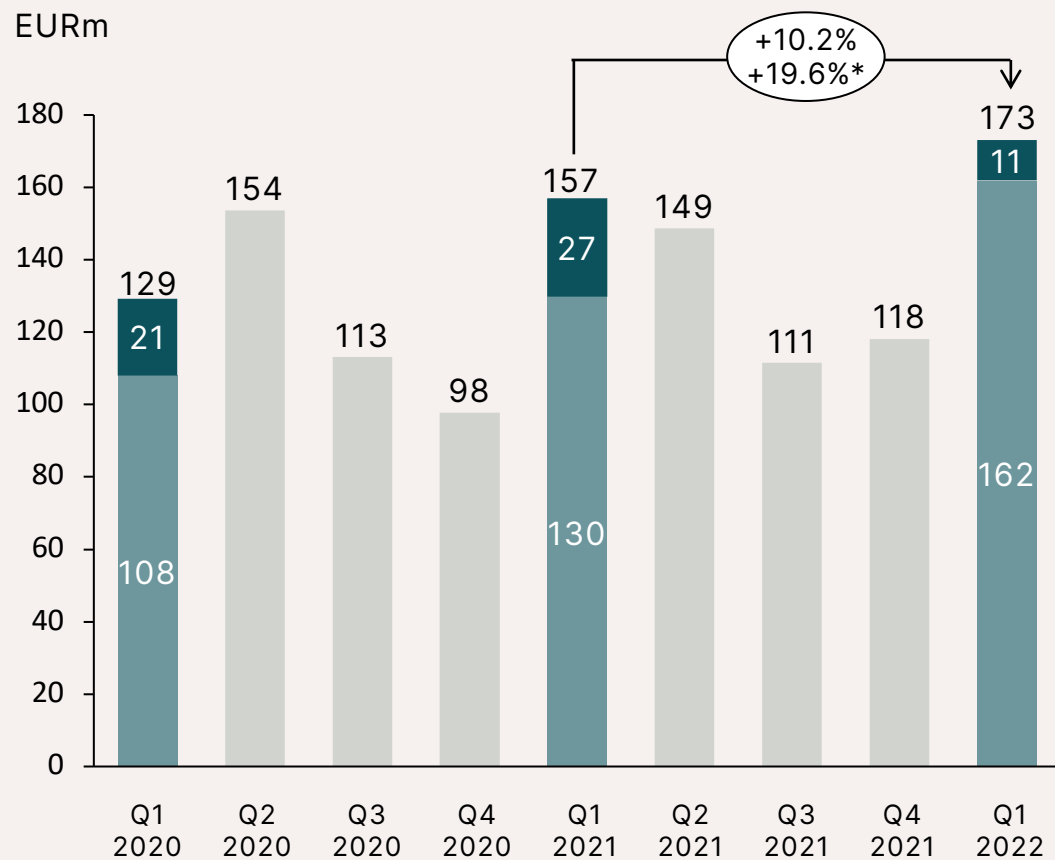


EBIT MARGIN, %

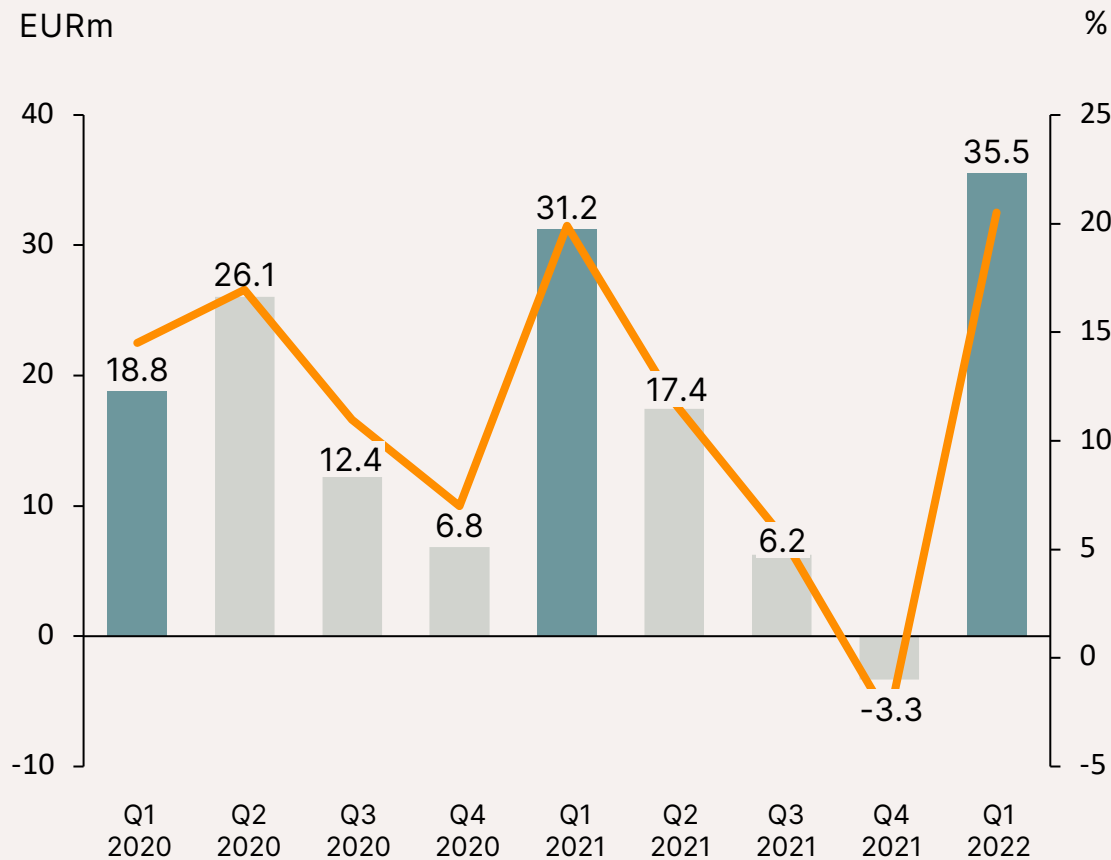


# Terra in Q1 2022

## NET SALES, EUR MILLION

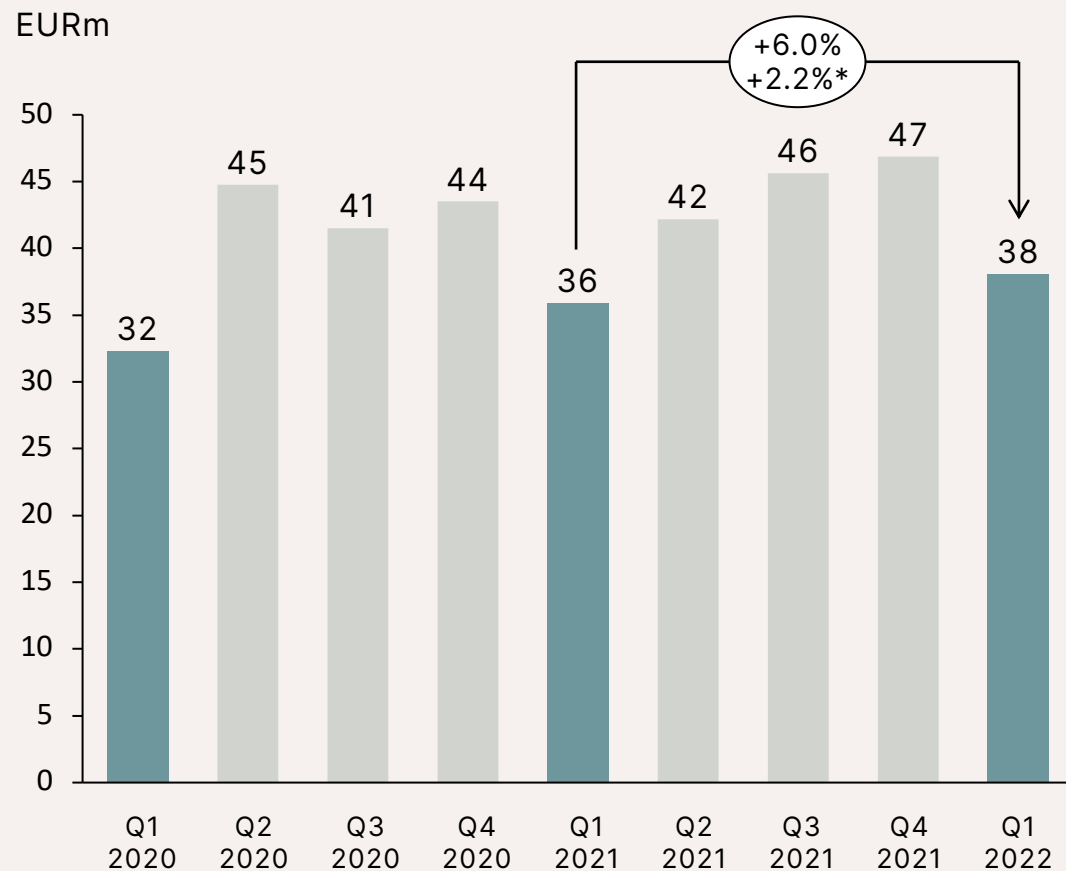


## COMPARABLE EBIT (EUR MILLION) AND EBIT MARGIN (%)

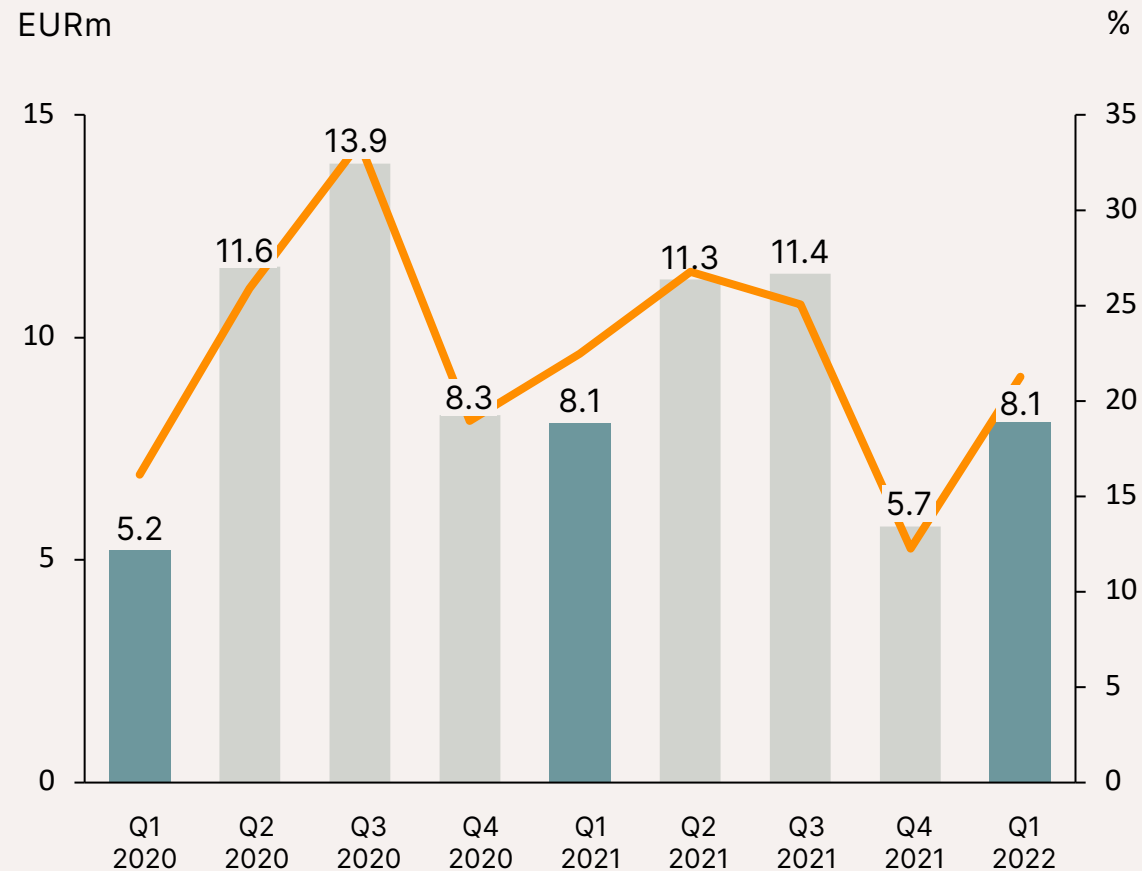


# ☆ Crea in Q1 2022

## NET SALES, EUR MILLION



## COMPARABLE EBIT (EUR MILLION) AND EBIT MARGIN (%)





# Net sales by geography in Q1 2022

EURm	Q1 2022	Q1 2021	CHANGE	CHANGE*
Europe	155.0	143.9	7.8%	8.2%
Americas	124.6	119.0	4.7%	13.7%
Asia-Pacific	51.2	40.9	25.1%	22.8%
Unallocated**	1.8	-1.6		

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

\*\*Geographically unallocated exchange rate differences

## Comparable net sales in Europe up 8.2% vs. LY

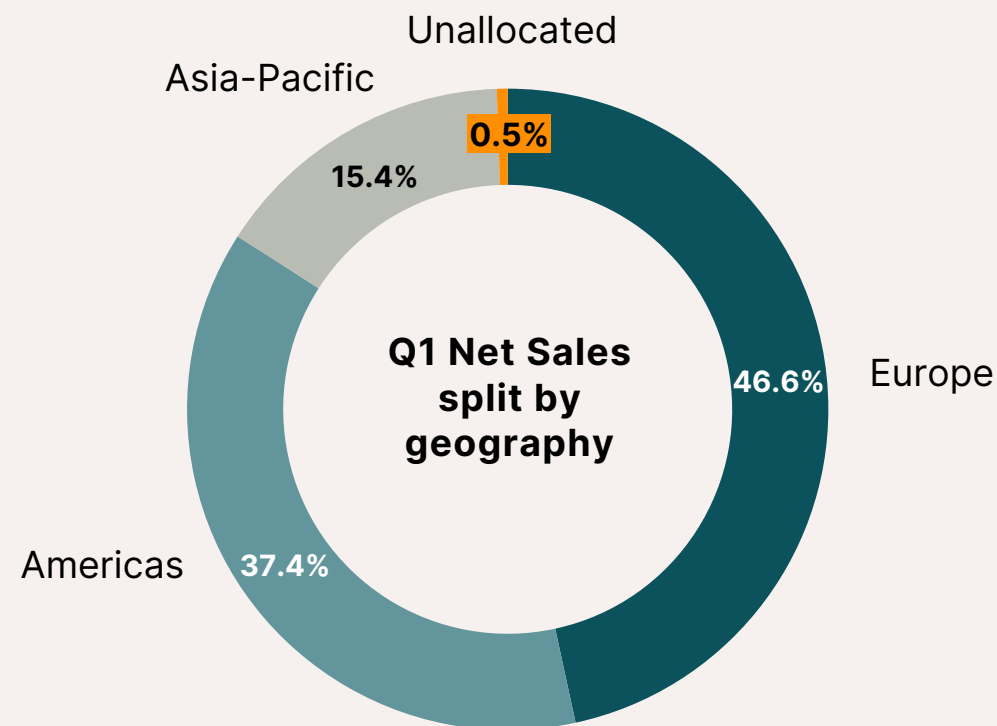
- Strong performance in the U.K. and Continental Europe
- Nordics slightly down vs. LY due to Finland and Sweden

## Comparable net sales in the Americas up 13.7%

- Supported by Vita and Terra, decreased for Crea

## Comparable net sales in Asia-Pacific up 22.8%

- Growth driven by China and Japan



# Q1 Cash Flow

SEASONALLY LOW FREE CASH FLOW FURTHER DOWN DUE TO TIMING OF THE TRADE WORKING CAPITAL. LIQUIDITY REMAINED HEALTHY.

## DISTRIBUTABLE CASH FLOW (EURm)

	Q1 2022	Q1 2021	Q1 2020
<b>EBITDA</b>	56.5	61.0	24.0
Non-cash adjustments	-8.8	-1.2	7.8
<b>Cash Flow from operations</b>	<b>47.7</b>	<b>59.8</b>	<b>31.8</b>
Change in inventories	6.0	-8.0	-11.6
Change in trade rec's	-43.2	-32.2	-10.2
Change in trade Pbl's	-41.4	3.5	-30.0
<b>Change in TWC</b>	<b>-78.6</b>	<b>-36.7</b>	<b>-51.8</b>
Change in in other int.free items	-25.0	-12.4	-17.6
<b>Change in NWC</b>	<b>-103.6</b>	<b>-49.1</b>	<b>-69.3</b>
CAPEX (net)	-9.1	-5.1	-5.4
<b>Operating Cash Flow</b>	<b>-65.0</b>	<b>5.6</b>	<b>-42.9</b>
Taxes paid	-4.9	-8.4	-6.1
<b>Free Cash Flow</b>	<b>-69.9</b>	<b>-2.8</b>	<b>-49.0</b>
Paid interests, net	-	-3.5	1.9
<b>Distributable Cash Flow</b>	<b>-69.9</b>	<b>-6.3</b>	<b>-47.1</b>

## CHANGE IN LIQUIDITY (EURm)

	Q1 2022	Q1 2021	Q1 2020
<b>Cash Balance period opening</b>	<b>31.5</b>	<b>62.5</b>	<b>9.4</b>
Translation difference	0.5	0.8	-
Distributable Cash Flow	-69.9	-6.3	-47.1
Dividends/ share buy-backs	-33.6	-24.5	-23.1
M&A and Divestments	43.9	-	-
Change in L-T debt	-0.1	0.1	39.9
Payments of lease liabilities	-7.0	-6.6	-6.0
Change in other S-T debt	82.9	3.4	134.4
Other non-operational changes	-	1.7	1.8
<b>Cash Balance, period closing</b>	<b>48.4</b>	<b>31.1</b>	<b>109.3</b>
Cash Balance	48.4	31.1	109.3
Unutilised Credit Facilities	250.0	300.0	300.0
<b>Total Liquidity, period closing</b>	<b>298.4</b>	<b>331.1</b>	<b>409.3</b>



# Q1 Balance Sheet

WHILST WE INVESTED IN INVENTORIES TO ENSURE AVAILABILITY, WE CONTINUED IMPROVING ROCE.

## CAPITAL EMPLOYED (EURm)

	31.3.22	31.3.21	31.3.20
GW and other intangible	489.9	485.9	506.9
PPE and biological assets	190.3	193.4	200.2
Capitalised leases (ROU)	102.0	90.4	104.1
<b>Non-Current Assets</b>	<b>782.1</b>	<b>769.6</b>	<b>811.2</b>
Inventories	272.5	219.9	241.1
Trade receivables	251.1	220.5	186.3
Trade payables	-97.7	-104.7	-66.2
<b>Trade Working Capital</b>	<b>425.8</b>	<b>335.7</b>	<b>361.3</b>
Other int-free receivables	41.0	34.0	31.9
Other int-free payables	-311.8	-251.3	-182.7
<b>Operating Capital</b>	<b>937.1</b>	<b>888.1</b>	<b>1,021.7</b>
Net tax liabilities	15.8	-11.1	24.7
<b>Capital Employed</b>	<b>952.9</b>	<b>877.0</b>	<b>1,046.4</b>

## FUNDING (EURm)

	31.3.22	31.3.21	31.3.20
<b>Equity</b>	787.4	729.0	745.5
Interest-bearing debt	148.5	116.4	334.2
Lease liabilities	107.0	95.0	107.1
Cash	-48.4	-31.1	-109.3
<b>Net Debt</b>	<b>207.1</b>	<b>180.3</b>	<b>332.0</b>
Financial assets	-41.6	-32.2	-31.2
<b>Financing Total</b>	<b>952.9</b>	<b>877.0</b>	<b>1,046.4</b>

## BALANCE SHEET KPIs

	31.3.22	31.3.21	31.3.20
EBIT margin (LTM)	12.4%	12.1%	6.5%
Capital turnover (average)	1.40	1.21	1.03
<b>ROCE% (LTM)</b>	<b>17.4%</b>	<b>14.6%</b>	<b>6.7%</b>
<b>Cash conversion (LTM)</b>	<b>26%</b>	<b>309%</b>	<b>143%</b>
<b>Net debt / EBITDA (LTM)</b>	<b>1.04</b>	<b>0.85</b>	<b>2.97</b>
Net debt / equity	26%	25%	45%



OUR PURPOSE

♦ *Pioneering  
design to make  
the everyday  
extraordinary*

THE GLOBAL HOME OF DESIGN-DRIVEN  
BRANDS FOR INDOOR AND OUTDOOR  
LIVING







Thank  
you!

