

FISKARS
◆
GROUP

Interim report

January–March 2019

Today's speakers



Jaana Tuominen
President & CEO



Sari Pohjonen
CFO
Deputy to the CEO

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Fiskars Group believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Fiskars Group include, but are not limited to: (u) the macroeconomic development and consumer confidence in the key markets, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions, (iv) change in interest rate and foreign exchange rate levels, and (v) internal operating factors.

This presentation does not imply that Fiskars Group has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

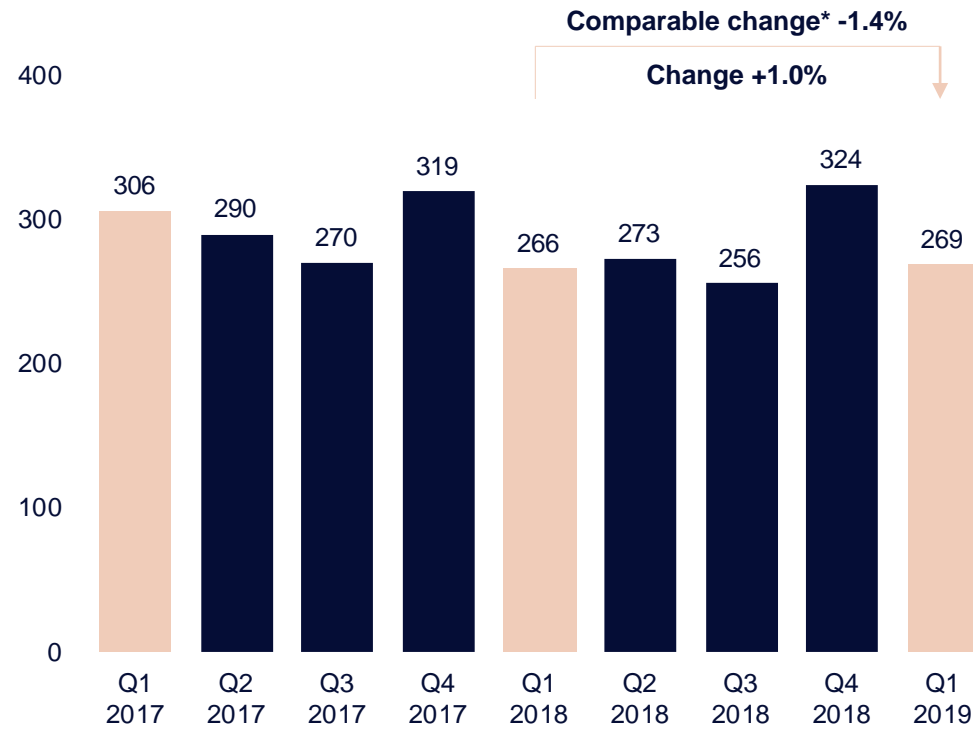
Key takeaways for Q1 2019

- Comparable EBITA increased, despite a decrease in comparable net sales
- Profitability improved clearly in the Functional segment, as comparable EBITA increased with comparable net sales remaining at the previous year's level
- Seasonally less important quarter for the Living segment, with comparable EBITA close to previous year's level
- Full year guidance unchanged

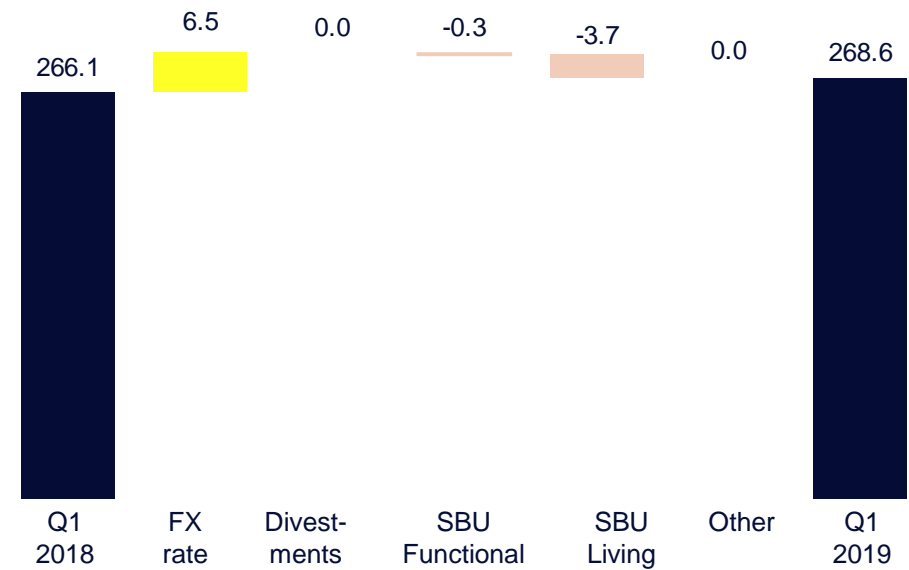


Fiskars Group comparable net sales in Q1 2019

Net sales, EUR million



Net sales bridge, EUR million

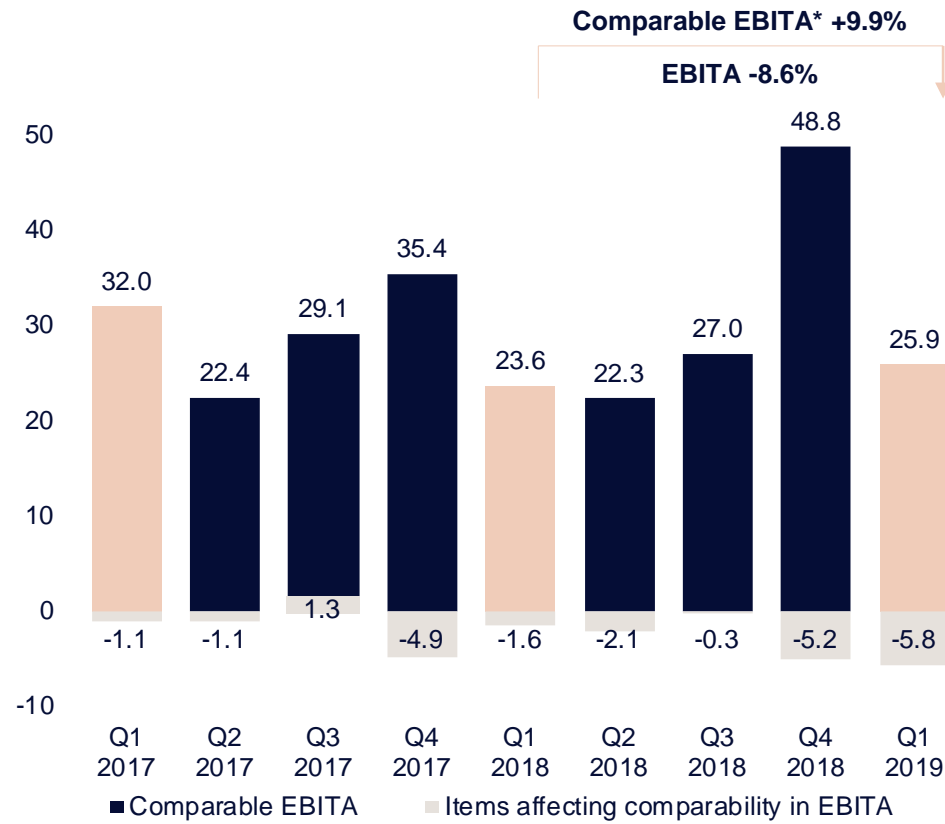


*Comparable change = currency neutral & excl. divestments



Fiskars Group comparable EBITA in Q1 2019

Comparable EBITA, EUR million



*Comparable change = currency neutral & excl. divestments

Comparable EBITA margin



Update on the Transformation program in the Living business

The Transformation program focuses primarily on:

- The English & Crystal Living business, to improve its profitability
- Planned actions in retail, distribution and supply network as well as organizational structure

In March, Fiskars Group announced plans to reduce UK production capacity.

The proposed changes aim to strengthen the business and improve the competitiveness of the Wedgwood brand. In total, the proposed changes are expected to result in a reduction of up to 145 jobs in the UK.

Targeted annual cost savings app. EUR 17 million

- Subject to the full implementation of the program
- Targeted cost savings would be achieved gradually, and the majority of the savings are expected to materialize after the program is completed (end of 2021)

Costs of the program app. EUR 40 million in 2018–2021

By the end of Q1 2019, EUR 8.1 million of costs had been booked

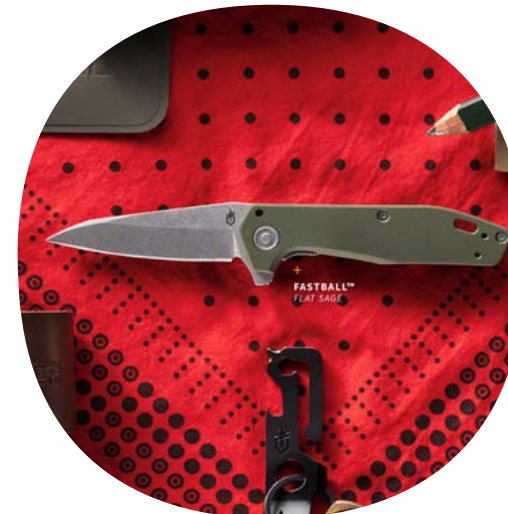


Functional marketing highlights in Q1 2019

The Fiskars brand launched a new marketing concept in EMEA. The “100% happiness” concept for the gardening category emphasizes the positive impact of gardening on happiness and well-being.

The Fiskars brand received seven Red Dot Design Awards for design excellence for its 2019 gardening and yard-care tools. Among the seven awards received, two were “Best of the Best” awards for ground-breaking design, including the new Norden axes.

Gerber had two separate product launches during the quarter. In January, the fishing category offering was extended with tools for saltwater fishing. In addition, Gerber launched a new Fastball finger flipper knife, extending the everyday carry product range.



Living marketing highlights in Q1 2019

littala and Arabia launched the new Vintage concept, where we buy and sell used littala and Arabia-branded tableware. The concept was piloted in 2018 with good results and feedback. Circular economy is part of Fiskars Group's sustainability focus areas, and the aim is to find new business opportunities based on it, such as Vintage.

littala's new dinnerware series Raami was given the opportunity to present the series as an window installation in both of the Museum of Modern Arts' museums in New York. The series started shipping at the beginning of the year 2019, with positive initial signals of sales development.

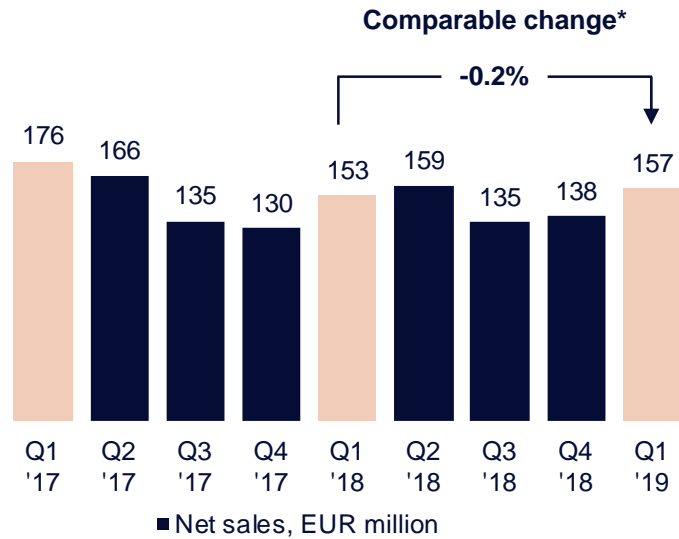
Blomst, the new dinnerware series by Royal Copenhagen was launched in Germany during the quarter. The series was introduced in 2018 and the distribution of the series has been expanded in stages.



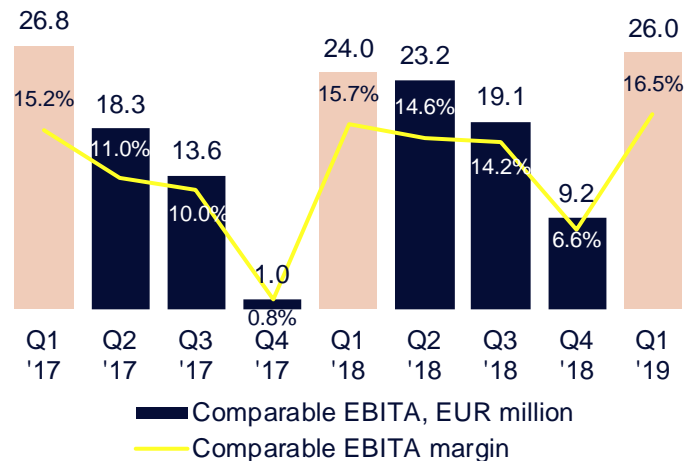
Q1 2019



Functional in Q1 2019



*Using comparable exchange rates

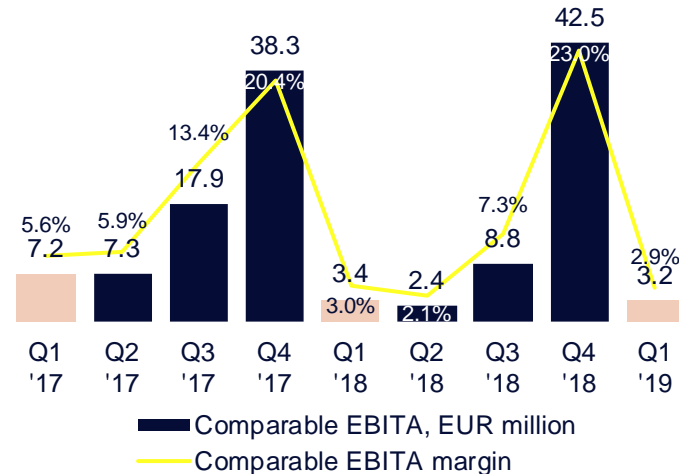
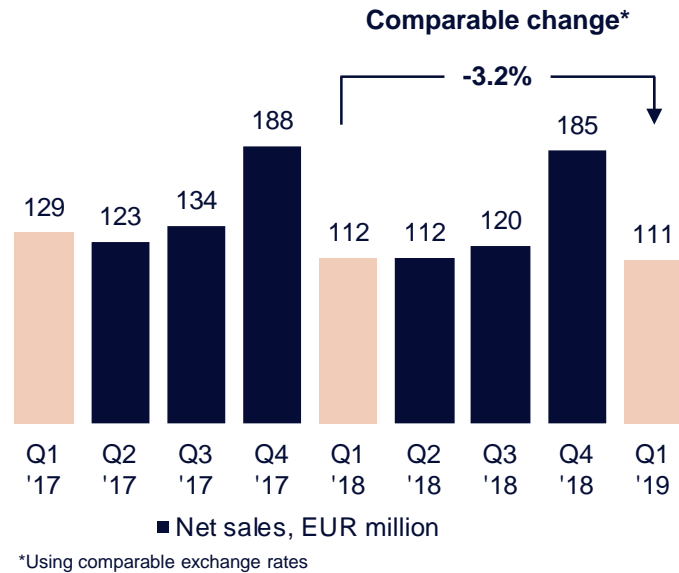


EUR million	Q1 2019	Q1 2018	Change	2018
Net sales	157.2	152.8	2.9%	585.2
Comparable EBITA	26.0	24.0	8.0%	75.5
Capital expenditure	3.0	3.3	-7.2%	18.9

- Comparable net sales remained close to the previous year's level
 - Comparable net sales increased in EMEA and the Outdoor business. The positive development in EMEA was driven by snowtools, cooking products and the gardening preseason. The positive development in Europe also continued in the Outdoor business
 - Comparable net sales decreased in the Americas. The weather conditions during the quarter were unfavorable, creating a slow start to the gardening season, which had a material impact on sales on the watering category. The weather also slowed sales in the gardening category, which still did grow somewhat from the previous year's level
- Comparable EBITA increased during the first quarter
 - Comparable EBITA was supported by the net sales development in EMEA and the Outdoor business
 - The decrease in comparable net sales weighted on the comparable EBITA in the Americas



Living in Q1 2019



EUR million	Q1 2019	Q1 2018	Change	2018
Net sales	110.5	112.4	-1.7%	529.6
Comparable EBITA	3.2	3.4	-4.6%	57.0
Capital expenditure	4.0	5.1	-21.8%	23.8

- Comparable net sales decreased by 3.2%.
 - Comparable net sales increased in the Scandinavian Living business. The growth was fueled by the Asia-Pacific region, particularly Japan, whereas it decreased in Europe
 - Comparable net sales decreased in the English & Crystal Living business, as a result of challenges in the Americas and Europe, but increased in the Asia-Pacific region
 - The first quarter is typically less important for the full-year performance for the Living segment
- Comparable EBITA decreased during the first quarter
 - Comparable EBITA increased in the Scandinavian Living business
 - In the English & Crystal Living business comparable EBITA decreased, as lower volumes and unfavorable channel and product mixes impacted profitability



Net sales by geography in Q1 2019

EUR million	Q1 2019	Q1 2018	Change	Comparable change*
Europe	130.1	125.8	3.4%	4.3%
Americas	104.4	110.3	-5.3%	-11.0%
Asia-Pacific	33.5	31.4	6.4%	4.6%
Unallocated**	0.6	-1.5		

*Using comparable exchange rates

**Geographically unallocated exchange rate differences

- Net sales in Europe increased, mainly supported by the Functional segment
- Net sales in the Americas decreased. The Functional business in the Americas and the English & Crystal Living business both faced challenges
- Net sales increased in Asia-Pacific, supported by the Living segment in Japan



Other segment

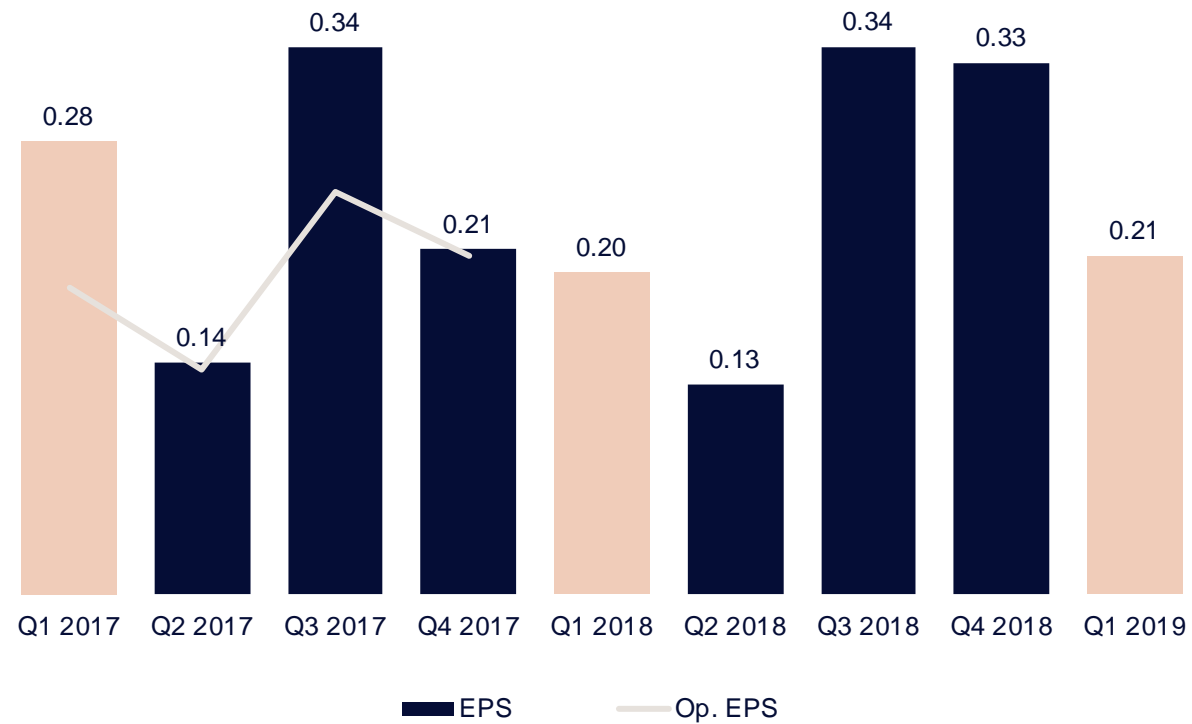
The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services

At the end of Q1 2019, Fiskars Group owned 32,645,343 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital

The shares in Wärtsilä were valued at EUR 469.6 million (586.0) at the end of the quarter



Earnings per share increased in Q1 2019

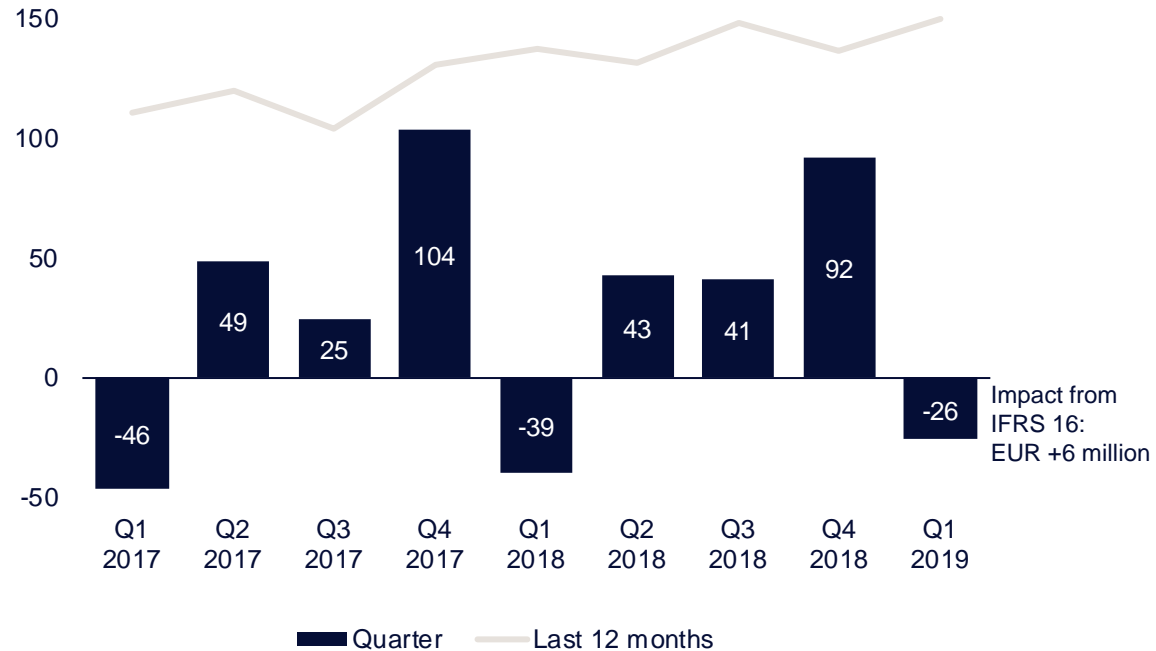


EPS (for Q1- Q4 2017 restated to current accounting practice)
Operative EPS (reported until Q4 2017)

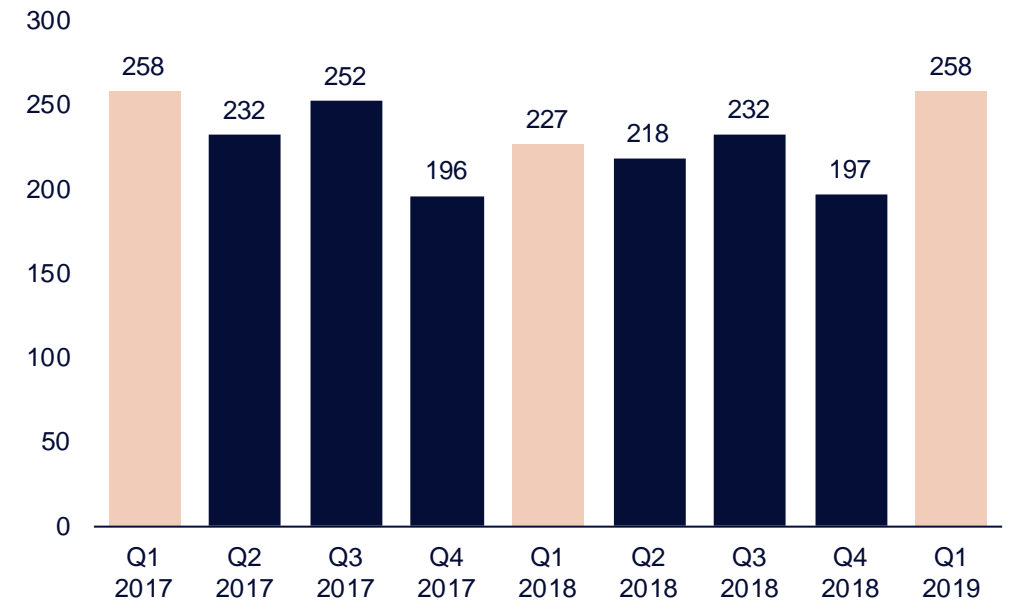


Cash flow improved

Cash flow from operating activities before financial items and taxes, EUR million

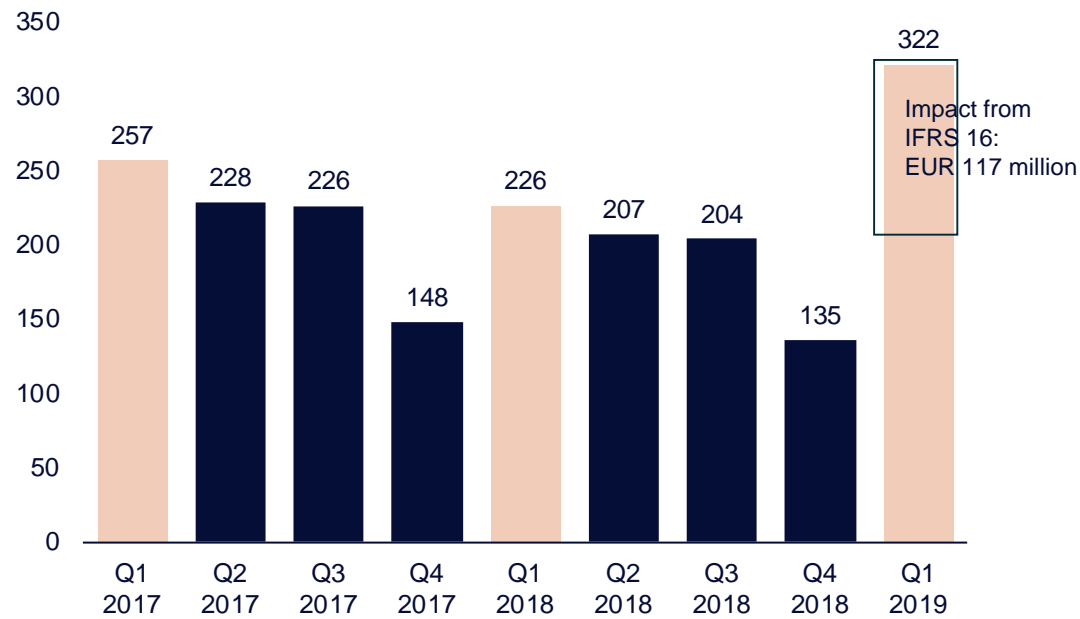


Working capital, EUR million

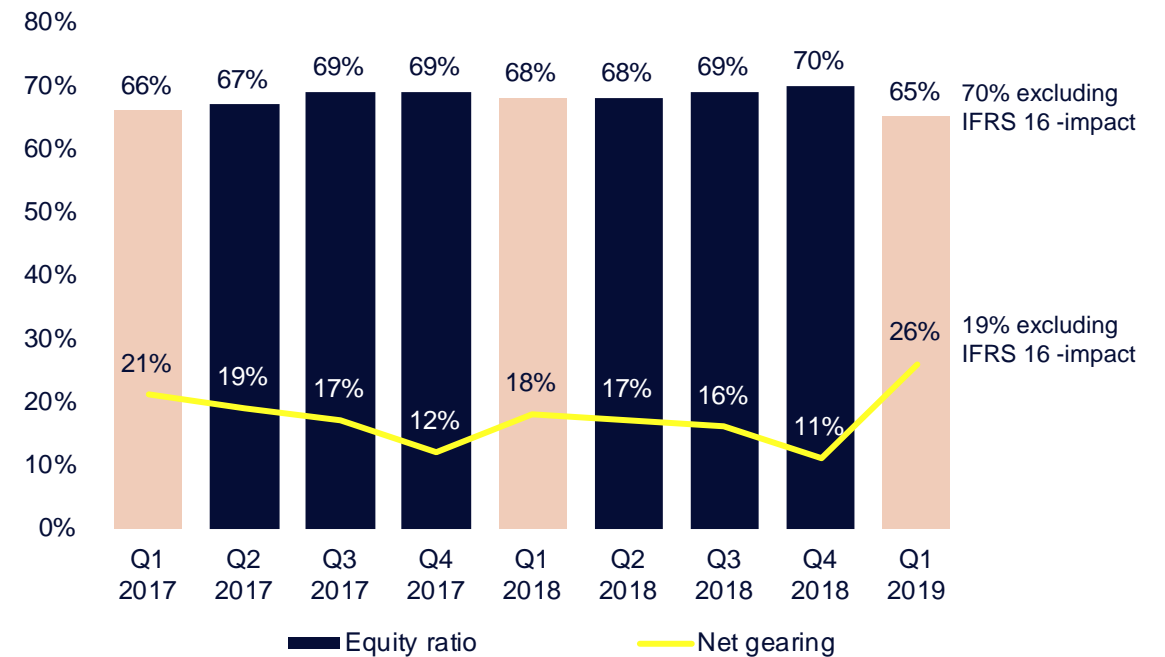


Net debt decreased excluding the impact from IFRS 16

Net debt, EUR million



Equity ratio and net gearing



Outlook for 2019 unchanged:

In 2019, Fiskars Group expects the comparable net sales and comparable EBITA to be at the same level as in 2018

The outlook is influenced by the company's investments in growth initiatives that are expected to add sustainable value in the long-term. In addition, there are material risks relating to changes in the operating environment, e.g. Brexit and the U.S. tariffs. An unfavorable outcome of these risks might have a significant impact on the comparable net sales and comparable EBITA.

Furthermore, fluctuations in currency rates might also have a considerable impact on comparable EBITA.

Comparable net sales excludes the impact of exchange rates, acquisitions and divestments. Items affecting comparability in EBITA include restructuring costs, impairment charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses.



Long-term financial targets



Growth

The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions



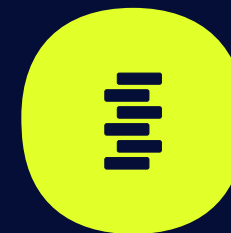
Profitability

EBITA margin to reach 12%



Capital structure

Net gearing* below 100%



Dividend

Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

Q1/19

1.0% YoY
-1.4% YoY (comparable)

7.5%
9.7% (comparable)

26%

2018

-5.6% YoY
-2.4% YoY (comparable)

10.1%
10.9% (comparable)

11%

A total of EUR 0.54 per share, paid in two installments of EUR 0.27 per share. Additionally, a distribution of Wärtsilä shares

**Net gearing ratio is the ratio of interest-bearing debt, less interest-bearing receivables and cash and bank equivalents, divided by total equity



Dividend authorized by the AGM:

- Cash dividend of EUR 0.27 per share in March and an authorization to distribute an additional EUR 0.27 per share in September
- Distribution of Wärtsilä shares as a extra dividend

A shareholder would receive 2 shares in Wärtsilä for every 5 shares in Fiskars Group

Fractional entitlements to be compensated in cash

The Board of Directors is authorized to decide on the share distribution in June. This is the earliest time for a technically secure implementation as guided by Euroclear Finland

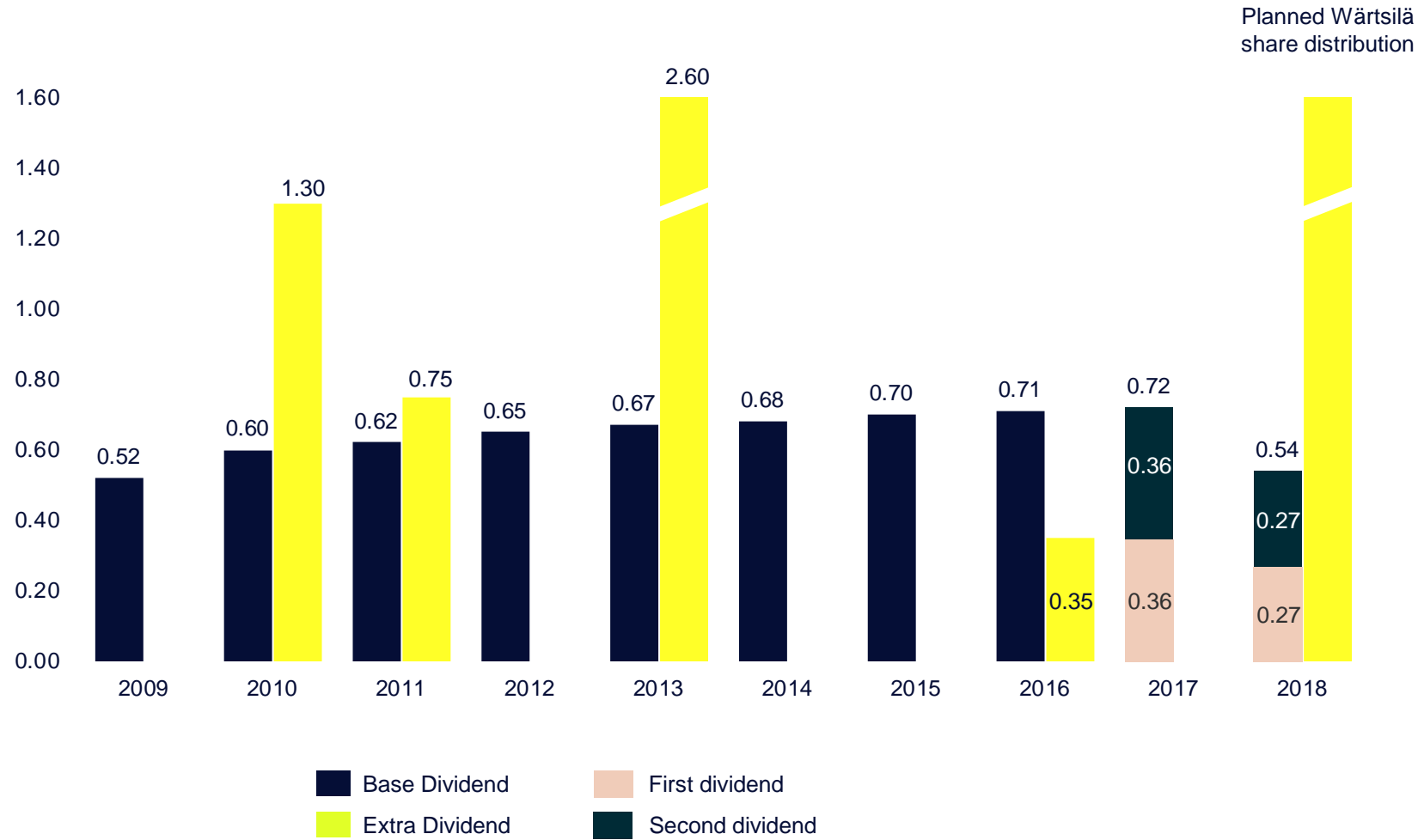
Long-term financial targets intact:

After the potential distribution of the Wärtsilä shares to shareholders, Fiskars would cease to receive dividend income on those shares.

Hence, the Board of Directors proposes to lower the regular cash dividend accordingly. This would affect the baseline for the future development of Fiskars' dividends. The target is still to distribute a stable, over time increasing dividend.

The target regarding growth is to achieve an average annual net sales growth exceeding 5%, through a combination of organic growth and targeted acquisitions. Acquisitions continue to be a relevant option for the company to deliver on the strategic priorities and long-term financial targets

Dividend track



Making
the everyday
extraordinary