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Interim Report  
Q1 2023

FOCUS ON CASH FLOW AND PROFIT PROTECTION DELIVERED  
RESULTS IN A CHALLENGING OPERATING ENVIRONMENT



JANUARY–MARCH 2023

# 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 Q1 2023

FOCUS ON  
CASH FLOW  
AND PROFIT  
PROTECTION  
DELIVERED  
RESULTS

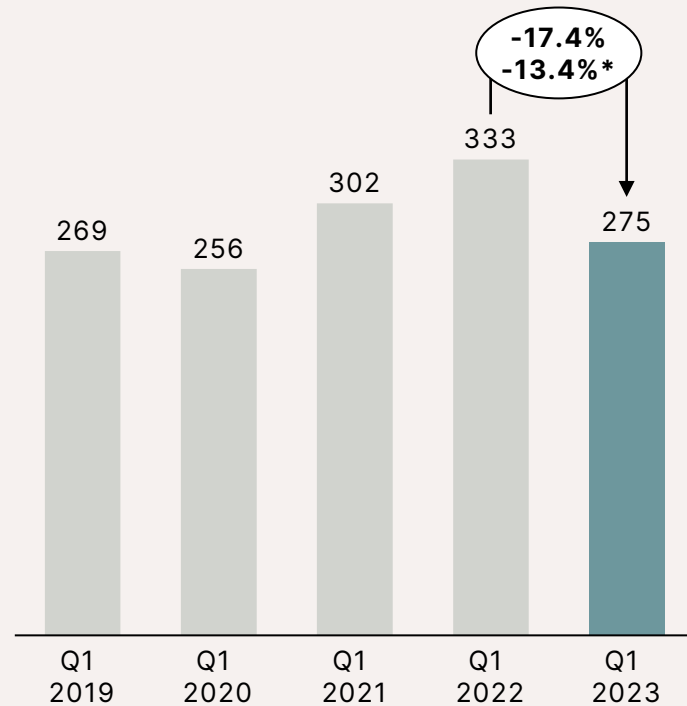
SALES DECLINED  
DUE TO LOW  
CONSUMER  
CONFIDENCE AND  
RETAILERS' HIGH  
INVENTORIES,  
ESPECIALLY IN  
THE U.S.

DTC OUTGREW  
OTHER CHANNELS  
– STRATEGIC  
FOCUS PAYS OFF

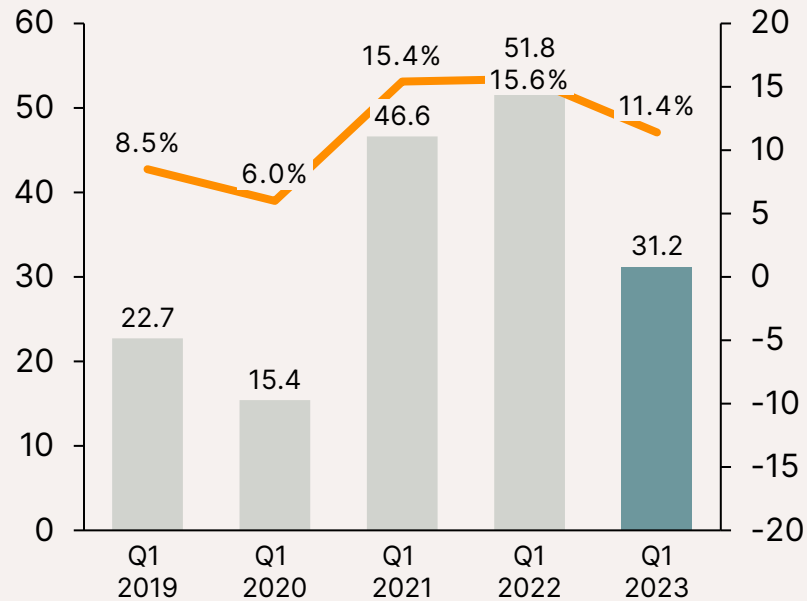
2023 GUIDANCE  
REITERATED:  
  
COMPARABLE  
EBIT EXPECTED  
TO BE SLIGHTLY  
BELOW THE 2022  
LEVEL

# Q1 2023 Group key figures

**NET SALES, EUR MILLION**



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



**GROSS MARGIN**  
%

**46.4** ↔  
Q1/2022: 45.6, like-for-like 46.6

**FREE CASH FLOW**  
EUR MILLION

**12.9** ↑  
Q1/2022: -69.9

**EARNINGS PER SHARE**  
EUR

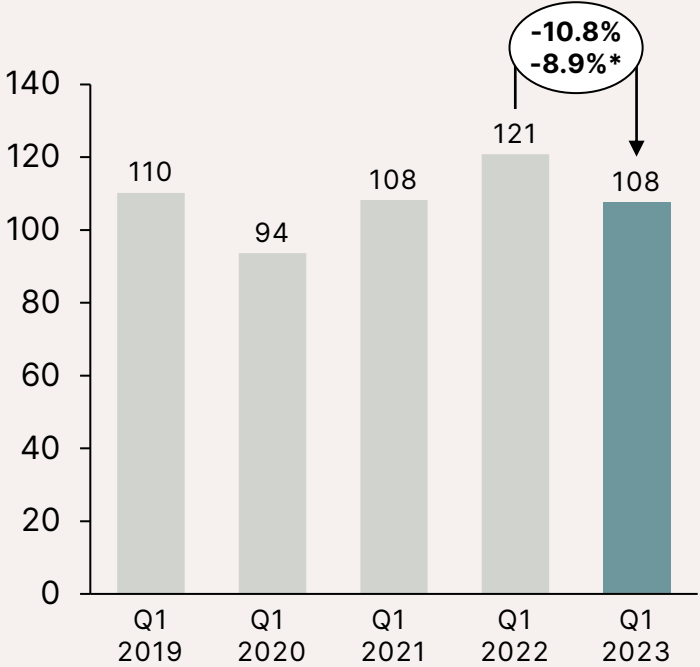
**0.25** ↓  
Q1 2022: 0.38

\*Comparable change = currency neutral & excl. divestments

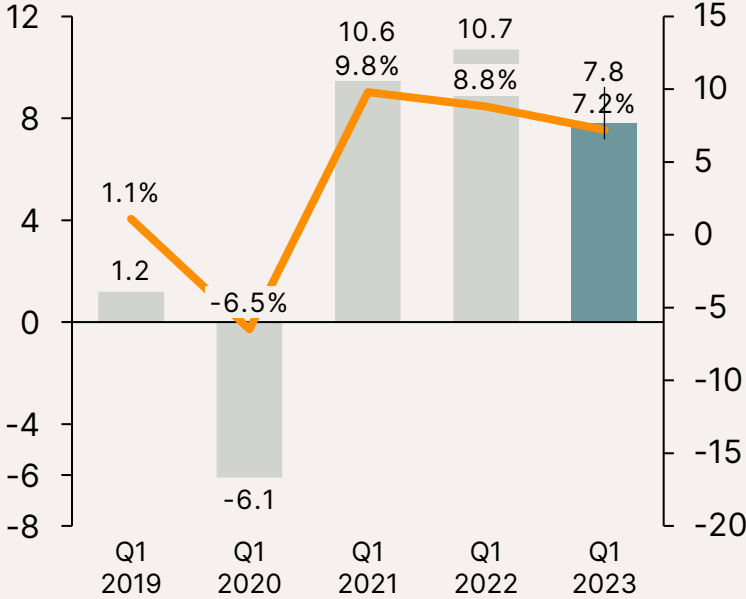


# Vita Q1: Sales decreased in the retailer channel, own e-commerce continued to develop positively

**NET SALES, EUR MILLION**



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



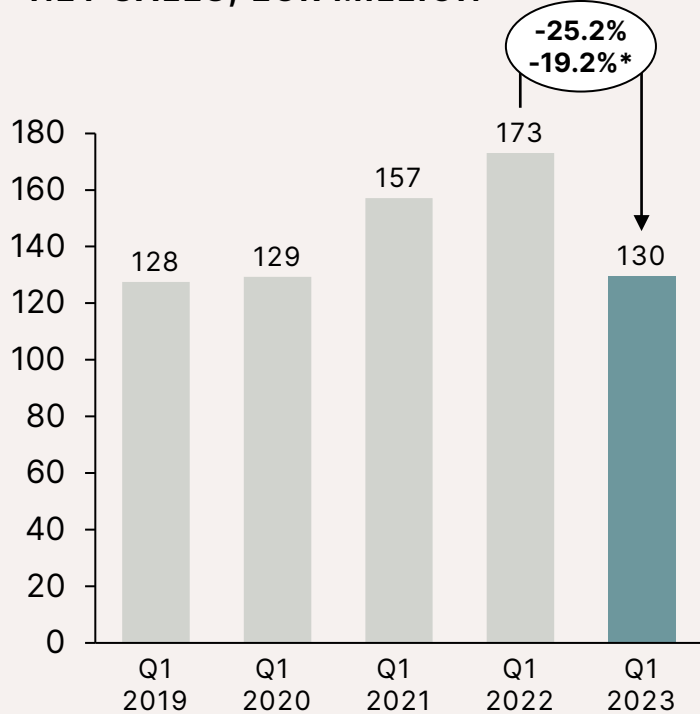
- E-commerce developed positively in several key markets
- Moomin by Arabia was the best performing brand

\*Comparable change = currency neutral & excl. divestments

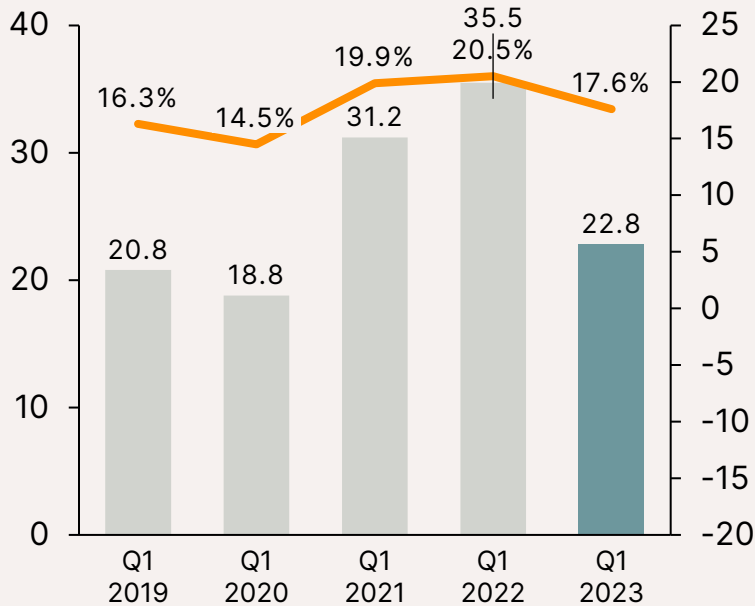


# Terra Q1: Clearly lower shipments at the start of the gardening season

**NET SALES, EUR MILLION**



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



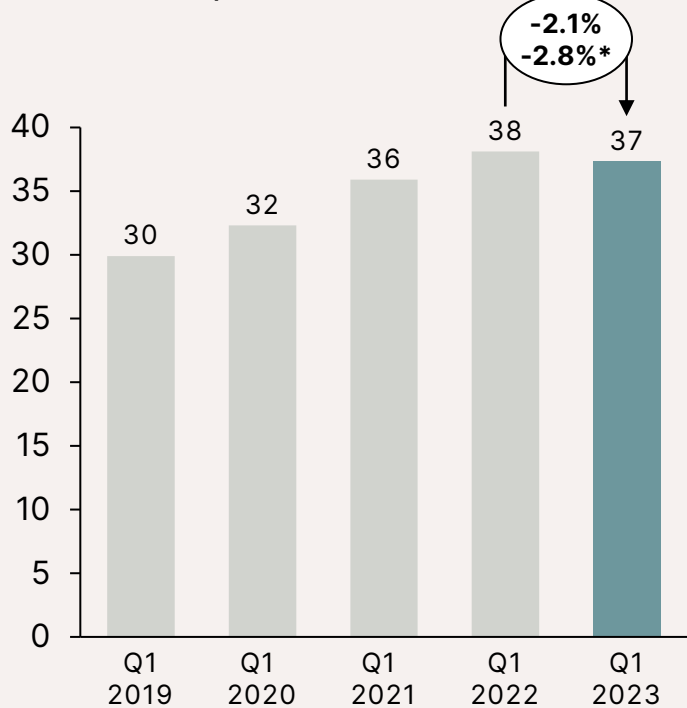
- Clearly lower shipments at the start of the gardening season due to inventories
- Cold start to the spring in both U.S. and Europe also impacted

\*Comparable change = currency neutral & excl. divestments

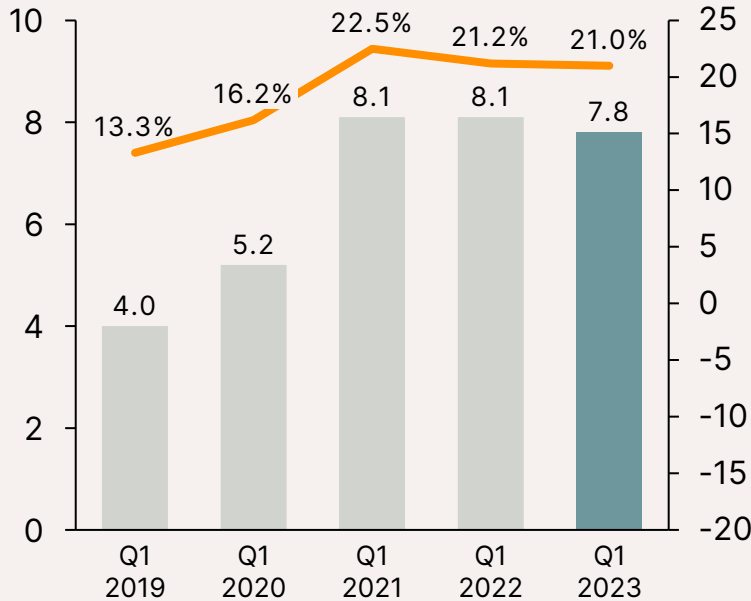


# Crea Q1: Rather stable development supported by timing of shipments in the U.S.

**NET SALES, EUR MILLION**



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

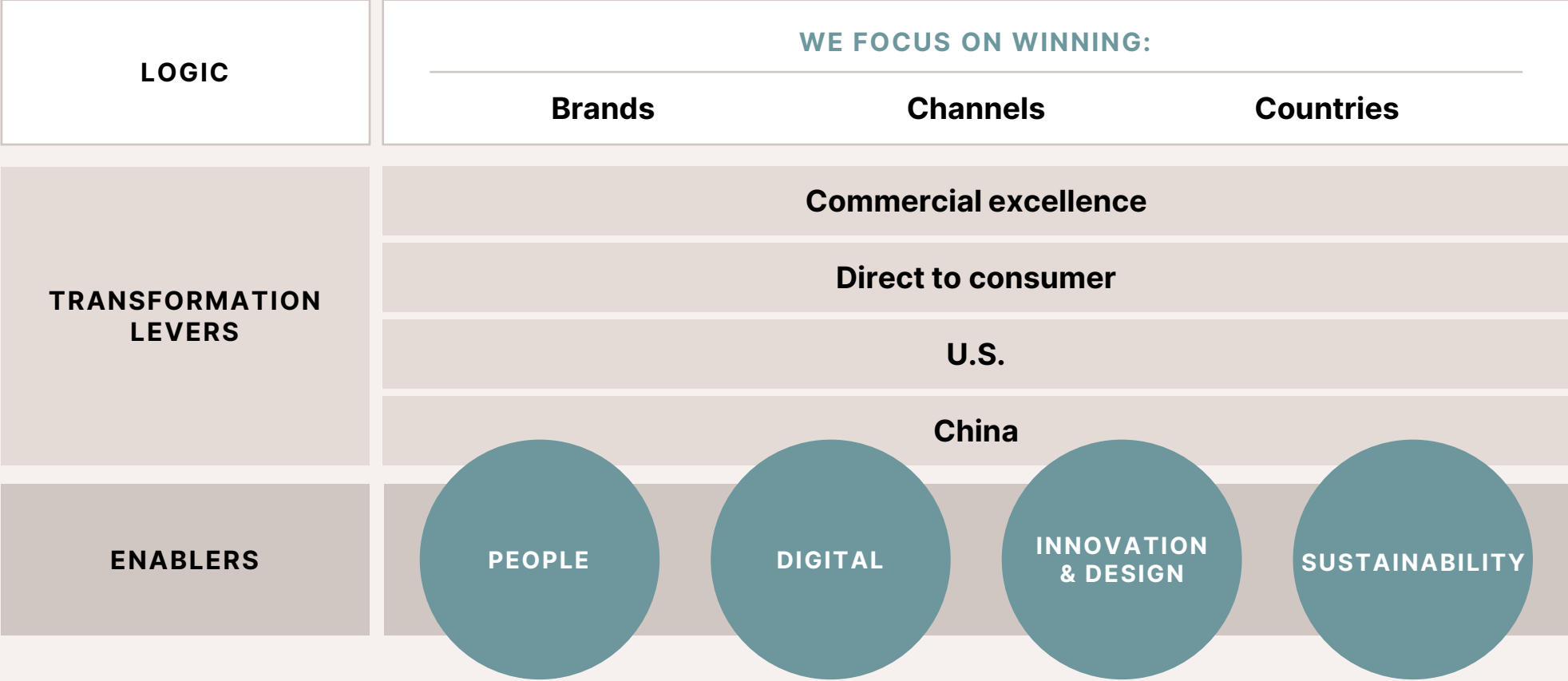


- In the U.S., the Creating category was supported by timing of shipments
- In Europe, performance varied country by country, but overall sales declined

\*Comparable change = currency neutral & excl. divestments



# Our focus is firmly on our Growth Strategy





# 3/4 of transformation levers delivering

Q1 2023

## Commercial excellence

- Gross margin +90 bps (-20 bps organically) driven by successful actions to mitigate cost inflation
- 

## Direct to consumer

- DTC: 4% growth; and 20% of net sales
  - E-commerce +12%; physical retail +1%
- 

## U.S.

- Net sales -21%
  - Decline especially due to Terra: shipments at the start of the gardening season were clearly lower due to retailer's high inventories, cold start to the spring also impacted
- 

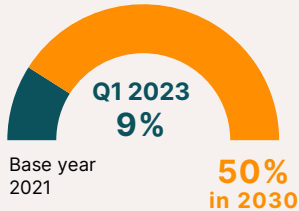
## China

- Net sales +14%
- Negative effect from Covid-19 pandemic and the timing of the Chinese New Year in the beginning of the quarter, strong growth after that

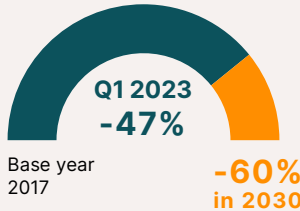


# We are making good progress in our ESG targets

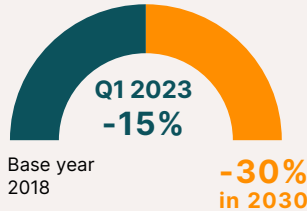
## Environmental



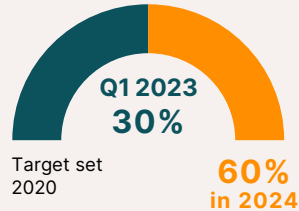
Net sales from circular products and services



Emissions from own operations



Emissions from transportation and distribution



% suppliers by spend have science-based targets

## Social



Zero harm with zero LTAf (Lost time accident frequency)



Enhancing diversity, equity, and inclusion



# Other highlights of the first quarter



Fiskars Group's first  
**employee share savings plan**  
"MyFiskars" launched



**Red Dot awards** for Fiskars All  
Steel cookware range and the  
Fiskars 5th generation axes



**Aamir Shaukat** appointed as  
Chief Supply Chain Officer



# Organizational changes are progressing

## What

- Organizational changes especially in the business areas (BA)
- Cost efficiency improvements, both COGS and SG&A

## Why

- To drive continued transformation of the company
- To strengthen end-to-end accountability in the BAs and to enhance focus on brands and consumers

## Expected outcome

- Reduction of ~100 roles globally
- Total annual cost savings of ~MEUR 30, ~50% expected in H2/23
- One-off costs ~MEUR 5, recorded in Q1-Q2/23

## Progress during Q1:

- Implementation of changes started in the BAs + in Sales to reflect the renewed BA structures
- ~100 roles reduced
- MEUR 2.2 of one-off expenses recorded



# Guidance for 2023

(unchanged)

Fiskars expects comparable EBIT to be slightly below the 2022 level (2022: EUR 151.0 million).

## Assumptions behind the guidance

- expected continued volatility of the market environment and weaker demand especially in H1
- investments into key strategic building blocks
- + savings from the targeted organizational changes from H2 onwards and prudent cost management

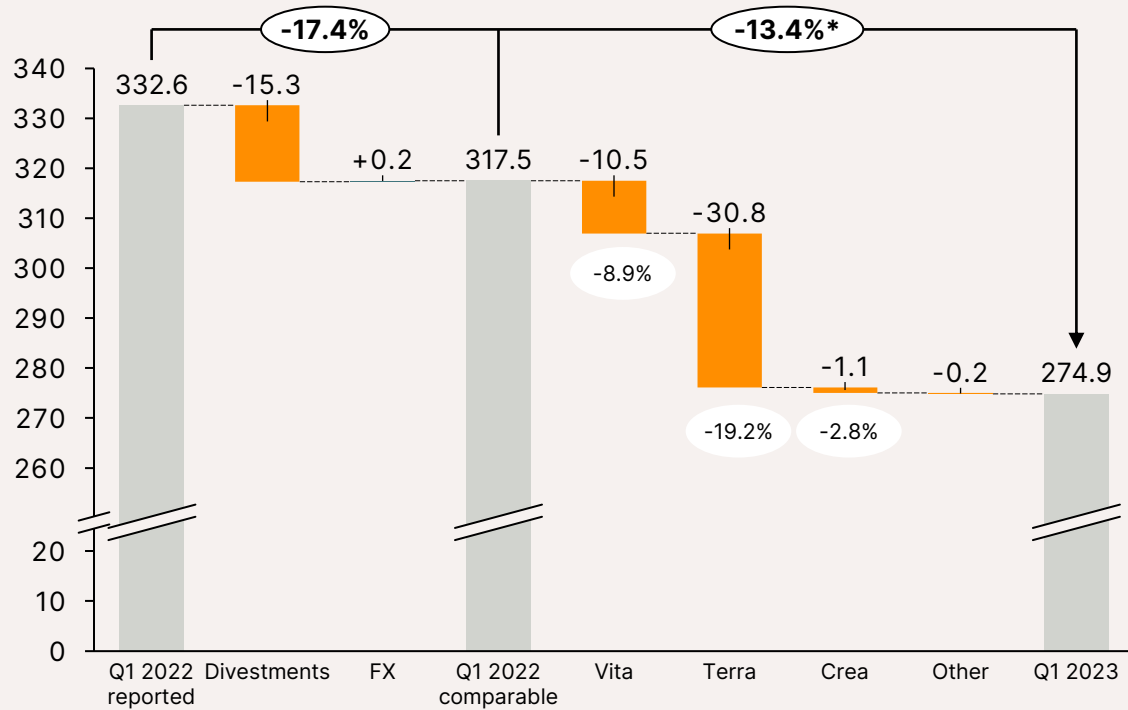


# ◆ Q1 2023 Financials

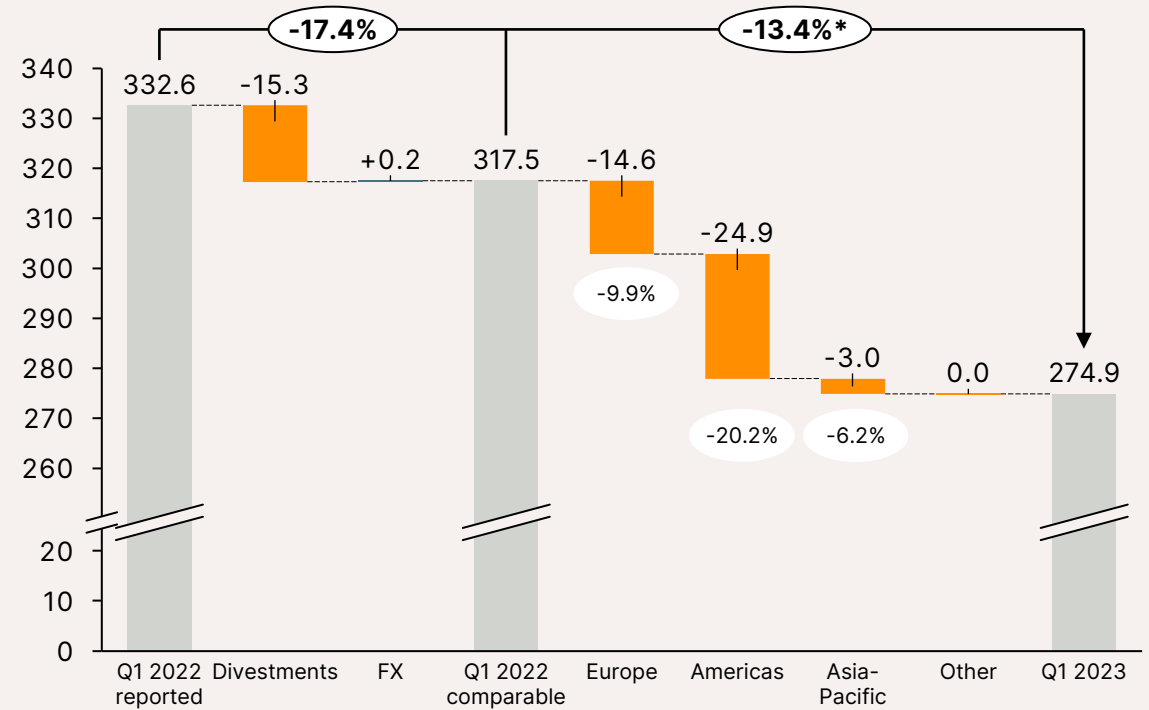


# Q1 Net sales decline driven by the U.S. and Terra

Q1 2023 NET SALES BRIDGE BY BUSINESS AREAS, EUR MILLION



Q1 2023 NET SALES BRIDGE BY GEOGRAPHICAL AREAS, EUR MILLION



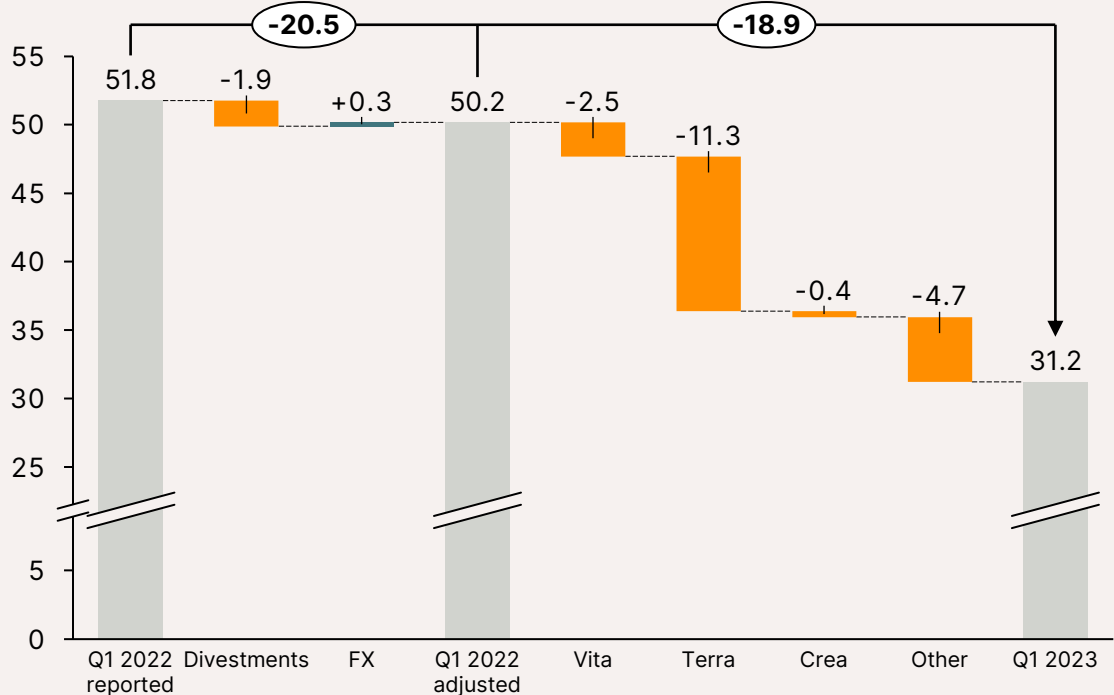
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APRIL 27, 2023

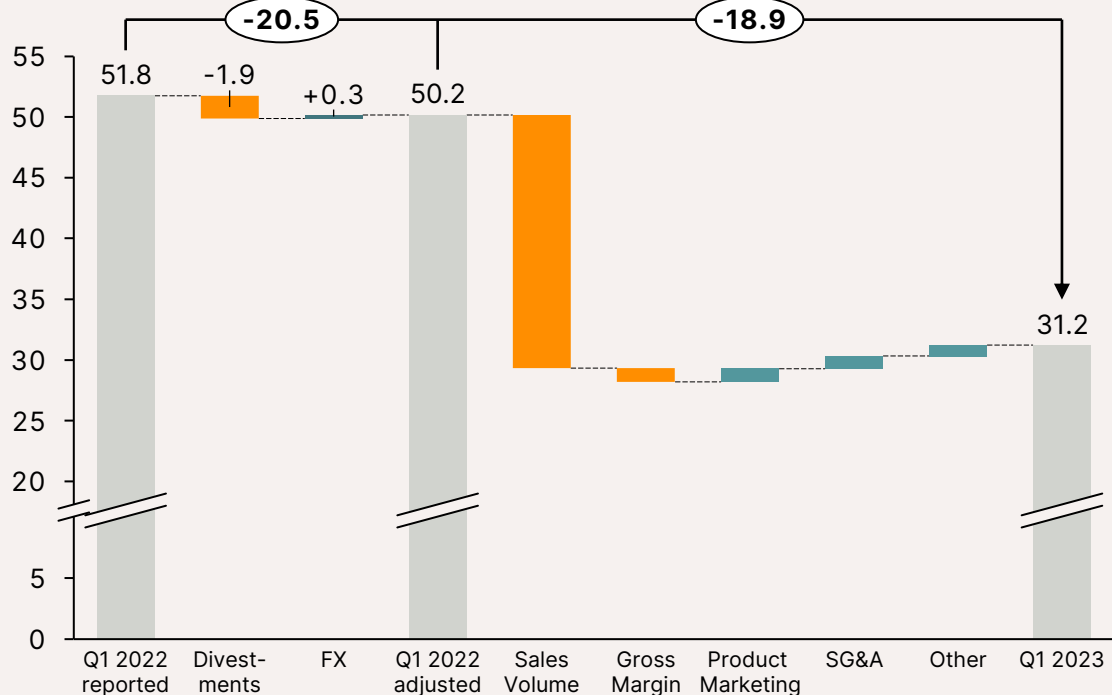


# Q1 Comparable EBIT declined due to volumes, like-for-like gross margin stable

**Q1 2023 EBIT BRIDGE BY BUSINESS AREAS, EUR MILLION**

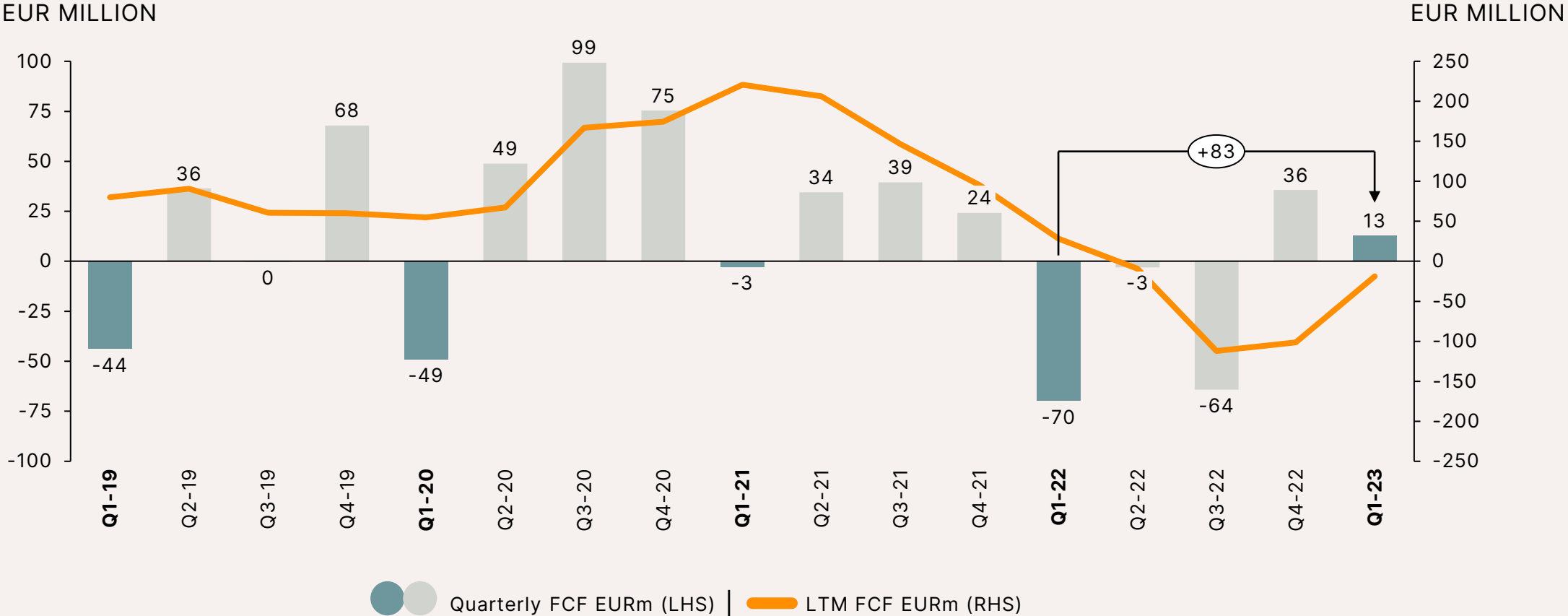


**Q1 2023 EBIT BRIDGE BY COMPONENTS, EUR MILLION**



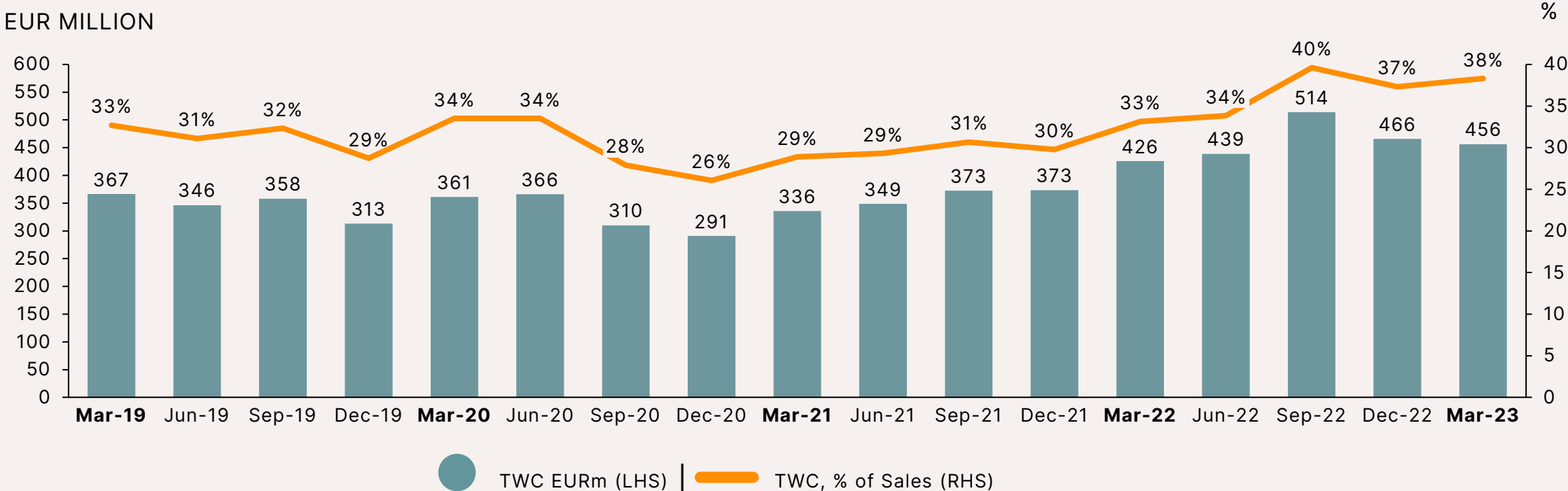


# Q1 Cash flow improved significantly driven by actions taken to decrease inventories



# Trade working capital reduced by EUR 10 million vs. year-end driven by Terra inventories

EUR MILLION



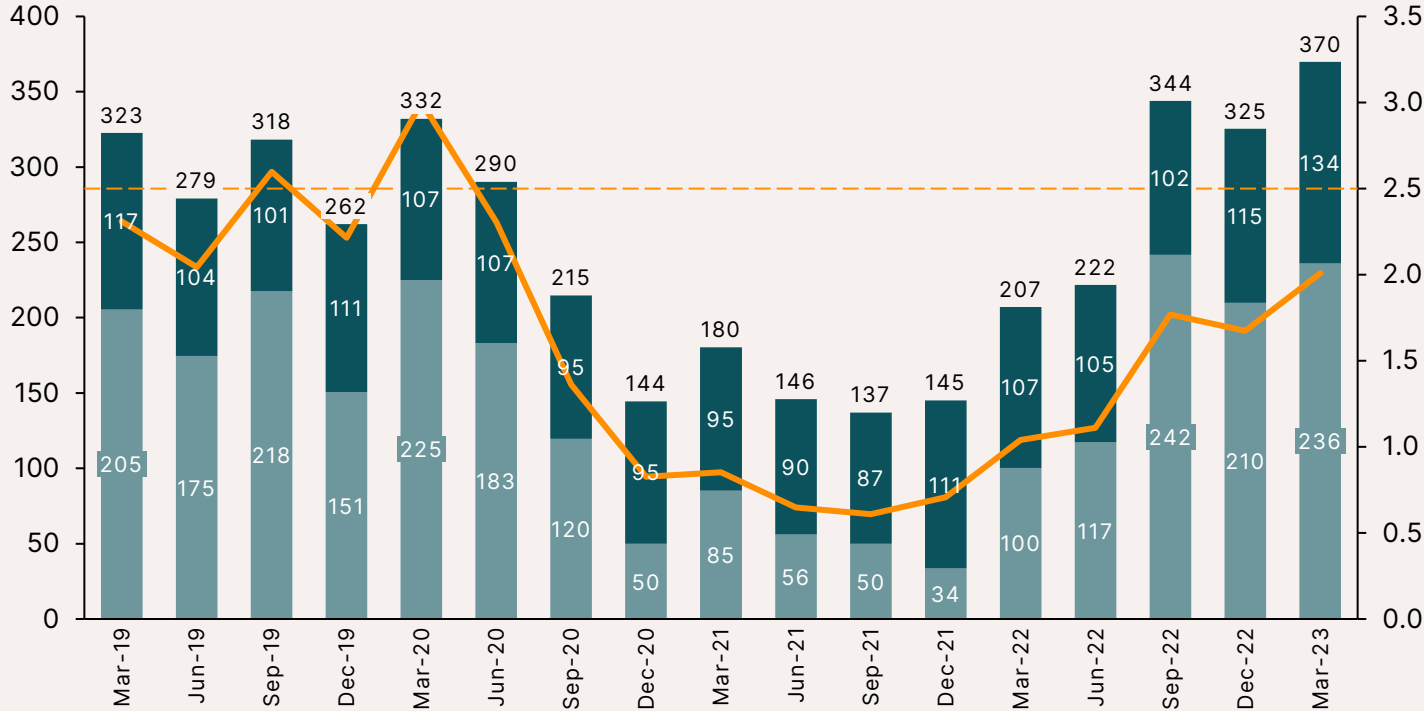
|                  |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Inventories      | 234.2        | 240.9        | 246.5        | 232.1        | 241.1        | 214.6        | 205.3        | 207.4        | 219.9        | 247.1        | 277.9        | 306.3        | 272.5        | 368.7        | 397.6        | 364.7        | 347.1        |
| Trade Rec's      | 197.0        | 173.9        | 164.0        | 177.4        | 186.3        | 221.6        | 184.4        | 183.7        | 220.5        | 220.3        | 201.9        | 206.3        | 251.1        | 225.1        | 209.5        | 170.5        | 183.3        |
| Trade Pbl's      | -64.7        | -68.6        | -52.6        | -96.3        | -66.2        | -69.9        | -79.7        | -100.2       | -104.7       | -118.7       | -107.2       | -139.3       | -97.7        | -155.0       | -93.2        | -69.2        | -74.1        |
| <b>TWC Total</b> | <b>366.5</b> | <b>346.2</b> | <b>357.9</b> | <b>313.3</b> | <b>361.3</b> | <b>366.2</b> | <b>309.9</b> | <b>290.8</b> | <b>335.7</b> | <b>348.6</b> | <b>372.6</b> | <b>373.4</b> | <b>425.8</b> | <b>438.9</b> | <b>513.9</b> | <b>466.0</b> | <b>456.3</b> |



# Net debt increased, but remained still well below the 2.5X threshold

### NET DEBT DEVELOPMENT

EUR MILLION



● Senior Net Debt EURm | ● Lease Liabilities | — Net Debt / LTM EBITDA

### BALANCE SHEET KPIS

|                                | Mar-23        | Dec-22        | Mar-22       |
|--------------------------------|---------------|---------------|--------------|
| Comparable EBIT margin (LTM)   | 11.0%         | 12.1%         | 12.4%        |
| Capital turnover (average)     | 1.15          | 1.22          | 1.40         |
| <b>ROCE% (LTM)</b>             | <b>12.6%</b>  | <b>14.8%</b>  | <b>17.4%</b> |
| <b>Cash conversion (LTM)</b>   | <b>Negat.</b> | <b>Negat.</b> | <b>22%</b>   |
| <b>Net debt / EBITDA (LTM)</b> | <b>2.04</b>   | <b>1.66</b>   | <b>1.04</b>  |
| Net debt / equity              | 47%           | 39%           | 26%          |



# Challenging operating environment is reflected in the progress towards our financial targets

## FINANCIAL TARGETS TRACKING

| KPI                  | TARGET  |   | FY<br>2021 |   | FY<br>2022 |   | LTM MARCH<br>2023 |
|----------------------|---|---|------------|---|------------|---|-------------------|
| <b>NET SALES</b>     | Organic, FX neutral Mid-Single-Digit growth     | ✓ | 14.2%      | ✗ | 1.7%       | ✗ | -4.7%             |
| <b>EBIT</b>          | Mid-teen EBIT margin (excl. IAC) by end of 2025 | ✓ | 12.3%      | ≈ | 12.1%      | ✗ | 11.0%             |
| <b>CASH FLOW</b>     | Free Cash Flow / Net Profit ≥ 80%               | ✓ | 109%       | ✗ | Neg.       | ✗ | Neg.              |
| <b>BALANCE SHEET</b> | Net Debt / LTM EBITDA ≤ 2.5X                    | ✓ | 0.7X       | ✓ | 1.7X       | ✓ | 2.04X             |





# Highlights of Q1 2023

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AND PROFIT  
PROTECTION  
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2023 GUIDANCE  
REITERATED:  
  
COMPARABLE  
EBIT EXPECTED  
TO BE SLIGHTLY  
BELOW THE 2022  
LEVEL

Fiskars Group 2023



*Thank  
you!*





# Appendix

# Consolidated Q1 2023 income statement

## Q1 P&L KEY FIGURES, EUR MILLION

|                                | <u>2023</u>  | <u>2022</u>  |
|--------------------------------|--------------|--------------|
| <b>Net sales</b>               | <b>274.9</b> | <b>332.6</b> |
| <b>Comparable gross profit</b> | <b>127.6</b> | <b>151.6</b> |
| Sales and marketing            | -60.7        | -63.8        |
| Research and development       | -5.6         | -5.0         |
| General admin                  | -30.7        | -30.6        |
| Other income/expenses, net     | 0.6          | -0.4         |
| <b>Comparable EBIT</b>         | <b>31.2</b>  | <b>51.8</b>  |
| Items affecting comparability  | -2.3         | -10.3        |
| <b>EBIT</b>                    | <b>28.9</b>  | <b>41.4</b>  |
| Profit for the period          | 20.5         | 31.4         |
| Comparable Gross Margin        | 46.4%        | 45.6%        |
| Comparable EBIT Margin         | 11.4%        | 15.6%        |

## Key Takeaways

### **Gross margin +90bps**

- Organic GM -20bps

### **Operational expenses down EUR 3.4m**

- Sales and marketing down 3.1m
- SG&A at last year's level

### **Comparable Q1 EBIT down EUR 20.6m**





# Q1 2023 Cash flow

## Key Takeaways

- Inventories down EUR 18.4m mainly driven by Terra
- Trade Rec's up EUR 14.3m following the seasonal pattern.
- Overdue Rec's (>30d overdue) share of total Rec's down both in Europe and US
- We maintain strong cash balance to ensure liquidity if short-term funding dries up.

## Q1 Free Cash Flow vs. LY (EURm)

|                                   | Q1-23        | vs. LY        |
|-----------------------------------|--------------|---------------|
| <b>EBITDA</b>                     | <b>45.1</b>  | <b>- 10.1</b> |
| Change in provisions              | -10.0        | - 2.9         |
| Non-cash adjustments              | -1.1         | - 0.6         |
| <b>Cash Flow from operations</b>  | <b>34.0</b>  | <b>- 13.6</b> |
| Change in inventories             | 18.4         | + 12.4        |
| Change in trade rec's             | -14.3        | + 28.8        |
| Change in trade Pbl's             | -9.1         | + 32.4        |
| <b>Change in TWC</b>              | <b>-5.1</b>  | <b>+ 73.5</b> |
| Change in in other int.free items | -6.8         | + 18.1        |
| <b>Change in NWC</b>              | <b>-11.9</b> | <b>+ 91.7</b> |
| CAPEX                             | -10.1        | - 0.7         |
| <b>Operating Cash Flow</b>        | <b>12.1</b>  | <b>+ 77.3</b> |
| Taxes paid                        | 0.8          | + 5.7         |
| <b>Free Cash Flow</b>             | <b>12.9</b>  | <b>+ 83.0</b> |

## Q1 Change in Cash vs. LY (EURm)

|                                     | Q1-23        | vs. LY        |
|-------------------------------------|--------------|---------------|
| <b>Cash Balance period opening</b>  | <b>115.8</b> | <b>+ 84.2</b> |
| Translation difference              | -0.3         | - 0.8         |
| Free Cash Flow                      | 12.9         | + 83.0        |
| Dividends/ share buy-backs          | -32.3        | + 1.2         |
| Financial Items, net                | -1.7         | - 2.2         |
| M&A and Divestments                 | 0.2          | - 43.9        |
| Change in L-T debt                  | -0.1         | - 0.0         |
| Payments of lease liabilities       | -6.6         | + 0.9         |
| Change in other S-T debt            | -12.8        | - 95.7        |
| Other non-operational changes       | 1.3          | + 1.3         |
| <b>Cash Balance, period closing</b> | <b>76.3</b>  | <b>+ 27.9</b> |



# Balance sheet

## Capital Employed (EURm)

|                              | Mar-23         | Dec-22         | Mar-22       |
|------------------------------|----------------|----------------|--------------|
| GW and other intangible      | 499.9          | 499.8          | 489.9        |
| PPE and biological assets    | 193.7          | 192.8          | 190.3        |
| Capitalised leases (ROU)     | 127.9          | 110.6          | 102.0        |
| <b>Non-Current Assets</b>    | <b>821.5</b>   | <b>803.2</b>   | <b>782.1</b> |
| Inventories                  | 347.1          | 364.7          | 272.5        |
| Trade receivables            | 183.3          | 170.5          | 251.1        |
| Trade payables               | -74.1          | -69.2          | -97.7        |
| <b>Trade Working Capital</b> | <b>456.3</b>   | <b>466.0</b>   | <b>425.8</b> |
| Other int-free receivables   | 69.3           | 55.1           | 41.0         |
| Other int-free payables      | -220.9         | -203.0         | -311.8       |
| <b>Operating Capital</b>     | <b>1,126.2</b> | <b>1,121.3</b> | <b>937.1</b> |
| Net tax liabilities          | -7.4           | -0.4           | 15.8         |
| <b>Capital Employed</b>      | <b>1,118.8</b> | <b>1,120.9</b> | <b>952.9</b> |

## Funding (EURm)

|                        | Mar-23         | Dec-22         | Mar-22       |
|------------------------|----------------|----------------|--------------|
| <b>Equity</b>          | <b>789.1</b>   | <b>835.6</b>   | <b>787.4</b> |
| Interest-bearing debt  | 312.4          | 325.6          | 148.5        |
| Lease liabilities      | 133.7          | 115.5          | 107.0        |
| Cash                   | -76.3          | -115.8         | -48.4        |
| <b>Net Debt</b>        | <b>369.8</b>   | <b>325.3</b>   | <b>207.1</b> |
| Financial assets       | -40.0          | -40.0          | -41.6        |
| <b>Financing Total</b> | <b>1,118.8</b> | <b>1,120.9</b> | <b>952.9</b> |

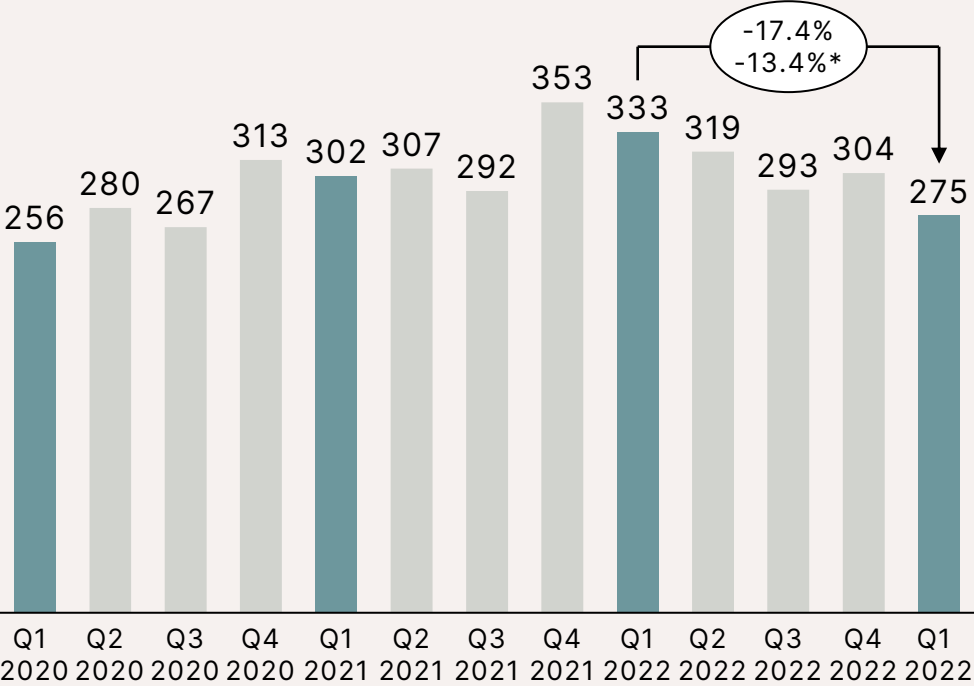
## Balance Sheet KPI's

|                                | Mar-23        | Dec-22        | Mar-22       |
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| Comparable EBIT margin (LTM)   | 11.0%         | 12.1%         | 12.4%        |
| Capital turnover (average)     | 1.15          | 1.22          | 1.40         |
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| <b>Cash conversion (LTM)</b>   | <b>Negat.</b> | <b>Negat.</b> | <b>22%</b>   |
| <b>Net debt / EBITDA (LTM)</b> | <b>2.04</b>   | <b>1.66</b>   | <b>1.04</b>  |
| Net debt / equity              | 47%           | 39%           | 26%          |

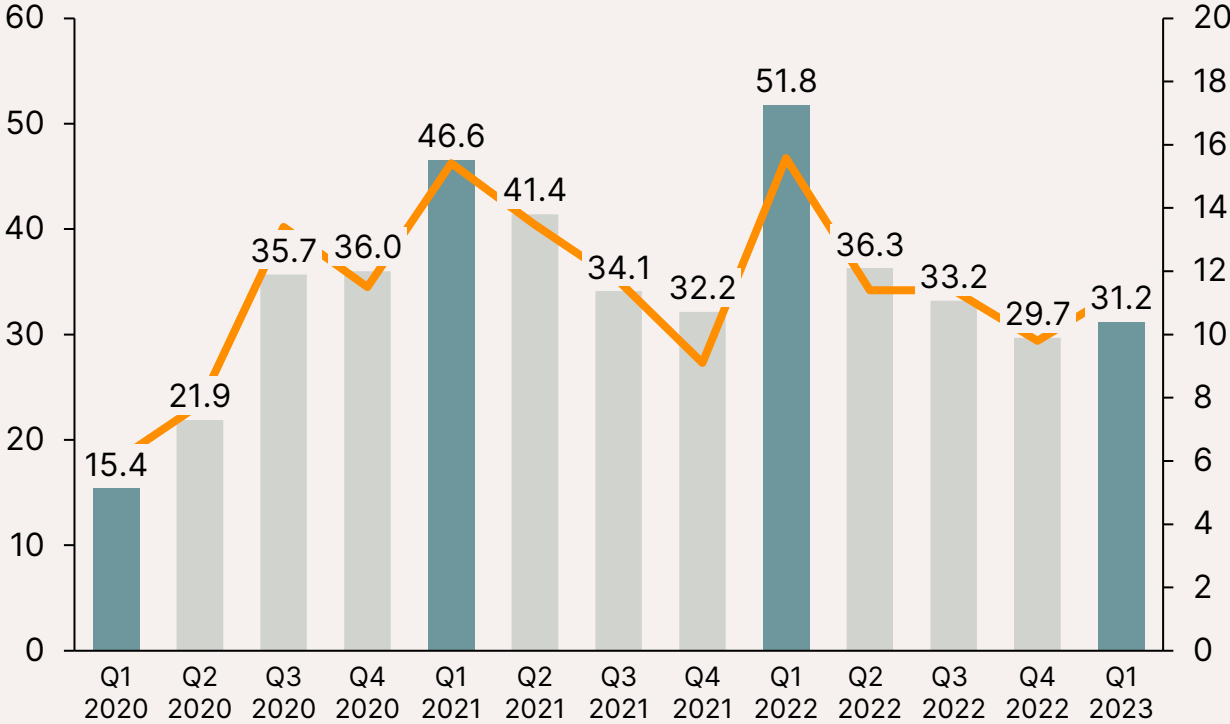


# Fiskars Group's quarterly development – last 3 years

NET SALES, EUR MILLION



COMPARABLE EBIT (EUR MILLION) AND EBIT MARGIN, %

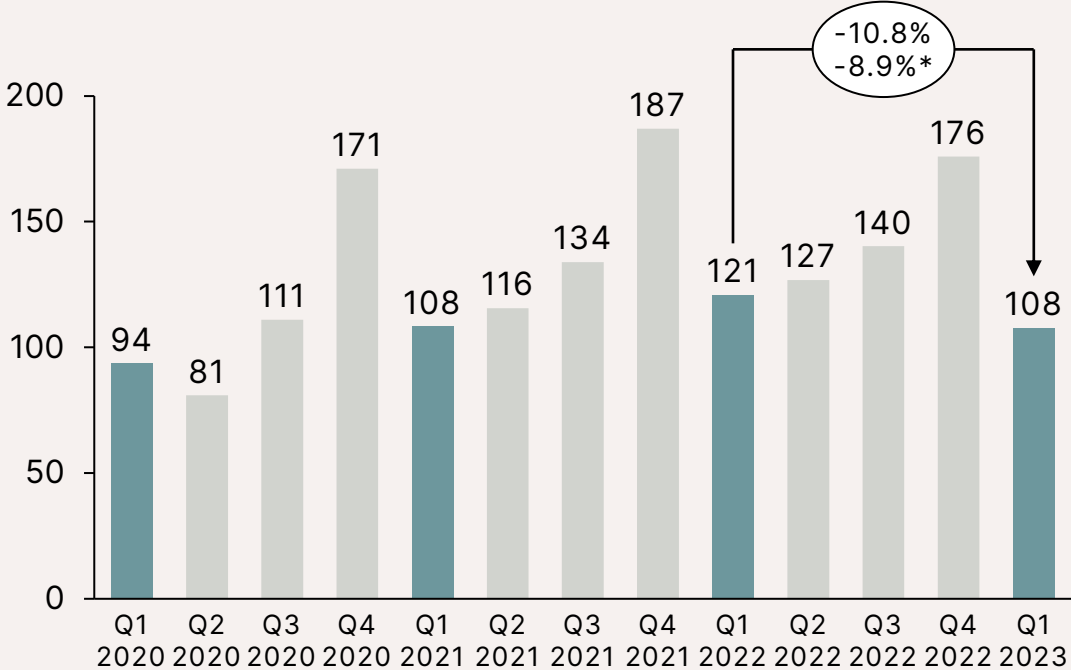


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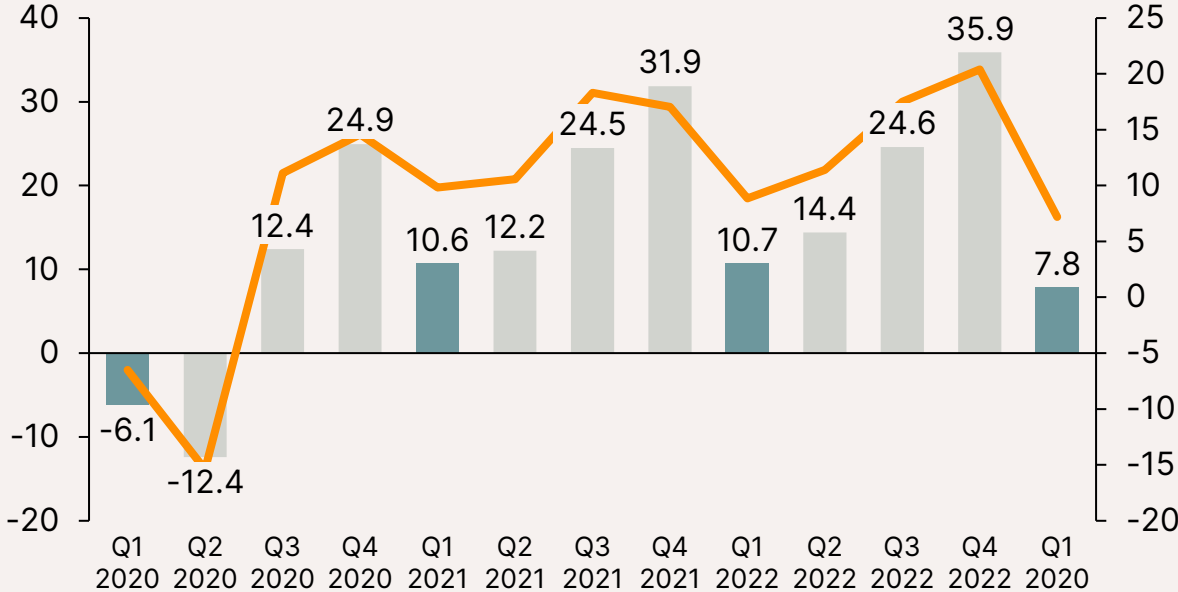


# BA Vita's quarterly development – last 3 years

**NET SALES, EUR MILLION**



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

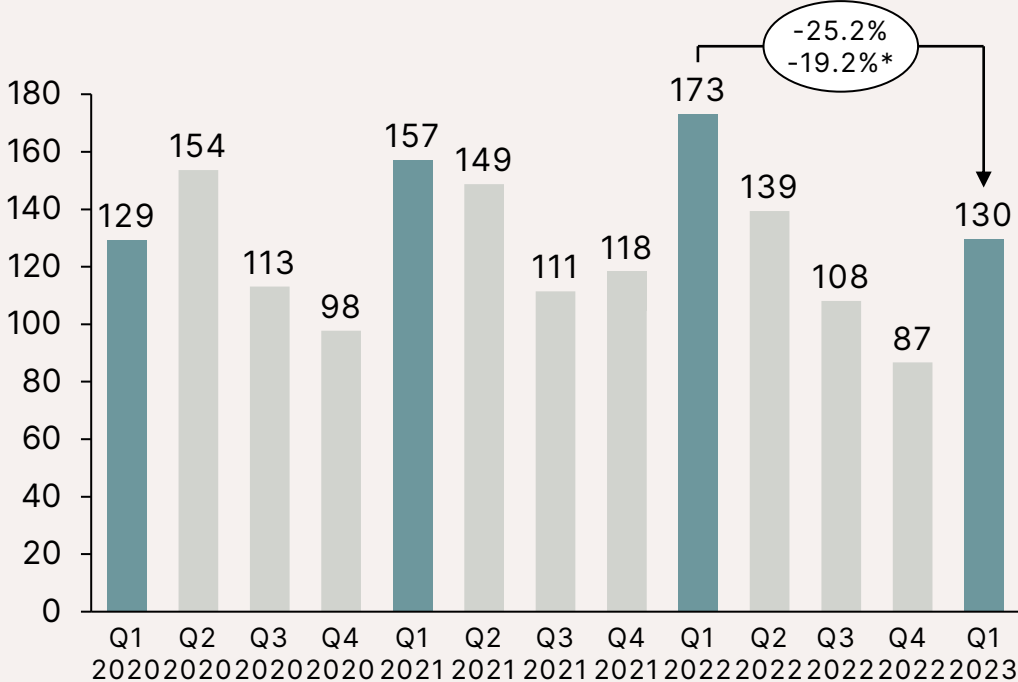


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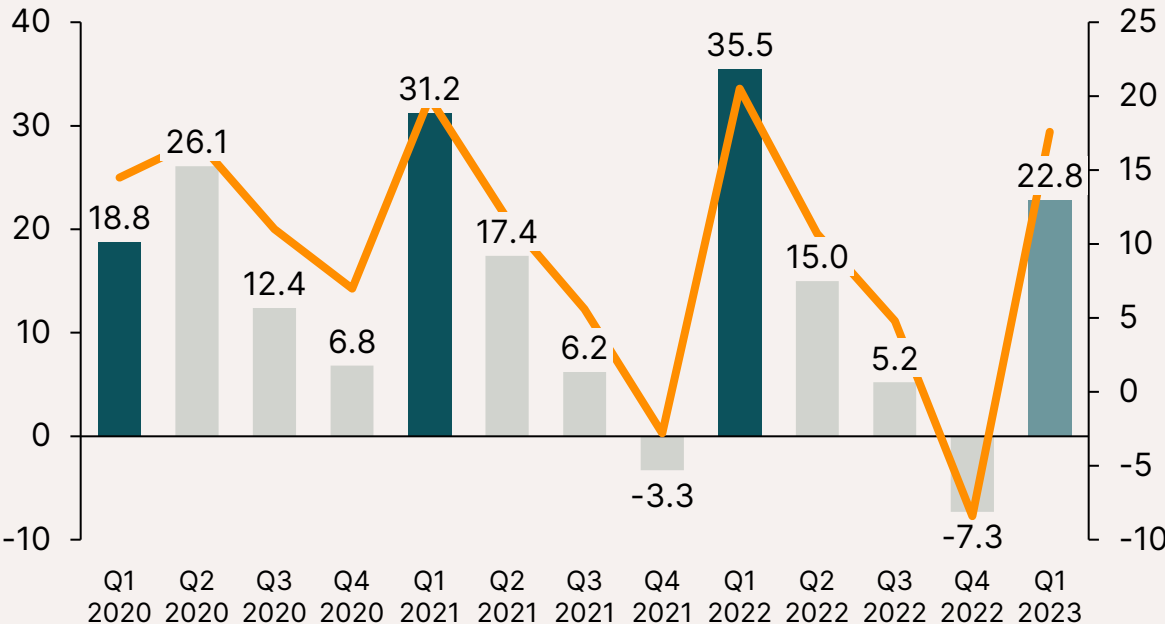


# BA Terra's quarterly development – last 3 years

**NET SALES, EUR MILLION**



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

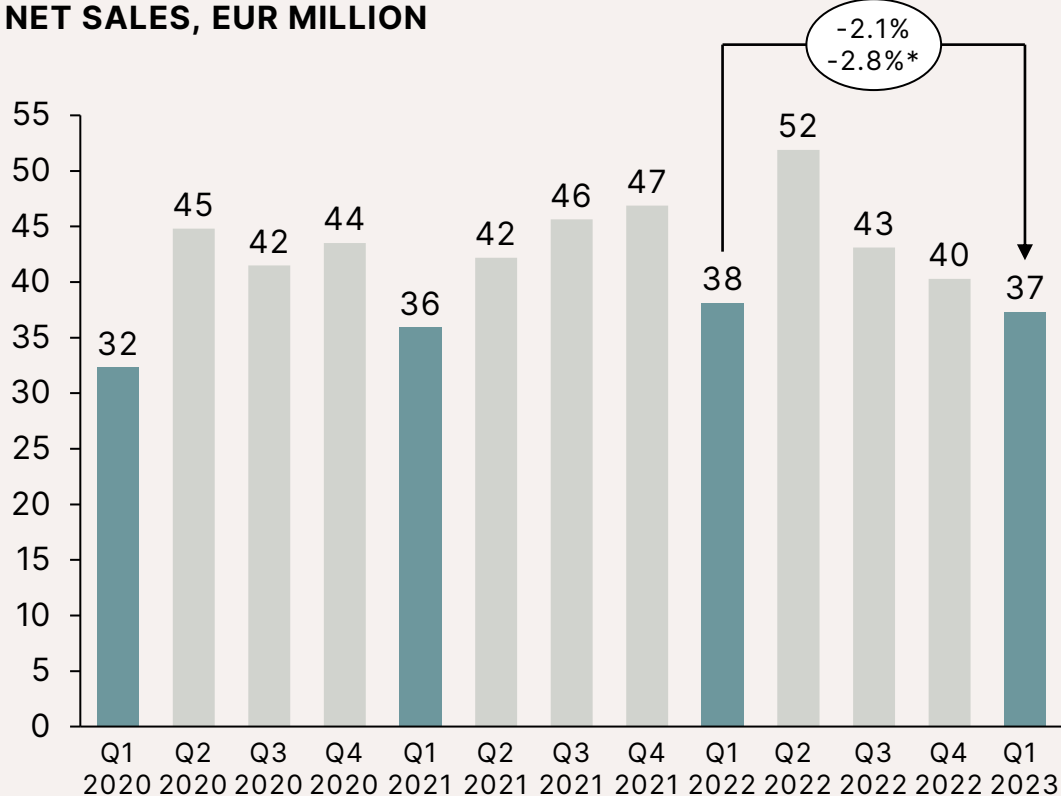


\*Comparable change = currency neutral & excl. divestments

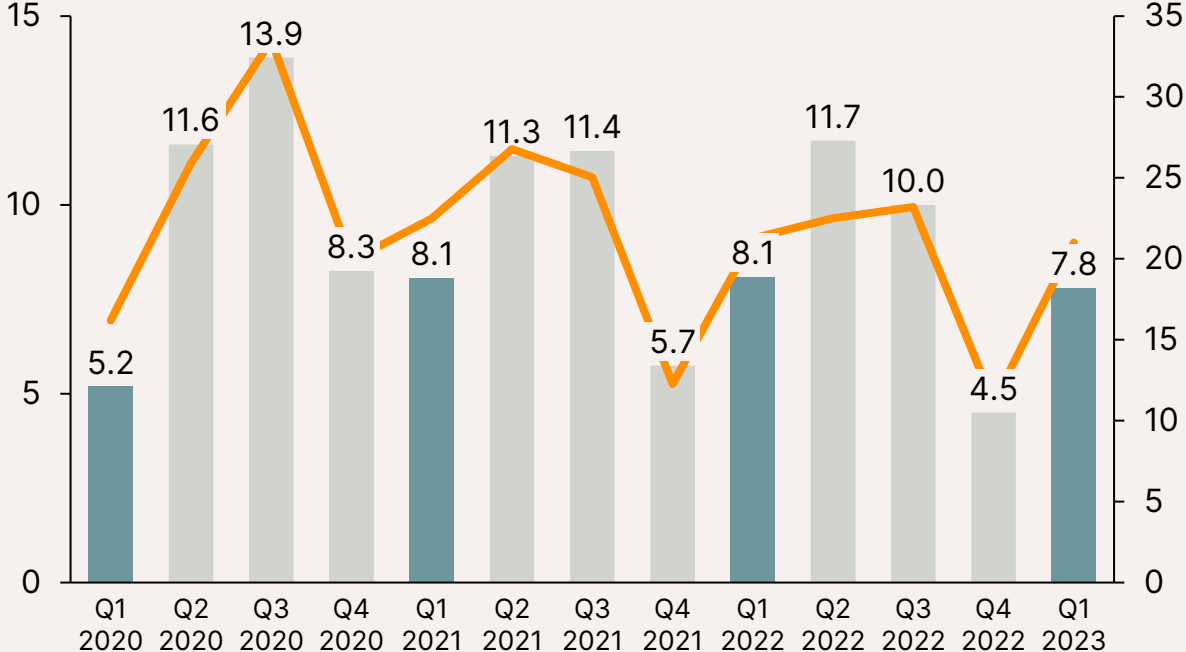


# BA Crea's quarterly development – last 3 years

**NET SALES, EUR MILLION**



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



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