



Fiskars Group

# Interim Report Q3 2022

January–September 2022



# Interim report January–September 2022

## STABLE DEVELOPMENT IN A CHALLENGING OPERATING ENVIRONMENT

### JULY–SEPTEMBER 2022 IN BRIEF:

- Comparable net sales<sup>1</sup> were stable at EUR 292.6 million (Q3 2021: 292.0). Reported net sales were stable at EUR 292.6 million (291.8)
- Comparable EBIT<sup>2</sup> was relatively stable at EUR 33.2 million (34.1), or 11.4% (11.7%) of net sales. EBIT decreased to EUR 29.4 million (34.7)
- Cash flow from operating activities before financial items and taxes decreased to EUR -45.5 million (51.9)
- Free cash flow was EUR -64.2 million (39.4)
- Earnings per share (EPS) were EUR 0.28 (0.36)

### JANUARY–SEPTEMBER 2022 IN BRIEF:

- Comparable net sales<sup>1</sup> increased by 7.2% to EUR 944.3 million (Q1–Q3 2021: 881.1). Reported net sales increased by 4.8% to EUR 944.3 million (901.2)
- Comparable EBIT<sup>2</sup> was relatively stable at EUR 121.3 million (122.1), or 12.8% (13.5%) of net sales. EBIT decreased to EUR 110.3 million (119.0)
- Cash flow from operating activities before financial items and taxes decreased to EUR -85.3 million (109.3)
- Free cash flow was EUR -138.0 million (69.8)
- Earnings per share (EPS) were EUR 1.07 (0.84)

### OUTLOOK FOR 2022 (UNCHANGED):

Fiskars expects comparable EBIT to increase from 2021 (2021: EUR 154.2 million).

Fiskars closely monitors the development of consumer confidence, which has dropped to low levels in many of the company's key markets and could impact the demand for its products in the fourth quarter more than anticipated. The fourth quarter is important especially for the Business Area Vita driven by the holiday season.

The cost environment continues to be dynamic with significant volatility, especially in energy prices. While the company has managed to mitigate the impacts of cost headwinds, they continue to pose a risk for 2022 performance.

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1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments

2) Items affecting comparability in EBIT include items such as restructuring costs, impairment or provisions charges and releases, integration-related costs, and gains and losses from the sale of businesses



# CEO's review

In the third quarter, our comparable net sales amounted to EUR 293 million and were on a par with last year's all-time high Q3 sales. This is a solid achievement given the turbulent operating environment. We are also at clearly higher sales levels than a few years ago, which illustrates that we are truly transforming the company.

While cost inflation and low consumer confidence affected demand in the Americas and Europe, we continued growing in Asia-Pacific. Our stable sales development during the quarter demonstrates the benefits of our wide geographical footprint and our strong and well-balanced brand portfolio. I would also like to thank the entire Fiskars Group team for their great work in continuously driving our Growth Strategy forward.

Despite lower volumes and continuing cost inflation resulting in flattish comparable EBIT of EUR 33 million, our actions to mitigate the impacts of cost increases delivered the expected results and our gross margin improved organically. The cost environment continues to be dynamic with significant volatility especially in energy prices, and we are constantly taking action to offset the impacts. While we are prudently managing our cost base, we continue to invest in our key strategic building blocks: direct-to-consumer and digital.

Throughout the year, we have been able to serve our customers and avoid any major product availability challenges despite disruptions in global supply chains. This has required higher inventories, which has negatively impacted our cash flow. We have put measures in place to mitigate inventory growth, but do not expect any significant decline in inventories during the last quarter of the year.

Our focus continues to be firmly on our Growth Strategy and its four transformation levers: commercial excellence, direct-to-consumer (DTC), the U.S., and China. We can see that this focus is delivering results. Looking at the first nine months of the year, our like-for-like gross margin, which is our key performance indicator for commercial excellence, was flattish despite broad-based cost inflation. During the year, DTC has grown by 10% amounting to 19% of the Group's sales. In the U.S., our first nine months' sales grew by 5%. In China, all three quarters have witnessed strong sales growth resulting in 34% growth for the year so far.



**NATHALIE  
AHLSTRÖM**  
President & CEO



Sustainability is one of the key enablers in our strategy, and we are constantly taking concrete actions to move toward our goals. One example is the EUR 10 million investment in our Iittala factory in Finland, where we will replace the factory's existing natural gas powered furnaces with electricity-powered furnaces. These new furnaces incorporate high-technology solutions and will use renewable energy. With this investment, we will reduce Fiskars Group's annual direct carbon dioxide emissions (Scope 1) by 26% by the end of 2026.

With one quarter of the year remaining, we keep our guidance for the year 2022 intact and reiterate our expectation of comparable EBIT increasing from 2021. The last quarter of the year is important especially for our Business Area Vita, driven by the holiday season. The operating environment continues to be unpredictable and volatile affecting visibility. The low consumer confidence levels and rising inflation, especially in Europe and the U.S., could have larger impacts than we currently anticipate.

We continue to execute our Growth Strategy with confidence. Together with our talented team, our strategy is the key lever for delivering our guidance for the year and solid performance thereafter.

**Nathalie Ahlström**  
President & CEO



# Group key figures

EUR million	Q3	Q3	Change	Q1-Q3	Q1-Q3	Change	2021
	2022	2021		2022	2021		
Net sales	292.6	291.8	0.3%	944.3	901.2	4.8%	1,254.3
Comparable net sales <sup>1)</sup>	292.6	292.0	0.2%	944.3	881.1	7.2%	1,229.8
EBIT	29.4	34.7	-15.3%	110.3	119.0	-7.3%	142.8
Items affecting comparability in EBIT <sup>2)</sup>	-3.8	0.6		-11.0	-3.1		-11.5
Comparable EBIT <sup>3)</sup>	33.2	34.1	-2.6%	121.3	122.1	-0.6%	154.2
Comparable EBIT margin	11.4%	11.7%		12.8%	13.5%		12.3%
Profit before taxes	27.7	37.8	-26.7%	109.6	120.0	-8.7%	144.1
Profit for the period	22.8	29.8	-23.6%	87.7	69.3	26.5%	87.5
Earnings per share, EUR	0.28	0.36	-23.7%	1.07	0,84 <sup>4)</sup>	27.2%	1.06
Equity per share, EUR				10.43	9.68	7.8%	9.97
Cash flow from operating activities before financial items and taxes	-45.5	51.9		-85.3	109.3		164.2
Free cash flow	-64.2	39.4		-138.0	69.8		95.3
Net debt				343.9	137.1		145.0
Net Debt/EBITDA (LTM)				1.77	0.61		0.71
Equity ratio, %				53 %	58 %		57 %
Net gearing, %				41 %	17 %		18 %
Capital expenditure	11.8	7.3	61.7%	34.7	21.6	61.0%	34.4
Personnel (FTE), average	6,344	6,157	3.0%	6,281	6,033	4.1%	6,081

- 1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.
- 2) In Q3 2022, items affecting comparability were mainly related to a disposal of a subsidiary in Russia.
- 3) EBIT excluding items affecting comparability. Comparable EBIT is not adjusted to exclude the impact of acquisitions/divestments such as the divestment of the North American Watering business on February 1, 2022.
- 4) In Q1-Q3 2021, earnings per share includes a negative impact of EUR 0.35 per share related to a tax reassessment case from 2014 regarding forgiven intra-company loans from 2003, where the company was obliged to pay 28.3 million in additional tax, interest and punitive increases.



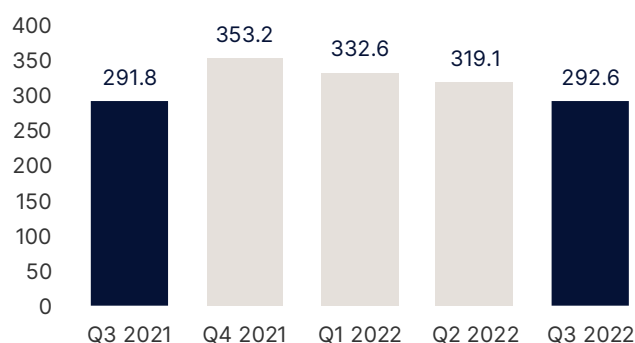
# Group performance

EUR million	Q3 2022	Q3 2021	Change	Comparable change*	Q1-Q3 2022	Q1-Q3 2021	Change	Comparable change*	2021
<b>Net sales</b>									
Group	292.6	291.8	0.3%	0.2%	944.3	901.2	4.8%	7.2%	1,254.3
Vita	140.3	133.8	4.8%	2.0%	387.8	357.6	8.4%	6.0%	544.6
Terra	108.1	111.5	-3.0%	3.4%	420.6	417.2	0.8%	10.3%	535.4
Crea	43.1	45.6	-5.5%	-12.1%	133.2	123.7	7.6%	1.3%	170.6
Other	1.1	0.9	24.6%	24.6%	2.7	2.6	3.7%	3.7%	3.8
<b>Comparable EBIT</b>									
Group	33.2	34.1	-2.6%		121.3	122.1	-0.6%		154.2
Vita	24.6	24.5	0.4%		49.7	47.4	4.9%		79.2
Terra	5.2	6.2	-16.1%		55.7	54.9	1.4%		51.6
Crea	10.0	11.4	-12.5%		29.8	30.8	-3.3%		36.5
Other	-6.6	-8.0	-18.2%		-13.8	-11.0	25.7%		-13.1

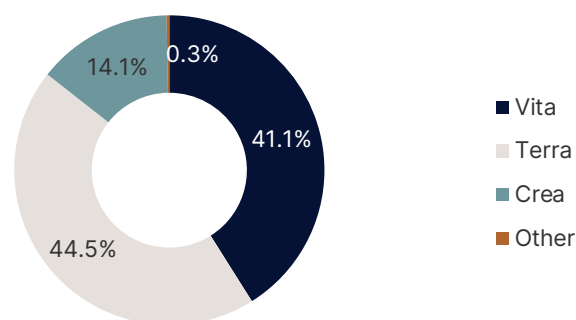
\* Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

\*\* EBIT excluding items affecting comparability. In Q3 2022, items affecting comparability were mainly related to a disposal of a subsidiary in Russia. The comparable EBIT is not adjusted to exclude the impact of acquisitions/divestments such as the divestment of the North American Watering business on February 1, 2022.

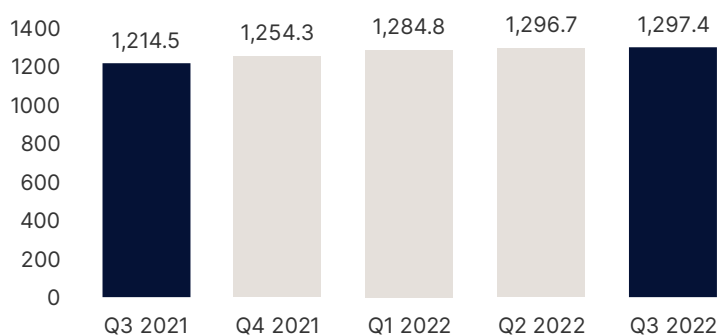
## NET SALES, EUR MILLION



## NET SALES SPLIT BY SEGMENT IN JANUARY-SEPTEMBER 2022



## NET SALES LAST 12 MONTHS, EUR MILLION



## FISKARS GROUP NET SALES IN JULY-SEPTEMBER 2022

Fiskars Group's consolidated net sales were stable at EUR 292.6 million (Q3 2021: 291.8) with lower volumes offset by pricing and a favorable channel and product mix. Business areas Vita and Terra grew by low single digits while Crea declined by double digits.

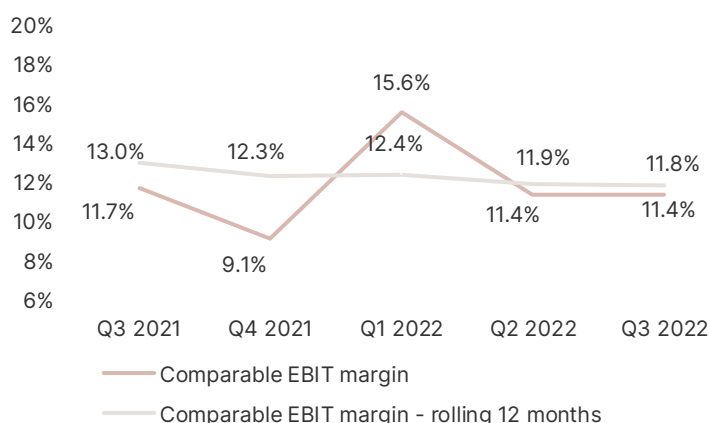
Geographically, sales in Asia-Pacific grew by double digits. In Europe and the Americas, sales declined as lower consumer confidence, and in the U.S. also retailers' high inventories, affected demand.



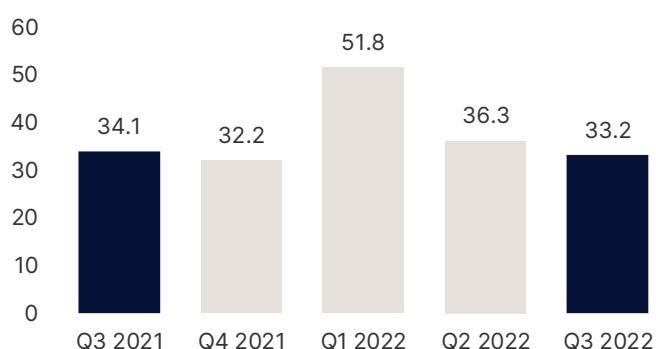
## FISKARS GROUP NET SALES IN JANUARY-SEPTEMBER 2022

Fiskars Group's consolidated net sales increased by 4.8% to EUR 944.3 million (Q1-Q3 2021: 901.2). Comparable net sales increased by 7.2%. In January-September, sales grew across the board, with all business areas and geographies contributing to the growth.

## FISKARS GROUP COMPARABLE EBIT MARGIN AND COMPARABLE EBIT MARGIN ROLLING 12 MONTHS



## FISKARS GROUP COMPARABLE EBIT, EUR MILLION



## FISKARS GROUP COMPARABLE EBIT IN JULY-SEPTEMBER 2022

Fiskars Group's comparable EBIT was relatively stable at EUR 33.2 million (Q3 2021: 34.1) or 11.4% (11.7%) of net sales. Comparable EBIT was stable in Vita and declined in Terra and Crea. In Terra, the divestment of the North American Watering business on February 1, 2022 impacted the decline.

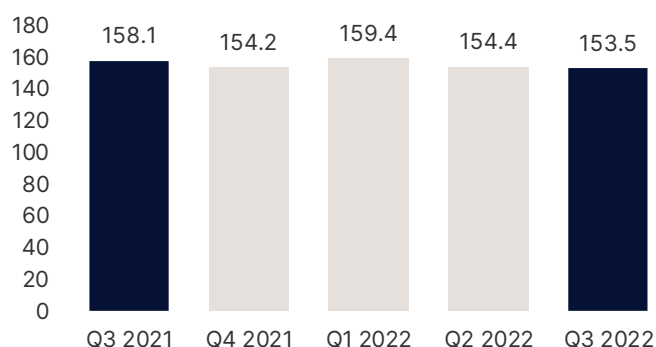
Lower volumes and cost headwinds were offset by Fiskars Group's mitigation actions as a result of which gross margin improved organically. The company continued to invest in key strategic building blocks, digital acceleration and direct-to consumer growth, thereby increasing SG&A expenses.

## FISKARS GROUP COMPARABLE EBIT IN JANUARY-SEPTEMBER 2022

Fiskars Group's comparable EBIT was relatively stable at EUR 121.3 million (Q1-Q3 2021: 122.1). EBIT margin was 12.8% (13.5%). Comparable EBIT increased in Vita and Terra and declined in Crea.

Comparable EBIT was supported by net sales growth. Gross margin was relatively stable as Fiskars Group's actions to mitigate the impacts from cost increases started to deliver results in the third quarter. The company continued to invest in key strategic building blocks, digital acceleration and direct-to consumer growth, thereby increasing SG&A expenses.

## FISKARS GROUP COMPARABLE EBIT LAST 12 MONTHS, EUR MILLION



## OPERATING ENVIRONMENT IN JULY-SEPTEMBER 2022

During the third quarter, the continuing cost inflation and rising interest rates impacted consumer confidence and demand in many markets.

In Europe, consumer confidence dropped to an all-time low during the quarter and retail sales declined year-on-year.

In the U.S., consumer confidence saw a slight increase during the quarter but still stood at low levels. Retail sales in the U.S. were resilient, supported, e.g., by the strong labor market. At the same time, retailers' inventories in the U.S. continued to be at a high level affecting trade customers' demand.

Demand was strongest across the Asia-Pacific region. Despite continuing intermittent Covid-19-related restrictions in different cities in China, demand was strong and there was less supply chain disruptions caused by the restrictions than in the previous quarters.

The geopolitical situation in Europe and the war in Ukraine continued to pressure supply chains and affect the overall cost environment.

## Reporting segments

This interim report reflects Fiskars Group's organizational structure, which features three Business Areas (BA): Vita, Terra and Crea. Fiskars Group's four primary reporting segments are Vita, Terra, Crea and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

BA Vita offers premium and luxury products for the tableware, drinkware and interior categories. It consists of brands such as Iittala, Royal Copenhagen, Waterford and Wedgwood.

BA Terra consists of the gardening, watering, and outdoor categories. The brands include Fiskars and Gerber.

BA Crea consists of the scissors and creating, as well as the cooking, categories, mainly with the Fiskars brand.

The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.



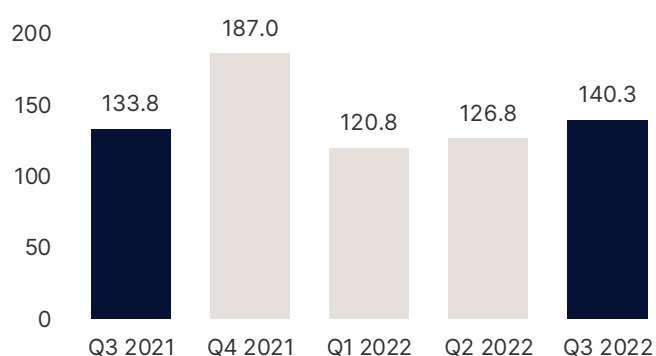


# Vita segment

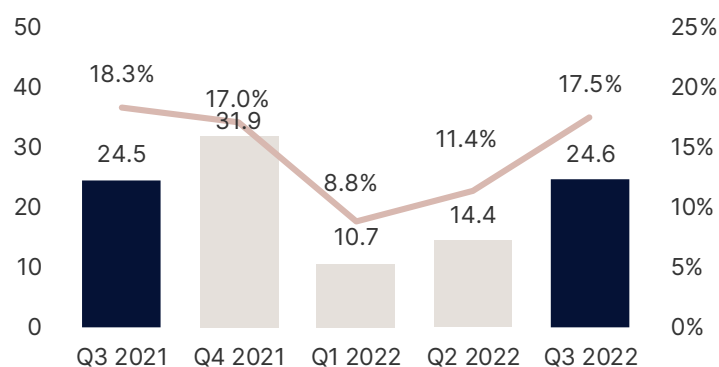
EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
Net sales*	140.3	133.8	4.8%	387.8	357.6	8.4%	544.6
Comparable EBIT	24.6	24.5	0.4%	49.7	47.4	4.9%	79.2
Capital expenditure	5.5	3.6	50.6%	14.4	10.8	33.4%	16.0

\*Using comparable exchange rates excl. acquisitions and divestments, net sales increased by 2.0% in Q3 2022 and by 6.0% in Q1-Q3 2022.

## NET SALES, EUR MILLION



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



### VITA SEGMENT IN JULY-SEPTEMBER 2022

Net sales in the Vita segment increased by 4.8% to EUR 140.3 million (Q3 2021: 133.8). Comparable net sales increased by 2.0%. Net sales growth was driven mainly by the Wedgwood brand.

From a geographical perspective, China and the U.K. were the key growth drivers. Net sales declined in the U.S. as well as in Finland and Sweden.

Net sales in DTC channels were 38% (41%) of total Vita net sales. Vita's own e-commerce sales developed positively, whereas retail sales declined due to development in the Nordics.

Comparable EBIT in the Vita segment was stable at EUR 24.6 million (24.5), or 17.5% of net sales (18.3%). EBIT was supported by an improved gross margin. At the same time, the company continued to drive DTC acceleration programs, and building these capabilities increased costs.

### VITA SEGMENT IN JANUARY-SEPTEMBER 2022

Net sales in the Vita segment increased by 8.4%, to EUR 387.8 million (Q1-Q3 2021: 357.6). Comparable net sales increased by 6.0%. Net sales growth was driven by the Royal Copenhagen, Wedgwood and Waterford brands.

Sales growth was driven by DTC channels, which developed positively especially in China and Japan. Net sales in DTC channels were 41% (40%) of total Vita net sales. The U.K. also contributed positively to sales growth. Net sales in Finland and Sweden declined with the Iittala brand especially having sluggish sales.

Comparable EBIT in the Vita segment increased to EUR 49.7 million (47.4) and was 12.8% of net sales (13.2%). EBIT increased driven by sales volumes and an improved gross margin. At the same time, the company continued to drive DTC acceleration programs, and building these capabilities increased costs.

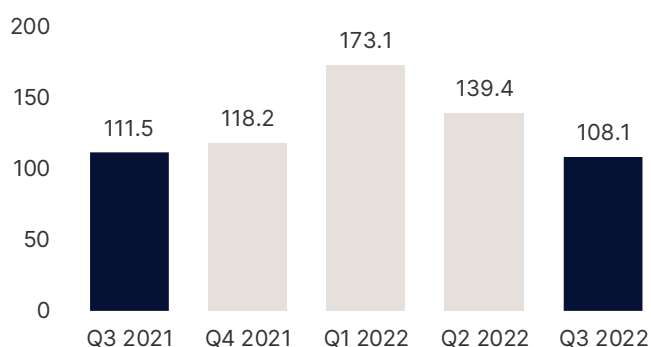


# Terra segment

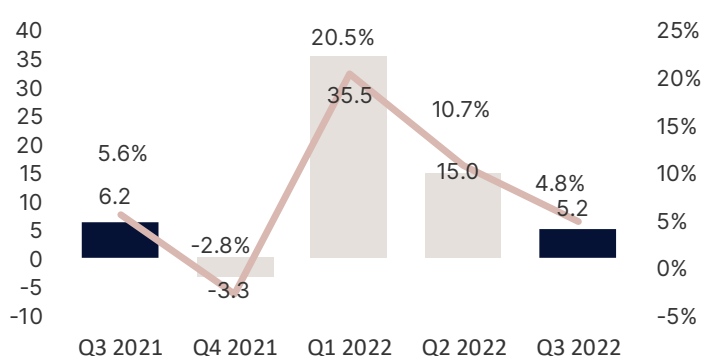
EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
Net sales*	108.1	111.5	-3.0%	420.6	417.2	0.8%	535.4
Comparable EBIT	5.2	6.2	-16.1%	55.7	54.9	1.4%	51.6
Capital expenditure	4.9	2.9	68.9%	12.1	8.0	52.6%	12.2

\*Using comparable exchange rates excl. acquisitions and divestments, net sales increased by 3.4% in Q3 2022 and by 10.3% in Q1-Q3 2022.

## NET SALES, EUR MILLION



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



### TERRA SEGMENT IN JULY-SEPTEMBER 2022

Net sales in the Terra segment decreased by 3.0% to EUR 108.1 million (Q3 2021: 111.5). Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. Comparable net sales increased by 3.4%

Net sales growth was driven by the Gerber brand's strong growth in the U.S and the Fiskars brand's good development in several countries in Europe.

Comparable EBIT in the Terra segment was EUR 5.2 million (6.2), or 4.8% of net sales (5.6%). Comparable EBIT is not adjusted to exclude the impact of acquisitions/divestments and declined due to the divestment of the North American Watering business on February 1, 2022. EBIT was supported by sales volumes and a slightly higher gross margin.

### TERRA SEGMENT IN JANUARY-SEPTEMBER 2022

Net sales in the Terra segment increased by 0.8% to EUR 420.6 million (Q1-Q3 2021: 417.2). Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. The figures from the reporting period only include the North American Watering business in January 2022. Comparable net sales increased by 10.3%

Net sales increased in all three regions with strong growth especially in Europe.

Comparable EBIT in the Terra segment was EUR 55.7 million (54.9), or 13.2% of net sales (13.2%). EBIT was supported by higher sales volumes which more than offset the decline in gross margin.

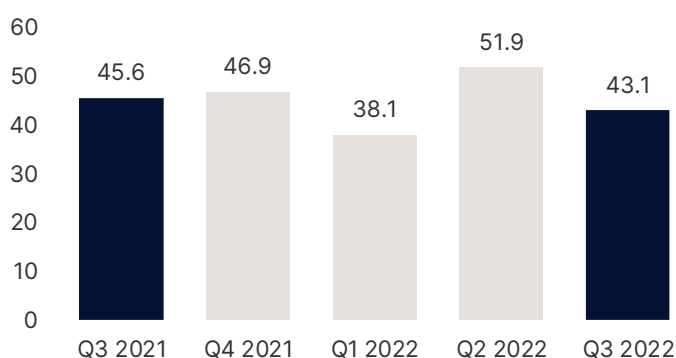


# Crea segment

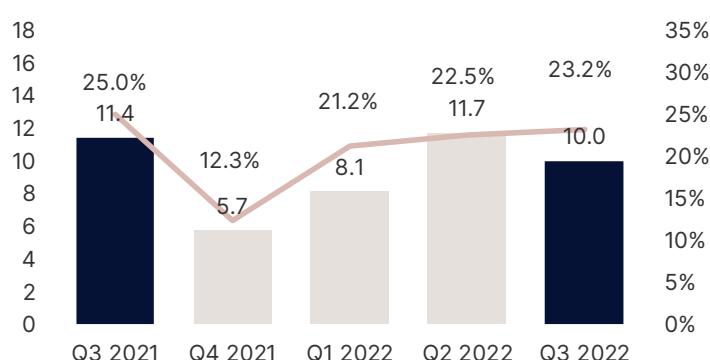
EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
Net sales*	43.1	45.6	-5.5%	133.2	123.7	7.6%	170.6
Comparable EBIT	10.0	11.4	-12.5%	29.8	30.8	-3.3%	36.5
Capital expenditure	1.2	0.5		2.8	2.1	36.0%	3.3

\*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 12.1% in Q3 2022 and increased by 1.3% in Q1-Q3 2022.

## NET SALES, EUR MILLION



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



### CREA SEGMENT IN JULY-SEPTEMBER 2022

Net sales in the Crea segment decreased by 5.5% to EUR 43.1 million (Q3 2021: 45.6). Comparable net sales decreased by 12.1% primarily due to the normalization of back-to-school season timing in the U.S. and a larger share of related sales recorded in the second quarter. Sales also decreased in Europe due to slower sell-out and campaign timings.

Comparable EBIT in the Crea segment was EUR 10.0 million (11.4), or 23.2% of net sales (25.0%). EBIT declined due to lower volumes, whereas gross margin improved compared to the previous year.

### CREA SEGMENT IN JANUARY-SEPTEMBER 2022

Net sales in the Crea segment increased by 7.6% to EUR 133.2 million (Q1-Q3 2021: 123.7). Comparable net sales increased by 1.3% driven by the strong development in the Scissors category in the first half of the year.

Comparable EBIT in the Crea segment was EUR 29.8 million (30.8), or 22.4% of net sales (24.9%). EBIT was relatively stable compared to the previous year with volumes partially offsetting cost increases.



# Consumer everyday

During the quarter, the Fiskars brand relaunched the All Steel cookware range with a new design and updated material choices. As sustainability is at the core of the All Steel products, the cookware items are now made of 90% recycled and emission-minimized stainless steel with a 92% lower carbon footprint than the industry average. All Steel frying pans carry a durable ceramic coating with no plastics. The launch also included a new line of All Steel knives. The knives have a strong seamless stainless-steel structure designed for longevity. All the All Steel products, including their packaging, are 100% recyclable. The renewed collection and its concrete sustainability value proposition have been well received by customers.

The Fiskars brand was ranked as the most valued brand in Finland for the fourth consecutive year according to a survey by the market research company Taloustutkimus. Arabia was also included in the top 10 with 9th place, improving its position from last year's 17th place.

Gerber focused on connecting directly with consumers in its own ecommerce and social media channels to continue driving excitement for the brand and help new customers and consumers discover Gerber. To do this, the brand launched product exclusives found only at

gerbergear.com. Gerber also ran promotional campaigns directly targeting consumer needs and highlighting its industry-leading Custom program. These actions drove a significant increase in revenue, traffic and transactions.

Iittala celebrated the 15th anniversary year of the Taika collection and launched a limited edition with a new Taika illustration. The edition includes a mug, decorative mini-mugs and multi-purpose storage boxes and is available for a limited one-year period. Taika, designed by Klaus Haapaniemi, is known for its folkloristic and mystical pattern and is one of Iittala's most distinctive and beloved collections globally.

In China, Wedgwood has been collaborating with a new brand ambassador, singer and actor Lay Zhang since the second quarter, with positive impacts on brand awareness and sales growth. In September, Wedgwood launched a new Waterlily sales campaign with ambassador Lay. The collaboration is a continuation of similar successful collaborations with influencers in recent years in China. These collaborations have positively contributed to the brand's growth in the country.

## **FISKARS: RENEWED ALL STEEL COLLECTION**



## **IITTALA: TAIKA 15th ANNIVERSARY**



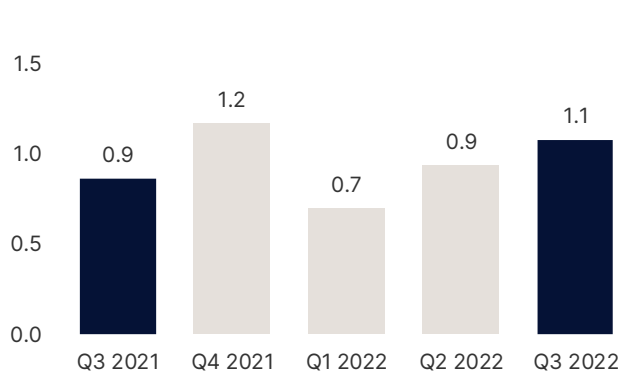
## **WEDGWOOD: WATERLILY CAMPAIGN WITH LAY ZHANG**



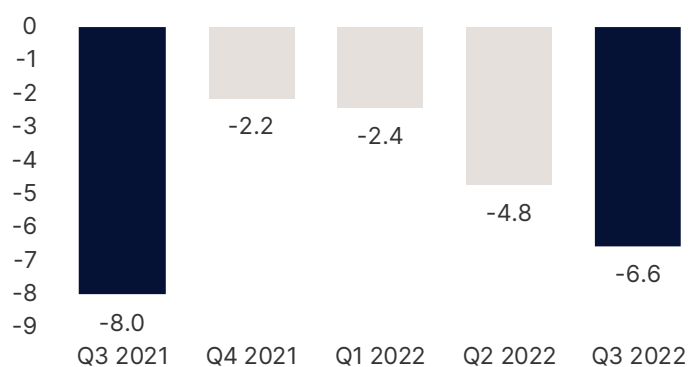
# Other segment

EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
Net sales	1.1	0.9	24.6%	2.7	2.6	3.7%	3.8
Comparable EBIT	-6.6	-8.0	-18.2%	-13.8	-11.0	25.7%	-13.1
Capital expenditure	0.3	0.3	16.3%	5.3	0.7		2.8

## NET SALES, EUR MILLION



## COMPARABLE EBIT (EUR MILLION)



## OTHER SEGMENT IN JULY-SEPTEMBER 2022

Net sales in the Other segment amounted to EUR 1.1 million (Q3 2021: 0.9), consisting of timber sales and rental income. The comparable EBIT for the Other segment amounted to EUR -6.6 million (-8.0).

## OTHER SEGMENT IN JANUARY-SEPTEMBER 2022

Net sales in the Other segment amounted to EUR 2.7 million (Q1-Q3 2021: 2.6), consisting of timber sales and rental income. The comparable EBIT for the Other segment amounted to EUR -13.8 million (-11.0).



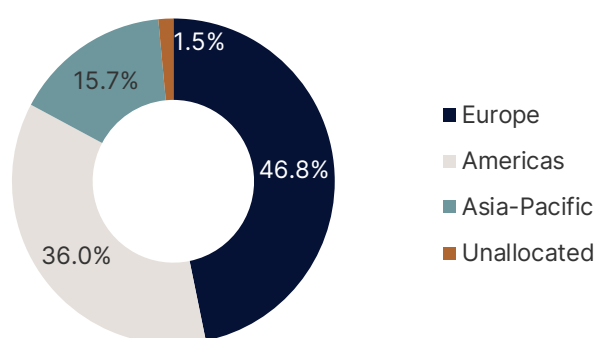
# Net sales by geography

EUR million	Q3 2022	Q3 2021	Change	Comparable change*	Q1-Q3 2022	Q1-Q3 2021	Change	Comparable change*	2021
Europe	141.5	143.8	-1.6%	-1.8%	441.7	424.3	4.1%	4.0%	592.2
Americas	96.6	106.0	-8.9%	-7.9%	340.1	354.5	-4.0%	5.4%	475.9
Asia-Pacific	48.9	42.0	16.5%	13.5%	148.4	125.1	18.6%	15.8%	187.7
Unallocated**	5.6	-0.1			14.1	-2.7			-1.4

\*Comparable net sales exclude the impact of exchange rates, acquisitions and divestments.

\*\*Geographically unallocated exchange rate differences.

## FISKARS GROUP NET SALES SPLIT BY GEOGRAPHY, JANUARY–SEPTEMBER 2022



### NET SALES BY GEOGRAPHY IN JULY–SEPTEMBER 2022

Net sales in Europe decreased by 1.6% amounting to EUR 141.5 million (Q3 2021: 143.8). Comparable net sales decreased by 1.8%. Sales declined in most of the Nordic countries, but increased in Germany and the U.K.

Net sales in the Americas decreased by 8.9% to EUR 96.6 million (106.0). The figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. Comparable net sales decreased by 7.9%.

Net sales in Asia-Pacific increased by 16.5% to EUR 48.9 million (42.0). Comparable net sales increased by 13.5% with sales growth in most countries in the region. In China, net sales grew by 34.9%.

### NET SALES BY GEOGRAPHY IN JANUARY–SEPTEMBER 2022

Net sales in Europe increased by 4.1% amounting to EUR 441.7 million (Q1-Q3 2021: 424.3). Comparable net sales increased by 4.0%. Growth was driven by Continental Europe, the U.K. and Ireland, offsetting the decline in net sales in Sweden and Finland.

Net sales in the Americas decreased by 4.0% to EUR 340.1 million (354.5). Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. The figures from the reporting period only include the North American Watering business in January 2022. Comparable net sales increased by 5.4% driven by the strong first half of the year.

Net sales in Asia-Pacific increased by 18.6% to EUR 148.4 million (125.1). Comparable net sales increased by 15.8%. In China, net sales increased by 34.4% despite the impact of Covid-19 lockdowns, especially in the second quarter.



# Risks and business uncertainties

Fiskars Group's business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group has presented the overall business risks and risk management more broadly in its Annual Report and on the company's website at [www.fiskarsgroup.com/investors](http://www.fiskarsgroup.com/investors).

The Group operates globally, with a considerable part of the business in the U.S. and several suppliers in Asia. A prolonged recession and weak consumer demand in Fiskars Group's main markets as well as political uncertainty including trade disputes, sanctions, import restrictions and geopolitical tensions may have a material adverse impact on the net sales and profit of Fiskars Group.

Global supply chains in general have been impacted by various disturbances caused by the war in Ukraine and the Covid-19 pandemic, which may affect Fiskars Group's operations. Fluctuations in the price or availability of the most important commodities, including energy, may have a negative impact on profitability. Fiskars Group has two glass factories, in Finland and in Slovenia, which use gas in manufacturing. The company has plans for alternative energy sources in these factories, but challenges with gas availability could cause production disruptions in the short-term. To secure product availability, the company has also prepared for potential disruptions with safety stocks.

Fiskars Group's actions to mitigate product availability risk related to supply chain disturbances throughout the year have led to increased levels of inventories. Inventories are also higher than normal due to the cold spring in 2022, which impacted demand in the gardening segment. Higher inventories have impacted cash flow negatively and increased short-term indebtedness. While Fiskars Group has put measures in place to mitigate inventory growth, the company is not expecting any significant decline in inventories during the fourth quarter of 2022.

The geopolitical tensions, broad-based inflation and rising interest rates have reduced consumer confidence in many markets, which may affect demand for Fiskars Group's products. Fiskars Group's strong brands and product categories have generally been relatively resilient to some level of decline in consumer confidence.

The intermittent Covid-19-related restrictions in China, especially in the Shanghai region where the majority of the Group's stores in China are located, have a negative

impact on local business due to store lockdowns.

People are at the core of Fiskars Group's strategy as the most important asset and enabler. An inability to attract and retain talented and committed professionals in the competitive employee market may have an adverse impact on the achievement of Fiskars Group's strategic objectives. Employee engagement is promoted notably by providing opportunities for professional growth through leadership training and skills development and by committing to an inclusive culture.

For the gardening category in the Terra segment, the second quarter of the year is seasonally the most important. The back-to-school and holiday seasons are important for the sales performance of Crea during the second half of the year. For the Vita segment, the fourth quarter of the year is the most important. Any negative developments related to product availability, demand or increased costs in manufacturing or logistics during the important seasons may significantly affect the full-year result. The seasonality of demand may differ from a typical year due to the current volatile market conditions.

Demand for some of Fiskars Group's products depends on weather conditions, especially for garden tools during the spring and snow tools during the winter. Unfavorable weather conditions such as a cold and rainy spring and summer and snowless winter can have a negative impact on the sale of these products, whereas favorable conditions can boost their sales.

Fiskars Group depends increasingly on centralized information technology systems that hold critical business information. Cyberattacks may therefore impact Fiskars Group's business and operations. The company mitigates IT-related risks by applying high-quality IT solutions and maintaining, developing, and testing their function and integrity with leading service and technology providers.

With a significant part of the business in the U.S. and in other countries outside the eurozone, Fiskars Group is exposed to fluctuations in foreign currency rates. A change in the exchange rate of the U.S. dollar or other currencies relative to the euro may have a material impact on the reported financial figures as a result of the translation exposure.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessments of taxes.



## FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN JULY-SEPTEMBER 2022

Other financial income and expenses in the third quarter amounted to EUR -2.6 million (Q3 2021: 2.8). Foreign exchange differences accounted for EUR -1.0 million (0.9) of financial items.

Profit before taxes was EUR 27.7 million (37.8). Income taxes for the third quarter were EUR -4.9 million (-8.0). Earnings per share were EUR 0.28 (0.36).

Cash flow from operating activities before financial items and taxes declined to EUR -45.5 million (51.9) due to growth in net working capital. Cash flow from financial items and taxes amounted to EUR -12.1 million (-5.1).

Cash flow from investing activities was EUR -19.8 million (-9.2), including EUR -11.8 million of capital expenditure on fixed assets and the EUR -9.2 million impact of the disposal of the Russian subsidiary. Cash flow from financing activities was EUR 58.8 million (-39.3), including EUR 103.6 million of change in current debt, EUR -31.2 million of dividends paid, a EUR -6.9 million purchase of treasury shares and EUR -6.6 million of payments of lease liabilities. The comparison figure from Q3 2021 included EUR -24.4 million dividends paid, EUR -20.1 million repayments of non-current debt, EUR 12.3 million of change in current debt and EUR -6.6 million of payments of lease liabilities.

Capital expenditure totaled EUR 11.8 million (7.3) and was mainly related to IT and the supply chain.

Depreciation, amortization and impairment were EUR 14.8 million (15.7) in the third quarter.

## FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN JANUARY-SEPTEMBER 2022

During the first nine months of the year, other financial income and expenses amounted to EUR -2.7 million (Q1-Q3 2021: -0.1, including EUR -6.2 million of interest related to the tax dispute). Foreign exchange differences accounted for EUR 2.8 million (1.9) of financial items.

Profit before taxes was EUR 109.6 million (120.0). Income taxes were EUR -21.9 million (-50.7, including EUR 22.1 million related to the tax reassessment case from 2014 regarding intra-group loans from 2003, where the company was obligated to pay 28.3 million in additional tax, interest and punitive increases). Earnings per share were EUR 1.07 (0.84, including the negative impact of EUR 0.35 per share related to the tax reassessment case).

Cash flow from operating activities before financial items and taxes declined to EUR -85.3 million (109.3) due to growth in net working capital. Cash flow from financial items and taxes amounted to EUR -29.6 million (-20.4).

Cash flow from investing activities was EUR 6.1 million (-21.4), including EUR -34.7 million of capital expenditure on fixed assets, EUR 43.9 million of proceeds from the sale of assets held for sale, EUR -9.2 from the impact of the disposal of the Russian subsidiary and EUR 4.3 million of cash flow from other investments. Cash flow from financing activities was EUR 128.0 million (-106.5), including EUR 227.5 million of change in current debt, EUR -63.2 million of dividends paid, EUR -20.1 million of payments of lease liabilities and EUR -15.9 million purchase of treasury shares. The comparison figure from Q1-Q3 2021 included EUR -48.9 million dividends paid, EUR -60.5 million repayments of non-current debt, EUR 22.5 million of change in current debt and EUR -19.8 million of payments of lease liabilities.

Capital expenditure totaled EUR 34.7 million (21.6) and was mainly related to IT and the supply chain.

Depreciation, amortization and impairment amounted to EUR 44.6 million (46.0) in the first nine months of the year.

## BALANCE SHEET AND FINANCING IN JANUARY-SEPTEMBER 2022

Fiskars Group's working capital totaled EUR 375.7 million (157.8) at the end of September. The equity ratio was 53% (58%), and net gearing was 41% (17%).

Cash and cash equivalents at the end of the period totaled EUR 54.4 million (24.4). Net interest-bearing debt amounted to EUR 343.9 million (137.1), of which lease liabilities classified as interest-bearing debt under IFRS 16 accounted for EUR 102.2 million (87.1).

Excluding lease liabilities, short-term borrowing totaled EUR 295.7 million (23.4) and long-term borrowing EUR 0.4 million (50.9). Short-term borrowing consisted of a term loan and commercial paper maturing in 2022 and 2023.

Fiskars Group had EUR 250 million of long-term committed credit facilities and a commercial paper program of EUR 400 million with Nordic banks. These funding sources were partly in use. In addition, Fiskars Group had an outstanding bilateral term loan.





## RESEARCH AND DEVELOPMENT

The Group's research and development expenditure totaled EUR 4.8 million (Q3 2021: 3.7) in the third quarter of 2022, equivalent to 1.6% (1.3%) of net sales. During the first nine months of the year, research and development expenses totaled EUR 15.1 million (Q1–Q3 2021: 11.1), equivalent to 1.6% (1.2%) of net sales.

## PERSONNEL

The average number of full-time equivalent employees (FTE) was 6,344 (Q3 2021: 6,157) in the third quarter. At the end of the quarter, the Group employed 6,688 (6,517) employees.

## SUSTAINABILITY

### **Sustainability target: greenhouse gas emissions from own operations (Scope 1 and 2) reduced by 60% from a 2017 base year by 2030**

Fiskars Group's target is to reduce its climate emissions by increasing operational efficiency and investing in renewable energy. During January–September, Scope 1 and 2 greenhouse gas emissions decreased by 6% compared to 2021 and by 42% compared to the base year 2017.

After the reporting period, Fiskars Group announced an energy efficiency investment, which is part of the company's emissions reduction target. Fiskars Group will invest approximately EUR 10 million in its Iittala glass factory in Finland.

The factory's existing natural gas powered furnaces will be replaced with electricity-powered furnaces. These new furnaces incorporate high-technology solutions and will use renewable energy. The project will start in 2023 and be completed during 2026. With this investment, the glass factory will reduce its annual carbon dioxide emissions by 74% by the end of 2026. In total, Fiskars Group's Scope 1 emissions will be reduced by 26% compared to 2021. In addition to reducing the factory's carbon dioxide emissions, the investment will also decrease the energy consumption of the furnaces by 67%.

### **Sustainability target: 60% of our suppliers by spend covering purchased goods and services will have science-based targets by 2024**

In addition to closely monitoring and improving its own operations, the company is committed to ensuring that 60% of its suppliers by spend providing purchased goods and services will have science-based targets by 2024. To support this target, Fiskars Group provides training for its suppliers and helps them in setting science-based targets.

At the end of September 2022, 19% (1-12/2021: 6%) of the defined group of suppliers had set science-based targets.

### **Sustainability target: the majority of Fiskars Group's net sales comes from circular products and services by 2030**

Circularity is an essential part of Fiskars Group's sustainability strategy. The company has integrated circularity into its innovation process and found new ways to keep materials in use for as long as possible. Fiskars Group's brands have created recycled material product ranges, and during January–September, approximately 5% of the Group's net sales were generated from these product ranges. Iittala expanded its recycled collection this fall, and the sales of Iittala's recycled collection grew by 122% in January–September in Fiskars Group's own channels.

### **Sustainability target: zero Lost Time Accident Frequency (LTAF) by 2030**

In September, Fiskars Group held its annual Safety Week under the theme "I care: Back to safety basics." For Fiskars Group, Safety Week is an important way to promote safety at work and engage every employee in mitigating hazards. During the week, safety-related activities were arranged for all employees at factories, distribution centers, retail shops, and offices. Safety Week also serves as a reminder to report even minor safety observations, and as a result, almost 1,000 safety observations were received during the week from the company's locations worldwide.

Fiskars Group reports, investigates, and analyzes all accidents and implements corrective actions. During January–September, LTAF (the number of accidents causing injury that result in an absence of at least one workday per million hours worked) decreased by 4% to 5.0 (1-12/2021: 5.2).

## CHANGES IN ORGANIZATION AND MANAGEMENT

In January–September, Fiskars Group announced the following changes in its Leadership Team. On January 18, 2022, Fiskars Group appointed Charlene Patten Zappa as Executive Vice President, Business Area Terra, and a member of the Fiskars Group Leadership Team. Charlene started in her position on January 18, 2022 and reports to the President and CEO. James Brouillard, previously Executive Vice President, Business Area Terra, decided to leave the company. Additionally, the Consumer Experience and Communications function was merged into the Business Areas and other functions. Consequently, Chief Consumer and Communication Officer Tina Andersson decided to leave the company.



On January 31, 2022, Fiskars Group appointed Anna Mindelöf as Chief People Officer and a member of the Fiskars Group Leadership Team, reporting to President and CEO Nathalie Ahlström. Anna Mindelöf started in her position on March 1, 2022. Niklas Lindholm, Chief People Officer, decided to leave the company.

## **OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD**

There were no other significant events during the reporting period.

## **ANNUAL GENERAL MEETING 2022**

The Annual General Meeting ("AGM") of shareholders of Fiskars Corporation was held at Itämerentori 2, Helsinki, on March 16, 2022. To prevent the spread of Covid-19, the AGM was held without shareholders and their proxy representatives present at the meeting venue. The shareholders of the company participated in the meeting and exercised their shareholders' rights by voting in advance or through a proxy representative designated by the company. A total of 163 shareholders, representing 47.6 million shares and votes, was represented at the meeting. The AGM supported all the proposals by the Board of Directors with at least 96 percent of the votes cast. The AGM approved the financial statements for 2021 and discharged the members of the Board and the President and CEO from liability.

The AGM decided in accordance with the proposal by the Board of Directors to pay a dividend of EUR 0.76 per share for the financial period ending on December 31, 2021. The dividend was to be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.38 per share was on March 17, 2022. The first instalment was paid to shareholders who were registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, March 18, 2022. The payment date for this instalment was March 25, 2022.

On September 7, 2022 The Board of Directors resolved in accordance with the resolution of the Annual General Meeting the record date and the payment date of the second instalment of EUR 0.38 per share. The ex-dividend date for the second instalment was September 8, 2022 and the dividend record September 9, 2022. The payment date for the second dividend instalment was September 16, 2022.

The AGM decided to adopt the adjusted Remuneration Policy for the governing bodies.

The AGM decided that the Board of Directors should consist of eight (8) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, and

Ritva Sotamaa were re-elected to the Board of Directors. Julia Goldin, Carl-Martin Lindahl, and Volker Lixfeld were elected as new members of the Board of Directors. The term of the Board members will expire at the end of the AGM in 2023.

Ernst & Young, the Authorized Public Accountants firm, was re-elected as auditor for the term, which will expire at the end of the AGM in 2023. Ernst & Young has announced that the responsible auditor will be Kristina Sandin, APA. The AGM decided that the auditors' fees would be paid according to a reasonable invoice approved by the Board of Directors.

The AGM decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 of the company's own shares, in one or several instalments, using the unrestricted shareholders' equity of the company.

The company's own shares may be acquired in public trading on Nasdaq Helsinki Ltd at a price formed in public trading on the date of the acquisition. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations, and as part of the company's incentive system and otherwise for further transfer, retention, or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of the company's own shares. Based on the authorization, the acquisition of the company's own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition). The authorization is effective until June 30, 2023, and it does not cancel the corresponding authorization granted to the Board by the AGM on March 11, 2021.

The AGM decided to authorize the Board to decide on the transfer of the company's own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares, in one or several instalments, either against or without consideration. For example, the company's own shares held as treasury shares may be transferred as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system.

The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of the company's own shares held as treasury shares. The transfer of the company's own shares may also be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue). The authorization



is effective until June 30, 2023 and cancels the corresponding authorization granted to the Board by the AGM on March 11, 2021.

## **CONSTITUTIVE MEETING OF THE BOARD AND BOARD COMMITTEES**

Convening after the AGM held on March 16, 2022, the Board of Directors elected Paul Ehrnrooth as its Chairman and Jyri Luomakoski as its Vice Chairman.

The Board decided to establish a Nomination Committee and appointed Paul Ehrnrooth (Chairman), Louise Fromond and Jyri Luomakoski as members, and Alexander Ehrnrooth as an external member to the Nomination Committee. It further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chairman), Albert Ehrnrooth, Louise Fromond, and Ritva Sotamaa as the members of the Audit Committee. The Board also decided to establish a Human Resources and Compensation Committee, and appointed Paul Ehrnrooth (Chairman), Jyri Luomakoski, Carl-Martin Lindahl, and Volker Lixfeld as members of the committee.

## **SHARES AND SHAREHOLDERS**

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 1,205,453 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume-weighted average share price during the third quarter was EUR 17.04 (Q3 2021: 20.45). At the end of September, the closing price was EUR 14.86 (EUR 19.14) per share, and Fiskars had a market capitalization of EUR 1,199.2 million (1,559.4). The number of shares traded on Nasdaq Helsinki and in alternative market places from July to September was 2.7 million (1.8), which represents 3.3% (2.3%) of the total number of shares. The total number of shareholders was 31,797 (29,210) at the end of September 2022.

### **Flagging notifications**

Fiskars was not informed of any significant changes among its shareholders during the quarter.

## **BOARD AUTHORIZATIONS**

### **Purchase of the company's own shares**

On February 4, 2022, the Board of Directors decided to commence acquiring the company's own shares on the basis of the authorization given by the AGM held on

March 11, 2021, and that the maximum number of shares to be acquired was 200,000, corresponding to approximately 0.2% of the total number of shares.

Based on the same authorization, the Board of Directors decided on March 16, 2022 to increase the maximum number of the company's own shares to be acquired by an additional 500,000 shares and on July 28, 2022 to increase the maximum amount by an additional 300,000 shares. Hence, the maximum number of the company's own shares to be acquired by the company is 1,000,000 corresponding to a maximum of approximately 1.2% of the total number of shares.

The shares will be acquired through public trading on the Nasdaq Helsinki exchange at the prevailing market price at the time of purchase.

During the third quarter, the company acquired 407,312 of its own shares for EUR 6.9 million. The average price of the acquired shares was EUR 17.05 per share, the highest price being EUR 19.40 per share, and the lowest price EUR 14.42 per share. By September 30, 2022, the company had acquired a total of 880,727 of its own shares for EUR 15.9 million since the beginning of the share repurchases in February.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the reporting period.

## **OUTLOOK FOR 2022 (UNCHANGED)**

Fiskars expects comparable EBIT to increase from 2021 (2021: EUR 154.2 million).

Fiskars closely monitors the development of consumer confidence, which has dropped to low levels in many of the company's key markets and could impact the demand for its products in the fourth quarter more than anticipated. The fourth quarter is important especially for Business Area Vita driven by the holiday season.

The cost environment continues to be dynamic with significant volatility, especially in energy prices. While the company has managed to mitigate the impacts of cost headwinds, they continue to pose a risk for 2022 performance.

Espoo, Finland, October 27, 2022

**FISKARS CORPORATION**  
Board of Directors



# Consolidated income statement

EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
<b>Net sales</b>	<b>292.6</b>	<b>291.8</b>	<b>0.3%</b>	<b>944.3</b>	<b>901.2</b>	<b>4.8%</b>	<b>1,254.3</b>
Cost of goods sold	-159.3	-169.2	-5.8%	-522.9	-514.2	1.7%	-714.6
<b>Gross profit</b>	<b>133.3</b>	<b>122.6</b>	<b>8.7%</b>	<b>421.3</b>	<b>387.0</b>	<b>8.9%</b>	<b>539.8</b>
Other operating income	-6.6	1.2		5.6	3.3	71.6%	4.1
Sales and marketing expenses	-63.7	-58.9	8.1%	-202.8	-184.5	9.9%	-267.5
Administration expenses	-28.2	-26.1	8.1%	-89.7	-74.9	19.8%	-116.9
Research and development expenses	-4.8	-3.7	31.0%	-15.1	-11.1	35.4%	-15.5
Goodwill and trademark impairment	-0.0		0.0%	-0.0		0.0%	
Other operating expenses	-0.5	-0.4	45.6%	-9.2	-0.7		-1.1
<b>EBIT*</b>	<b>29.4</b>	<b>34.7</b>	<b>-15.3%</b>	<b>110.3</b>	<b>119.0</b>	<b>-7.3%</b>	<b>142.8</b>
Change in fair value of biological assets	0.9	0.3		1.9	1.1	77.5%	1.3
Financial income and expenses	-2.6	2.8		-2.7	-0.1		-0.0
<b>Profit before taxes</b>	<b>27.7</b>	<b>37.8</b>	<b>-26.7%</b>	<b>109.6</b>	<b>120.0</b>	<b>-8.7%</b>	<b>144.1</b>
Income taxes	-4.9	-8.0	-38.5%	-21.9	-50.7	-56.8%	-56.5
<b>Profit for the period</b>	<b>22.8</b>	<b>29.8</b>	<b>-23.6%</b>	<b>87.7</b>	<b>69.3</b>	<b>26.5%</b>	<b>87.5</b>
Attributable to:							
Equity holders of the parent company	22.4	29.6	-24.3%	87.0	68.7	26.7%	86.6
Non-controlling interest	0.4	0.2	76.2%	0.7	0.6	11.6%	0.9
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.28	0.36	-23.7%	1.07	0.84**	27.2%	1.06
* Comparable EBIT (detailed in notes)	33.2	34.1	-2.6%	121.3	122.1	-0.6%	154.2

\*\* EPS in Q1-Q3 2021 impacted by the negative ruling on the tax dispute (EUR 0.35 per share)

# Consolidated statement of comprehensive income

EUR million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
<b>Profit for the period</b>	<b>22.8</b>	<b>29.8</b>	<b>87.7</b>	<b>69.3</b>	<b>87.5</b>
<b>Other comprehensive income for the period</b>					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	10.8	3.4	28.7	9.2	13.6
Cash flow hedges	0.0	0.0	0.0	-0.0	-0.1
Items that will not be reclassified to profit or loss:					
Defined benefit plans, actuarial gains (losses) net of tax	-0.1	-0.1	-0.3	-0.2	0.3
Other comprehensive income for the period, net of tax	10.7	3.3	28.4	9.1	13.9
<b>Total comprehensive income for the period</b>	<b>33.5</b>	<b>33.1</b>	<b>116.1</b>	<b>78.4</b>	<b>101.4</b>
Attributable to:					
Equity holders of the parent company	33.1	33.0	115.3	78.0	100.6
Non-controlling interest	0.4	0.1	0.8	0.4	0.9
<b>Total comprehensive income for the period</b>	<b>33.5</b>	<b>33.1</b>	<b>116.1</b>	<b>78.4</b>	<b>101.4</b>



# Consolidated balance sheet

EUR million	Sep 30 2022	Sep 30 2021	Change	2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	226.7	217.4	4.3%	219.1
Other intangible assets	279.0	268.9	3.8%	270.2
Property, plant and equipment	146.8	145.4	0.9%	144.9
Right-of-use assets	97.3	82.4	18.0%	106.8
Biological assets	47.3	45.2	4.7%	45.4
Investment property	5.9	3.7	58.6%	3.6
Financial assets at fair value through profit or loss	33.2	32.1	3.6%	32.0
Other investments	4.5	3.6	23.2%	3.7
Deferred tax assets	27.5	25.9	6.1%	27.5
Other non-current assets	6.6	6.7	-1.2%	6.9
<b>Non-current assets total</b>	<b>874.9</b>	<b>831.3</b>	<b>5.2%</b>	<b>860.0</b>
<b>Current assets</b>				
Inventories	397.6	277.9	43.1%	272.9
Trade receivables	209.5	201.9	3.8%	206.3
Other current receivables	65.9	25.4		23.6
Income tax receivables	7.6	10.5	-27.6%	2.6
Interest-bearing receivables	0.0	0.0		0.0
Cash and cash equivalents	54.4	24.4		31.5
<b>Current assets total</b>	<b>735.0</b>	<b>540.0</b>	<b>36.1%</b>	<b>537.0</b>
Assets held for sale				38.4
<b>Assets total</b>	<b>1,609.9</b>	<b>1,371.3</b>	<b>17.4%</b>	<b>1,435.5</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to the equity holders of the parent company	841.9	788.5	6.8%	812.1
Non-controlling interest	3.9	4.1	-5.3%	4.2
<b>Equity total</b>	<b>845.8</b>	<b>792.7</b>	<b>6.7%</b>	<b>816.3</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	0.4	50.9	-99.1%	0.7
Lease liabilities	80.5	65.5	23.0%	88.9
Deferred tax liabilities	34.5	31.6	9.3%	32.1
Employee defined benefit obligations	14.7	13.6	8.2%	12.8
Provisions	2.7	3.4	-22.2%	3.4
Other non-current liabilities	3.9	5.1	-23.7%	6.0
<b>Non-current liabilities total</b>	<b>136.7</b>	<b>170.0</b>	<b>-19.6%</b>	<b>143.9</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	295.7	23.4		64.4
Lease liabilities	21.7	21.7	0.0%	22.6
Trade payables	93.2	107.2	-13.0%	139.3
Other current payables	203.9	226.8	-10.1%	231.2
Income tax liabilities	6.0	23.1	-74.1%	3.2
Provisions	7.0	6.5	7.2%	14.7
<b>Current liabilities total</b>	<b>627.4</b>	<b>408.6</b>	<b>53.5%</b>	<b>475.4</b>
<b>Equity and liabilities total</b>	<b>1,609.9</b>	<b>1,371.3</b>	<b>17.4%</b>	<b>1,435.5</b>



# Consolidated statement of cash flows

EUR million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
<b>Cash flow from operating activities</b>					
Profit before taxes	27.7	37.8	109.6	120.0	144.1
Adjustments for					
Depreciation, amortization and impairment	14.8	15.7	44.6	46.0	61.6
Gain/loss on sale and loss on scrap of non-current assets	0.6	0.0	0.2	-0.7	-0.9
Other financial items	2.5	-2.5	2.7	0.4	-0.2
Change in fair value of biological assets	-0.9	-0.3	-1.9	-1.1	-1.3
Change in provisions and other non-cash items	0.1	9.5	-14.7	9.7	17.7
<b>Cash flow before changes in working capital</b>	<b>44.8</b>	<b>60.1</b>	<b>140.3</b>	<b>174.2</b>	<b>221.1</b>
Changes in working capital					
Change in current assets, non-interest-bearing	4.4	20.9	-30.0	-7.9	-7.4
Change in inventories	-22.0	-35.1	-105.7	-71.2	-96.0
Change in current liabilities, non-interest-bearing	-72.6	6.0	-90.0	14.1	46.5
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-45.5</b>	<b>51.9</b>	<b>-85.3</b>	<b>109.3</b>	<b>164.2</b>
Financial income received and costs paid	-4.9	0.1	-11.4	-2.5	-5.0
Taxes paid	-7.1	-5.2	-18.2	-17.9	-36.4
<b>Cash flow from operating activities (A)</b>	<b>-57.5</b>	<b>46.8</b>	<b>-114.9</b>	<b>88.9</b>	<b>122.9</b>
<b>Cash flow from investing activities</b>					
Investments in financial assets		-3.5	-0.2	-3.6	-3.8
Capital expenditure on fixed assets	-11.8	-7.3	-34.7	-21.6	-34.4
Proceeds from sale of fixed assets	1.0	0.1	1.8	1.3	1.8
Proceeds from sale of assets held for sale			43.9		
Disposal of subsidiary, net of cash disposed of	-9.2		-9.2	0.9	0.9
Other dividends received	0.0		0.2		
Cash flow from other investments	0.2	1.5	4.3	1.6	1.6
<b>Cash flow from investing activities (B)</b>	<b>-19.8</b>	<b>-9.2</b>	<b>6.1</b>	<b>-21.4</b>	<b>-33.7</b>
<b>Cash flow from financing activities</b>					
Purchase of treasury shares	-6.9		-15.9		
Change in current receivables	-0.0		-0.0	0.0	
Proceeds from non-current debt				0.1	
Repayments of non-current debt	-0.1	-20.1	-0.2	-60.5	-60.5
Change in current debt	103.6	12.3	227.5	22.5	12.8
Payment of lease liabilities	-6.6	-6.6	-20.1	-19.8	-26.4
Cash flow from other financing items		-0.5		0.0	-0.0
Dividends paid	-31.2	-24.4	-63.2	-48.9	-49.2
<b>Cash flow from financing activities (C)</b>	<b>58.8</b>	<b>-39.3</b>	<b>128.0</b>	<b>-106.5</b>	<b>-123.3</b>
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>-18.5</b>	<b>-1.6</b>	<b>19.2</b>	<b>-39.0</b>	<b>-34.2</b>
Cash and cash equivalents at beginning of period	73.7	26.0	31.5	62.5	62.5
Translation difference	-0.8	0.0	3.6	0.9	3.3
Cash and cash equivalents at end of period	54.4	24.4	54.4	24.4	31.5



# Condensed consolidated statement of changes in equity

EUR million	Attributable to the equity holders of the parent company							Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Financial assets at FVTOCI	Retained earnings		
<b>Opening Balance Jan 1, 2021</b>	<b>77.5</b>	<b>-7.2</b>	<b>-4.5</b>	<b>0.1</b>	<b>-1.7</b>	<b>0.0</b>	<b>693.7</b>	<b>3.8</b>	<b>761.6</b>
Total comprehensive income for the period			9.5	-0.0	-0.2		68.7	0.4	78.4
Purchase and issue of treasury shares							0.0		0.0
Share-based payments							1.4		1.4
Dividends paid							-48.9		-48.9
Other changes							0.1		0.1
<b>Balance at Sep 30, 2021</b>	<b>77.5</b>	<b>-7.2</b>	<b>5.0</b>	<b>0.1</b>	<b>-1.9</b>	<b>0.0</b>	<b>715.0</b>	<b>4.1</b>	<b>792.7</b>
<b>Opening Balance Jan 1, 2022</b>	<b>77.5</b>	<b>-7.2</b>	<b>9.2</b>	<b>0.0</b>	<b>-1.4</b>	<b>0.0</b>	<b>733.9</b>	<b>4.2</b>	<b>816.3</b>
Total comprehensive income for the period			28.6	0.0	-0.3		87.0	0.8	116.1
Purchase and issue of treasury shares		-15.9							-15.9
Share-based payments		1.8					-2.8		-0.9
Dividends paid							-61.9	-1.1	-63.1
Other changes			5.4				-12.0		-6.7
<b>Balance at Sep 30, 2022</b>	<b>77.5</b>	<b>-21.3</b>	<b>43.1</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.0</b>	<b>744.2</b>	<b>3.9</b>	<b>845.8</b>



# Notes to the interim report

## ACCOUNTING PRINCIPLES

This unaudited Interim report is prepared in accordance with IAS 34 *Interim Financial Reporting* using the same accounting policies and methods of computation as in the annual financial statements.

Figures presented have been rounded and the sum of individual figures may therefore differ from the presented total figure.





# Reporting segments

EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
<b>Net sales</b>							
Vita	140.3	133.8	4.8%	387.8	357.6	8.4%	544.6
Terra	108.1	111.5	-3.0%	420.6	417.2	0.8%	535.4
Crea	43.1	45.6	-5.5%	133.2	123.7	7.6%	170.6
Other	1.1	0.9	24.6%	2.7	2.6	3.7%	3.8
<b>Group total</b>	<b>292.6</b>	<b>291.8</b>	<b>0.3%</b>	<b>944.3</b>	<b>901.2</b>	<b>4.8%</b>	<b>1,254.3</b>
<b>EBIT</b>							
Vita	24.6	25.2	-2.3%	49.4	45.2	9.5%	69.4
Terra	1.4	6.2	-77.3%	46.8	54.8	-14.6%	50.9
Crea	10.0	11.4	-12.5%	29.7	30.7	-3.2%	36.3
Other	-6.6	-8.2	-18.9%	-15.6	-11.7	34.1%	-13.8
<b>Group total</b>	<b>29.4</b>	<b>34.7</b>	<b>-15.3%</b>	<b>110.3</b>	<b>119.0</b>	<b>-7.3%</b>	<b>142.8</b>
<b>Depreciation, amortization and impairment</b>							
Vita	8.5	8.8	-2.8%	25.6	25.5	0.2%	34.3
Terra	4.8	4.9	-0.6%	14.4	13.9	3.8%	20.4
Crea	1.0	1.1	-15.3%	3.1	3.2	-3.0%	4.4
Other	0.4	0.9	-49.9%	1.5	3.4	-57.1%	2.6
<b>Group total</b>	<b>14.8</b>	<b>15.7</b>	<b>-5.6%</b>	<b>44.6</b>	<b>46.0</b>	<b>-3.2%</b>	<b>61.6</b>
<b>Capital expenditure</b>							
Vita	5.5	3.6	50.6%	14.4	10.8	33.4%	16.0
Terra	4.9	2.9	68.9%	12.1	8.0	52.6%	12.2
Crea	1.2	0.5	16.3%	2.8	2.1	36.0%	3.3
Other	0.3	0.3	16.3%	5.3	0.7		2.8
<b>Group total</b>	<b>11.8</b>	<b>7.3</b>	<b>61.7%</b>	<b>34.7</b>	<b>21.6</b>	<b>61.0%</b>	<b>34.4</b>

# Net sales by geography

EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
<b>Net sales</b>							
Europe	141.5	143.8	-1.6%	441.7	424.3	4.1%	592.2
Americas	96.6	106.0	-8.9%	340.1	354.5	-4.0%	475.9
Asia-Pacific	48.9	42.0	16.5%	148.4	125.1	18.6%	187.7
Unallocated	5.6	-0.1		14.1	-2.7		-1.4
<b>Group total</b>	<b>292.6</b>	<b>291.8</b>	<b>0.3%</b>	<b>944.3</b>	<b>901.2</b>	<b>4.8%</b>	<b>1,254.3</b>



# EBIT and comparable EBIT

EUR million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	2021
<b>EBIT</b>	<b>29.4</b>	<b>34.7</b>	<b>-15.3%</b>	<b>110.3</b>	<b>119.0</b>	<b>-7.3%</b>	<b>142.8</b>
<b>Items affecting comparability in EBIT</b>							
Sale of subsidiary in Russia	-3.7			-10.9			
Sale of Watering business	-0.2			1.0			
Changes in Group Leadership Team				-1.1			
Restructuring program		0.1			1.6		7.6
Transformation program		-0.6			1.5		3.9
Other adjustments to operating profit		0.0			-0.1		0.0
<b>Total items affecting comparability in EBIT</b>	<b>3.8</b>	<b>-0.6</b>		<b>11.0</b>	<b>3.1</b>		<b>11.5</b>
<b>Comparable EBIT</b>	<b>33.2</b>	<b>34.1</b>	<b>-2.6%</b>	<b>121.3</b>	<b>122.1</b>	<b>-0.6%</b>	<b>154.2</b>

## EBIT and comparable EBIT by income statement line item

EUR million	Q3 2022			Q3 2021		
	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	292.6		292.6	291.8		291.8
Cost of goods sold	-159.3	2.0	-161.4	-169.2	0.1	-169.3
Sales and marketing expenses	-63.7	3.1	-66.7	-58.9	0.6	-59.6
Administration expenses	-28.2	-0.1	-28.2	-26.1	-0.2	-25.9
Research and development expenses	-4.8		-4.8	-3.7		-3.7
Goodwill and trademark impairment	0.0		0.0			
Other operating income and expenses	-7.2	-8.9	1.7	0.8	0.0	0.8
<b>EBIT</b>	<b>29.4</b>	<b>-3.8</b>	<b>33.2</b>	<b>34.7</b>	<b>0.6</b>	<b>34.1</b>

EUR million	Q1-Q3 2022			Q1-Q3 2021		
	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	944.3		944.3	901.2		901.2
Cost of goods sold	-522.9	0.0	-522.9	-514.2		-514.2
Sales and marketing expenses	-202.8	-0.9	-201.9	-184.5	-1.9	-182.6
Administration expenses	-89.7	-1.7	-88.0	-74.9	-1.2	-73.7
Research and development expenses	-15.1		-15.1	-11.1	-0.0	-11.1
Goodwill and trademark impairment	0.0		0.0			
Other operating income and expenses	-3.5	-8.4	4.9	2.6	0.1	2.5
<b>EBIT</b>	<b>110.3</b>	<b>-11.0</b>	<b>121.3</b>	<b>119.0</b>	<b>-3.1</b>	<b>122.1</b>

EUR million	2021		
	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	1,254.3		1,254.3
Cost of goods sold	-714.6	-3.9	-710.6
Sales and marketing expenses	-267.5	-5.6	-261.9
Administration expenses	-116.9	-1.9	-115.0
Research and development expenses	-15.5	-0.0	-15.5
Goodwill and trademark impairment			
Other operating income and expenses	3.0	0.0	3.0
<b>EBIT</b>	<b>142.8</b>	<b>-11.5</b>	<b>154.2</b>



# Intangible and tangible assets

EUR million	Sep 30 2022	Sep 30 2021	Dec 31 2021
<b>Intangible assets and goodwill</b>			
Book value, Jan 1	489.3	481.9	481.9
Translation differences	13.5	5.9	8.5
Additions	13.4	9.1	13.4
Amortization and impairment	-10.3	-10.6	-14.0
Decreases and transfers	-0.3	-0.1	-0.4
<b>Book value at end of period</b>	<b>505.8</b>	<b>486.2</b>	<b>489.3</b>
<b>Tangible assets and investment property</b>			
Book value, Jan 1	148.5	153.1	153.1
Translation differences	3.6	1.2	2.7
Additions	21.4	12.6	21.2
Depreciation and impairment	-15.7	-16.9	-22.5
Decreases and transfers	-5.2	-1.2	-1.0
Transfer to assets held for sale			-5.0
<b>Book value at end of period</b>	<b>152.7</b>	<b>148.7</b>	<b>148.5</b>
<b>Right-of-use assets</b>			
Book value, Jan 1	106.8	90.2	90.2
Translation differences	3.0	1.3	2.1
Additions	7.6	10.6	44.0
Depreciations	-18.9	-18.7	-25.1
Decreases	-1.2	-1.0	-4.3
<b>Book value at end of period</b>	<b>97.3</b>	<b>82.4</b>	<b>106.8</b>



# Contingencies and pledged assets

EUR million	Sep 30 2022	Sep 30 2021	Dec 31 2021
<b>As security for own commitments</b>			
Guarantees	6.9	10.6	6.7
Other contingencies*	4.3	3.9	2.4
<b>Contingencies and pledged assets total</b>	<b>11.1</b>	<b>14.5</b>	<b>9.1</b>

\*Other contingencies include a commitment of USD 1.7 million to invest in private equity funds

## Derivatives

EUR million	Sep 30 2022	Sep 30 2021	Dec 31 2021
<b>Nominal amounts of derivatives</b>			
Foreign exchange forwards and swaps	271.3	296.6	338.3
<b>Fair value of derivatives</b>			
Foreign exchange forwards and swaps	-0.2	0.0	0.6

Derivatives have been valued at market value on the reporting date.

## Net debt reconciliation

EUR million	Sep 30 2022	Sep 30 2021	Dec 31 2021
Loans from credit institutions*	296,1	74,3	65,1
Lease liabilities	102,2	87,1	111,5
Cash and cash equivalents	-54,4	-24,4	-31,5
<b>Net debt</b>	<b>343,9</b>	<b>137,1</b>	<b>145,0</b>

\*EUR 50 million long-term bilateral loan was repaid, and a new seven-year EUR 50 million bilateral loan was drawn down in October 2022.



# Exchange rate sensitivity of the operations

The most significant transaction risks are related to the appreciation of USD, THB and IDR, and the depreciation of SEK, AUD and CAD. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	USD	THB	SEK	AUD	CAD	IDR	JPY	NOK
Operational currency position	-36.8	-32.6	22.0	19.9	18.7	-14.1	12.8	9.1
Exchange rate sensitivity of the operations*	3.7	3.3	-2.2	-2.0	-1.9	1.4	-1.3	-0.9

\*Illustrates the impact of 10% depreciation of the currency on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange transaction risks related to the commercial cash flows are hedged primarily using currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

## Fair value of financial instruments

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. Level 2 includes financial assets and liabilities measured using directly observable market inputs. All interest-bearing debts and derivatives fall within this category. Level 3 includes financial assets and liabilities measured using non-market observable inputs. The asset classes in this category are unlisted equity investments and funds.

**Sep 30, 2022**

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			33.2	33.2
Other investments			3.5	3.5
Derivative assets		2.1		2.1
<b>Total assets</b>		<b>2.1</b>		<b>38.7</b>
Derivative liabilities		2.3		2.3
<b>Total liabilities</b>		<b>2.3</b>		<b>2.3</b>

**Sep 30, 2021**

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			32.1	32.1
Other investments	0.2		3.5	3.6
Derivative assets				
<b>Total assets</b>	<b>0.2</b>		<b>35.5</b>	<b>35.7</b>
Derivative liabilities		0.0		0.0
<b>Total liabilities</b>		<b>0.0</b>		<b>0.0</b>

**Dec 31, 2021**

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			32.0	32.0
Other investments	0.2		3.5	3.7
Derivative assets		1.0		1.0
<b>Total assets</b>	<b>0.2</b>	<b>1.0</b>	<b>35.5</b>	<b>36.7</b>
Derivative liabilities		0.5		0.5
<b>Total liabilities</b>		<b>0.5</b>		<b>0.5</b>



Financial assets at fair value through profit or loss consist of unlisted funds. The fair value of unlisted funds is based on the market value reported by the fund (level 3) and changes are recognized in the income statement. Other investments include listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at fair value (level 3). Fair value of unlisted shares equals acquisition value.

Investment in a private equity fund was reduced as a result of a distribution in kind carried out by the fund during Q2 2022. The listed shares received as distribution in kind were sold, and an insignificant net loss was realized on the sale.

# Acquisitions and divestments

## **Acquisitions and divestments in 2022**

### Sale of subsidiary in Russia

On March 7, 2022, Fiskars Group announced that it has decided to withdraw completely from the Russian market due to Russia's attack on Ukraine. The sale of the subsidiary was completed in August 2022.

The company has operated locally mainly through its Fiskars brand and employed approximately 70 people in Moscow and in the St. Petersburg area. The net sales of the Russian business in 2021 were approximately 1% of the company's global net sales. The exit from the Russian market did not have a significant impact on the company's financial position or result in 2022. The one-time impact of the withdrawal is included in Items Affecting Comparability.

### Sale of North American Watering business

On February 1, 2022, Fiskars Corporation announced that it had completed the sale of its North American Watering Business to Lawn & Garden LLC, a holding company owned by Centre Lane Partners (CLP), a New York headquartered American private equity company. The transaction was announced on December 21, 2021.

The transaction was structured as an asset sale. The agreement covered intellectual property including the Gilmour and Nelson brands, related trademarks and patents pertaining to watering equipment commercialized in North America. Included in the transaction were the manufacturing plant in Excelsior Springs, Missouri and the warehouse operations in Independence, Missouri, as well as the employees working in these two locations.

Assets directly associated with the sale were previously classified as held for sale.

## **Acquisitions and divestments in 2021**

The sale of watering assembly plant and related operations in Ningbo, China to Daye (Ningbo Daye Garden Industry Co. Ltd) was closed on January 22, 2021. The divestment did not have a significant impact on Fiskars Group's financial position or result in 2021.



# FISKARS

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FISKARS



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